



City of Grass Valley City Council Agenda Action Sheet

Title: Approve a portion of the Measure B expenditures and the associated initial Expenditure Plan for Fiscal Year 2024/25.

CEQA: Not a Project.

Recommendation: That Council 1) review the proposed initial expenditure plan confirmed by the Citizen Oversight Committee for Measure B; 2) approve the expenditure plan; 3) approve any necessary budget transfers or amendments to the Fiscal Year 2024/25 Budget to implement the approved portion of the Expenditure Plan funding; 4) authorize the City Manager to move forward with implementing the proposed expenditure plan in accordance with City requirements.

Prepared by: Timothy M. Kiser, City Manager

Council Meeting Date: August 22, 2024

Date Prepared: August 19, 2024

Agenda: Administrative

Background Information: On October 24, 2023, the Grass Valley City Council unanimously passed Resolution No. 2023-62 and Ordinance 826, initiating a pivotal decision for the community. The resolution called for a March 5, 2024 election, where citizens would vote on a 3/8 percent general sales tax (transactions and use tax) measure aimed at enhancing Fire Resiliency and Vegetation Management.

In accordance with Ordinance 826, the Grass Valley City Council adopted a detailed plan outlining the allocation of proceeds from the proposed tax, following a duly noticed public hearing.

On March 5th, the citizens of Grass Valley narrowly approved Measure B, and the City needs to continue to maintain our commitment to transparency and accountability reflecting the City Council's unwavering dedication to serving the best interests of the community as we have demonstrated with Measure E. Based on the State's determination, Measure B will take effect on October 1, 2024, resulting in the City receiving approximately 75% of the estimated annual revenue, or about \$2 million, for Fiscal Year 2024/25.

Staff recommends dividing the proposed expenditure plan into two phases for Fiscal Year 2024/25: approximately 60% of the anticipated revenue to be allocated now, and the remaining 40% after December 2024. This phased approach will allow staff to proceed with initial tasks while ensuring prudent management of tax revenues and aligning with revenue projections from the past fiscal year. Below is the proposed expenditure plan for the first 60%, or approximately \$1.2 million:

60% Expenditure Plan for Fiscal Year 2024/25

3/8 Percent (.00375) Sales Tax increase Based Upon Today \$'s

50%/50% Split between Resiliency and Vegetation Mitigation (\$2.75 Million+/- to be generated annually) For Fiscal Year 2024/25, Measure B will not start collecting tax until October 2024, thus the City estimates will receive approximately 75% of the total revenue or \$2 Million dollars. For the 60% Expenditure Plan, we are looking to allocate \$1.2 million of the \$2 million now, and staff will bring back the remaining 40% expenditure plan after December 2024.

- Resiliency - 50% of \$2.00 M or \$1.0+/- M for Fiscal Year 2024/25
 - Priority R.1 (60%)- Move Closer to National Standards by increasing from two to three Firefighters per engine (\$564K) 1-Fire Fighter now and 6 - Fire Fighters in January 2025
 - Priority R.2 (60%) \$266K total to hire a consultant to implement a vegetation management/inspection program and pay for a portion of masticator operator salary.
 - TBD for (40% Expenditure Plan) Annual Fire Vegetation / Green Waste Pickup/Drop-off
- Vegetation Mitigation - 50% of \$2.00 M or \$1.0+/- M for Fiscal Year 2024/25
 - Priority VM.1 (60%)- \$100K to start the environmental process for Fuel Reduction around the City.
 - TBD for (40% Expenditure Plan) Creating Grants for residences/ businesses for assistance in Fuel Reductions (Priority on hardships and low income)
 - Priority VM.2 (60%) \$70K evaluating for long-term green waste solutions (environmental review)

On August 19, 2024, the Citizen Oversight Committee for Measure B approved the proposed 60% Expenditure Plan. Staff will return to both the Citizen Oversight Committee and City Council for consideration and approval to allocate the remaining 40% of the expenditure around January 2025.

Resolution 2024-09 is attached for City Council information that formalized the expenditure plan for the March 5, 2024 election 3/8 percent (0.00375) general sales tax (transactions and use tax) measure for fire resiliency and vegetation management.

Council Goals/Objectives: This item executes portions of work tasks towards achieving/maintaining Strategic Plan Goals - High-Performance Government and Quality Service, and Public Safety.

Fiscal Impact: The Fiscal Impact will be fully funded through the revenues received from Measure B. Staff estimates the tax should collect approximately \$2.0 million in the first year.

Funds Available: Yes

Account #: N/A

Reviewed by: ____ City Manager

Attachments: Resolution 2024-09 - Measure B Expenditure Plan approved on 2/13/2024.