



June 25, 2024

Honorable Mayor and Council Members:

Author and title: Alfred Knotts, Transportation Program Manager

Title: Adoption of Resolution 2024-48 Calling for the Placement of a General Sales Tax on the November 2024 General Election Ballot

Jen Callaway, Town Manager

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**Recommended Action:**

Adopt Resolution No. 2024-48 authorizing a transactions and use tax measure, also informally described as a sales tax, to be placed on the November 5, 2024 ballot at a rate of ½% generating an estimated \$3.5 million annually.<sup>1</sup>

**Discussion:**

On June 11, 2024, the Town Council received a presentation on a recently completed public opinion survey of registered voters within the Town limits. The intent of this public opinion survey was to assist Council in making an informed decision as to whether or not to place a general sales tax measure before the voters as part of the November 5, 2024, General Election.

This proposed ½% general sales tax measure would generate an estimated \$3.5 million annually to fund current and future Town essential services provided to Town residents as well as capital infrastructure projects. A two-thirds vote of all members of the Town Council, (i.e. four Councilmembers in support), will be required to pass the resolution to order the submission of the proposed sales tax measure to the voters. Passage of the sales tax measure itself would require approval by the majority of the voters.

In the upcoming FY 2024/25 budget year, the Town's ability to undertake projects has been limited due to staff capacity, and budget discussion emphasis has focused on staffing resources and allocation. The Town's ongoing Operational and Service Delivery assessment is meant to guide staffing enhancements to meet service delivery expectations and community expectations for infrastructure and other projects. However, in the out years of the Capital Improvement Project Budget (CIP), Fiscal Years 2025/26 and beyond, there is a significant amount of unfunded needs for ongoing services and capital projects, exceeding \$57 million in one-time expenses in addition to ongoing operational costs, including \$250,000 in potential new staffing and \$2.5 million annually for Tart Connect Microtransit, totaling over \$60 million in unfunded future needs. Examples of currently unfunded ongoing services and unfunded capital projects that can be funded by this revenue source, categorized by areas of priority for the community based on polling results include, but are not limited to the following:

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<sup>1</sup> The tax under discussion is legally a transactions and use tax, but is commonly thought of as a sales tax. This staff report will refer to the tax as a sales tax.

### Parks, Recreation, Community Facilities Safe, Clean and Well-Maintained

- **Maintenance of Town owned public spaces and parks:** New West River/DEWBEYÚMUWE? Park and Railyard Mobility Hub – While cost is unknown at this time, this likely will require the reallocation of existing staff time, meaning other public space maintenance efforts such as the depot, town owned spaces, etc., do not receive as much attention, or the Town would need to hire at least one additional staff person at an estimated cost of \$100,000 annually.

### Prepare for Wildfires and other Natural Disasters

- **Wildfire Mitigation and forest health projects:** Including ongoing roadside vegetation removal and management – approximately \$1 million dollars per project area. The Town could receive some grant funding to support these efforts, but absent grant funding, the only available funding source is General Fund dollars.
- **Evacuation planning and emergency operations:** This is currently budgeted with 1 Full-Time Equivalent staff person. While being reviewed as part of the Operational and Service Delivery Assessment, there is significant work in this area to complete plans, coordinate trainings, emergency communications and education, maintaining partner agency relationships and coordination. More General Fund dollars would be needed to fund additional staffing to support these efforts, with an approximate cost of \$150,000 annually.
- **Disaster Preparedness CIP C2512:** \$600,000 in unfunded evacuation planning and training programs.
- **Wildland Fire Protection Agreement:** Considered an insurance policy with Cal Fire to provide additional fire protection services, the coverage area has been constrained due to funding. An additional \$675,000 in General Fund dollars would be needed to support the expanded coverage area.
- **Unfunded 2040 General Plan Action Elements Implementation:**
  - **Biomass facility** – There is a range of \$200,000 - \$7 million in unfunded project expenses (Given that the scope and cost of this project is unknown, we have assumed \$3 million).

### Provide Transit services

- **TART Connect Microtransit and other transit services:** Microtransit is currently funded with one-time dollars through June 30, 2025, but funding required beyond June 30, 2025, to maintain current service levels is estimated to be \$2.5 million annually. Other transit services could include special event shuttles and senior and disabled services and real-time travel technology implementation.
- **Public Service Center Transit Facility Expansion (CIP C2404):** The current funding gap for construction is \$3.5 million.

### Pollution out of our Local Creeks, Rivers, Lakes and Waterways

- **Watershed improvement and restoration projects and programs:** Such as Trout Creek Restoration, Donner Lake Interagency Partnership for Stewardship projects, and other environmental improvement projects. The full cost is unknown at this time, and while some funds may be available through the sustainability designation, additional General Fund dollars would be needed to support construction efforts. Current estimates are:
  - **Donner Lake Interagency Partnership for Stewardship Projects:** \$1 million
  - **Trout Creek Restoration CIP C1704:** \$5.2 million in unfunded design and construction.

### Workforce housing

- **Expanded Workforce Housing Programs:** Current housing programs are expanding the availability of Measure K dollars in addition to General fund housing dollars. In the FY 2024/25 Operating Budget and future CIP budgets, Truckee Home Access Program (C2014) has an unfunded allocation of \$4.1 million in FY 2025/26 through FY 2028/29. To support additional programs and continued funding of the THAP program, additional funds would need to be identified.
- **One New Deed Restriction Program:** Estimated to cost \$9 million over 5 years.
- **Rooted Renters Program:** Only funded for the pilot term. Continuing the program beyond the pilot term is unfunded and is estimated to cost \$2 million.

### Protect the Environment

- **Conversion of Fleet to Electric Vehicles and Electric Vehicles Charging Infrastructure:** EV Charging Infrastructure Implementation CIP C2509 \$1,000,000 in unfunded expenditures.
- **Greenhouse Gas Reduction CIP C1910:** \$875,000 in unfunded program expenditures.
- **Unfunded 2040 General Plan Implementation:**
  - **Examples: Night Sky Action Items:** Approximately \$100,000 in unfunded services.
  - **Biological Mapping:** Estimated \$200,000 in unfunded services.

### Other

- **West River Revitalization Implementation (C2408).** Funding to support incentive programs and/or receive site acquisition support has not yet been identified and is currently tagged as unfunded in the CIP budget. While costs are unknown at this time, staff estimates at least \$1 million would be needed to support these efforts.
- **Future Downtown and gateway streetscape projects:**
  - **Jibboom/Church/Bridge streetscape CIP C1806:** \$2.85 million in unfunded construction
  - **Envision DPR CIP C2006:** \$7.65 million in unfunded construction expenses
- **Downtown Truckee Railroad Pedestrian Crossing C2106:** Feasibility study is funded but design and construction are not. If this project is to move forward beyond the feasibility study, there is approximately \$13.25 million in unfunded design and construction.
- **Public Art:** Estimated \$500,000 over 5 years, assuming one project per year.
- **New Truckee Library:** Unknown, but no funding is budgeted beyond support for architectural design and bonding support. The total estimated construction cost of the new Truckee Library is \$30 million with increased on-going operating expenses expected.

When categorized, funding demand by categories reflected in the community polling, top community interest areas of emergency preparedness, protection of waterways, the environment and workforce housing is outlined below:

	Unfunded needs		
	One-time	Annual	Total
Parks, Recreation, Community Facilities Safe, Clean and Well-Maintained		\$100,000	<b>\$100,000</b>
Pollution out of our Local Creeks, Rivers, Lakes and Waterways	\$7,200,000		<b>\$7,200,000</b>
Prepare for Wildfires and other Natural Disasters	\$5,275,000	\$150,000	<b>\$5,425,000</b>
Provide Transit services	\$3,500,000	\$2,500,000	<b>\$6,000,000</b>
Protect the Environment	\$2,175,000		<b>\$2,175,000</b>
Workforce housing	\$15,100,000		<b>\$15,100,000</b>
Other	\$24,250,000		<b>\$24,250,000</b>
<b>Total</b>	<b>\$57,500,000</b>	<b>\$2,750,000</b>	<b>\$60,250,000</b>

Please note that this new revenue stream would not fully fund all the above activities and projects but would allow more of these activities and projects to be implemented than would be the case if this revenue stream is not approved by the voters.

At the June 11, 2024, Council meeting, Council directed staff to return to Council on June 25, 2024, with final draft ballot language and “all necessary supporting documents required for a ballot measure to be placed on the November 2024 ballot.” Towards that end, staff has prepared Resolution No. 2024-48, included as Attachment A, as well as the following proposed final draft ballot language for consideration and approval.

<b>Truckee Town Essential Services Measure ____</b> <i><b>Truckee Essential Services Measure.</b> To protect essential services such as keeping public areas, facilities, and parkways safe, clean and well maintained; protecting creeks and waterways from pollution; preparing for wildfires and natural disasters; expanding transit services like TART Connect; and for general government use, shall the Town of Truckee measure be adopted establishing a 1/2% sales tax, providing approximately \$3,500,000 annually until ended by voters, with independent audits and all funds locally controlled?</i>	Yes	No
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**Priority:**

<input type="checkbox"/> Enhanced Communication	<input checked="" type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input checked="" type="checkbox"/> Infrastructure Investment	<input checked="" type="checkbox"/> Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/> Core Service

**Fiscal Impact:**

An additional ½% sales tax increment would generate approximately \$3.5 million annually to fund current and future municipal services to Truckee residents. Not pursuing that increment would result in maintaining existing Town revenue streams as is and may result in decreased levels of service as a result in increases in the cost of providing Town services. Additionally, not pursuing will also limit the Council’s ability to fund new programs identified in the General Plan, including the continuation of the TART Connect program beyond FY 24/25.

**Public Communication:**

January 23, 2024 Staff Report authorizing Team CivX Contract Amendment

June 11, 2024 Staff Report on General Sales Tax Public Opinion Survey Results and Related Presentation and Report

**Attachments:**

Attachment A – Resolution No. 2024-48