



## AGENDA STAFF REPORT

**MEETING DATE:** 6/18/2024

**AGENDA SECTION:** GENERAL BUSINESS

**SUBJECT:**

Council review and Final Approval of the Revenue Measure Expenditure Plan which specifies the uses of the proceeds of the potential transactions and use (sales) tax

**RECOMMENDATION:**

Recommendation: That the City Council approve the Revenue Measure Expenditure Plan which specifies the uses of the proceeds of the potential transactions and use (sales) tax

Recommended Motion: Approve the Revenue Measure Expenditure Plan which specifies the uses of the proceeds of the potential transactions and use (sales) tax

**BACKGROUND:**

Overview

After review/approval of the City's budget and awareness of the City's General Fund financial condition over the last several years, City Council established (January 2024) a Revenue Measure Committee to determine if a revenue measure was needed based on departmental needs assessments. Over the course of many meetings, the RMC voted that a measure was necessary and unanimously adopted a Draft Expenditure Plan (Plan) based on an exercise that ranked and detailed needs. The Plan includes core areas of operation that the City's General Fund sustains, which could benefit from additional revenue that a potential revenue measure could bring in for the City. Police, Fire, Parks, Streets, Code Enforcement and Other Needs were all areas covered and currently addressed in the Plan.

Council received the Draft Plan at the June 11, 2024 City Council meeting and did not propose any changes to the Draft Plan. The Plan, as attached, is the same as the Draft Plan presented at the June 11, 2024 meeting.

The Expenditure Plan

The Plan outlines what elements will be addressed over a 10-year period, although operations or projects included have ongoing needs or lifespan longer than a 10-year period. However, the Plan lays out a foundation for what could potentially be delivered in that period of time if revenues were realized. Should a revenue measure pass, each year would be looked at independently prior to budget adoption.

After considering all needs, the Plan signifies that a one cent (percent) transaction and use (sales) tax would be necessary. Actual expenditures for projects would be subject to final costs and would need to be determined as projects advance. Operational expenses related to personnel could vary as

they are planned towards the high end of salary and benefit costs. Although some of the elements in the Plan are set amounts, some elements included have assumed annual increases. Should a revenue measure be approved, this Plan would be the basis for future budget development as approved by a potential Oversight Committee and City Council.

The following general assumptions are included:

- 2% annual increase in personnel costs
- 3% annual increase in costs for Road Rehabilitation and Pavement Preservation
- 1% annual increase in park maintenance and improvement costs

Staff believes these to be the minimum cost increases for these areas, but the actual costs may be more.

In discussion with staff and 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 updated the Expenditure Plan which would fund those priority areas in the General Fund into a better position to be able to preserve and improve the services and facilities that residents and businesses may most value and appreciate. The RMC adopted a draft Expenditure Plan unanimously which is the basis of the Plan presented. The Plan presented today does not deviate significantly from the original RMC adoption and is the same Plan that was presented at the June 11, 2024 meeting.

### **Narrative Summary of Plan Elements**

The following is a detailed listing of elements in the Plan:

#### ***Police***

8 Police Officers - These officer positions would be added to Patrol shifts. There are four shifts, so the addition of officers in increments of four is best for the City to see the greatest impact on working towards proactive responses to criminal activity that happens 24 hours a day.

4 Homeless Assistance positions - Three Homeless Assistance Response Team (HART) positions would be added to the existing HART positions. Currently, there are two officers assigned to HART. As planned, there would be two additional officers assigned to HART to cover all four shifts 24 hours a day, in addition to a Sergeant position to supervise the HART team directly and coordinate homeless assistance efforts across all City departments. An additional Park Resource Officer (PRO) would also be added in order to be able to cover all days of the week with two officers working as PROs. Most times, homeless assistance efforts are needed all days of the week and 24 hours a day. These additions would also free up patrol officers' time in order to achieve proactive measures to mitigate criminal activity (not homelessness related).

12 Police Cars and Equipment - For twelve new sworn officer positions on patrol and for homeless assistance. There would be a capital outlay required for vehicles and equipment.

Public Safety Building - The City's existing facilities for the Police Department are substantially aged. Police facilities no longer provide adequate space for many police functions as well as parking, and are in need of significant improvements that will be costly and ultimately still leave deficiencies. A new facility for police operations as well as Fire Administration (currently at Fire Station 1) is proposed in order to provide the City with efficient and effective working space. The current cost estimate of a Public Safety Building is approximately \$50 million based on other cities recent builds. The City would need to purchase property and hire a consulting firm to provide a needs assessment

and schematic (preliminary) design to be able to get a better estimate. The Expenditure Plan assumes a 25-year payback period.

**5 Professional Staff** - This area would include the addition of professional staff such as Police Service Technicians, systems staffing, other administrative personnel or dispatchers. Professional staff can take on many duties that sworn personnel must otherwise do, at a lower cost and make efficient use of sworn personnel's time.

**Professional Staff Vehicles and Equipment** - With the addition of staff such as Police Service Technicians, a capital outlay would be required for vehicles and equipment.

**1 Specialty Vehicle** - Many specialty vehicles for the Police Department are or soon to be outdated. The Plan includes replacement of a specialty vehicle for SWAT or another specialty unit.

### ***Fire***

**5 new firefighters** - These firefighter positions would be added to existing staffing levels across all fire stations and shifts. While minimum staffing levels will remain, these positions will be used to augment existing levels or, as needed maintain minimum staffing (Captain, Engineer and Firefighter) due to paid time off or vacancies. This will help to maintain response times and improve morale by not requiring staff to come in to work to maintain minimum staffing.

**Professional Staff (1)** - This position would be an analyst level position to assist in the administration of the department and coordinate financial, payroll and other administrative functions for the department. By alleviating some of this work from sworn fire personnel, more focused efforts will be enabled in fire suppression efforts and preparedness in a more cost-effective fashion.

**Station #4 Construction** - Construction of Station #4 will occur, which will help to improve response times across all the City.

**Station #4 Staffing** - This includes minimum staffing for each shift (three shifts) with a Captain, an Engineer and a Firefighter.

**New Fire Engine (Station #4)** - Addition of a new fire engine for Station #4.

**Station Improvements/Equipment** - To address needed fire station improvements (stations 1-3) and necessary equipment that otherwise would not be funded. Stations increasingly show signs of wear and tear and, with the potential for additional staff, may require some expansion.

**Communications Equipment** - The project will immediately add updated communications equipment for all stations in order to address ongoing deficiencies in communications and maximize safety for fire personnel.

**Training Facility** - The City is in a "bare bones" development of a rudimentary training facility at Station #2. With this project, the Training Facility would be developed to become a regional training facility to allow City staff to conduct and receive training and also allow for Police to utilize.

**Fire Engine Replacements (2)** - Replacement of two fire engines to maintain a reliable fleet for emergency response.

**Ladder Truck Replacement** - Replacement of a ladder truck to maintain a reliable fleet for emergency response.

Small Truck (Type 6 Apparatus) - Replacement of a small type 6 truck to maintain a reliable fleet for emergency response. This vehicle is used more for wildland fires and quick response to medical aids when staffed appropriately.

### ***Streets***

Road Rehabilitation/Pavement Preservation - \$6 million annually is needed to bring and maintain the Pavement Condition Index (PCI) to 65 out of 100. A 65 is considered good condition for most cities. Currently, the City is at 56 with it projected to drop continually with needed repairs costing more as time goes on. The Plan does assume a 3% annual increase in costs for street projects. Road rehabilitation and pavement preservation treatments will vary depending on the condition of a road and engineering evaluation. This would include other ancillary project costs.

### ***Parks and Community Services***

Recreation Coordinator - This position will be added to support and add programs for youth and others in the City.

Park Maintenance Workers (5) - These employees will be added to maintain and improve existing parks, facilities, sports complexes, and other city-owned landscaped areas.

Vehicles and equipment - Vehicles will be needed for Park Maintenance Workers. New employees will require additional equipment to carry out their essential functions.

Replacement of Vehicles and Equipment - Replacement of vehicles and equipment will be needed to continue supporting and maintain inventory.

Additional Maintenance within Existing Parks - Maintain existing parks, facilities, and sports complex facilities at satisfactory levels.

Existing Parks Additional Improvements - Additional improvements to existing parks, facilities, and sports complexes

### ***Maintenance and Emerging Needs***

This category is intended to not exceed 3% of projected revenues. There are 3 main elements proposed for this category: maintain city buildings (several historic), enhance code compliance, and increase abatement efforts to assist in the safety and beautification of the City.

Code Compliance Officers (2) - Additional two Code Compliance Officers increasing the Code Compliance team from two Officers and a Supervisor to four Officers and a Supervisor. This would allow for the City's code compliance efforts to be more proactive, rather than reactive.

Community Cleanup/Abatement - Funding for Code Enforcement to abate unsafe properties and initiate community cleanup efforts. Some abatement and cleanup efforts could be reimbursed to the City by property liens, but the reimbursement process may take several years, so initial funding is needed to begin the abatement program.

City-Owned Building Maintenance - There have been substantial deferrals of building maintenance across all City-owned buildings. Many are historic buildings that require ongoing maintenance. This project will allow for ongoing building maintenance to occur without continued deferment.

Examples include:

- Civic Auditorium - ADA compliant issues, repairs to restrooms and kitchen area, replace sewer main
- Longfield Center – Hardwood floor in gym, AC improvements
- Ongoing issues in various City-owned buildings such as deferred AC upgrades and replacements, drainage issues, plumbing issues, security issues, and structural issues

Based on polling, national community survey, feedback from the RMC, and feedback from City Council received, Staff recommends approval of the Revenue Measure Expenditure Plan.

**FISCAL IMPACT:**

Should a revenue measure be approved by voters, an Expenditure Plan will serve as the basis for how revenues will be spent. A one (1) cent/percent Transactions and Use (Sales) Tax is projected to bring in approximately \$19.2 million annually with all funds to remain local.

**ATTACHMENTS:**

1. Measure Hanford 10 year plan RMC plan rev1