RESOLUTION NO. 2024-95

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024, FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF THE CITY OF SUISUN CITY AN INITIATIVE MEASURE RENEWING THE CURRENT 1% LOCAL TRANSACTIONS AND USE ("SALES") TAX AT A 1.75% RATE AND EXTENDING THEREOF FOR 15 YEARS FROM ITS OPERATIVE DATE FOR THE GENERATION OF GENERAL MUNICIPAL REVENUE; AND REQUESTING THE COUNTY OF SOLANO TO CONSOLIDATE THE CITY'S GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024, WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THAT DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE

WHEREAS, the City of Suisun City ("City") is facing a severe budget deficit that threatens the future of the City and directly impacts the safety and quality of life of local residents; and

WHEREAS, after several years of declining city revenues, the City does not receive sufficient revenue to sustain current operations and essential services for residents; and

WHEREAS, Suisun City currently relies upon limited emergency reserves and temporary COVID relief funding to sustain services, but temporary COVID relief funds are now fully expended and limited emergency reserves will soon be depleted; and

WHEREAS, at the City Council meeting on May 28, 2024, the City's Finance Department reported to the City Council that in fiscal year 2024-25 the City will operate at a deficit of nearly \$2 million, which it plans to cover from the City's reserve funds, using 40% of the City's reserves for that purpose; and

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WHEREAS, at the City Council meeting on June 16, 2024, the City's Finance Department reported to the City Council that unless revenues substantially increase to bridge the budget shortfall prior to fiscal year 2025-26, the City's Finance Department anticipates that the City will be required to make drastic cuts to its services, which will impact the City's residents and businesses; and

WHEREAS, in 2016, 69% of local voters in Suisun City approved a 1% sales tax measure that currently provides approximately \$3.9 million in annual funding to support essential city services and this funding is now set to expire; and

WHEREAS, if current local sales tax funding expires and Suisun City is unable to secure additional revenue, city leaders may be forced to consider declaring bankruptcy for the City which will mean immediate and direct reductions in city services, quality of life, and potentially safety of the community; and

WHEREAS, deep cuts to the city budget and potential bankruptcy could lead to the elimination of Suisun City's locally controlled fire department, police department, parks, libraries, youth and senior programs, among other services; and

WHEREAS, over the past five years Suisun City has experienced nearly a 200% increase in fires, a 32% increase medical emergencies, and a 29% increase in overall 911 calls for service, 70% of which are for medical emergencies; and

WHEREAS, current police and fire department staffing levels are lower than the standard for a community the size of Suisun City, and, at times, only two or three police officers are on duty, making it challenging to patrol neighborhoods and respond to emergency calls; and

WHEREAS, the police department lacks the resources needed to address the nuisances associated with homelessness, which negatively impacts safety and quality of life in the City; and

WHEREAS, the police department currently operates with only 26 sworn Officers, which is several Officers below recommended staffing levels, causing increased response times and reduced ability to respond to lower priority calls, to enforce traffic regulations, and to solve past crimes; and

WHEREAS, two-thirds of the fire department's 911 calls are for medical emergencies, requiring the fast response of a paramedic and current emergency response staffing results in response times as high as 50 minutes for some calls, while the national standard for response times is five minutes; and

WHEREAS, the fire department has a critical need to develop a second fire station to improve response times and save lives by allowing it to arrive on scene within five minutes, as contemplated in the City's General Plan; and

WHEREAS, to improve the city's financial stability, avoid potential bankruptcy, and maintain locally controlled services, the Suisun City Council believes that the expiring locally controlled sales tax funding approved by voters in 2016 needs to be renewed with an increase in the rate to 1.75% to provide additional locally controlled revenue; and

WHEREAS, locally controlled funding from a renewed and increased sales tax measure would protect and sustain essential city services, including addressing crime and public nuisances associated with homelessness, preventing the elimination of neighborhood police patrols, maintaining local fire protection and improving 911 emergency response times, and maintaining city infrastructure including local streets and roads; and

WHEREAS, to help ensure the cost of a renewed and increased sales tax measure is not a burden to those on fixed or limited incomes, essential purchases such as groceries, prescription medicine, and diapers are exempt from the cost of sales tax; and

WHEREAS, sales tax is paid by anyone who shops in Suisun City, including visitors, to help ensure that nonresidents who work or shop in Suisun City pay a fair share for local services, roads, and infrastructure they use; and

WHEREAS, a measure to renew and increase local sales tax funding would continue strict fiscal accountability requirements, including public disclosure of all spending, and independent citizen oversight; and

WHEREAS, all funds from a measure to renew and increase local sales tax funding must stay local in Suisun City for local needs, and no funds can be taken away by the State; and

WHEREAS, on July 2, 2024, the City Council previously called and gave notice of a general municipal election to be held on November 5, 2024, and requested consolidation of the same with the statewide general election to be held on that date pursuant to Elections Code Section 10403; and

WHEREAS, the City currently has a general transactions and use tax pursuant to Chapter 3.14 of Title 3 of the Suisun City Municipal Code at a rate of 1%, which is set to expire in the near future; and

WHEREAS, on July 2, 2024, the City Council of the City of Suisun City ordered the submission to the voters at the general municipal election on November 5, 2024, a ballot measure to consider approving a proposed ordinance renewing the 1% sales tax at a rate of 1.75% and extending the tax for a period of 15 years from its operative date, where generated revenues will be deposited in the City's General Fund, which requires approval of the majority of voters at either a general or a special election; and

WHEREAS, the City Council of the City of Suisun City is authorized and directed by statute to submit to the voters the foregoing ballot measure and that such submittal be consolidated with the previously called general municipal election to be held on November 5, 2024, and that this measure be submitted as part of that election.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SUISUN CITY, HEREBY RESOLVES AS FOLLOWS:

Section 1.

Pursuant to California Constitution Article XIIIC, Section 2, Government Code Section 53724, and Elections Code Section 9222, the City Council of the City of Suisun City hereby calls an election and submits to the qualified voters of the City a measure that, if approved, would renew the current 1% sales tax and increase its rate to 1.75% for a period of 15 years from its operative date, as authorized by Revenue and Taxation Code section 7285.9. This measure shall be designated by letter by the Solano County Elections Department. Pursuant to Election Code Section 10400 et seq., the election for this measure shall be consolidated with the established election to be conducted on November 5, 2024.

<u>Section 2</u>. The City Council of the City of Suisun City, hereby orders the following measure be submitted to the voters at the aforementioned general municipal election:

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01107.0001/994258.1

Suisun City Essential Services/ Public Safety Protection Measure. To maintain Suisun City's financial stability and prevent cuts to city services, such as addressing crime/public nuisances associated with homelessness, preventing elimination of neighborhood police patrols, preventing cuts to 9-1-1 fire/ emergency medical response; and maintaining streets, shall the measure be adopted renewing the current 1% local sales tax at a 1.75% rate, providing approximately \$6,766,000 annually for 15 years, requiring independent audits, oversight, all funds locally controlled?

YES

NO

Section 3. The text of the proposed ordinance as provided above is to be submitted to the voters is attached as Exhibit A to this Resolution ("Ordinance") and is incorporated herein by reference. The City Council hereby approves the Ordinance and the form thereof, pursuant to Revenue & Taxation Code Section 7285.9. The City Council further approves its submission to the voters at the November 5, 2024 general municipal election. The City's designated elections official is hereby authorized and directed to make any changes to the text of the Ordinance or this Resolution as required to conform to any requirements of law.

<u>Section 4.</u> The Ordinance attached as <u>Exhibit A</u> to this Resolution is available at no cost from the City Clerk's Office at 707-421-7302 or on the City's website: suisuncity.com. A statement about how to obtain the full text of the Ordinance will be included in the Voter Information Pamphlet below the Impartial Analysis.

Section 5. The vote requirement for the measure to pass is a majority (50% + 1) of the votes cast.

Section 6. The City's designated elections official is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

<u>Section 7.</u> The ballots to be used at the election shall be in form and content as required by law, and that the election shall be held and conducted in the manner prescribed by law.

<u>Section 8.</u> The City Council authorizes its designated elections official to administer the election and is authorized, instructed, and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

<u>Section 9.</u> Pursuant to California Election Code Section 10242, the polls for the General Municipal Election shall open at seven o'clock a.m. on the day of the election, and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, except as otherwise provided in California Election Code Section 14401.

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2	PASSED, APPROVED AND ADOPTED this 2nd day of July, 2024.			
3			Ihn Hennanch	
4			Mayor Alma Hernandez	
5	ATTEST:			
6	asuita Skirier			
7	Anita, Skinner,			
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9	STATE OF CALIFORNIA) COUNTY OF SOLANO) SS: CITY OF SUISUN CITY)			
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12	I, Anita Skinner, City Clerk of the City of Suisun City, do hereby certify that the foregoing Resolution, being Resolution No. 2024-95 was passed and approved by the City Council of the City of Suisun City, at a regular meeting of said Council held on July 2, 2024 and that said Resolution was adopted by the following vote:			
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15	AYES:	Councilmembers:	Dawson, Osum, Pal, Washington, Mayor Hernandez	
16	NOES: ABSENT:	Councilmembers: Councilmembers:	None None	
17	ABSTAIN:	Councilmembers:	None	
18	WITNESS my hand and the seal of said City this 2 nd day of July 2024.			
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20			_ aprila Deinser	
21	Anita Skinner City Clerk			
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28	Resolution No. 2024	Resolution No. 2024-95		
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ORDINANCE NO.

AN ORDINANCE OF THE PEOPLE OF THE CITY OF SUISUN CITY RENEWING THE 1% GENERAL TRANSACTIONS AND USE ("SALES") TAX CODIFIED AT CHAPTER 3.14 TO TITLE 3 OF THE SUISUN CITY CODE AND INCREASING THE SALES TAX TO 1.75%, TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION, SUBJECT TO APPROVAL OF A MAJORITY OF THE ELECTORS VOTING ON THE TAX MEASURE AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2024

WHEREAS, the City of Suisun City ("City") is facing a severe budget deficit that threatens the future of the City and directly impacts the safety and quality of life of local residents; and

WHEREAS, after several years of declining city revenues, the City does not receive sufficient revenue to sustain current operations and essential services for residents; and

WHEREAS, Suisun City currently relies upon limited emergency reserves and temporary COVID relief funding to sustain services, but temporary COVID relief funds are now fully expended and limited emergency reserves will soon be depleted; and

WHEREAS, at the City Council meeting on May 28, 2024, the City's Finance Department reported to the City Council that in fiscal year 2024-25 the City will operate at a deficit of nearly \$2 million, which it plans to cover from the City's reserve funds, using 40% of the City's reserves for that purpose; and

WHEREAS, at the City Council meeting on June 16, 2024, the City's Finance Department reported to the City Council that unless revenues substantially increase to bridge the budget shortfall prior to fiscal year 2025-26, the City's Finance Department anticipates that the City will be required to make drastic cuts to its services, which will impact the City's residents and businesses; and

WHEREAS, in 2016, 69% of local voters in Suisun City approved a 1% sales tax measure that currently provides approximately \$3.9 million in annual funding to support essential city services and this funding is now set to expire; and

WHEREAS, if current local sales tax funding expires and Suisun City is unable to secure additional revenue, city leaders may be forced to consider declaring bankruptcy for the City which will mean immediate and direct reductions in city services, quality of life, and potentially safety of the community; and

WHEREAS, deep cuts to the city budget and potential bankruptcy could lead to the elimination of Suisun City's locally controlled fire department, police department, parks, libraries, youth and senior programs, among other services; and

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Adopted

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incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

Section 3.14.060. Transaction 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 one and three-quarters percent (1.75%) 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.

Section 3.14.070. 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 shall 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 shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

Section 3.14.080. 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 one and three-quarters percent (1.75%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

Section 3.14.090. Proceeds of taxes. The proceeds of the transactions and use tax imposed by this chapter shall be deposited into the general fund of the city to be used for all general government purposes which may include, but are not limited to, fire and police protection, street and sidewalk repair and maintenance, park repair and maintenance, recreational programs, building and code enforcement services, planning and zoning services, capital equipment requirements, public infrastructure, repair and replacement of city facilities, capital improvement projects, operational expenses, fiduciary responsibilities, administration, indebtedness, and general obligations of the city. The tax imposed by this chapter is intended to be and is, a general tax, the proceeds of which are to be spent as the city council shall in its discretion, from time to time, determine.

Section 3.14.100. Revenue expended for unrestricted uses. Revenues from the transaction and use tax enacted under this ordinance shall be expended by the city for unrestricted general revenue uses.

Section 3.14.110. 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

Section 3.14.130. Permit not required. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

Section 3.14.140. Exemptions and exclusions.

- A. There shall 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 shall 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.

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Ordinance No.

collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

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.

Section 3.14.150 Changes in law. All amendments subsequent to the effective date of this chapter 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, shall automatically become a part of this chapter, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this chapter.

Section 3.14.160. Enjoining collection forbidden. No injunction or writ of mandate or other legal or equitable process shall 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.

Section 3.14.170. Annual Audit. The proceeds resulting from this transactions and use tax shall be deposited into the city's general fund and become subject to the same independent annual audit requirements as other general fund revenue. In addition the city's independent auditor shall complete a general transactions and use tax compliance and internal control audit report. Such report shall review whether the tax revenues collected pursuant to this chapter are collected, managed, and expended in accordance with this chapter.

Section 3.14.180. All funds staying local. All tax revenues collected under the authority of this chapter shall be expended solely on local municipal services, and shall not be used for any other purposes.

Section 3.14.190. Effective date. This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately as provided by law.

Section 3.14.200. Termination date. The authority to levy the tax imposed by this ordinance shall continue until the fifteenth anniversary of its operative date.

Section 3.14. 210 Penalties. Without limiting any remedies available at law or equity, any person violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor.

Section 3.14.220. Severability. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provisions to other persons or circumstances shall not be affected thereby.

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2	Anita Skinner, City Clerk				
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4	<u>CERTIFICATION:</u>				
5	I, Anita Skinner, City Clerk of the City of Suisun, California, do hereby certify that				
6	Ordinance was adopted by the City Council of the City of Suisun City at a regular meeting held on the day of, 2024 by the following vote:				
7	AYES:				
8	NOES:				
9	ABSENT: ABSTAIN:				
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12	Anita Skinner, City Clerk				
13 14	Ordinance No was submitted to the People of the City of Suisun City at the				
15	November 5, 2024, general municipal election. It was approved by the following vote of the				
16	electors:				
17	YES:				
18	NO:				
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28	Ordinance No.				
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