

## RESOLUTION 2025- ###

### **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO AUTHORIZING THE CITY MANAGER TO DETERMINE AND EXPLORE FURTHER POLICY FEASIBILITY OF NEW GENERAL FUND REVENUE MECHANISMS (IN SEQUENTIAL RANK-ORDER) WITH NECESSARY COMMUNITY EDUCATION AND OUTREACH EFFORTS, AND INCLUDING POTENTIAL ELECTORATE AND PROPERTY OWNER POLLING UNDER THE CITY MANAGER'S BUDGET AUTHORITY FOR FISCAL YEAR 2024 – 2027 PERIOD**

WHEREAS, *Annual Year-end City Survey; and under Major Policy Goal: Focus on Economic Development and Fiscal Diversification, Policy No. #414 – New Strategic Budget Initiatives to Address new Structural Deficits forecasted for FY 2025-2027 Period* are current adopted policy items in the FY 2023-25 Council Priority Workplan, Effective May 1, 2023;

WHEREAS, the City Council authorizes an annual year-end community survey to be conducted each year by the City's community outreach consultant, Strategy Research Institute, Inc. (SRI), for purposes of civic engagement and community outreach to the community at-large to solicit feedback on a number of core values, needs, and priorities being undertaken by the City for future policy decision-making by the City Council;

WHEREAS, during January 6 - 16, 2025, SRI conducted the 2024 Year-End Annual City Survey, and collected, evaluated and interpreted all survey data into summary findings for formal presentation to the City Council on March 3, 2025;

WHEREAS, previously noted on December 13, 2023, following formal presentation of the City's new Long Range Financial Forecast Plan, a new City financial condition was established (i.e. -\$8.7M cumulative deficit for FY 2025-2027 period forecasted);

WHEREAS, on December 16, 2024, following presentation of a proposed FY 2024-26 City Council Priority Workplan Amendment #10 on December 9, 2024, the City Council adopted Resolution 2024-149 which identified a total of seven (7) new, potential GF revenue mechanisms to be explored for their potential policy feasibility by the City Manager following approval on new Revenue Enhancement Recommendations (Tiers I, II, and III) as presented by NBS Government Finance Group; and

WHEREAS, the City Manager sought City Council approval to add these new revenue mechanisms (Tiers II-III only) as a component of the 2024 Year-end Annual City Survey process to examine the propensity of potential local support from survey respondents (i.e. community at-large) to support current or future policies or programs in the upcoming future election cycles beginning in 2024 through the end of 2026.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Pablo hereby authorizes the City Manager to determine and explore further policy feasibility of new general fund revenue mechanisms (in sequential rank-order) with necessary community education and outreach efforts and including potential electorate and property owner polling under the City Manager's budget authority for Fiscal Year 2024 – 2027 period as noted under Table B below:

<b>TABLE B: NEW FUTURE FUNDING MECHANISMS FOR POLICY FEASIBILITY (IN SEQUENTIAL RANK-ORDER) FOR FY 2024 – 2027 PERIOD</b>		
<b>Future Funding Mechanism (Rank-Order)</b>	<b>Description and Annual Revenue Generation (est.)</b>	<b>Target Election Cycle or Timeframe</b>
<b>1. Half-Cent (1/2) Sales Tax Measure</b>	Establishes a new, \$0.50 cents tax on existing sales tax rate to fund/sustain general municipal services (i.e. youth, senior, public safety, illegal dumping, tenant protection, street maintenance services; etc.)  Amount: \$2.0M Annually	<b>Electorate vote; June or November 2026 Ballot Measure (TBD)</b>
<b>2. City-wide Landscape and Lighting District Property Assessment Increase (TBD – parcel tax assessment)</b>	Increase Property Assessments from \$72 to \$144 per S/F parcel to eliminate/reduce Annual GF Subsidy to LLAD; Eliminates or Reduces  Amount: Reduces (-\$1.5M) Annual GF Subsidy)	<b>Property Majority Protest Ballot Measure (Spring 2026)</b>
<b>3. Increase the Utility Users Tax (UUT) +2.0%</b>	Since 2004, the City's Utility Users Tax (UUT) rate is 7% on cable television, telephone, electricity, natural gas and water service. This tax is collected by each respective utility and remitted to the City.  Amount: \$872,000 annually (+2%)	<b>Electorate vote; June or November 2026 Ballot Measure (TBD)</b>
<b>4. Change from General Law to Charter City and establish new Real Estate Property Transfer Tax</b>	Establish new tax of +12% per \$1,000 property sale value on all properties solid within City limits.  Amount: \$1M annually (3 year avg.)	<b>Electorate vote; June or November 2026 Ballot Measure (TBD)</b>
<b>5. Stormwater Property-Related Fee</b>	To meet increased Stormwater NPDES regulations for City's stormwater infrastructure and run-off. These State regulations involve paying for enhancements to reduce urban street flooding, keeping waste and contaminants out of the City's stormwater conveyance system, as well as on-going maintenance to the City's stormwater system.  Amount: \$250,000 annually	<b>Property Majority Protest Ballot Measure; (TBD)</b>

BE IT FURTHER RESOLVED that the foregoing recitations are true and correct, and are included herein by reference as findings.

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ADOPTED this 3rd of March, 2025, by the following vote:

AYES: COUNCILMEMBERS:  
NOES: COUNCILMEMBERS:  
ABSENT: COUNCILMEMBERS:  
ABSTAIN: COUNCILMEMBERS:

ATTEST:

APPROVED:

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Dorothy Gantt, City Clerk

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Arturo Cruz, Mayor