

## **RESOLUTION NO.**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNION CITY AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT IN AN AMOUNT NOT-TO-EXCEED \$160,000 WITH TBWBH PROPS AND MEASURES, INCLUDING PUBLIC POLLING WITH GODBE RESEARCH, TO PROVIDE PROFESSIONAL SERVICES REGARDING THE CONSIDERATION OF FUTURE TAX MEASURES**

**WHEREAS**, the City Council adopted a five-year strategic plan in September 2019 that included a policy to “foster fiscal health through long-term planning, cost control, heightened efficiency, increased revenue and cost recovery;” and

**WHEREAS**, the City has taken several steps to improve its fiscal health over the past three years, including legalizing and taxing cannabis sales and reducing contract costs with Alameda County Fire Department; and

**WHEREAS**, a majority of Union City voters passed the utility user tax (UUT) after the extension of the public safety parcel tax failed to receive 2/3 voter support; and

**WHEREAS**, without the passage of the UUT, the general fund would have incurred over \$4.2 million dollars in losses to public safety (police and fire) and the youth violence prevention programs; and

**WHEREAS**, Union City voters adopted a 1/2 cent sales tax in 2010 (Measure AA) and renewed the measure in 2014 (Measure JJ) for 10 years that has helped the City achieve fiscal stability; and

**WHEREAS**, the sales tax measure will expire April 2025, unless it is extended by voters at a general election in 2022 or 2024; and

**WHEREAS**, Union City has relied upon voter approved measures to provide fundamental services in the community, including, but not limited to, public safety, street and park maintenance, senior services, and youth violence prevention programs; and

**WHEREAS**, with the expiration of the 1/2 cent tax on the horizon, staff have regularly shared with the Council the that the general fund will lose more than \$6 million in general fund revenues that are key to funding City services; and

**WHEREAS**, the Council adopted a strategy to study and prepare for placement of a revenue measure for November 2022 election that addresses the expiration of the half-cent sales tax; and

**WHEREAS**, the City Council received a briefing from the Economic Development Advisory Team (EDAT) and strategy recommendations to support the transformation of warehouses to higher-end uses; and

**WHEREAS**, among the strategies considered was to update the business license tax structure and authorize staff to engage consultants to address polling and strategies to determine timing of future ballot initiatives; and

**WHEREAS**, in consideration of planning for the long-term fiscal health of the community, staff has engaged TBWBH Props and Measures and Godbe Research to assist the City in evaluation of possible ballot measures for the 2022 election; and

**WHEREAS**, Charles Heath, TBWBH Props and Measures and Brian Godbe, Godbe Research prepared a comprehensive proposal that includes feasibility assessment and polling of up to two ballot measures, including the extension of the ½ cent sales tax and the business license tax increase, ballot measure development, and public information at a cost not to exceed \$160,000 attached as Exhibit A; and

**WHEREAS**, funds for this Consultant Services Agreement were included in the FY 2021-2022 Adopted Budget in Account Number 1110-1201-11041-54218 (Community Relations-Community Promotions) though no funds were budgeted for the consideration of a business license tax increase; and

**WHEREAS**, there are sufficient salary savings available in the City Manager's Office – Community Relations Division budget to cover the proportional cost of analyzing the possible proposal to increase the business license tax.

**BE IT THEREFORE RESOLVED** that the City Council of the City of Union City authorizes the City Attorney to prepare a Contract Services Agreement with TBWBH Props and Measures, including a scope of services for Godbe Research, in an amount not to exceed \$160,000, and authorizes the City Manager to execute the Agreement in a form acceptable to the City Attorney.