



## **CITY OF ORLAND STAFF REPORT**

### **MEETING DATE: November 7, 2023**

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**TO:** Honorable Mayor and City Council Members

**FROM:** Pete Carr, City Manager

**SUBJECT:** **Consider Local Transactions Tax for Specific Local Purposes**  
(Discussion/Direction)

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#### **BACKGROUND:**

Background for this topic was provided in the staff report for this item, same title, October 3, 2023.

At that meeting, Council considered the relative need and potential uses for one or more additional local sales taxes, the process, and the impact on businesses and consumers. With four of five members present, Council did not indicate affirmative consensus one way or the other, but did suggest any public information effort should include the cost of street maintenance and the cost of fire apparatus, at least. Staff was directed to bring this topic back for discussion, perhaps once a month.

#### **ANALYSIS:**

For your reference, the format initially suggested and considered is  $\frac{1}{2}\text{¢}$  of new local add-on transactions & use tax, structured and focused as follows:

R Tax:	$\frac{1}{4}\text{¢}$	Road maintenance
RRR Tax:	$\frac{1}{4}\text{¢}$	Rescue (EMS transport/ambulance)
		Reading (library facilities and programs)
		Recreation (parks and rec facilities and programs)

Total potential add-on:  $\frac{1}{2}\text{¢}$  resulting in total  $1\text{¢}$  local tax on a \$1 taxable purchase, resulting in an effective local sales tax rate of 8.25%.

Since that meeting, the Glenn County Ambulance ad hoc Committee discussed the feasibility of a future countywide  $\frac{1}{4}$  or  $\frac{1}{2}\text{¢}$  local tax to support EMS transport.

Given cost for materials and labor, resurfacing a City street can be expected to average \$100,000 per mile for a simple chip seal; \$375k/mile for 2" grind & pave; \$525k/mile for 3" grind & pave. These estimates do not include maintenance or repair, nor construction of sidewalks, curbs and gutters. Reconstruction of Tehama Street was over \$1 million. The City receives about \$400,000 in State gas tax funding for streets, which is substantially used by street sweeping, pothole patching, crack filling, re-striping, signage, engineering and public works labor.

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Fire apparatus like our ladder truck that cost \$900,000 in 2016 is now \$1.5 million. What for many years was a standard \$250,000 fire engine (i.e., Engine 27 ordered for \$800k in 2020) is now over \$1 million.

Staff notes that library and recreation services are highly valued as quality of life amenities in Orland, but both are substantially reliant on the same General Fund that supports police and fire operational services. Any new tax revenue funding made available to library and recreation would help ease the pressure on the General Fund -- a particular benefit during challenging economic times.

**RECOMMENDATION:**

Consider Council interest in asking voters if they will approve additional local tax[es] for specific local purposes, direct Staff.

**FISCAL IMPACT OF RECOMMENDATION:**

None at this time.