

*We are a welcoming, active and business-friendly rural
foothill community built on California's rich gold rush history.*



City Manager's Report
January 23, 2025 Special City Council Meeting
Prepared by: Cleve Morris, City Manager
Item #: 6.3

Subject: Review and Discuss Options to increase Funding for General Fund Operations

Recommendation:

Review and recommend potential options to pursue and add to the City's Strategic Plan.

Purpose:

To review and discuss options to improve the financial position of the City in order to provide the services our citizens expect.

Strategic Plan Strategy:

Fiscal Stability/Sustainability

Create a fiscally stable and sustainable government that can provide for and maintain a safe community with a high quality of life.

Background:

On this workshop agenda two financial needs were discussed, a new Public Safety Building, and the second phase of our Broadband Program. Over the past 5 years, several issues have come up that reflect the need for additional resources. These include Homeless Issues, Park and Trail Maintenance, staffing and staff salaries. Recent salary surveys along with recent recruitments have shown the City's wages to be as much as 30% below the market rate. This affects the City's ability to attract good talent and perform the work expected.

Discussion:

Staff would like to have a brief discussion on potential options to increase revenues to provide the desired level of services. There may also be other measures that can be considered, including reducing levels of service in certain areas to reduce cost. However, at this point we have not identified what these may be that would have a significant impact.

As stated in the report on the Public Safety Building, other options to increase revenue could be as follows:

- Sales Tax: ½ cent - \$2.8 Million annually
- Parcel Tax: Based on Valuation
- Utility User Tax: May be difficult to pass and would probably not be sufficient
- Annexation: Will take some time.

- Revenue Sharing with County: Would need to be negotiated
- Increase in Transient Occupancy Tax, Currently 10% = \$218,000. Increase of 2% would generate about \$42,000 with our current hotels.

Options:

1. Discuss potential options for further review by staff.

Environmental:

This program does not qualify as a project under the California Environmental Quality Act (CEQA) and therefore no Environmental Statement is necessary.

Cost:

No cost anticipated. Some staff time in preparing and making changes to the documents.

Budget Impact: None



M. Cleve Morris, City Manager