

Incorporated July 1, 2000

<https://www.elkgrovecity.org/commissions-and-committees/measure-e-citizens-oversight-committee>

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Helena Madera-Silmi

Harminder Singh Khangura

Alan Veto III

MEASURE E CITIZENS OVERSIGHT COMMITTEE

REGULAR MEETING

Monday, May 8, 2023

6:00 PM

8400 Laguna Palms Way, Elk Grove, CA 95758

City Council Chambers

AGENDA

1. Call to Order /Roll Call
 - a. Roll Call
 - b. Pledge of Allegiance
 - c. Moment of Silence
2. Approval of Agenda
3. Public Comment

Members of the audience may comment on matters that are not included on the agenda. Each person will be allowed three (3) minutes or less if a large number of requests are received on a particular item. No action may be taken on a matter raised under "public comment" until the matter has been specifically included on an agenda as an action item. Members of the audience wishing to address a specific agendized item are encouraged to offer their public comment during consideration of that item.

4. New Business
 - a. Introductions
 - b. Brown Act Presentation (City Clerk)
 - c. Selection of Committee Chair/Vice Chair
 - d. Measure E Overview

- e. Committee Role/Responsibilities
- f. Allocation Structure
- g. Proposed FY 23/24 Expenditure Plan
- h. Regular Meeting Schedule/Next Meeting

5. Adjournment

ADA COMPLIANCE STATEMENT

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City's ADA Coordinator, Jim Ramsey, at (916) 683-7111. Notification prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

GOVERNMENT CODE SECTION 54957.5

Public records, including writings relating to an agenda item for open session of a regular meeting distributed less than 72 hours prior to the meeting, are available for public inspection at the City Clerk's Office, 8401 Laguna Palms Way, Elk Grove, CA



**CITY OF ELK GROVE
MEASURE E CITIZENS OVERSIGHT COMMITTEE
STAFF REPORT**

AGENDA TITLE: Brown Act Overview

MEETING DATE: May 8, 2023

RECOMMENDED ACTION:

Staff recommends the Measure E Citizens Oversight Committee receive an overview of the Brown Act from the City Clerk.

BACKGROUND INFORMATION:

The Measure E Citizens Oversight Committee is subject to the Brown Act. Its members need to be aware of the Brown Act and how it affects the Committee’s operations and their conduct as members.

FISCAL IMPACT:

None.

ATTACHMENTS:

None.



**CITY OF ELK GROVE
MEASURE E CITIZENS OVERSIGHT COMMITTEE
STAFF REPORT**

AGENDA TITLE: Selection of Committee Chair and Vice Chair
MEETING DATE: May 8, 2023

RECOMMENDED ACTION:

Staff recommends that the Committee select a Chair and Vice Chair.

BACKGROUND INFORMATION:

The approving resolution for the Committee (Resolution 2023-067, Exhibit A, Section 3.) expressly provides: “At its first meeting, and then biennially thereafter, the Committee shall appoint from amongst its members a Chair and Vice Chair.” Therefore, the Committee must select a Chair and Vice Chair to conduct its business.

FISCAL IMPACT:

None.

ATTACHMENTS Resolution No. 2023-067

RESOLUTION NO. 2023-067

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
RESCINDING RESOLUTION NO. 2023-018 AND REVISING THE MEASURE E
CITIZENS' OVERSIGHT COMMITTEE TO INCREASE THE NUMBER OF MEMBERS
FROM FIVE TO SEVEN MEMBERS**

WHEREAS, throughout 2022, the City of Elk Grove (City) and the Cosumnes Community Services District (Cosumnes CSD) conducted extensive public engagement and outreach activities that identified the community's current needs and priorities; and

WHEREAS, results from that outreach and surveys identified community needs and priorities such as reducing crime, addressing homelessness, improving 911, police, fire, and emergency disaster and emergency medical response, enhancing programs to combat youth crime and gang prevention, maintaining streets, maintaining parks, clean and safe public areas, and economic development as top priorities; and

WHEREAS, a general Transactions and Use ("Sales") Tax known as Measure E, which could address those community needs and priorities, was placed on the November 8, 2022 ballot and was approved by a majority of the voters; and

WHEREAS, Elk Grove Municipal Code Chapter 3.06, enacted by the passage of Measure E, requires the City Council to establish a Citizens' Oversight Committee to review the revenue and expenditure of funds from the Transactions and Use ("Sales") Tax approved with the passage of Measure E; and

WHEREAS, on January 25, 2023, Resolution No. 2023-018 initially established the Measure E Citizens' Oversight Committee as a five-member body; and

WHEREAS, on March 8, 2023, the City Council requested expanding the membership of the Measure E Citizens' Oversight Committee from a five-member body to a seven-member body.


NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby rescinds Resolution No. 2023-018, and revises the Measure E Citizens' Oversight Committee to increase the number of members from five to seven members, whose tasks, objectives, composition, and member qualifications are set forth in Exhibit A, attached hereto and made a part hereof.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 22nd day of March 2023




BOBBIE SINGH-ALLEN, MAYOR of the
CITY OF ELK GROVE

ATTEST:



JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:



JONATHAN P. HOBBS,
CITY ATTORNEY

EXHIBIT A

MEASURE E CITIZENS' OVERSIGHT COMMITTEE (Tasks, Objectives, Composition, and Member Qualifications)

Section 1: Tasks or Objectives

The Measure E Citizens' Oversight Committee ("Committee") shall:

- Review the revenue and expenditures of the funds generated by the general Transactions and Use ("Sales") Tax measure generally known as Measure E and codified at Elk Grove Municipal Code Chapter 3.06.
- Review the annual independent financial audit of the City performed by an independent auditor on sections pertaining to Measure E.
- Review the initial proposed budget and expenditure plan for consistency with the ballot language and Community Identified Needs and Priorities as contained in the staff report dated July 27, 2022.
- Annually prepare and present an independent report to the City Council regarding the revenue and expenditures of the Transactions and Use Tax.

The Committee shall have no authority to direct staff or to recommend any particular contracts, projects, services, service levels, or spending priorities.

Section 2: Committee Type. Standing. The Committee shall be advisory in nature and shall not have authority to bind the City or the City Council.

Section 3: Composition. The Committee shall consist of seven members. At its first meeting, and then biennially thereafter, the Committee shall appoint from amongst its members a Chair and Vice Chair.

Section 4: Qualifications. Each member of the Committee shall be at least 18 years of age, reside in the City of Elk Grove, and be registered to vote. A member may not be an officer or employee of the City.

The following qualifications are preferred, but not required, for Committee members:

- Knowledge of municipal finance, taxation, budgeting, and/or accounting
- Knowledge of municipal or governmental services operations
- Knowledge of the local business and/or residential community

Section 5: Appointment. The Mayor, with the approval of the City Council, shall make all appointments to the Committee. Committee members shall serve at the pleasure of the City Council without a set term. The Mayor will consider any input offered by the Cosumnes CSD Board President regarding potential appointees.

Section 6: Administrative Support to the Committee. City staff shall provide information to the Committee reasonably necessary to complete their specific tasks and objectives. The Committee will work primarily, but not exclusively, with the City's Finance Department.

Section 7: Meetings. The Committee shall establish a regular meeting schedule, which shall include at least two meetings per year. Regular meetings shall be held at City Council Chambers (8400 Laguna Palms Way). Special meetings may be called and held as allowed by law. The Finance Director may request from time to time that the Committee hold a special meeting. All meetings shall be noticed pursuant to the Ralph M. Brown Act, Government Code sections 54950, et seq., and be subject to the requirements of the Act.

Section 8: Reporting. Minutes of the Committee shall be prepared by City staff and shall be a public record, filed with the Office of the City Clerk.

Section 9: Funding. The Committee shall not require funding from the City as Committee members will serve on a voluntary, non-compensated basis.

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CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2023-067

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)


I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on March 22, 2023 by the following vote:

AYES: **COUNCILMEMBERS:** *Singh-Allen, Spease, Brewer, Robles, Suen*

NOES: **COUNCILMEMBERS:** *None*

ABSTAIN: **COUNCILMEMBERS:** *None*

ABSENT: **COUNCILMEMBERS:** *None*



Jason Lindgren, City Clerk
City of Elk Grove, California



**CITY OF ELK GROVE
MEASURE E CITIZENS OVERSIGHT COMMITTEE
STAFF REPORT**

AGENDA TITLE: Measure E Overview

MEETING DATE: May 8, 2023

RECOMMENDED ACTION:

Staff recommends that the Committee receive an overview of Measure E.

BACKGROUND INFORMATION:

Staff will provide an overview of the timeline, various actions associated with Measure E, and information about transactions and use taxes.

FISCAL IMPACT:

None.

ATTACHMENTS:

- A. July 27, 2022 Staff Report
- B. December 7, 2022 Staff Report
- C. December 14, 2022 Staff Report
- D. HdL Information on Transactions and Use Taxes



**CITY OF ELK GROVE
CITY COUNCIL STAFF REPORT**

AGENDA TITLE: Consider a resolution establishing November 8, 2022, as the date for an election on a proposed ballot measure seeking voter approval to impose a one cent transactions and use (“Sales”) tax for general community purposes, establishing policies and procedures in connection with such an election, approving the accompanying ordinance, and requesting the County of Sacramento conduct such an election

MEETING DATE: July 27, 2022

PREPARED BY: Kara Reddig, Deputy City Manager

DEPARTMENT HEAD: Jason Behrmann, City Manager

RECOMMENDED ACTION:

Staff recommends that the City Council receive information from staff and comments from the public, and then consider adopting, by at least a two-thirds vote of the City Council, a resolution establishing November 8, 2022, as the date for an election on a proposed ballot measure, seeking voter approval to establish a one cent transactions and use (“Sales”) tax for general community purposes, establishing policies and procedures in connection with such an election, approving the accompanying Ordinance, and requesting the County of Sacramento conduct such an election.

BACKGROUND INFORMATION:

In February 2021, during a City Council Retreat, the City Council directed staff to partner with the Cosumnes Community Services District (Cosumnes CSD) to conduct public engagement and outreach activities that would specifically identify the community’s current needs and priorities and gauge public support for a potential new funding mechanism to address those needs.

Since that date, staff has taken the following actions to ensure public participation in identifying community needs and priorities and next steps:

- August 2021 - the City and Cosumnes CSD released a joint Request for Proposals (RFP) for community engagement consulting services that would assist with public outreach efforts related to a potential revenue measure.
- September 22, 2021 - City Council authorized the City Manager to enter into a three-party contract with the Cosumnes CSD and Lew Edwards Group to undertake this work effort. The contract included consulting services, an initial baseline community survey, and a second tracking survey, community engagement services, and outreach materials.
- December 2021 – the initial baseline community survey was conducted with 538 residents.
- January 26, 2022 – A project update was included on the City Council Priority Projects that went to the City Council.
- February 2022 – the City and Cosumnes CSD created the website www.elkgrovelife.com to be a central point of information collection and distribution for public outreach. The December baseline community survey results were posted on this website.
- March through June 2022 – the City and Cosumnes CSD held extensive public engagement listening sessions in the community. The community engagement activities to date included:
 - Visited 29 individual community groups covering 375 attendees (reached out to 75 groups to meet).
 - Hosted three Community Advisory Group meetings with 12 residents to hear advice and recommendations from community members involved in various aspects of Elk Grove’s community.
 - Analyzed 586 survey results to further refine residents’ needs and opinions on priorities (results are shown in Attachment 3).
 - Provided two direct mailers to residents (Attachments 4 and 5) which encouraged residents to share their feedback on needs and priorities.
 - Promoted the survey in the City’s newsletter, which reaches 65,000 households, as well as through various social media, websites, and newsletters at both the City and Cosumnes CSD.

- April 27 and May 11, 2022 – website and feedback forms were promoted at the City Council meeting through the City Manager’s General Administrative Report.
- The City distributed information about this public outreach 12 times between April 11 and May 23, 2022, on social media, in print, on our website, and through our email platforms. The message generated more than 82,000 impressions during that time.
- The Cosumnes CSD distributed information about this public outreach in their newsletter, on their website, and 6 times between April 14 and May 12 on social media.

December Survey

As part of an ongoing collaboration to ensure a high quality of life in Elk Grove, in December 2021, the City and the Cosumnes CSD, through FM3 Research (an opinion research firm) conducted a telephone and e-mail survey of registered and likely November 2022 voters to understand community needs and priorities and to determine whether voters would support a potential sales tax measure on the November 2022 ballot. The statistically valid survey included 538 respondents. The following items were identified as some of the top priorities:

- Reducing crime
- Addressing homelessness
- Maintaining 911, police, fire, and emergency medical and disaster response
- Maintaining streets and parks
- Enhancing programs which reduce youth crime and gang prevention
- Attracting and retaining jobs/businesses

[Results of the December 2021 research](#) were shared with the community and put on the website www.elkgrovelife.com. The City and Cosumnes CSD created this website to host an online forum to collect additional resident feedback as well as provide an informational portal to centralize information. FM3 Research’s findings showed that 64 percent of respondents indicated that there was a need for additional funding to provide the level of community services that residents desire and 60 percent stated they would support a potential one cent sales tax measure to support essential community services.

Throughout Spring 2022, the City and Cosumnes CSD held extensive listening sessions with the community to hear additional voices and opinions on community needs and priorities, as listed above. In each of these meetings or communication pieces, quality of life issues were discussed and

residents encouraged to fill out the online feedback form to provide input and continue the conversation regarding community needs and priorities.

Priorities identified in the online survey at elkgrovelife.com are similar to those found in the December FM3 survey and are shown in Attachment 3. It is important to note that the online survey, unlike the FM3 survey, is not a scientific survey. However, the similar results do reaffirm FM3's results and further support for their findings.

As part of the City's decision-making process, one additional statistically valid survey of 771 respondents was conducted in July 2022 by FM3 Research. This survey was undertaken to monitor and gauge how resident needs and priorities had potentially changed since December 2021. The results show that Elk Grove residents remain consistent over the past six months in desiring to have additional locally controlled funding to support community priorities. The July survey shows 65 percent of respondents indicated there was a need for additional funding to provide the level of community services that residents desire, and 63 percent stated they would support a potential one cent sales tax measure to support essential community services. Both of these percentages increased from the December 2021 poll. Attachment 2 outlines the key findings of the July survey from FM3.

As a result of this outreach and based upon research results, community conversations, and discussions with the Community Advisory Group, staff recommends the City Council adopt the attached Resolution that places a proposed one cent general sales tax measure on the November 2022 ballot. If approved by the voters, the general tax measure would generate approximately \$21.3 million annually to support essential services. The question shall appear and be printed on the ballot as follows:

Elk Grove Safety/Quality of Life Measure. To support essential services such as crime reduction; rapid 9-1-1, fire, police, medical emergency/disaster response; keeping public areas safe/clean; addressing homelessness; pothole repair/street/park maintenance; youth crime/gang prevention programs; and other general community purposes; shall the measure establishing a 1¢ sales tax providing approximately \$21,300,000 annually until ended by voters; requiring audits, citizen oversight, public spending disclosures, and all funds locally controlled, be adopted?	
Yes	No

The City Council’s actions do not necessarily reflect support or opposition to this measure, but simply place it on the consolidated ballot for local voters to decide. If the voters approve the measure by majority vote, the Council and staff would take all actions necessary to implement the tax following the election. If approved, the tax would likely begin being collected in April 2023.

The measure would also include annual audits, the establishment of an independent citizen oversight committee, and public spending disclosures. Revenue generated from the measure would be locally controlled and none of the funding could be taken by the State.

Finally, based on community input, the following table provides additional information regarding the needs and priorities identified by the Elk Grove community for the additional funds. The City would use this nonexclusive listing of needs and priorities to guide its initial spending allocations should the tax measure be enacted.

Community Identified Needs and Priorities
Public Safety
<p><i>Reducing Crime</i></p> <p>Provide additional public safety resources in order to keep our neighborhoods safe and reduce crime. Increase neighborhood police patrols, ensure the Police Department is attracting, retaining, and adequately equipping public safety professionals and pursue new, innovative approaches to reducing crime.</p>
<p><i>Addressing homelessness</i></p> <p>Provide resources to address mental health, substance abuse, and job training needs while ensuring our local businesses, residential neighborhoods, and public areas are safe and secure for everyone.</p>
<p><i>Improve 911, police, fire, and emergency disaster and emergency medical response</i></p> <p>Improve 911 emergency response times, at both the Police and Fire Departments, to ensure that calls for service meet national response time standards.</p>
<p><i>Enhancing programs to combat youth crime and gang prevention</i></p> <p>Fund property and violent crime investigation and prevention, and address crimes related to youth and gangs including supporting after school recreational and enrichment programs to keep youth actively engaged and supported for a bright future.</p>

Roads and Parks Safety
<p>Maintaining Streets</p> <p>Maintain pothole repair and enhance major roads to improve traffic flow and reduce congestion for the safety of all drivers, bikers, and pedestrians, including safe routes for school kids walking or biking.</p> <p>Maintaining Parks</p> <p>Maintain and repair public bathrooms, landscaping, sports fields, deteriorating playgrounds and equipment, including security lighting to keep play spaces clean and safe for children and families.</p>
Quality of Life
<p>Clean and Safe Public Areas</p> <p>Keep public areas safe and clean for community members as well as visitors. Implement programs that directly impact visual blight as well as ensuring a safe community for all.</p> <p>Economic Development</p> <p>Attract and retain local businesses and jobs to ensure a robust local economy.</p>

Regional Sales Tax Measures

Table 1 below shows the comparative tax rates in Sacramento County and some other regional communities in 2022. If the measure were passed by voters, Elk Grove’s tax rate would be on-par with the City of Rancho Cordova and City of Sacramento’s tax rates.

Table 1: Comparative Tax Rates

Jurisdiction ¹	Base Tax Rate (State Rate)	County-Wide ^{2, 3}	Local	Total Tax Rate
Elk Grove				
Existing	7.25%	0.50%	None	7.75%
With Proposed Measure	7.25%	0.50%	1.00%	8.75%
Regional Comparisons				
Citrus Heights	7.25%	0.50%	None	7.75%
Davis	7.25%	None	1.00%	8.25%
Folsom	7.25%	0.50%	None	7.75%
Galt	7.25%	0.50%	0.50%	8.25%
Rancho Cordova	7.25%	0.50%	1.00%	8.75%
Roseville	7.25%	None	0.50%	7.75%
Sacramento City	7.25%	0.50%	1.00%	8.75%
Sacramento County (unincorporated area)	7.25%	0.50%	None	7.75%
West Sacramento	7.25%	None	1.00%	8.25%
Woodland	7.25%	None	0.75%	8.00%

Notes:

1. Some jurisdictions on this list may also be considering placement of a local measure in November 2022. Those proposed local measures are not listed here.
2. Jurisdictions in Sacramento County pay into a county-wide tax, Measure A, which is dedicated to transportation projects.
3. This table excludes the new potential regional transportation, Measure A, described later in this report.

Sacramento County Transportation Maintenance, Safety, and Congestion Relief Act of 2022 (Measure A)

Also projected to be on the November 2022 ballot is a sales tax ballot measure for regional transportation purposes of one-half of one percent (0.5%) on the sale and/or use of all tangible personal property sold at retail in the incorporated and unincorporated territory of Sacramento County beginning April 1, 2023, and continuing for a period of 40 years. The money would be dedicated for transportation planning, design, construction, management, operations, and maintenance throughout the County. While there is funding in the expenditure plan for Elk Grove projects, including Kammerer Road and Whitelock Parkway Interchange, there is no guarantee as to the timing of any Elk Grove project, nor is there a guarantee of passage of the measure. This proposed measure is very similar to a 2016 sales tax measure that was narrowly defeated. Additionally, most of the City's identified needs and priorities, such as reducing crime, improving emergency response times, and addressing homelessness, would not be able to be funded out of this measure.

Staff recommends that the City Council adopt the attached Resolution placing the general sales tax measure on the November 8, 2022 ballot. By passing the Resolution, the City Council would also be approving the accompanying Ordinance attached as an exhibit to the Resolution. Approval of the Ordinance by the City Council requires at least a two-thirds vote of the City Council. The Ordinance imposing the proposed general tax would also need to be approved by a majority vote of the qualified voters of the city voting in the election on the ballot measure. (Rev. & Tax Code § 7285.9; Cal. Const. Art. 13C, § 2(b).)

ALTERNATIVE ACTIONS:

The City Council could choose not to adopt the resolution placing this measure on the ballot for 2022. Staff does not recommend this option as the community's needs and priorities would be limited to the existing fiscal resources.

FISCAL IMPACT:

Funds to continue the planning efforts through November have already been allocated in the Fiscal Year 2022/23 budget. There has been no assumption of revenues received in the Fiscal Year 2022/23 budget or long-range financial forecast from an additional sales tax measure.

As a general tax, the new revenue would be deposited in the General Fund and considered general tax revenue. The proceeds would be audited as part of the City's annual audit along with the rest of the City's funds. A one cent transactions and use tax is estimated to produce approximately \$21.3 million annually.

Additional sales tax revenue would have a substantial positive impact on the City's ability to reduce crime; address homelessness; improve 9-1-1, police, fire, and emergency disaster and emergency medical response; enhance programs to combat youth crime and gang prevention; maintain streets and parks; maintain youth and recreational programs; keep public areas safe and clean and attract and retain local businesses and jobs to ensure a robust local economy.

ATTACHMENTS:

1. Resolution
 - a. Exhibit A – Ordinance
2. July 2022 FM3 Key Findings Results
3. Online Community Survey Results
4. Community Mailer A – May 2022
5. Community Mailer B – June 2022

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
ESTABLISHING NOVEMBER 8, 2022, AS THE DATE FOR AN ELECTION ON A
PROPOSED BALLOT MEASURE SEEKING VOTER APPROVAL TO IMPOSE A ONE
CENT TRANSACTIONS AND USE (“SALES”) TAX FOR GENERAL COMMUNITY
PURPOSES, ESTABLISHING POLICIES AND PROCEDURES IN CONNECTION
WITH SUCH AN ELECTION, APPROVING THE ACCOMPANYING ORDINANCE,
AND REQUESTING THAT THE COUNTY OF SACRAMENTO CONDUCT SUCH AN
ELECTION**

WHEREAS, Elk Grove residents continue to enjoy a high quality of life and the City is known as a great place to live, work, and raise a family; and

WHEREAS, recently commissioned independent opinion research in the City shows residents feel that the City is moving in the right direction and the City wishes to continue doing so; and

WHEREAS, many in the community believe that additional local funding is needed to address community priorities and essential quality of life services; and

WHEREAS, the community’s top priorities include reducing crime, rapid 911, fire, police, medical emergency and disaster response, keeping public spaces safe and clean, addressing homelessness, pothole repair, street and parks maintenance, attracting and retaining local jobs and businesses, and youth crime and gang prevention programs; and

WHEREAS, the City is committed to making neighborhoods safer; and

WHEREAS, in an emergency seconds count and approximately 75% of calls to the local Fire Department are for medical emergencies; and

WHEREAS, the City is committed to ensuring that Elk Grove has the needed emergency first responders and life-saving equipment to improve response times and save lives; and

WHEREAS, since last year, violent and property crimes are on the rise in Elk Grove, with more than 325 robberies and burglaries and close to 200 car thefts; and

WHEREAS, our community has over 100 parks serving more than 178,000 people but does not have the funding needed to continue to keep them clean and safe; and

WHEREAS, approval of this measure will provide funding that could be used to help maintain and repair public bathrooms; maintain landscaping and sports fields; and upgrade security lighting and children’s playgrounds, among other general community purposes, so that children have safe places to play; and

WHEREAS, many local streets are in need of repair and maintenance to keep them safe and reduce traffic congestion; and

WHEREAS, it is fiscally responsible to maintain our streets, roads and fix potholes now, so they do not deteriorate further and become more costly to fix in the future; and

WHEREAS, Elk Grove incorporated on July 1, 2000, to ensure local control of the City's future and essential quality of life services upon which residents rely; and

WHEREAS, approval of this measure will provide locally controlled funding, which could be used to maintain financial stability and continue providing essential public safety, and parks and street repair, that are more important than ever, among other general community purposes; and

WHEREAS, by law, all funds from this measure must stay in Elk Grove and no funds can be taken by the State; and

WHEREAS, safe neighborhoods, well maintained streets, safe and clean public spaces and a variety of activities for all are vitally important to maintaining and enhancing Elk Grove's quality of life, community and property values; and

WHEREAS, the proposed measure requires mandatory financial audits, an independent Citizen's Oversight Committee, and public disclosure of spending to help ensure that all funds are responsibly and locally spent; and

WHEREAS, the tax to be submitted to the voters, if approved, would increase the City's transactions and use ("sales") tax by one cent and the funds would be used to support neighborhood police patrols, fire protection, and rapid police, medical, and emergency disaster response, reduce crime, attract and retain local businesses and jobs, reduce traffic congestion, address homelessness, maintain local streets, parks, and youth programs, keep public areas safe and clean, and other general community purposes, and require an independent Citizen's Oversight Committee, annual audits, and all funds to be locally controlled; and

WHEREAS, California Constitution Article XIII C, Section 2 provides that no local government may impose, extend or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote and that such vote must be consolidated with a City's general municipal election for members of the City Council; and

WHEREAS, November 8, 2022, is the date of the City's regular municipal election and a general election has been called on that date by Resolution No. 2022-124 approved on May 25, 2022; and

WHEREAS, the City Council is authorized by California Elections Code Section 9222 to place measures before the voters at the November 8, 2022, Nationwide General Election that would increase the tax by one cent per dollar; and

WHEREAS, the City Council desires that the proposed measure be consolidated with the November 8, 2022, Nationwide General Election, to be held on the same date, and within the City, the polling places and election officers of the two elections be the same, and that the Sacramento County Voter Registration and Elections Department canvass the returns of the general election be held in all respects as if there were only one election.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. **Placement of Measure on the Ballot.** Pursuant to California Elections Code Section 9222 and Revenue and Taxation Code Section 7285.9, the City Council hereby calls and orders to be held in the City of Elk Grove, California, on Tuesday, November 8, 2022, an election at which a measure shall be submitted to the voters of the City for approval an ordinance to enact a local transactions and use tax. The question shall appear and be printed on the ballot as follows:

Elk Grove Safety/Quality of Life Measure. To support essential services such as crime reduction; rapid 9-1-1, fire, police, medical emergency/disaster response; keeping public areas safe/clean; addressing homelessness; pothole repair/street/park maintenance; youth crime/gang prevention programs; and other general community purposes; shall the measure establishing a 1¢ sales tax providing approximately \$21,300,000 annually until ended by voters; requiring audits, citizen oversight, public spending disclosures, and all funds locally controlled, be adopted?	
Yes	No

2. **Approval of Ordinance.** By at least a two-thirds (2/3) vote of all members of the City Council, the City Council hereby approves the proposed ordinance to be submitted to the voters, attached hereto as Exhibit A. The proposed ordinance and measure shall not take effect unless and until approved by a vote of at least a simple majority of affirmative votes of the voters voting on the question at the election. The ordinance specifies that the rate of the transactions tax shall be one percent (1.0%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the City; it specifies that the rate of the use tax shall be one percent (1.0%) of the sales price of tangible personal property stored, used or otherwise consumed in the City. The tax shall be in effect until it is repealed. The California Department of Tax and Fee Administration shall collect the tax from retailers subject to the tax and remit the funds to the City.
3. **Ordinance copies.** In lieu of printing the full text of the proposed measure on the ballot, or the voter information portion of the sample ballot, the following legend shall be printed immediately below the impartial analysis of the measure (and may be amended as required by the Sacramento County Voter Registration and Elections):

“The above statement is an impartial analysis of City of Elk Grove Ordinance No. ___-2022, adding Elk Grove Municipal Code Chapter 3.06 relating to the Elk Grove Transactions and Use Tax. If you desire a copy of the ordinance, please access the City of Elk Grove website at: [http://www.elkgrovecity.org/city_hall/city_government/city_clerk/election information/](http://www.elkgrovecity.org/city_hall/city_government/city_clerk/election_information/), or call the Office of the City Clerk, City of Elk Grove, at (916) 478-3635 and a copy will be sent electronically or mailed at no cost to you.”

4. **Publication of Measure.** The City Clerk is hereby directed to cause notice of the measure to be published once in the official newspaper of the City of Elk Grove, in accordance with Section 12111 of the Elections Code and Section 6061 of the Government Code.
5. **Request to Consolidate and Conduct Election and Canvass Returns.**
 - A. Pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of Sacramento is hereby requested to consent and agree to the consolidation of a general municipal election with the nationwide election on Tuesday, November 8, 2022, for the purpose of placing the measure set forth in Section 1 on the ballot. The City Council acknowledges that the consolidated election will be conducted in the manner prescribed in Elections Code section 10418.
 - B. The Sacramento County Voter Registration and Elections Department is authorized to canvass the returns of the regularly scheduled general municipal election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.
 - C. The Board of Supervisors is requested to issue instructions to the Sacramento County Voter Registration and Elections Department to take any and all steps necessary for the holding of the consolidated election.
 - D. The City of Elk Grove recognizes that additional costs will be incurred by the County of Sacramento by reason of this consolidation, and agrees to reimburse the County for any additional costs above and beyond those reimbursed by the State.
6. **Submission of Ballot Arguments and Impartial Analysis**
 - A. The last date for submission of direct arguments for or against the measure shall be 5:00 p.m. on August 16, 2022.
 - B. The last date for submission of rebuttal arguments for or against the measure shall be 5:00 p.m. on August 19, 2022.

- C. Direct arguments shall not exceed three hundred (300) words and shall be signed by not more than five (5) persons.
 - D. Rebuttal arguments shall not exceed two hundred fifty (250) words and shall be signed by not more than five (5) persons; those persons may be different persons than the persons who signed the direct arguments.
 - E. The City Attorney shall prepare an impartial analysis of the measure by August 17, 2022.
 - F. Pursuant to Elections Code section 9282, the City Council, or a member or members of the City Council authorized by the City Council, or an individual voter who is eligible to vote on the measure, or a bona fide association of citizens, or a combination of voters and associations, may file a written argument for or against the measure not to exceed 300 words. Pursuant to Elections Code section 9285, the author or a majority of the authors of an argument for or against the measure may prepare and submit a rebuttal argument or may authorize in writing another person or persons to prepare, submit, or sign a rebuttal argument, not to exceed 250 words. Submissions by email or facsimile are allowed for direct arguments and rebuttal arguments that are signed and otherwise meet the above requirements and the California Elections Code, provided that original copy thereof is delivered to the City Clerk within seventy-two (72) hours of submission of the electronic version.
 - G. Pursuant to California Elections Code Section 9285, when the City Clerk has selected the arguments for and against the measure, which will be printed and distributed to the voters, the City Clerk shall send copies of the argument in favor of the measure to the authors of the argument against, and copies of the argument against to the authors of the argument in favor. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument that it seeks to rebut.
7. **Effective Date.** This Resolution shall become effective immediately upon its passage and adoption, and the City Clerk is directed to send certified copies of this Resolution to the Sacramento Board of Supervisors, to the County Clerk-Recorder, and the Sacramento County Voter Registration and Elections Department.
8. **Passage of Resolution.** This Resolution must be approved by a two-thirds (2/3) vote of all members of the City Council.
9. **CEQA.** The approval of this Resolution is exempt from the California Environmental Quality Act (Public Resources Code §§ 21000 et Seq., "CEQA," and 14 Cal. Code Reg. §§ 15000 et seq. "CEQA Guidelines"). The transactions and use tax to be submitted to the voters is a general tax that can be used for any

legitimate governmental purpose; it is not a commitment to any particular action. As such, under CEQA Guidelines section 15378(b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue from the tax were used for a purpose that would have either such effect, the city would undertake the required CEQA review for that particular project. Therefore, under CEQ Guidelines section 15060 review under CEQA is not required.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 27th day of July 2022 by a vote of at least two-thirds of all members of the City Council

BOBBIE SINGH-ALLEN, MAYOR of the
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:

JASON LINDGREN, CITY CLERK

JONATHAN P. HOBBS,
CITY ATTORNEY

EXHIBIT A

**AN ORDINANCE OF THE PEOPLE OF THE CITY OF ELK GROVE
ADDING CHAPTER 3.06 TO THE MUNICIPAL CODE TO IMPOSE A ONE CENT PER
DOLLAR TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE
CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION**

WHEREAS, Elk Grove residents continue to enjoy a high quality of life and the City is known as a great place to live, work, and raise a family; and

WHEREAS, recently commissioned independent opinion research in the City shows residents feel that the City is moving in the right direction and the City wishes to continue doing so; and

WHEREAS, many in the community believe that additional local funding is needed to address community priorities and essential quality of life services; and

WHEREAS, the community's top priorities include reducing crime, rapid 911, fire, police, medical emergency and disaster response, keeping public spaces safe and clean, addressing homelessness, pothole repair, street and parks maintenance, attracting and retaining local jobs and businesses, and youth crime and gang prevention programs; and

WHEREAS, the City is committed to making neighborhoods safer; and

WHEREAS, in an emergency seconds count and approximately 75% of calls to the local Fire Department are for medical emergencies; and

WHEREAS, the City is committed to ensuring that Elk Grove has the needed emergency first responders and life-saving equipment to improve response times and save lives; and

WHEREAS, since last year, violent and property crimes are on the rise in Elk Grove, with more than 325 robberies and burglaries and close to 200 car thefts; and

WHEREAS, our community has over 100 parks serving more than 178,000 people but does not have the funding needed to continue to keep them clean and safe; and

WHEREAS, approval of this measure will provide funding that could be used to help maintain and repair public bathrooms; maintain landscaping and sports fields; and upgrade security lighting and children's playgrounds, among other general community purposes, so that children have safe places to play; and

WHEREAS, many local streets are in need of repair and maintenance to keep them safe and reduce traffic congestion; and

WHEREAS, it is fiscally responsible to maintain our streets, roads and fix potholes now, so they do not deteriorate further and become more costly to fix in the future; and

WHEREAS, Elk Grove incorporated on July 1, 2000, to ensure local control of the City's future and essential quality of life services upon which residents rely; and

WHEREAS, approval of this measure will provide locally controlled funding, which could be used to maintain financial stability and continue providing essential public safety, and parks and street repair, that are more important than ever, among other general community purposes; and

WHEREAS, by law, all funds from this measure must stay in Elk Grove and no funds can be taken by the State; and

WHEREAS, safe neighborhoods, well maintained streets, safe and clean public spaces and a variety of activities for all are vitally important to maintaining and enhancing Elk Grove's quality of life, community and property values; and

WHEREAS, the proposed measure requires mandatory financial audits, an independent Citizen's Oversight Committee, and public disclosure of spending to help ensure that all funds are responsibly and locally spent; and

WHEREAS, the tax to be submitted to the voters, if approved, would increase the City's transactions and use ("sales") tax by one cent and the funds would be used to support neighborhood police patrols, fire protection, and rapid police, medical, and emergency disaster response, reduce crime, attract and retain local businesses and jobs, reduce traffic congestion, address homelessness, maintain local streets, parks, and youth programs, keep public areas safe and clean, and other general community purposes, and require an independent Citizen's Oversight Committee, annual audits, and all funds to be locally controlled; and

WHEREAS, California Constitution Article XIII C, Section 2 provides that no local government may impose, extend or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote and that such vote must be consolidated with a City's general municipal election for members of the City Council; and

WHEREAS, November 8, 2022, is the date of the City's regular municipal election and a general election has been called on that date by Resolution 2022-124 approved on May 25, 2022; and

WHEREAS, the City Council is authorized by California Elections Code Section 9222 to place measures before the voters at the November 8, 2022, Nationwide General Election that would increase the tax by one cent per dollar; and

WHEREAS, the City Council desires that the proposed measure be consolidated with the November 8, 2022, Nationwide General Election, to be held on the same date, and within the City, the polling places and election officers of the two elections be the same, and that the Sacramento County Voter Registration and Elections Department canvass the returns of the general election be held in all respects as if there were only one election.

NOW, THEREFORE, the People of the City of Elk Grove do ordain as follows:

Section 1: Incorporation of Recitals.

The People of Elk Grove find that all Recitals are true and correct and are incorporated herein by reference.

Section 2. Amendment of Municipal Code.

The Elk Grove Municipal Code is hereby amended to add Chapter 3.06 as follows:

Chapter 3.06
ELK GROVE TRANSACTIONS AND USE TAX

Sections:

- 3.06.010 Title**
- 3.06.020 Operative Date**
- 3.06.030 Purpose**
- 3.06.040 Contract With State**
- 3.06.050 Transactions Tax Rate**
- 3.06.060 Place of Sale**
- 3.06.070 Use Tax Rate**
- 3.06.080 Adoption of Provisions of State Law**
- 3.06.090 Limitations on Adoption of State Law and Collection of Use Taxes**
- 3.06.100 Additional Permit Not Required**
- 3.06.110 Exemptions and Exclusions**
- 3.06.120 Amendments**
- 3.06.130 Enjoining Collection Forbidden**
- 3.06.140 Independent Citizen's Oversight Committee**
- 3.06.150 Annual Audit**
- 3.06.160 Amendments by City Council**
- 3.06.170 Termination Date**

3.06.010 Title

This Chapter shall be known as the Elk Grove Transactions and Use Tax. The City of Elk Grove hereinafter shall be called "City." This Chapter shall be applicable in the incorporated territory of the City.

3.06.020 Operative Date

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this Chapter, the date of such adoption being as set forth below.

3.06.030 Purpose

This Chapter is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

- A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance, which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.
- B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

- C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.
- D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this Ordinance.

3.06.040 Contract With State

Prior to the Operative Date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the Operative date, it shall nevertheless so contract and in such a case the Operative Date shall be the first day of the first calendar quarter following the execution of such a contract.

3.06.050 Transactions Tax Rate

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one percent (1.0%) on the sale of all tangible personal property sold at retail in said territory on and after the Operative Date of this Chapter.

3.06.060 Place of Sale

For the purposes of this Chapter, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or their agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

3.06.070 Use Tax Rate

An excise tax is hereby imposed on the storage, use, or other consumption in the City of tangible personal property purchased from any retailer on and after the Operative Date of this Chapter for storage, use, or other consumption in said territory at the rate of one percent (1.0%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to State sales or use tax regardless of the place to which delivery is made.

3.06.080 Adoption of Provisions of State Law

Except as otherwise provided in this Chapter and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this Chapter as though fully set forth herein.

3.06.090 Limitations on Adoption of State Law and Collection of Use Taxes

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

- A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:
 - 1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State of California Department of Tax and Fee Administration, State Treasury, or the Constitution of the State of California;
 - 2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State of California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance;
 - 3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
 - a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;
 - b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that code.
- B. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203. "A retailer engaged in business in this City" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder

3.06.100 Additional Permit Not Required

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this Chapter.

3.06.110 Exemptions and Exclusions

- A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any State-administered transactions or use tax.
- B. There are exempted from the computation of the amount of transactions tax the gross receipts from:
1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.
 2. Sales of property to be used outside the City, which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or their agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:
 - a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, their principal place of residence; and
 - b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
 3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Chapter.
 4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of this Chapter.
 5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated

pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this Chapter, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any State-administered transactions and use tax ordinance.
2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.
3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Chapter.
4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the Operative Date of this Chapter.
5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.
7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or

undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

- D. Any person subject to use tax under this Chapter may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.06.120 Amendments

All amendments subsequent to the effective date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this Ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance.

3.06.130 Enjoining Collection Forbidden

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

3.06.140 Independent Citizen's Oversight Committee

Although not otherwise required by law, the City Council shall, by resolution adopted before the Operative Date of this Chapter, establish a Citizens' Oversight Committee, as an advisory body, to review the revenue and expenditure of funds from the tax adopted by this Chapter. The members' terms and qualifications and the duties and scope of the Committee shall be as established by the resolution.

3.06.150 Annual Audit

Annually the City Council retains an independent auditor to conduct an audit of and provide audited financial statements for all of the City's financial activities. The auditor shall include an accounting of the revenue received from the tax collected pursuant to this Chapter in the audited financial statements. The auditor's report shall be presented to the Council and made available to the public.

3.06.160 Amendments by City Council

The following amendments to this Chapter must be approved by the voters of the City: increasing the tax rate or revising the methodology for calculating the tax such that a tax increase would result; or imposing the tax on transactions and uses not previously subject to the tax (unless such amendment occurs automatically by operation of Section 3.06.120), or extending the tax. The City Council may otherwise amend this Chapter without submitting the amendment to the voters for approval.

3.06.170 Termination Date

The authority to levy the tax imposed by this Chapter shall continue indefinitely until this Chapter is repealed by a majority vote of the voters of the City, or until it is repealed, suspended, or reduced by a majority vote of the City Council. In the event that the City Council suspends or reduces the tax, the City Council may thereafter resume collection of the tax without voter approval as long as the transactions tax rate and use tax rate are not higher than the rates set forth in Sections 3.06.050 and 3.06.070, respectively.

Section 3. Adjustment of Appropriations Limit.

Pursuant to Article XIII B of the Constitution of the State of California and applicable laws, the appropriations limit for the City is hereby increased by the aggregate sum authorized to be levied by this tax for fiscal year 2022-23 and each year thereafter.

Section 4. Compliance with the California Environmental Quality Act.

The approval of this Ordinance is exempt from the California Environmental Quality Act (Public Resources Code §§ 21000 et seq., "CEQA," and 14 Cal. Code Reg. §§ 15000 et seq., "CEQA Guidelines"). This Ordinance imposes a general tax that can be used for any legitimate governmental purpose; it is not a commitment to any particular action. As such, under CEQA Guidelines section 15378(b)(4), the Ordinance is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue from the tax were used for a purpose that would have either such effect, the City would undertake the required CEQA review for that particular project. Therefore, pursuant to CEQA Guidelines section 15060, CEQA analysis is not required.

Section 5: No Mandatory Duty of Care.

This Ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care towards persons and property within or without the City, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 6: Severability.

If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable.

Section 7: Savings Clause

The provisions of this Ordinance shall not affect or impair an act done or right vested or approved or any proceeding, suit or prosecution had or commenced in any cause before such repeal shall take effect; but every such act done, or right vested or accrued, or proceeding, suit or prosecution shall remain in full force and effect to all intents and

purposes as if such Ordinance or part thereof so repealed had remained in force. No offense committed and no liability, penalty or forfeiture, either civilly or criminally incurred prior to the time when any such Ordinance or part thereof shall be repealed or altered by said Code shall be discharged or affected by such repeal or alteration; but prosecutions and suits for such offenses, liabilities, penalties or forfeitures shall be instituted and proceeded with in all respects as if such prior Ordinance or part thereof had not been repealed or altered.

Section 8: Effectiveness: Submission to the Voters

This Ordinance relates to the levying and collecting of the City transactions and use taxes shall not take effect unless and until the Ordinance is submitted to the electorate of the City of Elk Grove and approved by a majority vote of the qualified votes cast on the Ordinance at the election.

ADOPTED:
EFFECTIVE:

BOBBIE SINGH-ALLEN, MAYOR of the
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:

JASON LINDGREN, CITY CLERK

JONATHAN P. HOBBS,
CITY ATTORNEY

Date signed: _____



TO Interested Parties

FROM Dr. Richard Bernard, Curtis Below and Miranda Everitt
FM3 Research

RE: Key Findings of a Survey of Elk Grove and Cosumnes Community Services District Priorities

DATE July 19, 2022

Fairbank, Maslin, Maullin, Metz & Associates (FM3) recently completed a survey of 771 respondents within the City of Elk Grove to assess their views on key issues facing the community, including their priorities for local services and perceptions of need for additional local revenue.ⁱ **The study found that respondents prioritize addressing crime, homelessness, public safety and streets, and nearly two-thirds see "great" or "some need" for additional local funding to provide community services.** Key findings include:

- Respondents ranked rapid emergency and 911 response; safe and clean public areas; crime reduction and addressing homelessness as among the most important priorities to fund. The table below shows the priorities valued by at least seven in ten (see Figure 1).

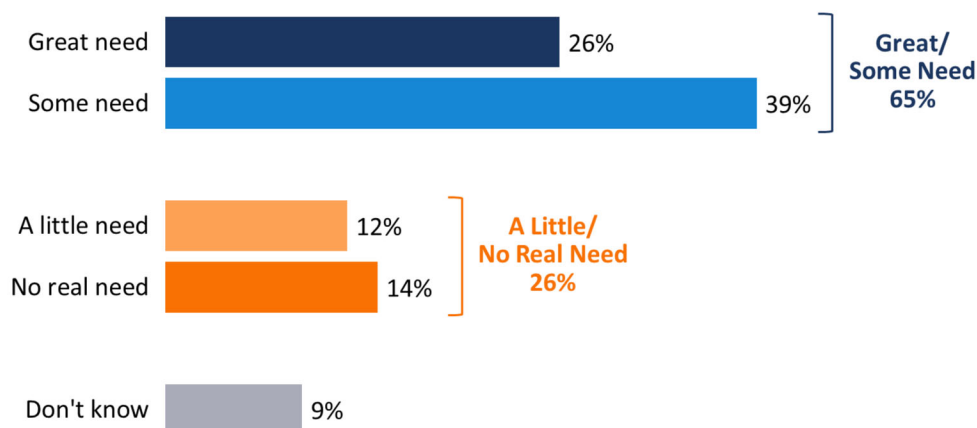
Figure 1: Top Priorities for Funding
Ranked by % Extremely or Very Important

Priority Area	% Ext/Very Important
Rapid 911, fire, police, medical emergency and disaster response	87%
Keeping public areas safe and clean	87%
Crime reduction	81%
Addressing homelessness	77%
Maintaining streets	77%
Maintaining parks	76%
Youth crime and gang prevention programs	73%
Attracting and retaining local businesses and jobs	73%

- Nearly two-thirds perceive there is a great or some need for additional funds to provide community services. As shown in Figure 2 below, 26% said there is a “great need” for additional funding for services that residents need and want.

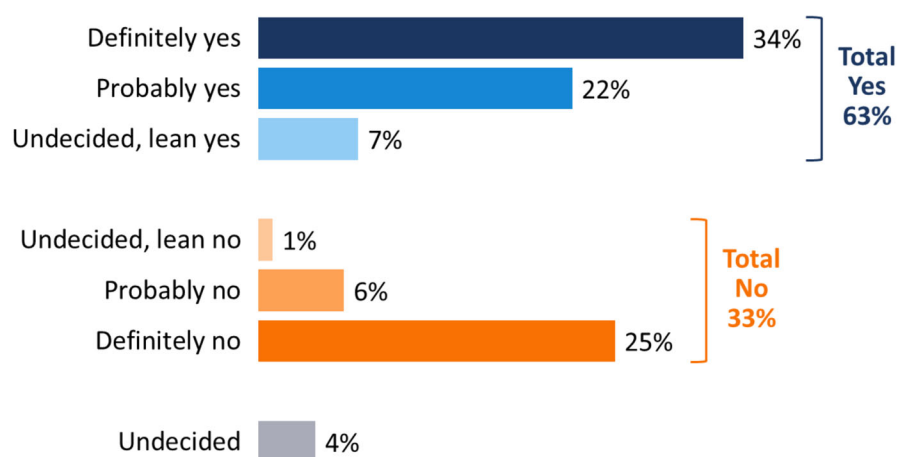
Figure 2: Perceived Need for Funding

In your personal opinion, do you think there is a great need, some need, a little need, or no real need for additional funds to provide the level of local community services that Elk Grove residents need and want?



- Initially, overall more than three in five respondents support a simple majority local measure. Thirty-four percent indicate they would definitely vote “yes” given hypothetical 75-word ballot label. This measure would require a simple majority (50.1% “yes”) vote for passage.

Figure 3: Support for a Hypothetical Simple-Majority Local Funding Measure



In sum, respondents see a variety of urgent needs for their community, particularly addressing public safety, keeping public areas safe and clean, and reducing crime. Broad majorities see a need for additional funding, and a general-purpose simple majority measure providing funding for local community services has support from 63%.

ⁱ **Methodology:** From July 5-14, 2022, FM3 completed a random sample of 771 interviews online and via landline and cell phones with likely November 2022 voters in Elk Grove. The margin of sampling error for the study is +/-4.9% at the 95% confidence level. Due to rounding, not all totals will sum to 100%.

The Community Conversation survey was conducted with residents of Elk Grove starting in March 2022. The survey is ongoing. The results shown are from all responses received as of July 14, 2022 at 9am. A total of 583 responses were received by this time. The survey includes a mix of an ad hoc and random sample survey.

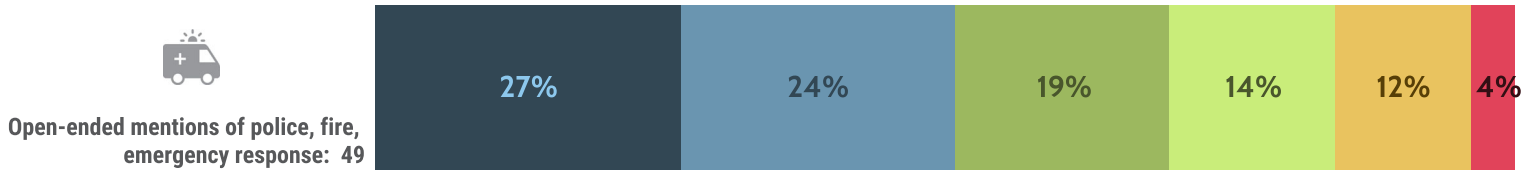
Priorities ⁽¹⁾



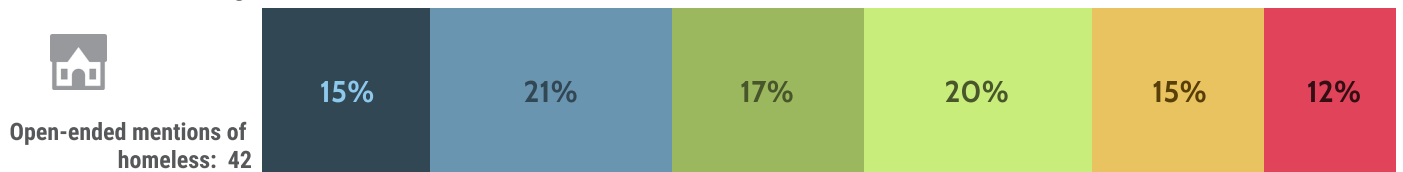
Reducing Crime



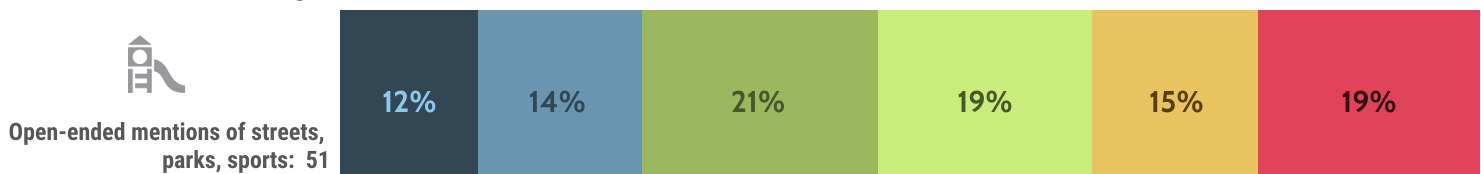
Maintaining 911, Police, Fire, and Emergency Disaster Response



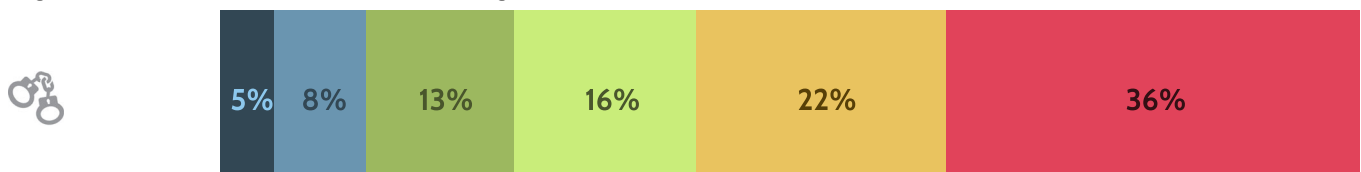
Addressing Homelessness



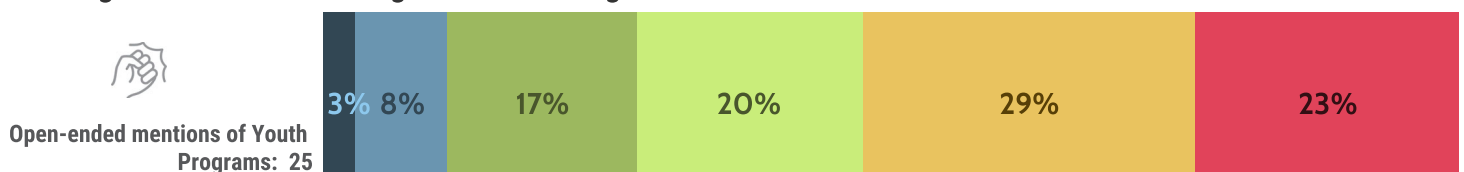
Maintaining Streets and Parks



Helping Prevent Human and Sex Trafficking



Enhancing Youth Crime and Gang Prevention Programs



Community Conversation

Two open-ended questions were asked as part of the survey. There were 345 non-zero responses provided to question 2 (suggestions for additional priorities), and 253 non-zero responses provided to question 3 (general comment/feedback). A non-zero response included any response that was not a null (e.g., N/A, None, No, See answers above, [blank]).

Open-Ended Questions: Suggestions for additional priorities & General comments/Feedback

Respondents did not distinguish between the two questions when responding, and therefore many responded similarly to both questions. For this reason, the responses were combined for review and categorization. The verbatim responses were categorized by topic area. Some responses covered more than a single topic area, and were therefore counted in multiple places. The percent represents the number of all respondents who mentioned that category in one or both answers.



Traffic/ Traffic Safety

25.0%

"Traffic enforcement to reduce speeders and hit and run"

"Traffic congestion has increased significantly in the past 5-7 years"

Traffic congestion. Preventing fatal accidents with pedestrians. Too many speeders. Slowing neighborhood traffic and speeding around schools. Red light/stop sign runners.



Arts/Entertainment/ Recreation

12.4%

"Build more recreation areas"

"Need more things to do, more entertainment"

Recreation activities. Provide fun venues for adults and youth. More community programs. More events. Indoor community center. Community events and festivals. More cultural programs to celebrate diversity.



Planning/Infrastructure

11.6%

"Continuing to create a sense of community"

"Providing information and plans for future growth"

Stop building. Limit residential growth. Stop urban spread. Infill rather than building in agricultural areas. Better zoning between residential and commercial. Balance community growth. Infrastructure to support growth. EV Charging. Improve basic infrastructure - more grocery stores, schools, etc. Better library services.



Active Transportation/ Transit

10.8%

"Expanding trail system so all residents can access a trail safely via biking or walking"

"better public transportation. Light rail into EG is needed"

More and safer bicycle paths, Pedestrian/bike crossings over freeways/intersections. Protected bike lanes. Safe bike/walk routes. More bike friendly. More walkable infrastructure. More bike trails. Improve bus service. Expand public transit.



Economic Development/ Jobs

9.5%

"Supporting small businesses"

"More variety of stores in Old Elk Grove instead of just spas/salons"

Job creation. More shops, businesses. Better support for small businesses. Upscale retail development. More independent stores. Retail. Enhance trade skills opportunities.



Environment

8.9%

"Environmental sustainability - increase water conservation and recycling"

"Planting and maintaining trees"

Reduce carbon emissions. Drought tolerant landscaping & native greenery. Reduce pollution. Plant more native trees. Conserve native oaks. Provide funding to convert lawns to drought resistant plants. Net zero emissions.



Schools/Youth Programs

8.9%

"after school services for kids that are affordable"

"Involve the youth in keeping the city clean may alleviate destruction and tagging"

Safe youth gathering/socializing centers. School safety. Youth focused events. Youth enrichment programs. Reduce school violence. Childcare options. After school programs. Drug prevention in schools. Increase teacher pay.



Blight/ Litter/ Code Enforcement

8.4%

"keep Elk Grove clean"

"Proactive code enforcement division"

Trash, debris clean up. Beautification effort. Improve location for trash receptacles. Reduce blight. Aggressive code enforcement. Accept plastic bags for recycling.



Governance/ Taxes

6.6%

"Have staff that can help in different languages"

"Work within your current budget to continue to provide services"

Reduce property taxes. Financial transparency. Be good stewards of taxpayer money. Decrease pension liabilities. Focus on core govt services.



Affordable Housing/ Housing

4.7%

"Provide more affordable senior housing"

"Helping with housing and rent control"

Reducing home prices. Affordable housing. High-density sustainable housing options. Low income senior housing options.



Health/ Mental Health

3.2%

"Healthy communities are happy and productive"

"Mental health services"

Mental health counseling. Access to free mental health services. Increase youth mental health services. Positive mental health services. Bring a hospital to EG.



Other

24.7%

"More inclusive activities for the differently abled community"

"Noise reduction with mufflers and fireworks."

More community/food gardens. Increase animal control budget. Free spay/neutering for pets. Enforce noise ordinances. More free senior classes. Better senior transportation. Increase solar benefits from SMUD. Better and more active services for differently-abled community. LGBTQ+ youth programs. Help for families with special needs kids.

Tell Us YOUR Priorities



A COMMUNITY CONVERSATION



How Can We Better Serve You?



We Want To Hear From You

elkgrovelife.com





Dear Neighbor,

The Cosumnes Community Services District and the City of Elk Grove are working hard to continue protecting your public safety, local control and critical quality of life services.



Safe neighborhoods, fast emergency response times, well-maintained streets, and a wide variety of activities for youth, seniors and families are necessary to maintain our overall safety and quality of life. Community feedback is critical to better serve you – by prioritizing your needs in an uncertain economic environment.



This is why we want to hear from you. Please visit elkgrovelife.com to learn more about budget impacts on essential services and tell us YOUR priorities for keeping our community a great place to live, work and play.

Sincerely,

JOSHUA GREEN,
General Manager
Cosumnes Community Services District

JASON BEHRMANN,
City Manager
City of Elk Grove



elkgrovelife.com

Scan the QR code  to provide your input on local services ahead of our budget process

City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758

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Local Safety and Quality of Life Priorities



REPORT BACK TO OUR COMMUNITY



Dear Neighbor,

Over the past several months, the City of Elk Grove and the Cosumnes Community Services District have been engaging the community to hear your priorities for keeping Elk Grove a great place to live, work and play.



Thank you to the nearly 1,000 residents that have provided their feedback! Community feedback is critical to better serve you – by prioritizing your needs in an uncertain economic environment. To date, your neighbors have identified the following public safety and quality of life services among their highest priorities:

- ✓ Reducing crime
- ✓ Addressing homelessness
- ✓ Maintaining 911, police, fire and emergency disaster response
- ✓ Maintaining streets and parks
- ✓ Enhancing programs to prevent youth crime and gangs



If you have not already, please join the conversation today at elkgrovelife.com or by scanning the QR code.



Sincerely,

JASON BEHRMANN,
City Manager
City of Elk Grove



JOSHUA GREEN,
General Manager
Cosumnes Community Services District



Local Safety & Quality of Life Community Questions & Answers

Q: Why is the Local Safety & Quality of Life Community Conversation important?

A: Safe neighborhoods, fast emergency response times, well-maintained streets, and a wide variety of activities for youth, seniors and families are necessary to maintain not only our overall safety and quality of life, but are a big part of maintaining local property values as well.



Q: Has public safety & emergency response been affected?

A: Yes. We all know when there is an emergency, seconds count. With about 75% of Fire Department calls being for medical emergencies, response times are up to 7.5 minutes locally – over the recommended standard of 5 minutes. We must ensure Elk Grove has the needed firefighter paramedics and lifesaving equipment to improve its response times and save lives.

And unfortunately, we have seen an increase in property crime and violent crime, with domestic violence being the number one cause of violent crime. We need to enhance victims' services, improve neighborhood police patrols, and focus on crime and gang prevention programs.

Q: What about our local parks safety?

A: Our community has 100 parks serving over 178,000 residents. Keeping them clean and safe is always a top priority. Sustainable funding is critical to maintain and repair public bathrooms, landscaping, and sports fields, and to address deteriorating playgrounds and equipment to ensure children have safe places to play.



Join the conversation at elkgrovelife.com
or by scanning the QR code.





**CITY OF ELK GROVE
CITY COUNCIL STAFF REPORT**

AGENDA TITLE: Certification of November 8, 2022 General Municipal Election results of Measure E
MEETING DATE: December 7, 2022
PREPARED BY
DEPARTMENT HEAD: Jason Lindgren, City Clerk

RECOMMENDED ACTIONS:

Adopt a resolution certifying the election results of Measure E from the November 8, 2022 General Municipal Election.

BACKGROUND INFORMATION:

It is anticipated that on December 7, 2022, the Sacramento County Registrar of Voters will issue the Certificate of Facts disclosing the results of the November 8, 2022 General Municipal Election official canvass of votes for Measure E (an example is provided under Exhibit A to the resolution under Attachment 1, and the finalized certificate will be circulated and included with the final action under the resolution).

DISCUSSION / ANALYSIS:

On July 27, 2022, the City Council directed that Ordinance No. 23-2022 be placed before the voters for consideration in the November 8, 2022, General Election. If approved by the voters, the ballot measure would enact a one-cent per dollar sales tax to support general community purposes.

The 2022 General Election results show Measure E with 30,434 (54.30%) of ballots as “yes” votes in favor of the Ordinance, and 25,611 (45.70%) of ballots as “no” votes in opposition of the Ordinance. Measure E required a majority of votes (over 50%) to be approved.

Measure E was approved by the voters. A resolution certifying the election results is submitted for City Council adoption.

FISCAL IMPACT:

As a general tax, the new revenue would be deposited in the General Fund and considered general tax revenue. The proceeds would be audited as part of the City's annual audit along with the rest of the City's funds. The City will also be establishing a Citizen Oversight Committee. A one-cent Transactions and Use Tax is estimated to produce approximately \$21.3 million annually.

ATTACHMENTS:

1. Resolution
 - a. Exhibit A: Example of the Sacramento County Certificate of Facts regarding Measure E expected on December 7, 2022

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE RECITING THE FACTS OF THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 8, 2022, AND DECLARING THE RESULTS FOR MEASURE E AND SUCH OTHER MATTERS AS PROVIDED BY LAW

WHEREAS, California Constitution Article XIII C, Section 2 provides that no local government may impose, extend or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote and that such vote must be consolidated with a City's general municipal election for members of the City Council; and

WHEREAS, the City Council is authorized by California Elections Code Section 9222 to place measures before the voters at the November 8, 2022, Nationwide General Election that would increase the tax by one cent per dollar; and

WHEREAS, the City Council adopted Resolution No. 2022-201 for the proposed Measure E to be consolidated with the November 8, 2022, Nationwide General Election, to be held on the same date, and within the City, the polling places and election officers of the two elections to be the same, and that the Sacramento County Voter Registration and Elections Department was directed to canvass the returns of the general election that would be held in all respects as if there were only one election; and

WHEREAS, a General Municipal Election was held and conducted in the City of Elk Grove, California, on Tuesday, November 8, 2022, as required by law; and

WHEREAS, notice of the election was given in the time, form and manner as provided by law; that candidates were nominated to fill the vacancy or vacancies as provided by law; that voting precincts were properly established; that election officers were appointed and that in all respects, the election was held and conducted and the ballots were cast, received and canvassed and the returns made and declared in time, form and manner as required by the provisions of the Elections Code of the State of California for the holding of elections in general law cities; and

WHEREAS, pursuant to Council Resolution No. 2022-124 adopted May 25, 2022, the Sacramento County Registrar of Voters canvassed the returns of the election and has submitted the Certificate of Facts regarding Measure E, attached and made a part hereof as Exhibit A.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ELK GROVE, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the following Measure E was submitted to the voters at the election of the City of Elk Grove as follows:

Measure E	
Elk Grove Safety/Quality of Life Measure. To support essential services such as crime reduction; rapid 9-1-1, fire, police, medical emergency/disaster response; keeping public areas safe/clean; addressing homelessness; pothole repair/street/park maintenance; youth crime/gang prevention programs; and other general community purposes; shall the measure establishing a 1¢ sales tax providing approximately \$21,300,000 annually until ended by voters; requiring audits, citizen oversight, public spending disclosures, and all funds locally controlled, be adopted?	
Yes	No

Section 2. That the number of votes given for and against Measure E listed in Section 1, are displayed in Exhibit A, attached.

Section 3. That the City Council of the City of Elk Grove does declare and determine that, as a result of the election, a majority of the voters voting on Measure E relating to the Elk Grove Safety/Quality of Life Measure **did** vote in favor thereof.

Section 4. That the City Clerk shall enter on the records of the City Council of the City of Elk Grove a statement of the result of the election showing: 1) the whole number of ballots cast in the City of Elk Grove, 2) the number of “yes” votes in favor of Measure E, and 3) the number of “no” votes in opposition of Measure E.

Section 5. That the City Clerk shall certify to the passage and adoption of this resolution.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 7th day of December 2022

BOBBIE SINGH-ALLEN, MAYOR of the
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:

JASON LINDGREN, CITY CLERK

JONATHAN P. HOBBS,
CITY ATTORNEY

EXHIBIT A

CERTIFICATE OF FACTS (EXAMPLE)

Certification that **Measure “E”** (shown below) was submitted to the known qualified electors of the **City of Elk Grove** at the General Election held on November 8, 2022:

Measure E

Elk Grove Safety/Quality of Life Measure. To support essential services such as crime reduction; rapid 9-1-1, fire, police, medical emergency/disaster response; keeping public areas safe/clean; addressing homelessness; pothole repair/street/park maintenance; youth crime/gang prevention programs; and other general community purposes; shall the measure establishing a 1¢ sales tax providing approximately \$21,300,000 annually until ended by voters; requiring audits, citizen oversight, public spending disclosures, and all funds locally controlled, be adopted?

The results of the Official Canvass conducted by the Sacramento County Voter Registration and Elections Office are as follows:

YES VOTES	NO VOTES
30,434	25,611

And that the conduct of the election and canvass of the ballots was in every respect in accordance with the election laws of the State of California.



**CITY OF ELK GROVE
CITY COUNCIL STAFF REPORT**

AGENDA TITLE: Adopt: 1) a resolution authorizing the City Manager to enter into required agreements with the California Department of Tax and Fee Administration to administer the one-cent per dollar transactions and use tax (sales tax) authorized by the passage of the Elk Grove Safety and Quality of Life measure ("Measure E"); and 2) a resolution authorizing examination of the City's transactions and use tax records

MEETING DATE: December 14, 2022

**PREPARED BY
DEPARTMENT HEAD:** Matt Paulin, Finance Director

RECOMMENDED ACTION:

Staff recommends that the City Council take the following actions:

1. Adopt a resolution authorizing the City Manager to execute two required agreements with the California Department of Tax and Fee Administration (CDTFA) to administer the new one-cent per dollar transaction and use tax (sales tax) authorized by the passage of Measure E; and
2. Adopt a resolution authorizing examination of the City's transactions and use tax records.

BACKGROUND INFORMATION:

On July 27, 2022, the City Council directed that a one-cent per dollar sales tax to support general community purposes ("Measure E") be placed before the voters for consideration in the November 8, 2022, General Election. On November 23, 2022, the Council adopted Ordinance No. 23-2022, which authorized the new tax in anticipation of the certification of the election. On December 7, 2022, the election was officially certified with 54.3 percent of voters voting yes for Measure E.

ANALYSIS/DISCUSSION:

The new tax is anticipated to go into effect on April 1, 2023. State law requires the City to contract with the California Department of Tax and Fee Administration (CDTFA) for the collection and administration of the new sales tax. These functions rest solely with the CDTFA and are not provided by other entities.

The Agreement for Preparation to Administer and Operate the City of Elk Grove's Transactions and Use Tax Ordinance (Preparatory Agreement) (Exhibit A to Attachment 1) authorizes the CDTFA to conduct the setup work necessary to administer the City's transactions and use tax. That work includes developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing forms, and developing instructions for CDTFA staff and taxpayers. These costs include both direct and indirect costs as specified in Section 11256 of the Government Code.

The Agreement for Administration of the City of Elk Grove's Transactions and Use Taxes (Administrative Agreement) (Exhibit B to Attachment 1) is for the ongoing costs associated with the administration, collection, and remittance of Measure E proceeds. This Agreement will renew automatically at the end of each calendar year until the CDTFA completes all work necessary for the administration of the City's transactions and use tax (sales tax) ordinance, and has received and disbursed all payments due under that ordinance.

The City or its consultants periodically need access to tax information for a variety of purposes including budgeting, forecasting, and compliance. This information is confidential per state law and requires specific resolution authority in order to access those records. Attachment 2 is a resolution granting this authority to CDTFA.

FISCAL IMPACT:

These resolutions have no impact on the City General Fund. The City will pay the CDTFA for preparatory setup costs related to collecting this tax in a one-time amount not to exceed \$175,000 (per Revenue and Taxation Code Section 7272) from the proceeds of the tax.

The CDTFA will also charge the City an ongoing fee, in an amount provided for by state law, to administer the tax. The CDTFA will deduct its administrative costs from the proceeds collected before remitting proceeds

to the City. Upon Council approval, the Administrative Agreement with the CDTFA will commence April 1, 2023, and remittances are expected to begin to arrive in June 2023. The City will record the gross tax receipts and the CDTFA fee separately, which combined will equal the net cash received from the CDTFA. The City's annual budget will include expenditure appropriations for future CDTFA administrative costs.

ATTACHMENTS:

1. Resolution to Execute Agreements
 - a. Exhibit A Agreement for Preparation to Administer and Operate the City of Elk Grove's Transactions and Use Tax Ordinance
 - b. Exhibit B Agreement for State Administration of the City of Elk Grove's Transactions and Use Taxes
2. Resolution for Examination of Confidential Records

RESOLUTION TO EXECUTE AGREEMENTS

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS WITH THE
CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION FOR
IMPLEMENTATION OF A LOCAL TRANSACTIONS AND USE TAX**

WHEREAS, on November 23, 2022, the City Council adopted Ordinance No. 23-2022 amending the Elk Grove Municipal Code and providing for a one-cent per dollar local transactions and use tax (sales tax); and

WHEREAS, the California Department of Tax and Fee Administration (Department) administers and collects the transactions and use taxes for all applicable jurisdictions within the state; and

WHEREAS, the Department will be responsible to administer and collect the transactions and use tax for the City; and

WHEREAS, the Department requires that the City enter into certain agreements prior to implementation of said taxes, and

WHEREAS, the Department requires that the City Council authorize the agreements.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Elk Grove does hereby authorize the City Manager to execute the following agreements with the California Department of Tax and Fee Administration, in substantially the forms presented, for preparation and administration of the one-cent transactions and use tax authorized by the voters by the passage of Measure E in the November 8, 2022 General Election:

- 1) Agreement for Preparation to Administer and Operate the City of Elk Grove’s Transactions and Use Tax Ordinance, attached hereto as Exhibit A and incorporated herein by reference;
- 2) Agreement for State Administration of the City of Elk Grove’s Transactions and Use Taxes, attached hereto as Exhibit B and incorporated herein by reference.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 14th day of December 2022

BOBBIE SINGH-ALLEN, MAYOR of the
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:

JASON LINDGREN, CITY CLERK

JONATHAN P. HOBBS,
CITY ATTORNEY

EXHIBIT A

AGREEMENT FOR PREPARATION TO ADMINISTER AND OPERATE CITY'S TRANSACTIONS AND USE TAX ORDINANCE

In order to prepare to administer a transactions and use tax ordinance adopted in accordance with the provision of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, the City of Elk Grove, hereinafter called *City*, and the CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION, hereinafter called *Department*, do agree as follows:

1. The Department agrees to enter into work to prepare to administer and operate a transactions and use tax in conformity with Part 1.6 of Division 2 of the Revenue and Taxation Code which has been approved by a majority of the electors of the City and whose ordinance has been adopted by the City.

2. City agrees to pay to the Department at the times and in the amounts hereinafter specified all of the Department's costs for preparatory work necessary to administer the City's transactions and use tax ordinance. The Department's costs for preparatory work include costs of developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing forms, developing instructions for the Department's staff and for taxpayers, and other appropriate and necessary preparatory costs to administer a transactions and use tax ordinance. These costs shall include both direct and indirect costs as specified in Section 11256 of the Government Code.

3. Preparatory costs may be accounted for in a manner which conforms to the internal accounting and personnel records currently maintained by the Department. The billings for costs may be presented in summary form. Detailed records of preparatory costs will be retained for audit and verification by the City.

4. Any dispute as to the amount of preparatory costs incurred by the Department shall be referred to the State Director of Finance for resolution, and the Director's decision shall be final.

5. Preparatory costs incurred by the Department shall be billed by the Department periodically, with the final billing within a reasonable time after the operative date of the ordinance. City shall pay to the Department the amount of such costs on or before the last day of the next succeeding month following the month when the billing is received.

6. The amount to be paid by City for the Department's preparatory costs shall not exceed one hundred seventy-five thousand dollars (\$175,000) (Revenue and Taxation Code Section 7272.)

7. Communications and notices may be sent by first class United States mail. Communications and notices to be sent to the Department shall be addressed to:

California Department of Tax and Fee Administration
P.O. Box 942879 MIC: 27
Sacramento, California 94279-0027

Attention: Administrator
Local Revenue Branch

Communications and notices to be sent to City shall be addressed to:

City of Elk Grove Finance Department
8401 Laguna Palms Way
Elk Grove, CA 95758

Attn: Matthew Paulin, Finance Director

8. The date of this agreement is the date on which it is approved by the Department of General Services. This agreement shall continue in effect until the preparatory work necessary to administer City's transactions and use tax ordinance has been completed and the Department has received all payments due from City under the terms of this agreement.

CITY OF ELK GROVE

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

BY _____
JASON BEHRMANN, CITY MANAGER

BY _____
Administrator
Local Revenue Branch

ATTEST:

APPROVED AS TO FORM:

JASON LINDGREN, CITY CLERK

Jonathan P. Hobbs

JONATHAN P. HOBBS
CITY ATTORNEY

EXHIBIT B
AGREEMENT FOR STATE ADMINISTRATION
OF CITY TRANSACTIONS AND USE TAXES

The City Council of the City of Elk Grove has adopted, and the voters of the City of Elk Grove (hereafter called "City" or "District") have approved by the required majority vote, the City of Elk Grove Transactions and Use Tax Ordinance (hereafter called "Ordinance"), a copy of which is attached hereto. To carry out the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code and the Ordinance, the California State Department of Tax and Fee Administration, (hereinafter called the "Department") and the City do agree as follows:

ARTICLE I
DEFINITIONS

Unless the context requires otherwise, wherever the following terms appear in the Agreement, they shall be interpreted to mean the following:

1. "District taxes" shall mean the transactions and use taxes, penalties, and interest imposed under an ordinance specifically authorized by Revenue and Taxation Code Section 7285.9 and in compliance with Part 1.6, Division 2 of the Revenue and Taxation Code.

2. "City Ordinance" shall mean the City's Transactions and Use Tax Ordinance referred to above and attached hereto, Ordinance No.23-2022 as amended from time to time, or as deemed to be amended from time to time pursuant to Revenue and Taxation Code Section 7262.2.

ARTICLE II
ADMINISTRATION AND COLLECTION
OF CITY TAXES

A. Administration. The Department and City agree that the Department shall perform exclusively all functions incident to the administration and operation of the City Ordinance.

B. Other Applicable Laws. City agrees that all provisions of law applicable to the administration and operation of the Department Sales and Use Tax Law which are not inconsistent with Part 1.6 of Division 2 of the Revenue and Taxation Code shall be applicable to the administration and operation of the City Ordinance. City agrees that money collected pursuant to the City Ordinance may be deposited into the State Treasury to the credit of the Retail Sales Tax Fund and may be drawn from that Fund for any authorized purpose, including making refunds, compensating and reimbursing the Department pursuant to Article IV of this Agreement, and transmitting to City the amount to which City is entitled.

C. Transmittal of money.

1. For the period during which the tax is in effect, and except as otherwise provided herein, all district taxes collected under the provisions of the City Ordinance shall be transmitted to City periodically as promptly as feasible, but not less often than twice in each calendar quarter.

2. For periods subsequent to the expiration date of the tax whether by City's self-imposed limits or by final judgment of any court of the State of California holding that City's ordinance is invalid or void, all district taxes collected under the provisions of the City Ordinance shall be transmitted to City not less than once in each calendar quarter.

3. Transmittals may be made by mail or electronic funds transfer to an account of the City designated and authorized by the City. A statement shall be furnished at least quarterly indicating the amounts withheld pursuant to Article IV of this Agreement.

D. Rules. The Department shall prescribe and adopt such rules and regulations as in its judgment are necessary or desirable for the administration and operation of the City Ordinance and the distribution of the district taxes collected thereunder.

E. Preference. Unless the payor instructs otherwise, and except as otherwise provided in this Agreement, the Department shall give no preference in applying money received for state sales and use taxes, state-administered local sales and use taxes, and district transactions and use taxes owed by a taxpayer, but shall apply moneys collected to

the satisfaction of the claims of the State, cities, counties, cities and counties, redevelopment agencies, other districts, and City as their interests appear.

F. Security. The Department agrees that any security which it hereafter requires to be furnished by taxpayers under the State Sales and Use Tax Law will be upon such terms that it also will be available for the payment of the claims of City for district taxes owing to it as its interest appears. The Department shall not be required to change the terms of any security now held by it, and City shall not participate in any security now held by the Department.

G. Records of the Department.

When requested by resolution of the legislative body of the City under section 7056 of the Revenue and Taxation Code, the Department agrees to permit authorized personnel of the City to examine the records of the Department, including the name, address, and account number of each seller holding a seller's permit with a registered business location in the City, pertaining to the ascertainment of transactions and use taxes collected for the City. Information obtained by the City from examination of the Department's records shall be used by the City only for purposes related to the collection of transactions and use taxes by the Department pursuant to this Agreement.

H. Annexation. City agrees that the Department shall not be required to give effect to an annexation, for the purpose of collecting, allocating, and distributing District transactions and use taxes, earlier than the first day of the calendar quarter which commences not less than two months after notice to the Department. The notice shall include the name of the county or counties annexed to the extended City boundary. In the event the City shall annex an area, the boundaries of which are not coterminous with a county or counties, the notice shall include a description of the area annexed and two maps of the City showing the area annexed and the location address of the property nearest to the extended City boundary on each side of every street or road crossing the boundary.

ARTICLE III
ALLOCATION OF TAX

A. Allocation. In the administration of the Department's contracts with all districts that impose transactions and use taxes imposed under ordinances, which comply with Part 1.6 of Division 2 of the Revenue and Taxation Code:

1. Any payment not identified as being in payment of liability owing to a designated district or districts may be apportioned among the districts as their interest appear, or, in the discretion of the Department, to all districts with which the Department has contracted using ratios reflected by the distribution of district taxes collected from all taxpayers.

2. All district taxes collected as a result of determinations or billings made by the Department, and all amounts refunded or credited may be distributed or charged to the respective districts in the same ratio as the taxpayer's self-declared district taxes for the period for which the determination, billing, refund or credit applies.

B. Vehicles, Vessels, and Aircraft. For the purpose of allocating use tax with respect to vehicles, vessels, or aircraft, the address of the registered owner appearing on the application for registration or on the certificate of ownership may be used by the Department in determining the place of use.

ARTICLE IV
COMPENSATION

The City agrees to pay to the Department as the State's cost of administering the City Ordinance such amount as is provided for by law. Such amounts shall be deducted from the taxes collected by the Department for the City.

ARTICLE V
MISCELLANEOUS PROVISIONS

A. Communications. Communications and notices may be sent by first class United States mail to the addresses listed below, or to such other addresses as the parties may from time to time designate. A notification is complete when deposited in the mail.

Communications and notices to be sent to the Department shall be addressed to:

California State Department of Tax and Fee Administration
P.O. Box 942879
Sacramento, California 94279-0027

Attention: Administrator
Local Revenue Branch

Communications and notices to be sent to the City shall be addressed to:

City of Elk Grove Finance Department
8401 Laguna Palms Way
Elk Grove, CA 95758

Attention: Matthew Paulin, Finance Director

Unless otherwise directed, transmittals of payment of District transactions and use taxes will be sent to the address above.

B. Term. The date of this Agreement is the date on which it is approved by the Department of General Services. The Agreement shall take effect on April 1, 2023. This Agreement shall continue until December 31 next following the expiration date of the City Ordinance, and shall thereafter be renewed automatically from year to year until the Department completes all work necessary to the administration of the City Ordinance and has received and disbursed all payments due under that Ordinance.

C. Notice of Repeal of Ordinance. City shall give the Department written notice of the repeal of the City Ordinance not less than 110 days prior to the operative date of the repeal.

ARTICLE VI
ADMINISTRATION OF TAXES IF THE
ORDINANCE IS CHALLENGED AS BEING INVALID

A. Impoundment of funds.

1. When a legal action is begun challenging the validity of the imposition of the tax, the City shall deposit in an interest-bearing escrow account, any proceeds transmitted to it under Article II. C., until a court of competent jurisdiction renders a final and non-appealable judgment that the tax is valid.

2. If the tax is determined to be unconstitutional or otherwise invalid, the City shall transmit to the Department the moneys retained in escrow, including any accumulated interest, within ten days of the judgment of the trial court in the litigation awarding costs and fees becoming final and non-appealable.

B. Costs of administration. Should a final judgment be entered in any court of the State of California, holding that City's Ordinance is invalid or void, and requiring a rebate or refund to taxpayers of any taxes collected under the terms of this Agreement, the parties mutually agree that:

1. Department may retain all payments made by City to Department to prepare to administer the City Ordinance.

2. City will pay to Department and allow Department to retain Department's cost of administering the City Ordinance in the amounts set forth in Article IV of this Agreement.

3. City will pay to Department or to the State of California the amount of any taxes plus interest and penalties, if any, that Department or the State of California may be required to rebate or refund to taxpayers.

4. City will pay to Department its costs for rebating or refunding such taxes, interest, or penalties. Department's costs shall include its additional cost for developing procedures for processing the rebates or refunds, its costs of actually making these refunds, designing and printing forms, and developing instructions for Department's staff for use in

making these rebates or refunds and any other costs incurred by Department which are reasonably appropriate or necessary to make those rebates or refunds. These costs shall include Department's direct and indirect costs as specified by Section 11256 of the Government Code.

5. Costs may be accounted for in a manner, which conforms to the internal accounting, and personnel records currently maintained by the Department. The billings for such costs may be presented in summary form. Detailed records will be retained for audit and verification by City.

6. Any dispute as to the amount of costs incurred by Department in refunding taxes shall be referred to the State Director of Finance for resolution and the Director's decision shall be final.

7. Costs incurred by Department in connection with such refunds shall be billed by Department on or before the 25th day of the second month following the month in which the judgment of a court of the State of California holding City's Ordinance invalid or void becomes final. Thereafter Department shall bill City on or before the 25th of each month for all costs incurred by Department for the preceding calendar month. City shall pay to Department the amount of such costs on or before the last day of the succeeding month and shall pay to Department the total amount of taxes, interest, and penalties refunded or paid to taxpayers, together with Department costs incurred in making those refunds.

CITY OF ELK GROVE

CALIFORNIA STATE DEPARTMENT
OF TAX AND FEE ADMINISTRATION

By _____
JASON BEHRMANN, CITY MANAGER

By _____
Administrator
Local Revenue Branch

ATTEST:

APPROVED AS TO FORM:

JASON LINDGREN, CITY CLERK

Jonathan P. Hobbs

JONATHAN P. HOBBS, CITY ATTORNEY

RESOLUTION FOR EXAMINATION OF CONFIDENTIAL RECORDS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE AUTHORIZING EXAMINATION OF SALES OR TRANSACTIONS AND USE TAXES RECORDS

WHEREAS, pursuant to Ordinance No. 23-2022 of the City of Elk Grove (City) and Revenue and Taxation Code section 7270, the City entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incidental to the administration and collection of sales and use taxes; and

WHEREAS, the City Council of the City of Elk Grove deems it desirable and necessary for an authorized representative of the City to examine confidential sales and use tax records of the California Department of Tax and Fee Administration (Department) pertaining to sales and use taxes collected by the Department for the City pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department.

NOW, THEREFORE, the City Council of the City of Elk Grove hereby resolves as follows:

Section 1. That the City Manager, or other officer or employee of the City designated in writing by the City Manager to the California Department of Tax and Fee Administration, is hereby appointed to represent the City with authority to examine sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected for the City by the Department pursuant to the contract between the City and the Department.

Section 2. That the information obtained by examination of Department records shall be used only for purposes related to the collection of City transactions and use taxes by the Department pursuant to that contract and the following governmental functions:

- (a) Budget Development
- (b) Revenue Analysis and Forecasting
- (c) Economic Development
- (d) Economic Analysis
- (e) Strategic Planning and Innovation

The information obtained by examination of Department records shall be used only for those governmental functions of the City listed above.

Section 3. That Hinderliter, De Llamas & Associates dba HdL Companies (HdL Companies) is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected for the City by the Department. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and HdL Companies:

- a) has an existing contract with the District to examine those sales or transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of Department records shall be used only for purposes related to the collection of District transactions and use taxes by the Department pursuant to the contract between the District and the Department and for those purposes relating to the governmental functions of the District listed in section 2 of this resolution.

Section 4. That this resolution supercedes all prior resolutions of the City Council of the City of Elk Grove adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 14th day of December 2022

BOBBIE SINGH-ALLEN, MAYOR of the
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:

JASON LINDGREN, CITY CLERK

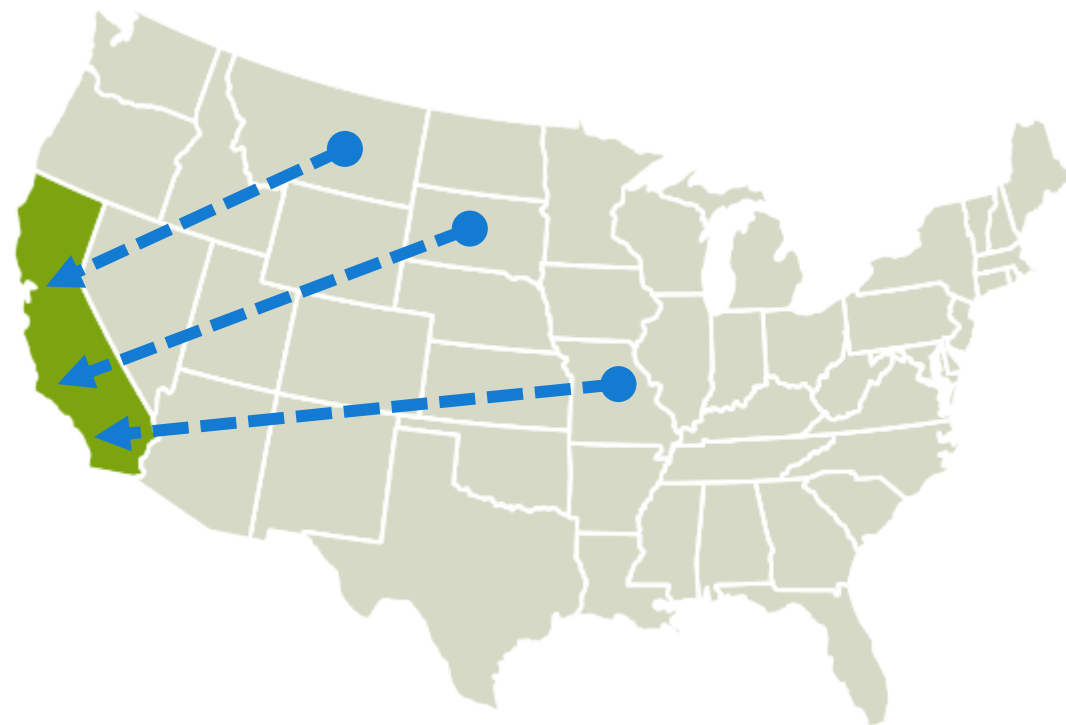
JONATHAN P. HOBBS,
CITY ATTORNEY



Bradley Burns: 1% Sales and Use Tax

Sales Tax applies when goods are located in state at the time sales occur. This includes a stock of goods held in a California warehouse, fulfillment center or retail stores.

Use Tax applies when title to the goods passes to purchaser at a point outside of California. Goods shipments from outside the state are generally subject to use tax.





Allocation Of Bradley-Burns 1% Tax

Sales Tax

- PLACE OF SALE (where the sale/order was placed or negotiated)
- **Allocated directly to local jurisdiction**
- Allocated indirectly if seller not required to hold a seller's permit

Use Tax

- PLACE OF USE
- **Allocated indirectly through the countywide use tax pool system**
- Limited circumstances where local use tax can be allocated directly.



District (Transactions) Tax vs. Sales Tax

Voter approved.

District Taxes follow the merchandise.

Generally...

- Distributed to the district (city) where the goods are delivered (and presumably used)
- Local merchants shipping products out of district do not generate transaction tax

EXAMPLE:

SALES TAX
Allocated to city
where the dealership
is located.



DISTRICT TAX
Allocated to
city where the
vehicle is registered.

Transactions Tax Districts follow the Buyer

- **Allocated directly to the Jurisdiction where the buyer first takes possession or registers the vehicle, vessel or plane.**
- **There are no pools.**
- **Tax not charged on merchandise delivered to out-of-jurisdiction buyers.**

Statewide Sales Tax Rate

State General Fund	3.9375%
County Realignment (0.5625 Mental Health, 1.0625 Public Safety)	1.5625%
Prop. 172 Public Safety	0.5000%
Bradley-Burns Uniform Tax	1.2500%
Local General Fund (1.00%)	
Countywide Transportation (0.25%)	

Total **7.2500%**

Maximum Optional Transactions Tax

2.0000%

(Higher in Alameda, Contra Costa, Monterey, San Mateo, Santa Clara, Sonoma, Los Angeles counties)

Total Maximum Rate

9.2500%

(10.0% in six Counties, 10 ½% L.A.County)



Statewide Sales Tax Rate

State General Fund	3.9375%
County Realignment	1.5625%
Prop. 172 Public Safety	0.5000%
Bradley-Burns Uniform Tax	1.2500%
Local General Fund	1.00%
Countywide Transportation	0.25%
Total Base Rate	7.2500%
Statewide Transactions Tax Cap	2.0000%
Except in Alameda, Contra Costa, LA, Monterey, San Mateo, Santa Clara, Santa Cruz and Sonoma counties*	
Total Rate	9.2500%

* Various CA Legislative bills authorized additional transactions tax rate authority for specific counties and cities which does not count against the 2% cap.



As with other California taxes, a transactions and use tax district must obtain a majority vote if the tax is to be used for general purposes and two-thirds vote if for specific purposes. However, a 1988 court decision found a Santa Clara County District that specified that the revenues could be spent for general county purposes required only a majority vote despite the passage of a related advisory measure stating the voters' intent that the revenues be spent on specific projects. (Coleman vs. County of Santa Clara (64 Cal. App 4th 662))

The maximum transactions and use tax rate of 2% does not account for authorization by the states legislature for individual counties or cities to put new district tax measures before their voters. Therefore, total tax rate maximums exceed 9.25% in portions of Alameda, Contra Costa, Los Angeles, Monterey, Santa Clara, San Mateo and Sonoma Counties. The pertinent provisions of the California Revenue and Taxation Code are: Sections 7251.1, 7285.9 – 7285.92, 7285 – 7285.5 and 7292.

For a current listing of transactions tax rates, please visit:
<http://www.cdtfa.ca.gov/formspubs/cdtfa95.pdf>



How a Transaction Tax is Distributed

With the exception of certain goods sold to common carriers, the transactions and use tax is imposed on the same goods and merchandise as the local sales and use tax. However, where the Bradley-Burns Sales and Use Tax is generally allocated to the jurisdiction where the sale is negotiated, or the order is taken, the transactions and use tax is allocated to the district where the goods are delivered or placed into use.

- For “walk-in” retail stores, the CDTFA presumes that the merchandise will be used within the district where the store is located unless the retailer is asked to ship the merchandise outside the district as part of the sale.
- Sellers or lessors of vehicles, vessels, or licensed aircraft are required to collect the transactions tax (if there is one) only for the district where the conveyance is to be registered. Residents cannot escape the tax by purchasing from a dealer outside the city or outside the state, as dealers are required to collect any transactions tax for the jurisdiction where the vehicle is to be registered.
- For sales contracts that require shipment of the merchandise, the transactions tax is levied for the active district(s) at the ship-to address when the seller has nexus at that location.

For sales other than “walk-in” stores, the transactions and use tax is imposed only on consumers located within the district. In projecting revenues, agencies who serve a regional market for vehicles or merchandise to be delivered elsewhere (such as contractor materials or industrial equipment) will find that their transactions and use tax is proportionally lower than their sales tax revenues. An agency whose residents and businesses must shop outside the agency for vehicles and business and construction-related goods will find that their transactions and use tax receipts are proportionally higher than their sales tax revenues.



Transaction & Use Tax Allocations, Data and Auditing





What is taxed...



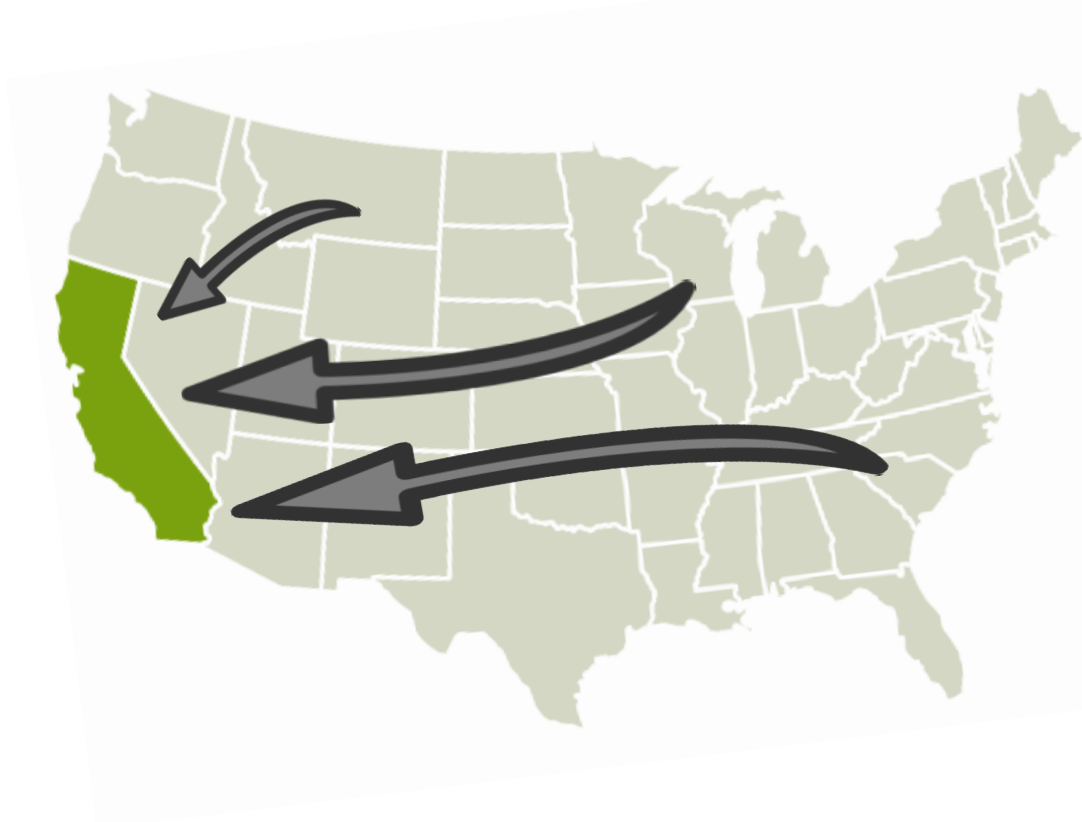
Sales tax is imposed on ALL sales of tangible personal property in CA

- Tax only levied once: when purchased or used by the ultimate consumer
- Retailer buys at wholesale and pays no tax
 - Files resale permit with supplier



What is 'Use Tax'...

- Charged on goods sold to California customers from out-of-state retailers
- Collected but a local place of sale could not be determined



HOW IS USE TAX DISTRIBUTED?

First – allocated into the county pool where the goods were delivered

Second – distributed from the pool to all county agencies, based on their pro-rata share of sales tax for that quarter.



What is NOT taxed...

- **Property – Land and Buildings**
- **Utilities – Gas, Electricity and Water sold in bulk or through pipes**
- **Merchandise Sold to the Federal Government**
- **Food Sold for Home Consumption**
- **Prescription Medicine**
- **Goods transmitted electronically**
(Music, Books, Movies, Computer Software, etc.)

**And Lot's More: CDTFA [Publication 61](#)
*is 26 pages long with small print***





FUNCTIONAL DIFFERENCES TO BRADLEY-BURNS ALL OTHER RETAILERS



HdL 



Functional Differences To Bradley-Burns

**REGISTERED
VEHICLES,
VESSELS,
AIRCRAFT**

BUYER PAYS TOTAL SALES TAX RATE WHERE VEHICLE WILL BE REGISTERED

Example:

1. Buyer lives in non-TUT city with total sales tax rate of 7.25%, purchases a vehicle from a car dealer in a city that has a total sales tax rate of 9.25%.

Buyer will pay 7.25% sales tax to car dealer. Local 1% Bradley-Burns tax will be allocated to city where car dealer is located. No additional local taxes will be allocated.



Functional Differences To Bradley-Burns

**REGISTERED
VEHICLES,
VESSELS,
AIRCRAFT**

BUYER PAYS TOTAL SALES TAX RATE WHERE VEHICLE WILL BE REGISTERED

Example:

2. Buyer lives in a city with TUT - total sales tax rate of 9.25% (assume 0.75% Local TUT), purchases a vehicle from a car dealer in a city that has a total sales tax rate of 7.25%

Buyer will pay 9.25% sales tax to car dealer. Local 1% Bradley-Burns tax will be allocated to city where car dealer is located. 0.75% TUT will be remitted to City where Buyer lives. All other taxes remitted to applicable agencies.



Building Supplies, Equipment and Bulk Fuel

DELIVERIES INTO CITY
TUT tax collected



CITY WITH LOCAL TUT

DELIVERIES OUT OF CITY
TUT tax NOT collected





Online Sales... Easier to Explain

Transaction and Use Tax follows the goods to consumer/where goods are delivered, *no matter where they come from*

Assembly Bill 147 – Regulations on Out-of-State Online Retailers requiring them to collect and remit sales & use tax from all transactions.

- ✓ California's implementation of Supreme Court's decision in *South Dakota v. Wayfair*
- ✓ Effective October 1, 2019
- ✓ While many large internet retailers were already collecting, still a dramatic impact for agencies



**CITY OF ELK GROVE
MEASURE E CITIZENS OVERSIGHT COMMITTEE
STAFF REPORT**

AGENDA TITLE: Committee Roles & Responsibilities

MEETING DATE: May 8, 2023

RECOMMENDED ACTION:

Staff recommends that the Committee receive an overview on the Committee’s roles and responsibilities.

BACKGROUND INFORMATION:

Staff will provide an overview of the Committee’s roles and responsibilities.

FISCAL IMPACT:

None.

ATTACHMENTS:

- A. January 25, 2023 Staff Report
- B. March 8, 2023 Staff Report
- C. March 22, 2023 Staff Report



**CITY OF ELK GROVE
CITY COUNCIL STAFF REPORT**

AGENDA TITLE: Consider a resolution to establish the Measure E Citizens' Oversight Committee to review the revenue and expenditures of funds from the general Transactions and Use ("Sales") Tax known as Measure E

MEETING DATE: January 25, 2023

PREPARED BY: Tishiana Mann, Graduate Student Assistant
Kara Reddig, Deputy City Manager
Matthew Paulin, Finance Director

DEPARTMENT HEAD: Jason Behrmann, City Manager

RECOMMENDED ACTION:

Staff recommends that the City Council adopt a resolution to establish the Measure E Citizens' Oversight Committee to review the revenue and expenditures of funds from the general Transactions and Use ("Sales") Tax known as Elk Grove's Safety and Quality of Life Measure E.

BACKGROUND INFORMATION:

The one-cent Transactions and Use ("Sales") Tax, known as Measure E, was approved by the voters at the November 8, 2022 election. Measure E added Elk Grove Municipal Code (EGMC) Chapter 3.06, and EGMC Section 3.06.140 provides that a Citizens' Oversight Committee be established as an advisory body to review the revenue and expenditures of funds from the voter-approved tax measure.

If this resolution is adopted, the Measure E Citizens' Oversight Committee will be charged with the annual review of Measure E revenue and expenditures and to provide an annual report to the City Council and Elk Grove community.

History of Measure E

In February 2021, the City Council directed staff to partner with the Cosumnes Community Services District (Cosumnes CSD) to conduct public engagement and outreach activities that would specifically identify the community's current needs and priorities.

In December 2021 and July 2022, the City and Cosumnes CSD, through FM3 Research (an opinion research firm), surveyed residents to understand community needs and priorities. In both surveys, a majority of respondents indicated that there was a need for additional funding to provide the level of community services that residents desire and that they would support a one-cent sales tax measure to support essential community services.

In July 2022, Council adopted a resolution establishing November 8, 2022, as the date for an election on a proposed ballot measure seeking voter approval to impose a one-cent Transactions and Use (“Sales”) Tax known as Measure E for general community purposes. Staff also suggested a list of needs and priorities, based on community input, to guide its initial spending allocations should the tax measure be enacted. These priorities will be used to guide the initial priorities and can be revised as needed by the City Council as necessary to meet the needs and priorities of the community. The top community-identified needs and priorities were as follows:

Community Identified Needs and Priorities
<p><i>Public Safety</i></p> <p><i>Reducing Crime</i> Provide additional public safety resources in order to keep our neighborhoods safe and reduce crime. Increase neighborhood police patrols, ensure the Police Department is attracting, retaining, and adequately equipping public safety professionals and pursue new, innovative approaches to reducing crime.</p>
<p><i>Addressing Homelessness</i> Provide resources to address mental health, substance abuse, and job training needs while ensuring our local businesses, residential neighborhoods, and public areas are safe and secure for everyone.</p>
<p><i>Improve 911, police, fire, and emergency disaster and emergency medical response</i> Improve 911 emergency response times, at both the Police and Fire Departments, to ensure that calls for service meet national response time standards.</p>
<p><i>Enhancing programs to combat youth crime and gang prevention</i> Fund property and violent crime investigation and prevention, and address crimes related to youth and gangs including supporting after school recreational and enrichment programs to keep youth actively engaged and supported for a bright future.</p>
<p><i>Roads and Parks Safety</i></p> <p><i>Maintaining Streets</i> Maintain pothole repair and enhance major roads to improve traffic flow and reduce congestion for the safety of all drivers, bikers, and pedestrians, including safe routes for school kids walking or biking.</p> <p><i>Maintaining Parks</i> Maintain and repair public bathrooms, landscaping, sports fields, deteriorating playgrounds and equipment, including security lighting to keep play spaces clean and safe for children and families.</p>

Quality of Life
<i>Clean and Safe Public Areas</i> Keep public areas safe and clean for community members as well as visitors. Implement programs that directly impact visual blight as well as ensuring a safe community for all.
<i>Economic Development</i> Attract and retain local businesses and jobs to ensure a robust local economy.

On November 8, 2022, the question regarding the one-cent Transactions and Use (“Sales”) Tax known as Measure E appeared on the ballot as follows:

Elk Grove Safety/Quality of Life Measure. To support essential services such as crime reduction; rapid 9-1-1, fire, police, medical emergency/disaster response; keeping public areas safe/clean; addressing homelessness; pothole repair/street/park maintenance; youth crime/gang prevention programs; and other general community purposes; shall the measure establishing a 1¢ sales tax providing approximately \$21,300,000 annually until ended by voters; requiring audits, citizen oversight, public spending disclosures, and all funds locally controlled, be adopted?

Yes

No

The passage of Measure E was certified by the Sacramento County Registrar of Voters and the Elk Grove City Council on December 7, 2022. The 2022 General Election results showed Measure E with 30,434 (54.30%) of ballots as “yes” votes in favor of the Ordinance, and 25,611 (45.70%) of ballots as “no” votes in opposition of the Ordinance. Measure E required a majority of votes (over 50%) to be approved.

Establishing the Measure E Citizens’ Oversight Committee is referenced in EGMC Section 3.06.140 as follows: (See Attachment 2).

3.06.140 Independent Citizens’ Oversight Committee

Although not otherwise required by law, the City Council shall, by resolution adopted before the Operative Date of this Chapter, establish a Citizens’ Oversight Committee, as an advisory body, to review the revenue and expenditure of funds from the tax adopted by this Chapter. The members’ terms and qualifications and the duties and scope of the Committee shall be as established by the resolution.

ANALYSIS/DISCUSSION:

Staff researched jurisdictions in California with a Transactions and Use (“Sales”) Tax in place and gained information about the structure, purpose, responsibilities, meeting frequency, and other details of their Citizens’ Oversight Committees.

Based on this research, staff recommends that the Council adopt the Resolution (Attachment 1), which outlines the full scope and duties of the Committee; highlights include:

Section 1: Tasks or Objectives

The Measure E Citizens’ Oversight Committee (“Committee”) shall:

- Review the revenue and expenditures of the funds generated by the general Transactions and Use (“Sales”) Tax measure generally known as Measure E and codified at Elk Grove Municipal Code Chapter 3.06.
- Review the annual independent financial audit of the City performed by an independent auditor on sections pertaining to Measure E.
- Review the initial proposed budget and expenditure plan for consistency with the Community Identified Needs and Priorities.
- Annually prepare and present an independent report to the City Council regarding the revenue and expenditures of the Transactions and Use Tax.

The Committee shall have no authority to direct staff or to recommend any particular contracts, projects, services, service levels, or spending priorities.

Composition. The Committee shall consist of five members.

Qualifications. Each member of the Committee shall be at least 18 years of age, reside in the City of Elk Grove, and be registered to vote. A member may not be an officer or employee of the City. The following qualifications are preferred, but not required, for Committee members:

- Knowledge of municipal finance, taxation, budgeting, and/or accounting
- Knowledge of municipal or governmental services operations
- Knowledge of the local business and/or residential community

Meetings. The Committee shall establish a regular meeting schedule, which shall include at least two meetings per year.

Appointment. Consistent with all other Committee appointments, the Mayor, with the approval of the City Council, shall make all appointments to the Committee. The Mayor will consider any input offered by the Cosumnes CSD Board President regarding potential appointees.

Adopting a resolution to establish a Measure E Citizens' Oversight Committee to perform these responsibilities aligns with City Council's goals to "engage the community often and in a transparent and inclusive way."

It should also be noted that staff plans to separately account for Measure E expenditures in a manner similar to the Economic Development Fund (Fund 105), the Capital Reserve Fund (Fund 106), and the Small Business Economic Incentive Fund (Fund 108), which are technically part of the General Fund but are accounted for separately. This structure will provide increased transparency and accountability.

ALTERNATIVE ACTIONS:

City Council could direct staff to make changes to the proposed resolution language. Depending on the scope of any such changes, the matter could be approved at this Council meeting or returned to the Council following further review and analysis by staff.

FISCAL IMPACT:

There is no fiscal impact to establishing the Measure E Citizens' Oversight Committee. Pursuant to the proposed resolution, Committee members would serve on a volunteer basis. The costs associated with facilitating the Committee and preparing the meeting materials and reports are minor and absorbable.

ATTACHMENTS:

1. Resolution
2. Ordinance No. 23-2022

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE ESTABLISHING THE MEASURE E CITIZENS' OVERSIGHT COMMITTEE

WHEREAS, throughout 2022, the City of Elk Grove (City) and the Cosumnes Community Services District (Cosumnes CSD) conducted extensive public engagement and outreach activities that identified the community's current needs and priorities; and

WHEREAS, results from that outreach and surveys identified community needs and priorities such as reducing crime, addressing homelessness, improving 911, police, fire, and emergency disaster and emergency medical response, enhancing programs to combat youth crime and gang prevention, maintaining streets, maintaining parks, clean and safe public areas, and economic development as top priorities; and

WHEREAS, a general Transactions and Use ("Sales") Tax known as Measure E, which could address those community needs and priorities, was placed on the November 8, 2022 ballot and was approved by a majority of the voters; and

WHEREAS, Elk Grove Municipal Code Chapter 3.06, enacted by the passage of Measure E, requires the City Council to establish a Citizens' Oversight Committee to review the revenue and expenditure of funds from the Transactions and Use ("Sales") Tax approved with the passage of Measure E.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby establishes the Measure E Citizens' Oversight Committee pursuant to Elk Grove Municipal Code Section 3.06.140, whose tasks, objectives, composition, and member qualifications are set forth in Exhibit A, attached hereto and made a part hereof.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 25th day of January 2023

BOBBIE SINGH-ALLEN, MAYOR of the
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:

JASON LINDGREN, CITY CLERK

JONATHAN P. HOBBS,
CITY ATTORNEY

EXHIBIT A

MEASURE E CITIZENS' OVERSIGHT COMMITTEE (Tasks, Objectives, Composition, and Member Qualifications)

Section 1: Tasks or Objectives

The Measure E Citizens' Oversight Committee ("Committee") shall:

- Review the revenue and expenditures of the funds generated by the general Transactions and Use ("Sales") Tax measure generally known as Measure E and codified at Elk Grove Municipal Code Chapter 3.06.
- Review the annual independent financial audit of the City performed by an independent auditor on sections pertaining to Measure E.
- Review the initial proposed budget and expenditure plan for consistency with the ballot language and Community Identified Needs and Priorities as contained in the staff report dated July 27, 2022.
- Annually prepare and present an independent report to the City Council regarding the revenue and expenditures of the Transactions and Use Tax.

The Committee shall have no authority to direct staff or to recommend any particular contracts, projects, services, service levels, or spending priorities.

Section 2: Committee Type. Standing. The Committee shall be advisory in nature and shall not have authority to bind the City or the City Council.

Section 3: Composition. The Committee shall consist of five members. At its first meeting, and then biennially thereafter, the Committee shall appoint from amongst its members a Chair and Vice Chair.

Section 4: Qualifications. Each member of the Committee shall be at least 18 years of age, reside in the City of Elk Grove, and be registered to vote. A member may not be an officer or employee of the City.

The following qualifications are preferred, but not required, for Committee members:

- Knowledge of municipal finance, taxation, budgeting, and/or accounting
- Knowledge of municipal or governmental services operations
- Knowledge of the local business and/or residential community

Section 5: Appointment. The Mayor, with the approval of the City Council, shall make all appointments to the Committee. Committee members shall serve at the pleasure of the City Council without a set term. The Mayor will consider any input offered by the Cosumnes CSD Board President regarding potential appointees.

Section 6: Administrative Support to the Committee. City staff shall provide information to the Committee reasonably necessary to complete their specific tasks and objectives. The Committee will work primarily, but not exclusively, with the City's Finance Department.

Section 7: Meetings. The Committee shall establish a regular meeting schedule, which shall include at least two meetings per year. Regular meetings shall be held at City Council Chambers (8400 Laguna Palms Way). Special meetings may be called and held as allowed by law. The Finance Director may request from time to time that the Committee hold a special meeting. All meetings shall be noticed pursuant to the Ralph M. Brown Act, Government Code sections 54950, et seq., and be subject to the requirements of the Act.

Section 8: Reporting. Minutes of the Committee shall be prepared by City staff and shall be a public record, filed with the Office of the City Clerk.

Section 9: Funding. The Committee shall not require funding from the City as Committee members will serve on a voluntary, non-compensated basis.

###

ORDINANCE NO. 23-2022

**AN ORDINANCE OF THE PEOPLE OF THE CITY OF ELK GROVE
ADDING CHAPTER 3.06 TO THE MUNICIPAL CODE TO IMPOSE A ONE CENT PER
DOLLAR TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE
CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION**

WHEREAS, Elk Grove residents continue to enjoy a high quality of life and the City is known as a great place to live, work, and raise a family; and

WHEREAS, recently commissioned independent opinion research in the City shows residents feel that the City is moving in the right direction and the City wishes to continue doing so; and

WHEREAS, many in the community believe that additional local funding is needed to address community priorities and essential quality of life services; and

WHEREAS, the community's top priorities include reducing crime, rapid 911, fire, police, medical emergency and disaster response, keeping public spaces safe and clean, addressing homelessness, pothole repair, street and parks maintenance, attracting and retaining local jobs and businesses, and youth crime and gang prevention programs; and

WHEREAS, the City is committed to making neighborhoods safer; and

WHEREAS, in an emergency seconds count and approximately 75% of calls to the local Fire Department are for medical emergencies; and

WHEREAS, the City is committed to ensuring that Elk Grove has the needed emergency first responders and life-saving equipment to improve response times and save lives; and

WHEREAS, since last year, violent and property crimes are on the rise in Elk Grove, with more than 325 robberies and burglaries and close to 200 car thefts; and

WHEREAS, our community has over 100 parks serving more than 178,000 people but does not have the funding needed to continue to keep them clean and safe; and

WHEREAS, approval of this measure will provide funding that could be used to help maintain and repair public bathrooms; maintain landscaping and sports fields; and upgrade security lighting and children's playgrounds, among other general community purposes, so that children have safe places to play; and

WHEREAS, many local streets are in need of repair and maintenance to keep them safe and reduce traffic congestion; and

WHEREAS, it is fiscally responsible to maintain our streets, roads and fix potholes now, so they do not deteriorate further and become more costly to fix in the future; and

WHEREAS, Elk Grove incorporated on July 1, 2000, to ensure local control of the City's future and essential quality of life services upon which residents rely; and

WHEREAS, approval of this measure will provide locally controlled funding, which could be used to maintain financial stability and continue providing essential public safety, and parks and street repair, that are more important than ever, among other general community purposes; and

WHEREAS, by law, all funds from this measure must stay in Elk Grove and no funds can be taken by the State; and

WHEREAS, safe neighborhoods, well maintained streets, safe and clean public spaces and a variety of activities for all are vitally important to maintaining and enhancing Elk Grove's quality of life, community and property values; and

WHEREAS, the proposed measure requires mandatory financial audits, an independent Citizen's Oversight Committee, and public disclosure of spending to help ensure that all funds are responsibly and locally spent; and

WHEREAS, the tax to be submitted to the voters, if approved, would increase the City's transactions and use ("sales") tax by one cent and the funds would be used to support neighborhood police patrols, fire protection, and rapid police, medical, and emergency disaster response, reduce crime, attract and retain local businesses and jobs, reduce traffic congestion, address homelessness, maintain local streets, parks, and youth programs, keep public areas safe and clean, and other general community purposes, and require an independent Citizen's Oversight Committee, annual audits, and all funds to be locally controlled; and

WHEREAS, California Constitution Article XIII C, Section 2 provides that no local government may impose, extend or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote and that such vote must be consolidated with a City's general municipal election for members of the City Council; and

WHEREAS, November 8, 2022, is the date of the City's regular municipal election and a general election has been called on that date by Resolution 2022-124 approved on May 25, 2022; and

WHEREAS, the City Council is authorized by California Elections Code Section 9222 to place measures before the voters at the November 8, 2022, Nationwide General Election that would increase the tax by one cent per dollar; and

WHEREAS, the City Council desires that the proposed measure be consolidated with the November 8, 2022, Nationwide General Election, to be held on the same date, and within the City, the polling places and election officers of the two elections be the same, and that the Sacramento County Voter Registration and Elections Department canvass the returns of the general election be held in all respects as if there were only one election.

NOW, THEREFORE, the People of the City of Elk Grove do ordain as follows:

Section 1: Incorporation of Recitals.

The People of Elk Grove find that all Recitals are true and correct and are incorporated herein by reference.

Section 2. Amendment of Municipal Code.

The Elk Grove Municipal Code is hereby amended to add Chapter 3.06 as follows:

Chapter 3.06
ELK GROVE TRANSACTIONS AND USE TAX

Sections:

- 3.06.010 Title**
- 3.06.020 Operative Date**
- 3.06.030 Purpose**
- 3.06.040 Contract With State**
- 3.06.050 Transactions Tax Rate**
- 3.06.060 Place of Sale**
- 3.06.070 Use Tax Rate**
- 3.06.080 Adoption of Provisions of State Law**
- 3.06.090 Limitations on Adoption of State Law and Collection of Use Taxes**
- 3.06.100 Additional Permit Not Required**
- 3.06.110 Exemptions and Exclusions**
- 3.06.120 Amendments**
- 3.06.130 Enjoining Collection Forbidden**
- 3.06.140 Independent Citizen's Oversight Committee**
- 3.06.150 Annual Audit**
- 3.06.155 Local Banking Requirement**
- 3.06.160 Amendments by City Council**
- 3.06.170 Termination Date**

3.06.010 Title

This Chapter shall be known as the Elk Grove Transactions and Use Tax. The City of Elk Grove hereinafter shall be called "City." This Chapter shall be applicable in the incorporated territory of the City.

3.06.020 Operative Date

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this Chapter, the date of such adoption being as set forth below.

3.06.030 Purpose

This Chapter is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

- A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance, which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.
- B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

- C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.
- D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this Ordinance.

3.06.040 Contract With State

Prior to the Operative Date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the Operative date, it shall nevertheless so contract and in such a case the Operative Date shall be the first day of the first calendar quarter following the execution of such a contract.

3.06.050 Transactions Tax Rate

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one percent (1.0%) on the sale of all tangible personal property sold at retail in said territory on and after the Operative Date of this Chapter.

3.06.060 Place of Sale

For the purposes of this Chapter, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or their agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

3.06.070 Use Tax Rate

An excise tax is hereby imposed on the storage, use, or other consumption in the City of tangible personal property purchased from any retailer on and after the Operative Date of this Chapter for storage, use, or other consumption in said territory at the rate of one percent (1.0%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to State sales or use tax regardless of the place to which delivery is made.

3.06.080 Adoption of Provisions of State Law

Except as otherwise provided in this Chapter and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this Chapter as though fully set forth herein.

3.06.090 Limitations on Adoption of State Law and Collection of Use Taxes

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

- A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:
1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State of California Department of Tax and Fee Administration, State Treasury, or the Constitution of the State of California;
 2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State of California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance;
 3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
 - a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;
 - b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that code.
 4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203. "A retailer engaged in business in this City" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder

3.06.100 Additional Permit Not Required

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this Chapter.

3.06.110 Exemptions and Exclusions

- A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any State-administered transactions or use tax.
- B. There are exempted from the computation of the amount of transactions tax the gross receipts from:
1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.
 2. Sales of property to be used outside the City, which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or their agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:
 - a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, their principal place of residence; and
 - b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
 3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Chapter.
 4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of this Chapter.
 5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
- C. There are exempted from the use tax imposed by this Chapter, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any State-administered transactions and use tax ordinance.
 2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.
 3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Chapter.
 4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the Operative Date of this Chapter.
 5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
 6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.
 7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.
- D. Any person subject to use tax under this Chapter may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.06.120 Amendments

All amendments subsequent to the effective date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code,

and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this Ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance.

3.06.130 Enjoining Collection Forbidden

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

3.06.140 Independent Citizen’s Oversight Committee

Although not otherwise required by law, the City Council shall, by resolution adopted before the Operative Date of this Chapter, establish a Citizens’ Oversight Committee, as an advisory body, to review the revenue and expenditure of funds from the tax adopted by this Chapter. The members’ terms and qualifications and the duties and scope of the Committee shall be as established by the resolution.

3.06.150 Annual Audit

Annually the City Council retains an independent auditor to conduct an audit of and provide audited financial statements for all of the City’s financial activities. The auditor shall include an accounting of the revenue received from the tax collected pursuant to this Chapter in the audited financial statements. The auditor’s report shall be presented to the Council and made available to the public.

3.06.155 Local Banking Requirement

Unless restricted or prohibited by state or federal law or regulations, the City will hold at least twenty-five percent (25%) of all funds generated pursuant to this Chapter in accounts locally through a community bank. For purposes of this section, the definition of a community bank is a federally- or a state-chartered community bank with recognized headquarters located in Sacramento County or an adjacent county as long as its FDIC recognized headquarters is within 25 miles of the boundary of Sacramento County. To qualify under this section, a community bank must be authorized to receive deposits from public agencies and must maintain a “Superior,” “5 Star”, or equivalent rating from a nationally recognized rating agency. The City shall be responsible for compliance with this section and must certify to the City Council through annual reports that the requirements have been met or provide an explanation for not meeting them.

3.06.160 Amendments by City Council

The following amendments to this Chapter must be approved by the voters of the City: increasing the tax rate or revising the methodology for calculating the tax such that a tax increase would result; or imposing the tax on transactions and uses not previously subject to the tax (unless such amendment occurs automatically by operation of Section 3.06.120), or extending the tax. The City Council may otherwise amend this Chapter without submitting the amendment to the voters for approval.

3.06.170 Termination Date

The authority to levy the tax imposed by this Chapter shall continue indefinitely until this Chapter is repealed by a majority vote of the voters of the City, or until it is repealed,

suspended, or reduced by a majority vote of the City Council. In the event that the City Council suspends or reduces the tax, the City Council may thereafter resume collection of the tax without voter approval as long as the transactions tax rate and use tax rate are not higher than the rates set forth in Sections 3.06.050 and 3.06.070, respectively.

Section 3. Adjustment of Appropriations Limit.

Pursuant to Article XIIB of the Constitution of the State of California and applicable laws, the appropriations limit for the City is hereby increased by the aggregate sum authorized to be levied by this tax for fiscal year 2022-23 and each year thereafter.

Section 4. Compliance with the California Environmental Quality Act.

The approval of this Ordinance is exempt from the California Environmental Quality Act (Public Resources Code §§ 21000 et seq., "CEQA," and 14 Cal. Code Reg. §§ 15000 et seq., "CEQA Guidelines"). This Ordinance imposes a general tax that can be used for any legitimate governmental purpose; it is not a commitment to any particular action. As such, under CEQA Guidelines section 15378(b)(4), the Ordinance is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue from the tax were used for a purpose that would have either such effect, the City would undertake the required CEQA review for that particular project. Therefore, pursuant to CEQA Guidelines section 15060, CEQA analysis is not required.

Section 5: No Mandatory Duty of Care.

This Ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care towards persons and property within or without the City, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 6: Severability.

If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable.

Section 7: Savings Clause

The provisions of this Ordinance shall not affect or impair an act done or right vested or approved or any proceeding, suit or prosecution had or commenced in any cause before such repeal shall take effect; but every such act done, or right vested or accrued, or proceeding, suit or prosecution shall remain in full force and effect to all intents and purposes as if such Ordinance or part thereof so repealed had remained in force. No offense committed and no liability, penalty or forfeiture, either civilly or criminally incurred prior to the time when any such Ordinance or part thereof shall be repealed or altered by said Code shall be discharged or affected by such repeal or alteration; but prosecutions and suits for such offenses, liabilities, penalties or forfeitures shall be instituted and proceeded with in all respects as if such prior Ordinance or part thereof had not been repealed or altered.

Section 8: Effectiveness: Submission to the Voters

This Ordinance relates to the levying and collecting of the City transactions and use taxes shall not take effect unless and until the Ordinance is submitted to the electorate of the City of Elk Grove and approved by a majority vote of the qualified votes cast on the Ordinance at the election.


ORDINANCE: 23-2022
APPROVED: July 27, 2022, November 23, 2022
ADOPTED: December 7, 2022
OPERATIVE: March 27, 2023


BOBBIE SINGH-ALLEN, MAYOR of the
CITY OF ELK GROVE

ATTEST:


JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:


JONATHAN P. HOBBS,
CITY ATTORNEY

Date signed: December 14, 2022

**CERTIFICATION
ELK GROVE CITY COUNCIL ORDINANCE NO. 23-2022**

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)

I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing ordinance, published and posted in compliance with State law, was duly approved on July 27, 2022, and approved and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on November 23, 2022, by the following vote:

AYES: **COUNCILMEMBERS:** *Singh-Allen, Suen, Nguyen, Spease*


NOES: **COUNCILMEMBERS:** *None*

ABSTAIN: **COUNCILMEMBERS:** *None*

ABSENT: **COUNCILMEMBERS:** *Hume*

The ordinance was published pursuant to GC 36933(a).

The ordinance was considered adopted on December 7, 2022, the date the vote was declared by City of Elk Grove Resolution No. 2022-289 [AYES: Singh-Allen, Suen, Hume, Spease; NOES: None; ABSTAIN: None; ABSENT: None].


**Jason Lindgren, City Clerk
City of Elk Grove, California**



**CITY OF ELK GROVE
CITY COUNCIL STAFF REPORT**

AGENDA TITLE: Consider appointment of five voting member vacancies to the Measure E Citizens’ Oversight Committee

MEETING DATE: March 8, 2023

**PREPARED BY
DEPARTMENT HEAD:** Jason Lindgren, City Clerk

RECOMMENDED ACTION:

Receive information from Mayor Singh-Allen, with the approval of the City Council, regarding appointment of five voting members to the Measure E Citizens’ Oversight Committee.

BACKGROUND INFORMATION:

On January 25, 2023 the City Council initiated a recruitment for five voting members to the Measure E Citizens’ Oversight Committee for consideration of the appointment at the regular meeting of March 8, 2023. The deadline for applications to the Measure E Citizens’ Oversight Committee was set for March 1, 2023.

Nineteen (19) applications have been received to date for the current recruitment, and all applicants meet the requirements of being a resident and registered voter of Elk Grove. The following qualifications are preferred, but not required, for Committee members: 1) Knowledge of municipal finance, taxation, budgeting, and/or accounting, 2) Knowledge of municipal or governmental services operations, and 3) Knowledge of the local business and/or residential community. The applicants are listed by date the application was received, and residency districts are indicated by number for reference only (there is no district residency requirement):

Measure E Citizens' Oversight Committee Candidates

	Date Filed	Name	District
1.	01-31-23	Alan Lee Veto III	2
2.	02-09-23	Patricia McGinley Thomas	2
3.	02-15-23	Cynthia J. Noakes	2
4.	02-21-23	Helena Madera-Silmi	3
5.	02-21-23	Jaime L. Gutierrez	4
6.	02-22-23	Harminder Singh Khangura	4
7.	02-22-23	Eric C. Walle	1
8.	02-24-23	Lynn Wheat	3
9.	02-24-23	Jennifer Hamarlund	1
10.	02-27-23	Andrea Klinenberg	1
11.	02-27-23	Hollis N Erb	1
12.	02-27-23	Diane Lampe	4
13.	02-28-23	Marilyn DeRouen	1
14.	02-28-23	Martha Burnett-Collins	2
15.	02-28-23	Bret Bartholomew	1
16.	03-01-23	Christine Soto	4
17.	03-01-23	Brandon S. Boparai	4
18.	03-01-23	Judy Covington	1
19.	03-01-23	Valerie Erwin	3

The Mayor, with the approval of the City Council, shall make appointments to the Measure E Citizens' Oversight Committee.

FISCAL IMPACT:

There is no fiscal impact in the appointment of committee members. Costs for recruitment have been accounted for in the Office of the City Clerk Fiscal Year 2022-23 operating budget.

ATTACHMENTS:

None.



**CITY OF ELK GROVE
CITY COUNCIL STAFF REPORT**

AGENDA TITLE: Consider actions related to City committees including: 1) adopt resolution rescinding Resolution No. 2023-018 and revising the Measure E Citizens' Oversight Committee to increase the number of members from five to seven; 2) confirm appointment of two voting members to the Measure E Citizens' Oversight Committee; and 3) consider appointment of one voting member to the Disability Advisory Committee

MEETING DATE: March 22, 2023

**PREPARED BY
DEPARTMENT HEAD:** Jason Lindgren, City Clerk

RECOMMENDED ACTION:

Staff recommends the City Council receive information and then adopt a resolution rescinding Resolution No. 2023-018 and revising the Measure E Citizens' Oversight Committee to increase the number of members from five to seven; receive information from Mayor Singh-Allen, with the approval of the City Council, regarding confirmation of appointment of two additional voting members to the Measure E Citizens' Oversight Committee; and receive information from Mayor Singh-Allen, with the approval of the City Council, appointing one voting member to the Disability Advisory Committee.

BACKGROUND INFORMATION:

Measure E Citizens' Oversight Committee

On January 25, 2023, Resolution No. 2023-018 was adopted, establishing the Measure E Citizens' Oversight Committee as a five-member body. On March 8, 2023, the City Council requested expanding the membership of the Measure E Citizens' Oversight Committee from a five-member body to a seven-member body, and Mayor Singh-Allen stated intent to appoint Bret Bartholomew and Valerie Erwin to the positions on the Measure E Citizens' Oversight Committee once the action was taken to increase the committee to a seven-member body.

Disability Advisory Committee

In January 2023, a recruitment was initiated for a voting member to fill a vacancy on the Disability Advisory Committee. Resolution No. 2008-118 defines the composition of the Disability Advisory Committee and requires that at least three of the members shall be persons with a disability. Based on the current composition of the Disability Advisory Committee, the current vacancy requires an applicant that is a person with a disability. No applications were received by the submittal deadline of January 19, 2023, and recruitment remained open until sufficient applications were received.

ANALYSIS:

Measure E Citizens' Oversight Committee

Attachment 1 is a resolution to confirm increasing the Measure E Citizens' Oversight Committee to a seven-member body. With the passage of the resolution to expand to a seven-member body, Mayor Singh-Allen, with the approval of the City Council, can finalize the appointment of two additional voting members to the Measure E Citizens' Oversight Committee.

Disability Advisory Committee

Two applications have been received for the current recruitment, but only one applicant meets the requirement of being a person with a disability. The applicant is listed by the date the application was received, and the residency district is indicated by number for reference only (there is no district residency requirement):

Disability Advisory Committee Candidate

	Date Filed	Name	District
1.	03-06-23	Valerie Shatraw	1

The Mayor, with the approval of the City Council, may make the appointment to the Disability Advisory Committee.

FISCAL IMPACT:

There is no fiscal impact associated with the appointment of committee members. Costs for recruitment have been accounted for in the Office of the City Clerk Fiscal Year 2022-23 operating budget.

ATTACHMENT:

1. Resolution

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
RESCINDING RESOLUTION NO. 2023-018 AND REVISING THE MEASURE E
CITIZENS' OVERSIGHT COMMITTEE TO INCREASE THE NUMBER OF MEMBERS
FROM FIVE TO SEVEN MEMBERS**

WHEREAS, throughout 2022, the City of Elk Grove (City) and the Cosumnes Community Services District (Cosumnes CSD) conducted extensive public engagement and outreach activities that identified the community's current needs and priorities; and

WHEREAS, results from that outreach and surveys identified community needs and priorities such as reducing crime, addressing homelessness, improving 911, police, fire, and emergency disaster and emergency medical response, enhancing programs to combat youth crime and gang prevention, maintaining streets, maintaining parks, clean and safe public areas, and economic development as top priorities; and

WHEREAS, a general Transactions and Use ("Sales") Tax known as Measure E, which could address those community needs and priorities, was placed on the November 8, 2022 ballot and was approved by a majority of the voters; and

WHEREAS, Elk Grove Municipal Code Chapter 3.06, enacted by the passage of Measure E, requires the City Council to establish a Citizens' Oversight Committee to review the revenue and expenditure of funds from the Transactions and Use ("Sales") Tax approved with the passage of Measure E; and

WHEREAS, on January 25, 2023, Resolution No. 2023-018 initially established the Measure E Citizens' Oversight Committee as a five-member body; and

WHEREAS, on March 8, 2023, the City Council requested expanding the membership of the Measure E Citizens' Oversight Committee from a five-member body to a seven-member body.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby rescinds Resolution No. 2023-018, and revises the Measure E Citizens' Oversight Committee to increase the number of members from five to seven members, whose tasks, objectives, composition, and member qualifications are set forth in Exhibit A, attached hereto and made a part hereof.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 22nd day of March 2023

BOBBIE SINGH-ALLEN, MAYOR of the
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:

JASON LINDGREN, CITY CLERK

JONATHAN P. HOBBS,
CITY ATTORNEY

EXHIBIT A

Changes are shown in ~~strikeout~~ (for deleted text) and **red underline bold** (for added text).

MEASURE E CITIZENS' OVERSIGHT COMMITTEE (Tasks, Objectives, Composition, and Member Qualifications)

Section 1: Tasks or Objectives

The Measure E Citizens' Oversight Committee ("Committee") shall:

- Review the revenue and expenditures of the funds generated by the general Transactions and Use ("Sales") Tax measure generally known as Measure E and codified at Elk Grove Municipal Code Chapter 3.06.
- Review the annual independent financial audit of the City performed by an independent auditor on sections pertaining to Measure E.
- Review the initial proposed budget and expenditure plan for consistency with the ballot language and Community Identified Needs and Priorities as contained in the staff report dated July 27, 2022.
- Annually prepare and present an independent report to the City Council regarding the revenue and expenditures of the Transactions and Use Tax.

The Committee shall have no authority to direct staff or to recommend any particular contracts, projects, services, service levels, or spending priorities.

Section 2: Committee Type. Standing. The Committee shall be advisory in nature and shall not have authority to bind the City or the City Council.

Section 3: Composition. The Committee shall consist of **seven** ~~five~~ members. At its first meeting, and then biennially thereafter, the Committee shall appoint from amongst its members a Chair and Vice Chair.

Section 4: Qualifications. Each member of the Committee shall be at least 18 years of age, reside in the City of Elk Grove, and be registered to vote. A member may not be an officer or employee of the City.

The following qualifications are preferred, but not required, for Committee members:

- Knowledge of municipal finance, taxation, budgeting, and/or accounting
- Knowledge of municipal or governmental services operations
- Knowledge of the local business and/or residential community

Section 5: Appointment. The Mayor, with the approval of the City Council, shall make all appointments to the Committee. Committee members shall serve at the pleasure of the City Council without a set term. The Mayor will consider any input offered by the Cosumnes CSD Board President regarding potential appointees.

Section 6: Administrative Support to the Committee. City staff shall provide information to the Committee reasonably necessary to complete their specific tasks and objectives. The Committee will work primarily, but not exclusively, with the City's Finance Department.

Section 7: Meetings. The Committee shall establish a regular meeting schedule, which shall include at least two meetings per year. Regular meetings shall be held at City Council Chambers (8400 Laguna Palms Way). Special meetings may be called and held as allowed by law. The Finance Director may request from time to time that the Committee hold a special meeting. All meetings shall be noticed pursuant to the Ralph M. Brown Act, Government Code sections 54950, et seq., and be subject to the requirements of the Act.

Section 8: Reporting. Minutes of the Committee shall be prepared by City staff and shall be a public record, filed with the Office of the City Clerk.

Section 9: Funding. The Committee shall not require funding from the City as Committee members will serve on a voluntary, non-compensated basis.

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**CITY OF ELK GROVE
MEASURE E CITIZENS OVERSIGHT COMMITTEE
STAFF REPORT**

AGENDA TITLE: Measure E Allocation Structure

MEETING DATE: May 8, 2023

RECOMMENDED ACTION:

Staff recommends that the Committee receive an overview of the Measure E allocation structure.

BACKGROUND INFORMATION:

On May 3, the CSD Board approved an agreement outlining how Measure E revenues will be shared between the City and the CSD. The City Council will consider the same agreement at its May 10, 2023, meeting.

Twenty percent of the annual revenue will first go into the “Priority Projects/Reserve”, which is intended to be used on future projects or services and as a reserve against economic uncertainty. The City will receive 62.5% of the remainder (or 50% of the total revenues) and the CSD 37.5% (or 30% of the total revenues). Of the CSD’s share, two-thirds will be used on fire protection services and one-third on parks and recreation services.

Measure E Tax Sharing Methodology		
Total Estimated Year One Revenue		\$ 22,500,000
Future Priority Projects/Reserve	20%	\$ 4,500,000
Remaining Funds (Community Services Funds)	80%	\$ 18,000,000
Community Services Funds Allocation		
		\$ 18,000,000
City of Elk Grove	62.5%	\$ 11,250,000
CCSD	37.5%	\$ 6,750,000
Fire Protection Services		\$ (4,500,000)
Parks and Recreation Services		\$ (2,250,000)

The agreement does not outline how the City will allocate its share. However, the City intends to allocate its share as follows:

City Allocation	
Crime Reduction/Rapid Response	\$ 4,500,000
Homelessness	\$ 2,025,000
Streets (maintenance)	\$ 1,800,000
Traffic	\$ 900,000
Economic Development	\$ 1,575,000
Youth Gang/Crime Prevention	\$ 225,000
Clean and safe public areas (also included in homelessness/parks)	\$ 225,000
Total	\$ 11,250,000

These priorities can change over time as circumstances warrant.

FISCAL IMPACT:

The Agreement outlines how Measure E revenues will be shared between the City and the CSD. It also stipulates how the CSD will allocate its share.

ATTACHMENTS:

A. Measure E Tax Sharing Agreement

**MEASURE E TAX SHARING AGREEMENT BETWEEN THE CITY OF ELK GROVE
AND THE COSUMNES COMMUNITY SERVICES**

RECITALS

This Tax Sharing Agreement (“Agreement”) is entered into by and between the City of Elk Grove (the “City”) and the Cosumnes Community Services District (the “CCSD”) on _____, 2023 (the “Effective Date”). The City and the CCSD are collectively referred to herein as the “Parties” and individually as a “Party.”

A. The City is a California general law city and municipal corporation organized and existing pursuant to the California Constitution and Government Code section 34000 *et seq.*

B. The CCSD is a California community services district organized under the Community Services District Law, codified at Government Code section 61000 *et seq.* The CCSD provides fire protection services and parks and recreation services to the public throughout its service area. The CCSD’s service area includes the entire City of Elk Grove, as well as areas outside of the City’s geographic limits.

C. In November of 2022, the voters of the City of Elk Grove approved a Transactions and Use (Sales) Tax measure known as Measure E.

D. The City and the CCSD jointly worked together, including a joint agreement with Lew Edwards Group on public polling and information, to prepare the ordinance and ballot measure that, once placed on the November 2022 ballot by the City Council, became known as Measure E.

E. In consideration for the CCSD and City’s joint efforts in preparing and submitting Measure E to the voters, and in the interest of ensuring the continued sustainability of fire and emergency medical services, and park and recreational services within the City of Elk Grove, by this Agreement, the CCSD desires and the City agrees to allocate a portion of the revenues received from Measure E to the CCSD, all as set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained in this Agreement, the Parties agree as follows:

AGREEMENT

1. Recitals. The Parties acknowledge that the recitals stated above are true and correct and incorporate by reference those recitals into this Agreement.

2. Definitions.

2.1 “City” shall mean the City of Elk Grove.

2.2 “CCSD” shall mean the Cosumnes Community Services District.

2.3 “Measure E” shall mean that certain Transactions and Use (Sales) Tax approved by the voters of the City of Elk Grove in November of 2022, as codified at Elk Grove Municipal Code Chapter 3.06.

2.4 “Measure E Revenues” shall exclusively mean the tax revenues generated from Measure E and shall not include any other revenues received or anticipated by either the City or the CCSD.

3. Measure E Revenue Sharing.

3.1 Designation of Measure E Funds. During the time that this Agreement is in effect, all Measure E Revenues shall be allocated in the following manner: eighty percent (80%) of the Measure E Revenues for general community service purposes (“Community Services Funds”) and twenty percent (20%) of the Measure E Revenues for future projects and/or services (“Future Project Reserve.”)

3.2 CCSD Allocation. Of the Community Services Funds (comprised of eighty percent (80%) of all Measure E Revenues), the City agrees to provide the CCSD with revenues equaling thirty-seven and one-half percent (37.5%) of the Community Services Funds (the “CCSD Allocation”), as provided herein. (This CCSD Allocation equates to thirty-percent (30%) of all Measure E Revenues.) The City shall retain the remainder of the Community Services Funds to be used at the City’s discretion.

3.3 Use of CCSD Allocation. It is the intent of this Agreement that of the CCSD Allocation, two-thirds of the CCSD Allocation (which equates to twenty-five percent (25%) of the Community Services Funds) shall be used by the CCSD for fire protection services within the City of Elk Grove, and one-third of the CCSD Allocation (which equates to twelve and one-half percent (12.5%) of the Community Services Funds) shall be used for parks and recreation services within the City of Elk Grove. The CCSD shall be prohibited from using any portion of the CCSD Allocation for services other than fire protection services or parks and recreation services, as provided herein. The CCSD shall be prohibited from using any portion of the CCSD Allocation or any Measure E Revenues for any services, projects, or any other use outside the jurisdictional boundaries of the City of Elk Grove.

By way of illustrative example only, and not necessarily representative of actual revenues or allocations, the following chart demonstrates the Measure E Revenues sharing in a year in which total Measure E Revenues equal \$22,500,000:

Measure E Tax Sharing Methodology		
Measure E Revenues (One Year Hypothetical)		\$ 22,500,000
Future Project Reserve	20%	\$ 4,500,000
Community Services Funds	80%	\$ 18,000,000
Community Services Funds Allocation		
		\$ 18,000,000
City of Elk Grove	62.5%	\$ 11,250,000
CCSD	37.5%	\$ 6,750,000
Fire Protection Services		\$ (4,500,000)
Parks and Recreation Services		\$ (2,250,000)

3.4 CCSD Payment and Accounting. The City shall make CCSD Allocation payments within two weeks after the City receives a remittance of Measure E Revenues from the California Department of Tax and Fee Administration. On or before March 1 of each year, the CCSD shall provide the City with a comprehensive audit and accounting of the use of the CCSD Allocation of the Measure E revenues each year. Nothing herein shall authorize the City to direct the CCSD in the use of the CCSD Allocation of Measure E Revenues, except as set forth herein.

3.5 Discontinuance/Change in CCSD Services. Should the CCSD discontinue either fire protection services and/or parks and recreation services in the City of Elk Grove, the CCSD Allocation shall be automatically adjusted downward to reflect the CCSD's discontinuation of such services. For example, if the CCSD discontinues parks and recreation services in the City of Elk Grove, the CCSD Allocation shall be automatically adjusted downward by one-third of the CCSD Allocation (which equates to twelve and one-half percent (12.5%) of the Community Services Funds).

3.6 City's Use of Measure E Revenues. The City shall have complete discretion over the use of the Future Project Reserve and the remainder of the Community Services Funds not allocated to the CCSD as the CCSD Allocation. The City's City Manager and CCSD General Manager will meet at least once per year to discuss the use of the Future Project Reserve; provided, however, the use of the Future Project Reserve shall be at the sole and exclusive discretion of the City. The CCSD may request to the City that Measure E Revenues under the City's control, and not expressly allocated to the CCSD under this Agreement, be used for services and/or projects of joint City and CCSD benefit, provided, however, that nothing herein shall obligate the City to agree to such CCSD request.

4. Term/Termination. This Agreement shall remain in effect unless and until terminated by written notice of termination of this Agreement by one Party to the other Party. The

terminating Party shall give the non-terminating Party not less than two (2) years' written notice of termination. The termination date shall not fall on a date that is either sixty (60) days before or sixty (60) days after the date of a general election at which one or more positions of the Elk Grove City Council and/or one or more positions of the Cosumnes Community Services District Board of Directors are up for election. Should the date that is two (2) years from any written notice of termination given pursuant to this section fall on a date that is either sixty (60) days before or sixty (60) days after the aforementioned general election, then the termination date shall be the sixty-first (61st) day after such general election. Between the time of giving of the notice of termination and the effective termination date of this Agreement, as identified in the notice of termination or calculated pursuant to this section, the Parties shall meet and confer in good faith to discuss the impacts of termination of this Agreement on the Parties, alternatives to termination, and/or modification of this Agreement, provided, however, that neither Party shall be obligated to enter into a new agreement and neither Party shall be obligated to agree to a modification of this Agreement following the issuance of a notice of termination.

5. Notices. Any notices required under this Agreement shall be sent to the following:

If to the City: City of Elk Grove
ATTN: City Manager
8401 Laguna Palms Way
Elk Grove, CA 95758

If to the CCSD: Cosumnes Community Services District
ATTN: General Manager
8820 Elk Grove Boulevard
Elk Grove, CA 95624

Notices given pursuant to this Agreement shall be deemed received as follows:

(a) If sent by United States Mail – three (3) calendar days after deposit into the United States Mail, first-class postage paid.

(b) If by express courier service or hand delivery – on the date of receipt by the receiving Party.

The addresses to notices set forth in this section may be changed upon written notice of such change to either the City or the CCSD, as appropriate.

6. Voluntary Nature of Agreement. The Parties represent and warrant that they fully understand and voluntarily accept each of the terms of this Agreement and their consequences and that they have sought the advice of counsel prior to executing this Agreement.

7. Effect of Agreement. This Agreement is binding upon and shall inure to the benefit of the Parties, their respective agents, attorneys, and representatives, assigns and successors-in-interest, to the extent permitted by law.

8. Authority of Signatories. Each person executing this Agreement does hereby represent and warrant to the other signatories that he or she has the authority necessary to execute

this Agreement; that no other consents or approvals of anyone are required or necessary for this Agreement to be binding.

9. Choice of Law/Venue. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California. Should any judicial proceeding be brought relating to this Agreement, the venue shall lie exclusively in a court of competent jurisdiction located in Sacramento County.

10. Jointly Drafted. This Agreement has been jointly negotiated and drafted. The language of this Agreement shall be construed as a whole according to its fair meaning, and not strictly for or against any of the Parties. This Agreement shall be liberally construed to accomplish its purpose.

11. Severability. Should any term of this Agreement be deemed unlawful, that provision shall be severed and the remaining terms shall continue to be valid and fully enforceable.

12. Duplicate Originals. The Parties may execute duplicate originals of this Agreement or any other documents they are required to sign or furnish pursuant to this Agreement.

13. Entire Agreement. This Agreement contains the entire agreement between the Parties and supersedes and replaces any and all prior or contemporaneous agreements or understandings, written or oral, with regard to the matter set forth herein. This Agreement may be amended or modified in whole or in part at any time, only by an agreement in writing, executed in the same manner as this Agreement. Notwithstanding the foregoing, the City's City Manager and the CCSD's General Manager may mutually agree, in writing, to any modifications, interpretations, waivers, or amendments so long as such actions do not impact or change the amount of allocation or use of Measure E Revenues.

14. Headings. Paragraph headings used in this Agreement are for the convenience of the Parties only and shall not be considered in interpreting or construing this Agreement.

The Parties have executed this Agreement by affixing their signatures below. This Agreement shall be deemed effective as of the date on which each of the Parties executes the Agreement as indicated by the dates below. In the event that the Parties do not execute the Agreement on the same date, the effective date of the Agreement shall be the latest date on which one of the Parties executes the Agreement.

Dated: _____, 2023

City of Elk Grove

Jason Behrmann, City Manager

Dated: _____, 2023

Cosumnes Community Services District

Joshua Green, General Manager

APPROVED AS TO FORM:

City of Elk Grove

Jonathan P. Hobbs
City Attorney

Cosumnes Community Services District

Sigrid Asmundson
General Counsel

ATTEST:

City of Elk Grove

Jason Lindgren
City Clerk

Cosumnes Community Services District

Elenice Gomez
District Clerk



**CITY OF ELK GROVE
MEASURE E CITIZENS OVERSIGHT COMMITTEE
STAFF REPORT**

AGENDA TITLE: Fiscal Year 2023-24 Expenditure Plan

MEETING DATE: May 8, 2023

RECOMMENDED ACTION:

Staff recommends that the Committee receive an overview of the proposed Measure E expenditure plan to ensure it aligns with the priorities identified by the community.

BACKGROUND INFORMATION:

One of the Committee’s primary responsibilities is to: “Review the initial proposed budget and expenditure plan for consistency with the ballot language and Community Identified Needs and Priorities as contained in the staff report dated July 27, 2022.”

Staff from the City and the Cosumnes Community Services District will discuss how they will utilize Measure E to address those needs and priorities. Here is a high-level summary of those proposed uses for the City:

Community Priority	Project/Activity/Service/Position	FY 2024 Budget
Clean and safe public areas		
	Keep Elk Grove Clean Pilot Project	\$ 160,000
	Graffiti Abatement	\$ 65,000
Clean and safe public areas Total		\$ 225,000
Crime Reduction/Rapid Response		
	Problem Oriented Policing (POP) Positions (3)☒	\$ 919,753
	Motor Officer Positions (2)☒	\$ 547,794
	RTIC Video Wall	\$ 500,000
	Dispatcher Positions (3)	\$ 465,667
	Patrol Officer Positions (2)	\$ 459,546
	Special Operations Lieutenant Position	\$ 358,096
	Mental Health Clinician Positions (2)	\$ 351,826
	Drone as a First Responder Program ☒	\$ 300,000
	Recruitment Team Officer Position	\$ 292,070
	Training Team Officer Position	\$ 275,818
	Community Service Officer - Parking	\$ 229,929
	Cobwebs Intelligence Software	\$ 74,000
	Additional Flock Cameras	\$ 28,500
Crime Reduction/Rapid Response Total		\$ 4,802,999
Economic Development		
	Elk Grove Tech Hub	\$ 250,000
	Grant Line Business Park Infrastructure	\$ 250,000
	Project Elevate Pre-Development	\$ 250,000
	Brewery, Winery, Restaurant Incentive Program	\$ 200,000
	Facade Improvement Program	\$ 100,000
	Startup Main Street Program	\$ 100,000
	Hist Downtown Dist PBID	\$ 75,000
	Event Attraction Grant Program	\$ 50,000
Economic Development Total		\$ 1,275,000
Homelessness		
	Interim Shelter Options	\$ 1,550,000
	Homeless Navigator Position	\$ 184,553
	Mental Health Access Improvements	\$ 115,000
	Ongoing Case Management and Life Skills Training	\$ 115,000
	Transitional Housing Support	\$ 40,000
	Homelessness Prevention - Utility Assistance (Elk Grove Food Bank)	\$ 25,000
	Encampment Cleanup Incentives	\$ 6,000
Homelessness Total		\$ 2,035,553
Streets (maintenance)		
	Pavement Maintenance	\$ 1,590,000
	Pavement Management Position	\$ 248,044
Streets (maintenance) Total		\$ 1,838,044
Traffic		
	Traffic Congestion Management Plan	\$ 900,000
Traffic Total		\$ 900,000
Youth Gang/Crime Prevention		
	Youth Services Team Officer Position	\$ 293,555
Youth Gang/Crime Prevention Total		\$ 293,555
Grand Total		\$ 11,370,151

The listed costs include all direct costs, such as salaries, benefits, and associated equipment. In addition, position costs include all related charges for information technology and fleet and overhead for support functions like City Manager, City Attorney, City Clerk, Finance, and Human Resources.

Here is a high-level summary of those proposed uses for the Cosumnes Community Services District:

Community Priority	Project/Activity/Service/Position	FY 2024 Budget
Clean and safe public areas		
	Additional Full Time Park Ranger	\$ 209,799
	Full Time Urban Forester	\$ 233,279
	Preservation and Protection of Historical Trees	\$ 40,188
Clean and safe public areas Total		\$ 483,266
Crime Reduction/Rapid Response		
	Additional 18 Full Time Safety Personnel and an Academy	\$ 1,072,668
	Technology and Software Enhancements	\$ 1,584,058
	Fire Station Improvements and Equipment	\$ 503,797
	Additional Full Time Non-Safety Personnel	\$ 153,958
	Staff Training Enhancements	\$ 120,584
	Fire Explorer Program	\$ 51,418
Crime Reduction/Rapid Response Total		\$ 3,486,484
Parks (maintenance)		
	Irrigation Infrastructure Upgrades	\$ 101,030
	Enhanced Sidewalk and Trail Safety	\$ 101,030
	Revitalization of Aging Parks Infrastructure	\$ 412,995
	Equitable Park Maintenance	\$ 102,605
	Beeman Park Revitalization	\$ 404,120
	Wackford Waterslide Revitalization	\$ 101,030
Parks (maintenance) Total		\$ 1,222,811
Youth Gang/Crime Prevention		
	Additional Full Time Youth Prevention and Outreach Person	\$ 145,409
	Youth and Teen Programs and Events	\$ 20,094
	Teen Trips and Outings	\$ 29,639
	Youth Scholarship Program	\$ 10,047
Youth Gang/Crime Prevention Total		\$ 205,188
Grand Total		\$ 5,397,749

The listed costs include all direct costs, such as salaries, benefits, and associated equipment. In addition, position costs include all related charges for information technology and fleet and overhead for support functions like General Manager, District Counsel, and Administrative Services.

A more detailed listing for both agencies is attached.

FISCAL IMPACT:

The proposed expenditures total \$16,767,900 in the 2023-24 Fiscal Year.

ATTACHMENTS:

- A. City expenditure plan detailed listing
- B. CSD expenditure plan detailed listing

Clean & Safe Public Areas (\$225,000 total)

- **Keep Elk Grove Clean Pilot Project (\$160,000)**—Joint venture with Public Works and Public Affairs to implement the Keep Elk Grove Clean and Safe Campaign. Ongoing campaigns will include education and promotion, and increased native tree planting, trash receptacles, and mutt mitt stations along trails/creeks/channels/roadsides. This would consist of servicing the trash receptacles, mutt mitt stations, and additional litter pickup. The project also includes funding for an expected increase in homeless camp cleanup demands. The project aligns with the beautification efforts from the Elk Grove Anti-Trash group and a request from the City Council for an anti-litter campaign.
- **Graffiti Abatement (\$65,000)**—Contract with a professional graffiti removal company to quickly remove graffiti on private property visible to the public, keeping the community beautiful and deterring additional graffiti and other criminal activity.

City 2023-24 Measure E Expenditure Plan

Crime Reduction/Rapid Response (\$4.80 million total)

- **Add 3 Problem-Oriented Policing (POP) Positions (\$919,753)**—Current POP staffing of 4 officers for the entire city limits the availability to dedicate time to the numerous services provided by the Unit. Current POP Officers manage and staff no less than 28 special events annually; manage open POP cases that are lengthy, time-consuming, and unique community-focused/harm-based issues; and handle loss-prevention and Intelligence Led Policing. Adding POP Officers will allow the City to have two teams to serve Elk Grove; one will focus on the East and the other on the West. The teams will focus on the specific issues in their area related to quality of life, long-term problems, homelessness, and youth services.
 - Youth Services:
 - Explorer program
 - Volunteer program for youths ages 14-18;
 - serves as an introduction to a public safety career/recruiting pipeline)
 - engages youth in after-school and community-based activities.
 - Juvenile Diversion
 - ABC and Tobacco Grant management (reducing/impacting the illegal sales of tobacco and alcohol to minors) Investing in programs that build connections and support systems for at-risk youth is the greatest long-term positive impact on their success in life.
 - Homelessness- POP officers work with the Homeless Outreach Team, Homeless Navigator, Mobile Crisis Support Team, and Code Enforcement to provide resources to address mental health, substance abuse, community safety, and blight associated with homelessness.
- **Add 2 Motor Officer Positions (\$547,794)**—2022 saw a 200% increase in fatal collisions (9) over 2021 (3) and 2022 (3) and a 350% increase over the low of 2 fatal crashes in 2017. The City contracted with Citygate Associates, LLC for a police staffing and efficiency study, completed in February 2022. Part of those findings included a recommendation for the traffic unit to include four additional motor officers to increase coverage to include weekends and evenings. This increased coverage would allow for traffic enforcement in high-collision areas, increased special enforcement activities in and around schools, and addressing speed and other traffic complaints. In addition, it would help to reduce the increased number of fatal pedestrian collisions and fatal collisions overall. Two additional officers are planned to be added in future years.
- **Real-Time Information Center Video Wall Replacement (\$500,000)**—The video wall is integral to operating the Real-Time Information Center (RTIC). This wall has ingested video and static intelligence displayed from multiple client inputs during all operational hours. When RTIC staff assist with routine calls for service, critical events, or disasters, the wall is utilized as a primary intelligence viewing platform for RTIC staff, Watch Commanders, and executive staff. The existing wall is made of Mitsubishi monitors, which are no longer supported. The monitors need to be replaced with a product that will be supported, given the critical nature of the system.

City 2023-24 Measure E Expenditure Plan

- **Add 3 Dispatcher Positions (\$465,667)**—Increasing the number of dispatchers (from 19 to 22) would allow the dispatch center to modify the current shift schedule and increase the number of dispatchers working on each shift. By increasing shift staffing, the dispatch center would likely reduce 911 answer times leading to more efficient dispatching of 911 events and meeting the national response time standards. In addition, this would allow for quicker patrol response times and a reduction in crime. Improved employee wellness would be an additional benefit to increasing the number of dispatchers because working as a police dispatcher can be one of the most stressful positions in the department. The need to address dispatcher wellness is essential now due to the extreme difficulty in recruiting and retaining police dispatchers.
- **Add 2 Patrol Officers (\$459,546)**—The City's current patrol allocation for police officers is 59 (with 4-5 vacancies). This number for patrol staffing is inadequate, given Elk Grove's population and expected growth. Calls for service have increased dramatically over the last two years. With significant entertainment-related infrastructure being built and planned in the City, i.e., Sky River Casino, Zoo, Project Elevate, etc., the City will see increased crime and need law enforcement dedicated to these areas to ensure a safe environment for patrons. With additional resources, the response time for patrol will likely decrease, allowing our officers to serve the community proactively.
- **Add Special Operations Lieutenant Position (\$358,096)**—The new Special Operations Lieutenant would oversee the Crisis Response Unit (CRU), which encompasses the Special Weapons and Tactics Team, the Hostage Negotiations Team, Tactical Dispatcher Team, and the Unmanned Aerial Surveillance Team. In 2022, the CRU was called to approximately 30 preplanned or call-out events. Currently, the CRU is overseen but a combination of Sergeants, Managers, and Lieutenants, many of whom are tasked with being the Tactical Commander or an Incident Commander simply due to their availability. The Lieutenant would be the designated Incident Commander for all CRU-related events and take the initiative in the operational planning, be present for all CRU-related events, and facilitate debriefs and training exercises.

City 2023-24 Measure E Expenditure Plan

- **Add 2 Mental Health Clinician Positions (\$351,826)**—Calls for service often involve a mental health component. Police officers have been increasingly tasked with responding to crises involving individuals with behavioral health conditions or intellectual and developmental disabilities. These situations are often complex and present significant challenges which require a high level of training and expertise to serve these populations effectively. The Police Department currently has one Mobile Crisis Support Team (MCST) that consists of a police officer partnered with a Mental Health Counselor. The MCST co-responds to calls involving mental health crises. The current Mental Health Counselor is a Sacramento County employee placed with the Police Department through an agreement. The Police Department is allocated two Counselors; however, the County has been unable to provide a second Counselor for more than two years due to staffing issues and may no longer be able to give the City even one Counselor at the end of the current agreement's term. Hiring two City Mental Health Clinicians would ensure the Police Department could operate two MCST units, allowing the unit to expand the days/hours the MCST is available.
- **Drone as a First Responder Program (\$300,000)**—The Drone as a First Responder (DFR) Program is designed to augment police field response to calls for service with real-time actionable video intelligence. The DFR program includes pre-positioned unmanned aerial system (drone) assets and is ready to launch and fly to locations of calls for service. The pilot will be remotely positioned and control flight with a visual observer. By leveraging technology already existing in the Real-Time Information Center, DFR drones can launch and be on station overhead of a call for service, typically before ground resources arrive in vehicles. The DFR program will provide real-time video intelligence overhead calls for service, typically before ground resources arrive on the scene. It can locate, report, and follow suspects and suspected vehicles involved in crimes that have just occurred while ground resources respond to the location. In addition, DFR drone missions can check the validity of certain calls and can mitigate those calls in place of having police officers on the ground to respond. The funding would cover the cost of 4 Unmanned Aerial Systems, docking stations, and the associated software.
- **Add Recruitment Team Officer Position (\$292,070)**—A Police Department recruitment team will help with crime reduction efforts by allowing the department to have adequate staff dedicated to recruiting viable candidates to fill vacancies, which in return allows the department to allocate more resources to proactive policing, community policing, and better investigatory follow-up and case closures. The recruitment team will aid in improving response times as this team's primary responsibility would be to recruit personnel to fill current and future vacancies to ensure positions in operations are adequately staffed to respond to calls for service without delay. The recruitment team's efforts in reducing organizational vacancies will allow the department to create programs such as youth and gang services that are more difficult to fill with inadequate staffing.

City 2023-24 Measure E Expenditure Plan

- **Add Training Team Officer Position (\$275,818)**—The Police Department’s training team would alleviate the current responsibilities shared by many staff members throughout the organization. A dedicated training team responsible for all department training would allow the current large pool of employees who handle training as an ancillary assignment to be more present in their patrol duties, community policing duties, and investigations duties and would assist with reducing crime by allowing officers to focus on their primary responsibilities. This would also allow for a potential decrease in response times to calls for service by having more resources in the field focused solely on their primary duty, which is responding to calls.
- **Add Community Service Officer (Parking) (\$229,929)**—No staff is currently dedicated to addressing complaints regarding abandoned or illegally parked vehicles. The Traffic Unit receives approximately 150 traffic complaints a month involving abandoned and illegally parked vehicles. Because the Traffic Unit doesn’t have anyone dedicated to these complaints, these calls are routed to dispatch, and calls for service are created. These calls are shared by patrol officers, Patrol Community Service Officers (CSOs), Traffic Officers, and POP Officers. While abandoned or illegally parked vehicles don’t require a sworn officer response, Patrol CSOs also respond to traffic collisions and missing person reports and obtain cold (not in progress) crime reports. Therefore, they cannot handle all abandoned or illegally parked vehicle calls. On average, the Police Department takes approximately 300+ abandoned or illegally parked vehicle calls monthly. In 2021 the Traffic Unit had a CSO temporarily assigned to handle abandoned or illegally parked vehicle complaints for eight months. This was a temporary and unique assignment due to an administrative staffing assignment involving another employee. However, this temporary position was very beneficial in handling the massive call and complaint load. Currently, the Traffic Unit has one full-time CSO assigned to Red Light Camera Program. This CSO is also responsible for the weekly Preliminary Alcohol Screening Device (PAS) calibrations. When the Traffic Unit CSO is sick, or on vacation, sworn traffic officers are pulled from their primary duties to complete the PAS calibrations and work on the Red Light Camera program. With a second CSO in the traffic unit, they would assist the current Traffic Unit CSO and act as a “backup” for PAS calibrations and the Red Light Camera program, preventing a sworn traffic officer from being pulled from their primary duties. Assigning a full-time CSO dedicated to abandoned or illegally parked vehicle calls would significantly free up patrol officers, patrol CSOs, traffic enforcement officers, and POP officers to focus on their primary duties.
- **Cobwebs Software (\$74,000)**—Purchase a deep search intelligence platform to perform public internet and dark web searches, linking people, property, and data together. The software will assist with criminal investigations and human trafficking.
- **Additional Flock Cameras (\$28,500)**—Purchase 10 additional Flock Safety License Plate Readers. These devices alert the Real-Time Information Center whenever a wanted vehicle enters an area where a camera is installed. These cameras assist with crimes in progress, investigating crimes, and locating missing persons and vehicles. An additional ten cameras will allow for further coverage throughout Elk Grove.

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Economic Development (\$1.28 million total)

- **Elk Grove Tech Hub (\$250,000)**—Design and construct building improvements to create tenant spaces in a shared building for technology startups.
- **Grant Line Business Park Infrastructure (\$250,000)**—Design and construct critical sewer, water, roadway, and signage facilities in the Grant Line Business Park.
- **Project Elevate Pre-Development (\$250,000)**—Fund planning and design pre-development costs related to Project Elevate.
- **Brewery, Winery, Restaurant Incentive Program (\$200,000)**—Create and implement a brewery, restaurant, and winery incentive program to assist businesses with tenant improvements and City-related startup costs, including impact fees.
- **Facade Improvement Program (\$100,000)**—Create and implement a façade improvement program to fund the construction of façade improvements (lighting, signage, paint, awnings) to buildings in older business districts and shopping centers throughout the city.
- **Startup Main Street Program (\$100,000)**—Create and implement a Startup Main Street Program to assist Main Street businesses with launching their venture.
- **Historical Downtown District (\$75,000)**—Form a Property Business Improvement District, or PBID, in the City’s Old Town commercial district to facilitate the marketing and management of Old Town as a local and regional destination.
- **Event Attraction Grant Program (\$50,000)**—Create and implement an event attraction grant program for purposes of partnering with Visit Elk Grove, the City’s tourism marketing district manager, to provide incentive grants to attract high-impact events and conferences to the City.

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Homelessness (\$2.04 million total)

- **Interim Shelter Options (\$1.55 million)**—Provide interim shelter options to people experiencing homelessness. Based on community feedback and potential partnerships with Sacramento County and local/regional nonprofits, this may include the following first-year programs:
 - Emergency overnight shelter (during winter months)
 - Motel vouchers
 - New navigation or transitional housing
- **Add Homeless Navigator Position (\$184,553)**—Add a new Homeless Outreach Navigator to further establish relationships and build trust with people experiencing homelessness and help them access resources. Navigators complete assessments for housing opportunities, make referrals for shelters and temporary and permanent housing, help people to obtain documents needed for housing (such as IDs and birth certificates), and connect people with social services, including mental health and substance abuse resources. The City's existing Navigator coordinates with the Police Department and holds office hours at Elk Grove United Methodist Church three days a week. Expanded navigation services will offer more opportunities for collaboration (e.g., with CSD and the Food Bank).
- **Mental Health Access Improvements (\$115,000)**—Explore options to improve access to existing County and privately-funded mental health and substance abuse interventions. More research is needed, but this could include peer counseling in the community, expanded services at the Wellness Center opening in Elk Grove this year, transportation to appointments, new beds at treatment facilities, and harm reduction strategies.
- **Ongoing Case Management and Life Skills Training (\$115,000)**—Provide support, including case management and life skills training, to people exiting homelessness to help them maintain their housing. Such case management would include assistance with budgeting, independent living, service referrals to healthcare, and other resources. It would also include informal landlord/tenant mediation and an attempt to address potential problems before the tenancy is lost. If feasible, a mentoring component would also be included.
- **Transitional Housing Support (\$40,000)**—Provide case management in two of the City's transitional housing options (Grace House and Meadow House). Provide operations support to Waking the Village for its Elk Grove-based transitional housing and emergency shelter programs for transition-age youth (ages 18-25).

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- **Homelessness Prevention - Utility Assistance (\$25,000)**—Provide utility assistance for lower-income households whose electricity or gas is in danger of being shut off due to nonpayment. Funding would be granted to the Elk Grove Food Bank, which would qualify households to receive funding and make payments directly to utility providers.
- **Encampment Cleanup Incentives (\$6,000)**—Provide small gift cards to people living in encampments who bag their trash. These costs are the gift card cost only-PD homeless outreach officers currently manage the program.

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Streets (\$1.84 million total)

- **Pavement Maintenance (\$1.59 million)**—The increased funding will be used primarily for arterial road rehabilitation (overlay), pothole repairs, and spot paving repairs. Other likely applications include resurfacing additional streets and using funds as a local match for potential grants. Better pavement condition reduces wear and tear on vehicles and improves fuel efficiency. A fix-it-first approach also results in cost savings over time as more costly and intensive repairs are avoided.
- **Pavement Management Position (\$248,044)**—Add a Public Works Inspector to help manage the additional pavement work. The Inspector would inspect construction activities on assigned public works projects; ensure conformance with approved plans, specifications, and City standards; maintain records and prepare reports on projects inspected.

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Traffic (\$900,000 total)

- **Traffic Congestion Management Plan (\$900,000)**—Implement a variety of projects and initiatives identified in the City's Traffic Congestion Management Plan, including, but not limited to:
 - Convert traffic signal communications infrastructure from legacy copper to fiber or cellular. Install fiber optic lines and connect to signals and City network throughout the City.
 - Add video vehicle detection at traffic signals to replace existing inductive loops.
 - Install remote traffic monitoring tools on major corridors.
 - Add CCTV at traffic signals.
 - Evaluate signal synchronization/travel times and update signal timing plans.
 - Install remote traffic monitoring tools on major corridors.

City 2023-24 Measure E Expenditure Plan

Youth Gang/Crime Prevention (\$293,555 total)

- **Add Youth Services Team Officer Position (\$293,555)**—The creation of a Youth Services Team would serve to meet the needs of the community to target issues with youth in Elk Grove. The Youth Services Unit would organize, coordinate, collaborate, and assist with developing and running various youth programs to build positive relationships with youth in our community. Some of the programs will include sports, education, and gang/crime prevention. The position will also pursue opportunities to partner with the Cosumnes CSD and the Elk Grove Unified School District.

Clean & Safe Public Areas (\$500,000 total)

- **Safe Parks (\$209,799)** - Addition of one full-time Park Ranger to continue the much-needed expansion of Park Ranger services. By expanding the program by one additional ranger, it allows for increased coverage as the park system is utilized seven days a week. The park rangers are tasked with monitoring over 100 parks and five community centers and educating residents on wildlife protection.
- **Urban Forest Management (\$233,279)** - Additional full time Urban Forester for Urban Forest Management. This additional position further helps the district develop and execute a comprehensive Urban Forest Management Plan. This plan will focus on developing and enhancing shade throughout the park and trail system.
- **Tree Protection (\$40,188)** - Dedicate funding to preserve and protect historical trees throughout the Elk Grove. The District's tree inventory includes a number of historically significant legacy trees, and the District is dedicated to protecting and preserving them for future generations to enjoy.



CSD 2023-24 Measure E Expenditure Plan

Crime Reduction/Rapid Response (\$4.5 million total)

- **Additional 18 Safety Personnel and an Academy (\$1,072,668)** — These additional positions further help the Cosumnes Fire Department meet the National Fire Protection Association (NFPA) standards and Center for Public Safety Excellence (CPSE) best practices. After completing a State-accredited academy, current and new personnel will be assigned to resources to improve response times, increase the required fire force for emergency incidents, and ensure effective command/control and management of emergency resources.
- **Technology and Software Enhancements (\$1,584,058)**— Station Alerting improvements, Traffic Alerting improvements, and updated Incident Management Software. All fire stations will have the current 9-1-1 alerting system upgraded to replace the ageing hardware and software components. This will ensure reliability of the system, thereby contributing to improved response times. Additionally, traffic alerting improvements, in partnership with the City of Elk Grove, will be implemented to utilize global positioning system (GPS) technology to control intersections. This will improve traffic flow and contribute to improving response times. Lastly, incident management software will be implemented to manage emergency incidents. Commanding officers will transition from utilizing a paper notepad to an electronic medium, via a tablet, for improved safety and accountability of emergency resources.
- **Fire Station Improvements and Equipment (\$503,797)** — The access driveway at Fire Station 73 requires repairs to correct failing asphalt and road base which causes driving and safety issues that negatively affect the Department’s apparatus and vehicles. This road condition has become an increasing hazard for operators to avoid while driving fire apparatus. This hazard delays the crew's ability to respond to emergencies. Additionally, equipment is needed to fully outfit the Fire Department’s new Tractor-Drawn Aerial Fire Apparatus in order to place it in service once it is received. This fire apparatus will replace the current Truck 74 which is over 16 years old. The current Truck 74 will be placed into reserve status and require the equipment currently carried on it to remain on it.
- **Full Time Non-Safety Personnel (\$153,958)** — As calls increase and apparatus/vehicles age, there is greater need for the District’s fleet to be repaired and maintained. In addition, as fleet resources are centralized (all departments), the need for fleet maintenance personnel increases. One additional non-safety FTE for a Mechanic I will help ensure the District’s fleet is in working order to meet the community’s expectations. The additional Mechanic I will provide for more expedient repairs and maintenance of emergency and non-emergency vehicles.
- **Staff Training Enhancements (\$120,584)** — The Fire Department will implement an updated training plan which allows personnel to attend training off-shift. This ensures on-duty personnel are available for emergency response instead of placing them out of service for training sessions, which, in turn, assists with the improvement of response times by keeping resources within their respective response areas. Training sessions will continue to be provided at the Fire Department’s training center.
- **Fire Explorer Program (\$51,418)** — The Fire Department will implement a Fire Explorer Program for high school 11th and 12th graders to inspire future firefighters. Additionally, this program will support the enhancement of programs to combat youth crime and gang prevention. The program



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will be managed by the Fire Training Division and the budget will be used to fund required equipment, supplies, uniforms, and instructors.



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Parks (\$1.525 million total)

- **Irrigation Infrastructure Upgrade (\$101,030)** - Modernize the digital centralized irrigation communication hubs within Elk Grove and protecting the District's vast landscape assets. This will assure optimum connectivity throughout the community and integrates improved water efficiency practices.
- **Enhances Sidewalk and Trail Surfaces (\$101,030)** - The District has developed a very proactive sidewalk inspection and repair program. This additional funding will ensure prompt response to potential hazards and sustain the program into the future.
- **Revitalization of Aging Parks Infrastructure (\$412,995)** - Funding will be utilized to repair or replace aging park assets such as shade structures, sports courts, pool slides and playground structures. This investment will ensure generational equity allowing our park amenities to be enjoyed generations to come.
- **Equitable Park Maintenance (\$607,755)** - Improve and sustain appearance of parks including frequency of mowing, tree pruning and irrigation repairs.



CSD 2023-24 Measure E Expenditure Plan

Youth Gang/Crime Prevention (\$225,000 total)

- **Full Time Youth Prevention and Outreach Coordinator (\$145,409)** - There will be one full-time Outreach and Prevention Recreation Coordinator and various part-time staff to assist with teen programming. These additional part-time positions further assist the district in mitigating youth crime as well as providing positive programs during out of school times.
- **Youth and Teen Programs and Events (\$20,094)** - These will include free programs and activities specifically targeted for at-risk youth and teens. These free and reduced fee programs are designed to eliminate cost as a barrier for participation. Providing programs for free, or at a reduced cost, will allow for greater participation for youth within Elk Grove and will limit potential idle time the youth might have outside of school.
- **Teen Trips and Outings (\$29,639)** - These trips will be both recreational, as well as educational. Teens will have the ability to recreate at various local amusement parks, and both indoor and outdoor areas. They will also have the opportunity to visit local college campuses. These campus tours will allow the teens to see a snapshot of life in a college town, tour campus housing, dining, and athletic facilities. These tours will be designed to allow teens the exposure to higher educational opportunities.
- **Scholarship Program (\$10,047)** - This program will provide additional funding specific for youth and teens through our scholarship program. These scholarships offer participants a variety of safe, fun, and educational district activities, sports, and events without cost serving as a barrier. These scholarships include District programs such as sports leagues, swim lessons, teen center afterschool activities, and educational classes.

