



CITY OF ORLAND STAFF REPORT

MEETING DATE: February 6, 2024

TO: Honorable Mayor and City Council Members

FROM: Pete Carr, City Manager

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

BACKGROUND:

Background information was provided in the October 3, 2023 agenda item staff report, along with references to additional outside resources on the topic and examples of what amount of revenue would likely be raised with a half-cent sales tax.

In that meeting, City Staff briefed the Council on the half-cent 2016 Measure A local transactions and use tax, commonly known as Measure A Public Safety Sales Tax, including its intent, use and established accountability. Staff suggested that an additional half-cent could be structured as ¼ cent dedicated to enhanced street maintenance; the other ¼ cent for ambulance, library and recreation services. i.e.:

Measure B “R Tax” for road maintenance – special tax requiring 2/3 voter support

Measure C “RRR Tax” -- general tax with intended priority for rescue, reading & recreation, 50%+1

Councilmembers discussed the outstanding need to increase funding for EMS (emergency medical services) and street repairs, concerns about taxes generally, and the need for Council to be unified on a decision on this matter. The library director cautioned that library and recreation services may seem like lower priorities because they have been running smoothly lately, but the additional revenue would be a safeguard for the future. Three members of the public spoke, all expressing support for the local tax proposal.

Everyone acknowledged that educating the public would be key to any tax measure proposal’s success. While the City cannot utilize City revenues to *campaign* for any ballot item, the City is able to publish educational information, as we did with success in 2016.

ANALYSIS:

A decision on the matter should be made this month, or at the latest in early March, in order to properly prepare for the November election. Staff seeks direction from Council as to whether additional information is desired. A decision to move forward would be by resolution, which could be prepared for consideration February 20.

RECOMMENDATION: Direct Staff.

FISCAL IMPACT OF RECOMMENDATION: None at this time.