



AGENDA STAFF REPORT

MEETING DATE: 5/7/2024

AGENDA SECTION: STUDY SESSION

SUBJECT:

Report from the City of Hanford Revenue Measure Committee Chair and Vice-Chair regarding the Committee's confirmation that there is a need for potential revenue measure

RECOMMENDATION:

Recommendation: Staff recommends that City Council receive a presentation from the Chair and Vice-Chair of the Revenue Measure Committee (RMC) on the Committee's recommendation to Council that there is a need for a revenue measure.

Recommended Motion: There is no specific action requested. City Council's feedback is encouraged.

BACKGROUND:

The Revenue Measure Committee (RMC) has met since February 13, 2024 and over the course of ten meetings, is now thoroughly educated on the primary functions of departments, which are funded out of the City's General Fund. Information and materials that were presented to the RMC are available on the City's website at www.hanfordca.gov/RevenueMeasure.

The Revenue Measure Committee recommends to City Council:

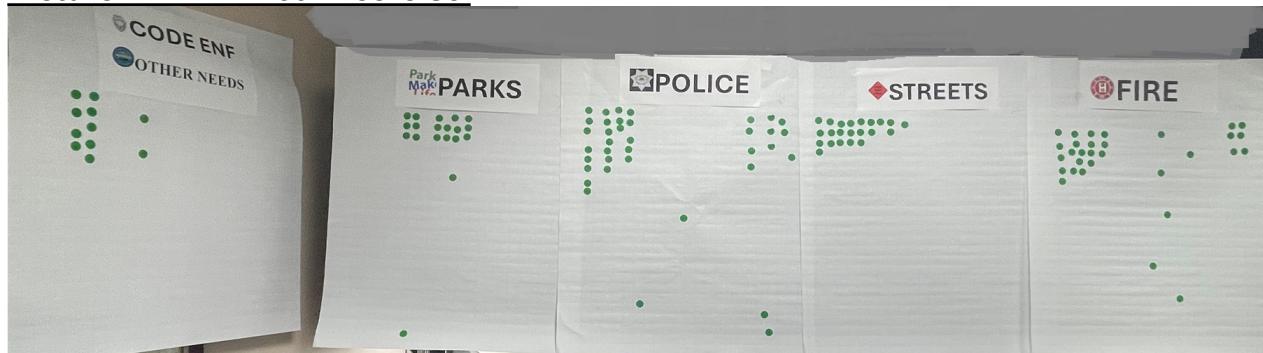
- a. Draft Expenditure Plan
- b. There is a need for a potential revenue measure

Below is a summary of where, when and what meetings have previously been conducted by the RMC:

<u>Date</u>	<u>Topics (subject to modification)</u>			
2/13/2024	Purpose, organization, intro to finance 101			
2/21/2024	General Fund, trends and condition, options for revenue			
2/28/2024	Police, questions from prior			
3/6/2024	Fire, questions from prior			
3/20/2024	Streets, questions from prior			
3/27/2024	<i>Spring Break</i>			
4/3/2024	Parks and other needs, questions from prior			
4/6/2024	Tour of City facilities			
4/10/2024	Discussion of needs, where should \$ go			
4/17/2024	Development of recommendation to City Council			
4/24/2024	Development of recommendation to City Council (if needed)			

At the April 10, 2024, meeting, the RMC conducted a priority "DOT" exercise that allowed each member to express their priorities for any additional funding that the committee may ultimately recommend. There were twelve (12) members present at that meeting and each member was provided with 10 dots to place on the board(s) that they considered to be priority areas for additional funding. Below are the results for (in ranking order) Police, Fire, Streets, Parks and Code Enforcement/Other Needs.

Picture 1: RMC 'Dot Excercise'



In addition, the RMC provided details on what specific types of priorities they believe may warrant attention in the five groups (see Table 1 - Revenue Measure Committee - Dot Priority Comments).

After discussion with department heads, who are experts in their respective fields; giving consideration to those priorities as indicated by the RMC; and factoring in preliminary results of the National Community Survey, staff has developed a draft Expenditure Plan (Attachment 'A'), which would fund those priority areas in the General Fund into a better position to be able to protect and preserve the services and facilities that residents and businesses may most value and appreciate.

At the April 17th meeting, the RMC considered a draft expenditure plan, as proposed by staff based on priorities identified by the RMC, and to provide any recommended changes to the Plan that can be supported by the majority of the RMC members. A draft Expenditure Plan was unanimously accepted by the RMC (Attachment 'A'). A version of staff's Expenditure Plan with wording updates from the RMC is also attached (Attachment 'B').

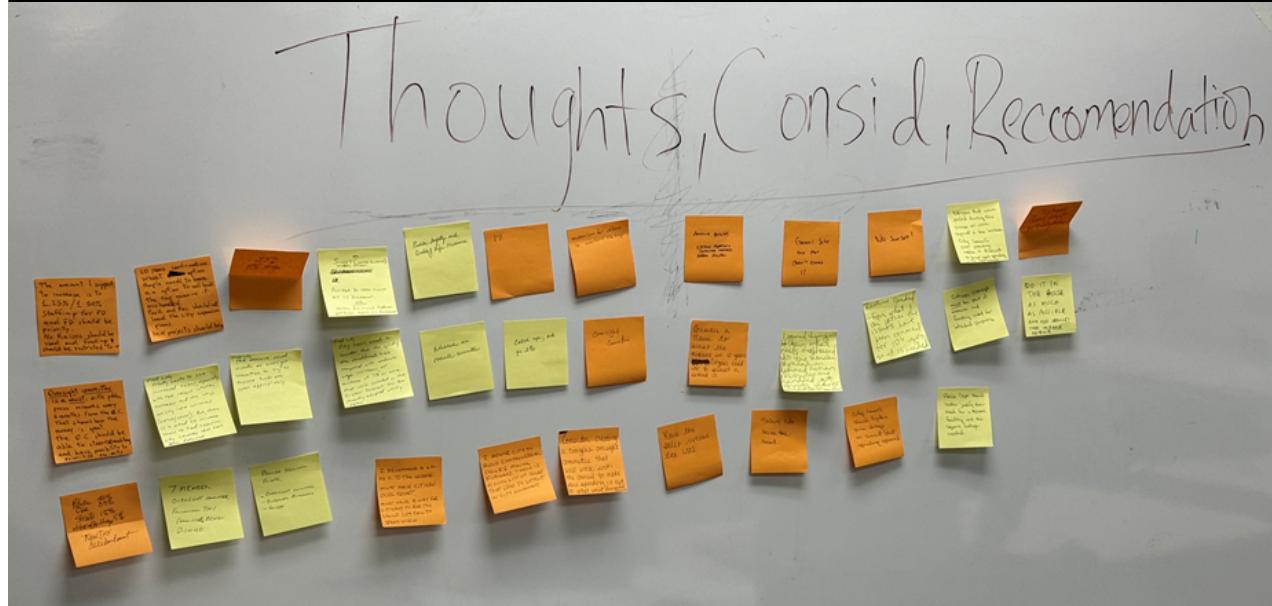
The draft Staff and RMC Expenditure Plans are now provided to Council in line with the goal

established for the RMC to "...review the needs of the community and the City's financial ability to meet those needs and to make a recommendation to the City Council if they ultimately support a revenue measure for the November ballot." The amount could be increased (adding services, facilities) or decreased (decreasing services, facilities) based on further development.

At the April 24th meeting, the RMC took final action on recommendation if there is a need for a potential revenue measure. With 12 members present, the RMC voted to recommend to City Council there is a need for a potential revenue measure by a vote of 9-3.

In addition to fulfilling the direction of City Council, the RMC has also provided members' final thoughts for City Council's consideration. After group discussion at its final meeting, and to be fair to each member of the RMC, every member was provided with three "post it" notes to put down their top thoughts about a potential revenue measure, in addition to the recommendation and draft Expenditure Plan presented. 34 notes were returned. The list of these thoughts by the members is included in Attachment 'C' of this report. Picture '1' shows the final thoughts from members on the "post it" notes which is also included for reference (listed in Attachment 'C'):

Picture 1: Final Thoughts, Considerations and Recommendations from RMC members



City Council will also be able to consider professional expert feedback from:

- Staff outreach and research efforts (i.e- National Community Survey)
- Polling consultant (FM3)
- Community consultant (Trust for Public Land)
- Information outreach consultant (To be determined in separate action today)

The final amount and final version of any Expenditure Plan, as well as any proposed ballot language for a potential measure, is to be further refined with direction by City Council over the course of the next few months as more information is gathered and reviewed.

Staff will return to City Council in June to present results of the professional polling completed by FM3 with the City's selected information outreach consultant for continued discussion with City Council.

FISCAL IMPACT:

There is no financial impact with this item. For reference, should a potential revenue measure such

as a sales tax be presented to voters the below table shows the approximate amount the City could receive:

Sales Tax Revenue in 0.25% increments, max of 2%

Based on March 2024 estimates

<u>Amount</u>	<u>Estimated Revenue</u>
0.25%	\$4,800,000
0.50%	\$9,600,000
0.75%	\$14,400,000
1.0%	\$19,200,000
1.25%	\$24,000,000
1.50%	\$28,800,000
1.75%	\$33,600,000
2.00%	\$38,400,000

ATTACHMENTS:

1. RMC Dot Priority Comments 4.10.24
2. RMC EP v1 4.24.24
3. Staff EP v2 4.24.24
4. RMC Comments 4.24.24