



CITY OF CRESCENT CITY

Mayor Blake Inscore
Council Member Alex Fallman
Council Member Isaiah Wright

Mayor Pro Tem Heidi Kime
Council Member Jason Greenough

AGENDA SPECIAL CITY COUNCIL MEETING VIRTUAL VIA ZOOM MEETINGS

TUESDAY

JULY 14, 2020

5:30 P.M.

Due to the current public health emergency resulting from COVID-19, the public may access and participate in the public meeting using one or more of the following three methods: (1) participate online via Zoom – details to join the meeting will be on both the City of Crescent City – City Hall Facebook page as well as the City of Crescent City website (www.crescentcity.org); (2) watch the meeting via livestream on YouTube (Channel: City of Crescent City, California) and submit comments via publiccomment@crescentcity.org; or submit a written comment by filing it with the City Clerk at 377 J Street, Crescent City, California 95531 prior to 4:00 pm, July 14, 2020. If you require a special accommodation, please contact City Clerk Robin Patch at 464-7483 ext. 223.

OPEN SESSION

Call to order
Roll call
Pledge of Allegiance

PUBLIC COMMENT PERIOD

Any member of the audience is invited to address the City Council on any matter that is within the jurisdiction of the City of Crescent City. Comments of public interest or on matters appearing on the agenda are accepted. Note, however, that the Council is not able to undertake extended discussion or act on non-agendized items. Such items can be referred to staff for appropriate action, which may include placement on a future agenda. All comments shall be directed toward the entire Council. Any comments that are not at the microphone are out of order and will not be a part of the public record. After receiving recognition from the Mayor, please state your name and city or county residency for the record. Public comment is limited to three (3) minutes. The public is additionally allotted three minutes each in which to speak on any item on the agenda prior to any action taken by the Council.

CEREMONIAL ITEMS – None

CONSENT CALENDAR - None

REPORTS AND PRESENTATIONS - None

PUBLIC HEARINGS - None

CONTINUING BUSINESS

1. November 2020 General Sales Tax Ballot Measure

- Recommendation: Hear Staff Report
- Receive Public Comment
- Consider and Take the Following Actions:
 1. Discuss and provide direction to staff regarding the proposed Transactions and Use Tax Ordinance to be placed on the November 2020 ballot, including direction on the proposed citizen's oversight committee
 2. Authorize the City Manager to execute professional services agreement amendment #3 with Planwest Partners, Inc implementing Phase 2B (Ballot Measure informational and outreach support services) in the amount of \$33,900
 3. Adopt Resolution No. 2020-56 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-21 BUDGET OF THE CITY OF CRESCENT CITY

NEW BUSINESS - None

CITY COUNCIL ITEMS

- **Legislative Matters** – Consider miscellaneous legislative matters pertinent to the City of Crescent City. Authorize the Mayor to sign the appropriate letters and/or positions with respect to such matters.
- **City Manager Report and City Council Directives** – Pursuant to Crescent City Municipal Code § 2.08.200, the City Council may instruct the city manager on matters of importance to the administrative services of the City and provide direction with respect to subordinates of the City Manager. (Directives from individual Council Members that are not objected to by any member present shall be considered an order of the City Council.)
- **Reports, Concerns, Referrals, Council travel and training reports** – In accordance with Gov't Code § 54954.2(a), City Council Members may make brief announcements or brief reports on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda.

ADJOURNMENT

***Adjourn to the regular scheduled meeting of the City Council of the City of Crescent City on Monday, July 20, 2020 at 6:00 p.m., via Zoom, Crescent City, CA 95531.

POSTED:

July 10, 2020
/s/ Eric Wier
City Manager

Vision:

The City of Crescent City will continue to stand the test of time and promote quality of life and community pride for our residents, businesses and visitors through leadership, diversity, and teamwork.

Mission:

The purpose of our city is to promote a high quality of life, leadership and services to the residents, businesses, and visitors we serve. The City is dedicated to providing the most efficient, innovative and economically sound municipal services building on our diverse history, culture and unique natural resources.

Values:

Accountability
Honesty & Integrity
Excellent Customer Service
Effective & Active Communication
Teamwork
Fiscally Responsible



CITY COUNCIL AGENDA REPORT

TO: MAYOR INSCORE AND MEMBERS OF THE CITY COUNCIL

FROM: ERIC WIER, CITY MANAGER

**BY: LINDA LEAVER, FINANCE DIRECTOR
MARTHA D RICE, CITY ATTORNEY**

DATE: JULY 14, 2020

SUBJECT: NOVEMBER 2020 GENERAL SALES TAX BALLOT MEASURE

RECOMMENDATION

- Recommendation: Hear staff report
- Receive public comment
- Consider and take the following actions:
 1. Discuss and provide direction to staff regarding the draft Transactions and Use Tax Ordinance to be placed on the November 2020 ballot, including direction on the proposed citizen's oversight committee and annual audit requirements.
 2. Authorize the City Manager to execute Amendment No. 3 to the Professional Services Agreement with Planwest Partners, Inc., implementing Phase 2B (Ballot Measure informational and outreach support services) in the not-to-exceed amount of \$33,900.
 3. Adopt Resolution No. 2020-56, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-21 BUDGET OF THE CITY OF CRESCENT CITY.

BACKGROUND

On November 21, 2019, the City Council of the City of Crescent City and the Crescent Fire Protection District Board jointly approved the Ten-year Financial Master Plan for Crescent City Fire & Rescue. The plan identified the historic, current, and future service delivery costs and available funding necessary to maintain and improve the level of community-based fire and rescue services into the future. The plan identified service delivery costs individually for each parent agency, the City of Crescent City and the

Crescent Fire Protection District, respectively, including capital improvement needs, governance, operational, and administrative needs. Additionally, identification of revenue sufficiency and recommendations for revenue generation was provided. Some recommendations were able to move forward as they are presently funded in the current budget, such as the Fire Chief recruitment. Other recommendations within the plan are dependent upon increased revenue and will not be implemented until such time as sufficient revenue is secured. With the approval of the plan, Phase 1 was completed.

Based on the funding needs and recommendations identified in the 10-year Financial Master Plan (Phase 1), Phase 2 of the plan aims at implementing new revenue measures for CCFR's parent agencies. The City has historically supported fire service through its General Fund but will need to secure additional funding to implement the master plan. The most common sources of funding would be either a special assessment or sales tax measure. To assist with this effort, Planwest Partners assembled a team with experience in public opinion research to specifically address community priorities, including ballot and revenue measure feasibility. On December 16, 2019 the Council authorized an amendment to the existing agreement and budget adjustment in the amount of \$25,614 to complete this scope of work referred to as Phase 2A. The scope of Phase 2A was to poll City voters to assess the feasibility of a November 2020 ballot measure to increase revenue through a local sales tax. Based on the results of the polling, City staff and Planwest Partners would work together to determine whether a ballot measure would be supported by the community. If the community was supportive, staff would bring another amendment to the City Council to continue working with Planwest Partners to engage in community education and outreach in conjunction with a revenue measure to be placed on the November 2020 ballot.

In addition to the needs of the Fire Department, the City worked with the Crescent City Police Officers Association to develop a long-term staffing plan to provide for a sergeant assigned to every shift, additional patrol officers to ensure adequate coverage, and a detective position. The City Council approved the phased staffing plan at the January 6, 2020 meeting. The initial phase of adding two sergeant positions has been completed, but the remaining phases cannot be implemented until additional funding is secured.

In January of 2020, City staff was contacted by the County of Del Norte's Chief Administrative Officer (CAO), inquiring about the City's efforts. He stated the County also has the need for a general tax measure, which would focus primarily on public safety needs as well as other general fund needs. The CAO proposed a joint polling effort to assess the community's support for a County-wide tax measure. On March 2, 2020 the City Council approved an agreement authorizing this joint effort with Del Norte County.

The timing of the community polling was originally scheduled to be completed by the end of April. However, the COVID-19 public health emergency delayed the project.

The public health emergency also forced the City to close the municipal swimming pool due to the Governor's executive order in March (Order No. N-33-20). However, as the emergency has progressed, it is clear that the health emergency is also creating a fiscal

emergency. The City's General Fund relies heavily on sales tax and TOT to provide essential services, including approximately \$400,000 in operational costs for the municipal pool. These revenues are expected to be significantly impacted by the health emergency and recession. As a result, the City Council voted to keep the swimming pool closed until revenues are able to support reopening. This closure has already impacted the safety and wellness of the community due to the cancellation of all summer swimming lessons, physical therapy and aquatic exercise for elderly and disabled community members.

In addition to the current financial impact, the Fred Endert Municipal Swimming Pool 10-Year Operations Master Plan in 2019 identified critical improvements and repairs to the facility that needed but have not been able to be budgeted due to the limited resources in the General Fund. If these recommendations are not addressed within the coming years it is foreseeable that there would need to be additional closures to offset operational costs or due to mechanical failure. Prolonged closure due either economic impact of the pandemic or repairs results in the inability for the pool to offer therapeutic services, critical water safety trainings for maritime workers, annual District wide 4th grade swimming lessons and water safety lessons.

In addition, the City's streets have been in need of repair for many years without sufficient revenues to do so. SB1 was approved by voters in 2016 to increase the revenues available for streets and roads. These funds have helped the City move several projects forward, including the design of the Front Street and C Street storm drain project currently underway, crack seal of several areas, and initial survey work to prepare for a repair on K Street. Portions of SB1 funding (called RMRA) can only be used on designated Council approved projects. Currently because Crescent City has a relatively small population of City residents, we only have approximately \$100,000 per year of RMRA funds to fund projects and the City street maintenance needs are much greater than this funding can support. A simple pavement overlay of a City block including the required pedestrian ADA (Americans with Disabilities Act) improvements has an estimated average cost of over \$200,000. The City has over 400 blocks of pavement to maintain. Thus, the City has had to strategically utilize this funding to attempt leveraging other grant funding sources to complete larger road maintenance projects. Simply put SB1 funding is not enough and additional revenues would allow the City to greatly expand its repair and maintenance efforts.

A general sales tax (technically called a Transactions and Use Tax) would provide additional revenue for the City's General Fund, which supports all of these services and more.

Planwest Partners's subconsultant, Godbe Research, completed the community polling in early June and reported the results to the City Council at a public meeting held on June 24, 2020. The polling results showed slightly more favorable community support for an independent City measure over a County-wide measure. The polling results combined with the uncertainties and the complications of a revenue-sharing agreement, led the

Council to direct staff to begin the process to place a City only general sales tax measure on the November 2020 ballot.

ITEM ANALYSIS

As presented at the June 24th special meeting and directed by Council, the proposed ballot measure would be a 1.0% sales tax on all items subject to state sales tax within the City limits. It is important to note that items such as groceries and prescriptions are **not** subject to state sales tax and, therefore, would not have any additional cost imposed by this tax.

The proposed measure is expected to generate approximately \$1.3 million annually in additional General Fund revenue. This measure will be used to support essential General Fund services including, but not limited to:

- Implementation of the Crescent City Fire and Rescue Master Plan, creating a sustainable fire department
- Implementation of the police department staffing plan to ensure proper supervisory staffing and patrol officers on every shift.
- Additional revenue to reestablish sustainable operational services of the Fred Endert Municipal Pool, which provides the community with critical water-related health and safety services (swimming lessons, exercise, recreation, physical therapy)
- Local street maintenance – fixing potholes, resurfacing streets, installing and repairing sidewalks

If the measure is passed by the voters, the tax will be paid by all users of essential City services, not just City residents. Because this community is economically dependent upon tourism, we have to have the infrastructure to support a higher level of activity than is generated solely by City residents. City emergency response services (police and fire) serve all who live in and visit our town. In addition, City streets and sidewalks are used and enjoyed (when they are in good repair) by City residents, visitors, and tourists alike.

Another key element of the measure is transparency. The draft ordinance includes independent annual audits of tax revenues and expenditures as well as a citizen's oversight committee. The proposed language in the ordinance is as follows:

3.30.140 Oversight Committee.

A seven-member oversight committee will be created and meet annually to review and publically report on the expenditure of revenues generated by the tax imposed by this Ordinance. The committee will include the City Manager, the City Finance Director, and five residents of the City. Resident members of the committee will be appointed to two-year terms by the Mayor and confirmed by the City Council.

3.30.150 Independent Annual Audit.

The proceeds of the tax imposed by this Ordinance, as well as the expenditures thereof, will be audited annually by an independent accounting firm.

As stated in the presentation by Godbe Research, the City residents polled are in support of this ballot measure. However, Godbe Research strongly recommend hiring additional ballot measure support to be able to inform the community of the measure and what it means to them. Attached is a proposed Amendment No. 3 to the Planwest Partners, Inc. professional services agreement for Phase 2B, which is for the recommended ballot measure support. The scope of work is described in detail in Exhibit A of the amendment and generally includes tasks to building consensus within the community and a strong, transparent measure. To effectively accomplish this goal, Planwest Partners has proposed to bring TBWBH Props and Measures on to the team. TBWBH Props and Measures is a strategy and communications consulting firm specializing in developing revenue measures for the ballot and implementing informational communication strategies. They have been a part of passing over 430 successful bond and tax measures in California and have an over 90% success rate.

This effort would start immediately and continue through the November 2020 election.

The next steps to place this measure on the November ballot is as follows:

- 7/14/20 – Receive direction from the regarding the draft ordinance and Contract amendment with Planwest Partners
- 7/20/20 – Introduce proposed ballot measure ordinance
- 8/3/20 – Adopt a resolution to place the measure on the November 2020 ballot
- 8/7/20 – Submit ballot measure documents to the County Elections Clerk

FISCAL ANALYSIS

The cost proposed by Planwest Partners for Phase 2B (Ballot Measure Informational Services) is a not-to-exceed amount of \$33,900. The current General Fund Budget does not include this expense and would need to be funded by the General Fund's unallocated fund balance (see attached Resolution 2020-56, FY20/21 Budget Amendment). The current fund balance is estimated to be \$304,055 as of June 30th, 2021. With the still unknown revenue impacts of the COVID-19 public health emergency there are a lot of uncertainties with this projection. The actual fund balance as of June 30, 2021 could be better or worse depending upon what happens with the virus. What is certain is that the General Fund Balance will be well below the policy of 25% of expenses or approximately \$1,500,000. However, staff is recommending this expenditure as it is directly related to recovery and to creating financial resiliency for essential services now and in the future.

In addition to the costs stated above there will be additional election costs for the ballot measure as well. These costs are estimated at an additional \$5,000 - \$6,000 and will be brought before the Council for budget amendment approval on August 3 when the Council is taking action to place the measure on the ballot via resolution.

STRATEGIC PLAN ASSESSMENT

This action supports Strategic Plan Goal 1, “Support quality services, community safety, and health to enhance the quality of life and experience of our residents and visitors,” and Goal 1C, “Empower and utilize Police, Fire, and Public Works departments to make Crescent City one of the safest cities in the United States.”

ATTACHMENTS

1. Draft Transactions and Use Tax Ordinance
2. Amendment No. 3 to Agreement for Professional Services with Planwest Partners
3. Resolution No. 2020-56

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY,
ADDING CHAPTER 3.30 TO TITLE 3 OF THE CRESCENT CITY MUNICIPAL CODE
IMPOSING A TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE
CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION**

NOW, THEREFORE, the City Council of the City of Crescent City, State of California, does ordain as follows:

SECTION 1

Upon approval of the voters of the City of Crescent City, the Crescent City Municipal Code is amended by adding Chapter 3.30, Transactions and Use Tax, to Title 3, Revenue and Finance, as follows:

TITLE 3 – REVENUE AND FINANCE
CHAPTER 3.30 – TRANSACTIONS AND USE TAX

3.30.010 Title.

This chapter will be known as the “Crescent City Transactions and Use Tax Ordinance” and referred to herein as “this Ordinance.”

3.30.020 Operative Date.

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

3.30.030 Purpose.

This Ordinance 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.

3.30.040 Contract with State.

Prior to the operative date, the City must 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 has not contracted with the California Department of Tax and Fee Administration prior to the operative date, it must nevertheless so contract and in such a case the operative date will be the first day of the first calendar quarter following the execution of such a contract.

3.30.050 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 1.0% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this Ordinance.

3.30.060 Place of Sale.

For the purposes of this Ordinance, 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 his 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 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 will be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

3.30.070 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 Ordinance for storage, use or other consumption in said territory at the rate of 1.0% of the sales price of the property. The sales price includes delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

3.30.080 Adoption of Provisions of State Law.

Except as otherwise provided in this Ordinance 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 Ordinance as though fully set forth herein.

3.30.090 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 is to be substituted therefor. However, the substitution will not be made when:
 1. The word "State" is used as a part of the title of the State Controller, State Treasurer, 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 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.
- B. The word "City" is to 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.
1. "A retailer engaged in business in the District" also includes 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.

3.30.100 Permit Not Required.

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

3.30.110 Exemptions and Exclusions.

- A. There will 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 his 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 will 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, his or her 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 Ordinance.

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 Ordinance.
 5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property will 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 Ordinance, 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 Ordinance.
 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 Ordinance.
 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 will 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" also includes 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 will 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 Ordinance 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.

3.30.120 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, will automatically become a part of this Ordinance, provided however, that no such amendment will operate so as to affect the rate of tax imposed by this Ordinance.

3.30.130 Enjoining of Collection Forbidden.

No injunction or writ of mandate or other legal or equitable process may 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.

3.30.140 Oversight Committee.

A seven-member oversight committee will be created and meet annually to review and publically report on the expenditure of revenues generated by the tax imposed by this Ordinance. The committee will include the City Manager, the City Finance Director, and five residents of the City. Resident members of the committee will be appointed to two-year terms by the Mayor and confirmed by the City Council.

3.30.150 Independent Annual Audit.

The proceeds of the tax imposed by this Ordinance, as well as the expenditures thereof, will be audited annually by an independent accounting firm.

3.30.160 Severability.

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, then the remainder of the Ordinance and the application of such provision to other persons or circumstances will not be affected thereby.

3.30.170 Effective Date.

This Ordinance relates to the levying and collecting of the City transactions and use tax and will take effect immediately.

3.30.180 Termination Date. The authority to levy the tax imposed by this Ordinance will expire upon repeal by the voters of the City of Crescent City.

SECTION 2

This Ordinance will become operative only if a majority of votes cast on the measure at an election to be called for such purpose vote to approve the Ordinance.

DRAFT

DRAFT

DRAFT

INTRODUCED at a regular meeting of the City Council of the City of Crescent City held on the _____ day of _____, 2020.

PASSED, and ADOPTED at a regular meeting of the City Council of the City of Crescent City on the _____ day of _____, 2020, by the following polled vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Blake Inscore, Mayor

ATTEST:

Robin Patch, City Clerk

APPROVED AS TO FORM:

Martha D. Rice, City Attorney

DRAFT

**AMENDMENT NO. 3
TO AGREEMENT FOR PROFESSIONAL SERVICES
WITH PLANWEST PARTNERS, INC.**

This Amendment No. 3 (this "Amendment") to the agreement for professional services entered into by and between the City of Crescent City and Planwest Partners, Inc. dated the 24th day of September, 2018 for the preparation of a 10-Year Financial Master Plan for Crescent City Fire and Rescue (the "Agreement") amends the scope of services to include Phase 2B. The Agreement has been previously amended on December 16, 2019 (Amendment No. 1) and on March 2, 2020 (Amendment No. 2)..

The Agreement, as amended, is amended as follows:

1. **SCOPE OF SERVICES.** The scope of services is hereby amended to include Phase 2B as set forth in Exhibit A, attached hereto and incorporated herein by this reference.
2. **SCHEDULE FOR PERFORMANCE.** The schedule for performance of the tasks comprising Phase 2B is set forth in Exhibit B, attached hereto and incorporated herein by this reference.
3. **COMPENSATION.** Compensation to be paid to CONSULTANT for its Phase 2B work is in the not-to-exceed amount of Thirty-Three Thousand Nine Hundred Dollars (\$33,900.00), as set forth in Exhibit C, attached hereto and incorporated herein by this reference.
4. **OTHER PROVISIONS.** All other terms and conditions of the Agreement remain in full force and effect and apply to this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed this 14th day of July, 2020 at Crescent City, California.

CITY OF CRESCENT CITY

PLANWEST PARTNERS, INC.

By: Eric Wier, City Manager

By: Colette Santsche

Its: Senior Planner/Partner

EXHIBIT A: SCOPE OF WORK

PHASE 2(B): INFORMATIONAL SERVICES

Task 1 Project Coordination

Under the close coordination with City staff and team partners, Planwest will manage the overall contract to ensure the project is completed on time, on budget and with no deadlines missed.

Task 2 Build Consensus

Based on the findings from previous polling undertaken by the City and Godbe Research, TBWBH will help develop and implement a public information and outreach program to educate the community about the City's funding needs and build broad community consensus around the sales tax measure.

TBWBH will work with your existing teams to:

- Develop informational messaging about the needs of the City and a plan for getting the message out to key audiences
- Create regular updates to highlight progress related to the needs of the City, including messaging for email blasts, websites, social media and newsletters
- Provide talking points, answers to frequently asked questions and a message training to key city staff, employee groups, commissioners and elected officials
- Develop strategies and plans to inform and engage key internal stakeholder groups within your agency
- Assist with preparing presentations to community groups and oversight bodies
- Provide information to be added to your website, distributed through social media and included in newsletters
- Write, design and produce informational mailings to the entire community to ensure broad awareness beyond the most active and engaged citizens
- Develop strategies for managing coverage of this issue in the local press
- Develop strategies and plans to inform and engage influential external groups including elected leaders, business leaders, neighborhood leaders, faith community leaders and taxpayer groups

Task 3 Build a Strong Measure

TBWBH will work with your city team to develop a revenue measure and qualify for the ballot.

During this phase of work, TBWBH will:

- Continue to remain in contact with constituents through informational messaging across platforms
- Facilitate conversations with key stakeholders to discuss proposed measure, answer questions and collect feedback
- Prepare presentations for public meetings

- Recommend the final tax rate, duration and other details of your proposed measure
- Refine the description of your needs to make sure they are written in clear and understandable language featuring projects and programs that are high priorities for voters
- Work with the City Attorney and team to define important taxpayer accountability protections, including an independent Citizens' Oversight Committee and public reporting process if needed
- Work with the City Attorney and team to develop all ordinances/resolutions required for calling the election
- Work with the City Attorney and team to develop the critical ballot question that will appear on ballots
- Work with your City Attorney to develop and refine the full text of the measure and other materials that will appear in the ballot pamphlet mailed to all voters
- Present recommendations and documents to your City Council for formal approval
- Work with the City Clerk and elections officials to ensure your measure qualifies for the ballot

Step 4: Independent Campaign

The next step in the process is to mount a strategic advocacy campaign. This is the only step in the process that cannot be funded with public dollars. While agencies can continue to provide information to residents about the measure, only a privately funded campaign committee can advocate for the measure.

*The services described here are **not** proposed as part of the scope of services for Crescent City. If a tax measure is placed on the ballot and an independent advocacy committee forms, these services would be offered to that group and privately funded under a separate agreement.*

Step 5: Bridge to the Next Election

After Election Day, it is important to continue positive and transparent community dialogue about how the City will utilize voter-approved funding and deliver on your promises. Ongoing communication services may include:

- Creation of regular updates to highlight progress related to your measure, including messaging for email blasts, websites, social media and newsletters
- Assistance with crafting responses to community or media inquiries regarding a local funding measure
- Assistance with preparing presentations to community groups and oversight bodies
- Regular direct mail updates to the entire community to ensure broad awareness beyond the most active and engaged citizens

EXHIBIT B: SCHEDULE OF PERFORMANCE

		Jul.		Aug.		Sept.		Oct.		Nov.														
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22	
Task 1	<i>Project Coordination</i>																							
Task 2	<i>Build Consensus</i>																							
Task 3	<i>Build a Strong Measure</i>																							
Task 4	<i>Independent Campaign</i>	<i>Not proposed as part of city scope</i>																						
Task 5	<i>Bridge to the Next Election</i>																							

EXHIBIT C: COMPENSATION

		Planwest	TBWBH	SUB-TOTAL LABOR COST	SUB-TOTAL MATERIALS COST	TOTAL COST
		C. Santsche	J. Kummer			
		\$106	Flat Rate			
PW	Project Coordination	25		\$2,650	\$0	\$2,650
TBWBH	Informational Services	0	\$15,000	\$15,000	\$16,250	\$31,250
TOTAL LABOR COST		\$2,650	\$15,000	\$17,650	\$16,250	\$33,900

RESOLUTION NO. 2020-56

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY
AMENDING THE FISCAL YEAR 2020-21 BUDGET OF THE CITY OF CRESCENT CITY**

WHEREAS, the budget for the fiscal year beginning July 1, 2020, as submitted by the City Manager, was reviewed by the City Council and a public hearing was held thereon the 22nd day of June 2020; and

WHEREAS, the City Council adopted said budget and has the authority to amend said budget from time to time; and

WHEREAS, the City has recently undertaken significant planning efforts which resulted in a 10-year Fire Department Master Plan, Police Department Staffing Plan, and 10-year Swimming Pool Master Plan, and these plans identify significant resources needed to improve the sustainability of these essential services; and

WHEREAS, the City also has need of additional funding for other General Fund purposes, including street maintenance and other general services; and

WHEREAS, the City is currently facing a severe revenue shortfall due to the economic impacts of COVID-19; and

WHEREAS, the City Council has directed staff to proceed with placing a general sales tax measure on the November 2020 ballot and finds it prudent to obtain professional services to assist the City with preparation of said ballot measure and informational campaign to educate the public about the measure; and

WHEREAS, in order to fulfill these priorities, a budget amendment is necessary.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AS FOLLOWS:

That the Fiscal Year 2020-21 City of Crescent City Annual Budget is hereby amended and appropriated in the amounts identified below:

	Revenue Increase (Decrease)	Expenditure Increase (Decrease)
General Fund		\$33,900

APPROVED and ADOPTED and made effective the same day at a special meeting of the City Council of the City of Crescent City held on the 14th day of July 2020, by the following polled vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Blake Inscore, Mayor

ATTEST:

Robin Patch, City Clerk