

**AGENDA FOR THE SPECIAL MEETING
DUNSMUIR CITY COUNCIL
COUNCIL CHAMBERS
5902 DUNSMUIR AVE, DUNSMUIR, CA
JUNE 13, 2019
MEETING COMMENCES: 6:00 PM**

As a courtesy, please turn off cell phones and electronic devices while the meeting is in session. Thank you.

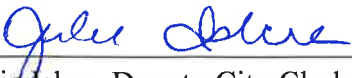
- 1. CALL TO ORDER AND FLAG SALUTE**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT**
- 4. This time is set aside for citizens to address the City Council on matters listed on the Consent Agenda as well as other items **not** included on the Regular Agenda. If your comments concern an item noted on the Regular Agenda, please address the Council when that item is open for public comment. **Each speaker is allocated three (3) minutes to speak. Speakers may not cede their time to another speaker.** Comments should be limited to matters within the jurisdiction of the City. Speaker forms are available from the City Clerk, 5915 Dunsmuir Ave, Dunsmuir, on the City's website, or on the podium. The City Council can only take action on matters that are on the Agenda, but may place matters brought to their attention at this meeting on a future Agenda for consideration. If you have documents to present to members of the City Council, please provide a minimum of seven (7) copies.**
- 5. NEW BUSINESS**
 - A. Presentation and discussion 2019-2020 Preliminary Budget**
 - B. Presentation of options and discussion of possible Transactions and Use Tax Increase(s)**
- 6. ADJOURNMENT**

Copies of this agenda were posted at City Hall, Dunsmuir City Library, Dunsmuir Park and Recreation District Office and at the Post Office on or before 6:00 PM June 7, 2019.

The City of Dunsmuir does not discriminate on the basis of race, color, national origin, religion, age, gender, sexual orientation, disability or any other legally protected classes in employment or provision of services. Persons who need accommodations for a disability at a public meeting may call City Hall at (530) 235-4822 for assistance. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to accommodate participation in the meeting.

CERTIFICATION

This is the official Dunsmuir City Council Agenda, created and posted in accordance with the Dunsmuir City Council Protocols.



Julie Askra, Deputy City Clerk

06-07-2019
Date

City Council Agenda Item

New Business

Item No: 5.B.
Date: June 13, 2019
Subject: Presentation of options and discussion of possible Transactions and Use Tax Increase(s)

A .5% Transactions and Use tax was approved by Dunsmuir voters in 2016. The imposition is for 10 years before which it needs to be voted to continue or it will expire. It is presently scheduled to expire in 2026.

The tax was passed as a general tax and required only a 50+% vote to be successful. Prior to being placed on the ballot City Council passed Ordinance no. 545 confirming assessment if passed by voters. This required a 2/3s vote of the City Council.

It has been suggested that additional transactions and use tax be proposed to the City Council and the voters. At this time there is no TUT assessment that is countywide in Siskiyou, so up to an additional 1.5% tax could be imposed by the voters. A smaller amount could also be considered if proposed in increments of .125%.

If the tax were to be for a specific purpose, such as streets, roads and/or sidewalk improvements, a 2/3s vote of City Council and 2/3s vote of Dunsmuir voters would be required. If successful, proceeds could only be spent on streets, roads and/or sidewalks. There are many other specific needs or improvements that could also be designated such as increased police protection, parks improvements, library services, etc. Proceeds of special tax are deposited to its own fund and kept separate from general fund and other funds of City.

If a new or extended tax were to be for general purposes, only a 50+% vote of registered voters is required to be successful if ordinance establishing tax was approved by 2/3s of City Council prior to election. Proceeds would be credited to City general fund upon receipt from Board of Equalization and expensed by City Council with no restriction other than it must be for general fund eligible activities or purposes.

Presently .5% TUT is generating about \$115,000 annually for City's general fund. From this we can estimate that a 1.5% additional tax would generate about \$345,000 annually for City's general fund, if general tax, or \$345,000 for designated projects if special tax. Special tax proceeds would be kept separate from general fund accounts and revenues and expenditures accounted separately to City Council.

A draft form ordinance has been received from Board of Equalization for both general or special tax. Once the ordinance is adopted by City Council, tax proceeds would be collected starting 110 days after successful election.

The term of the tax collection can be unlimited or increments of 10 years.

Recommendation: