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# MEASURE HB:

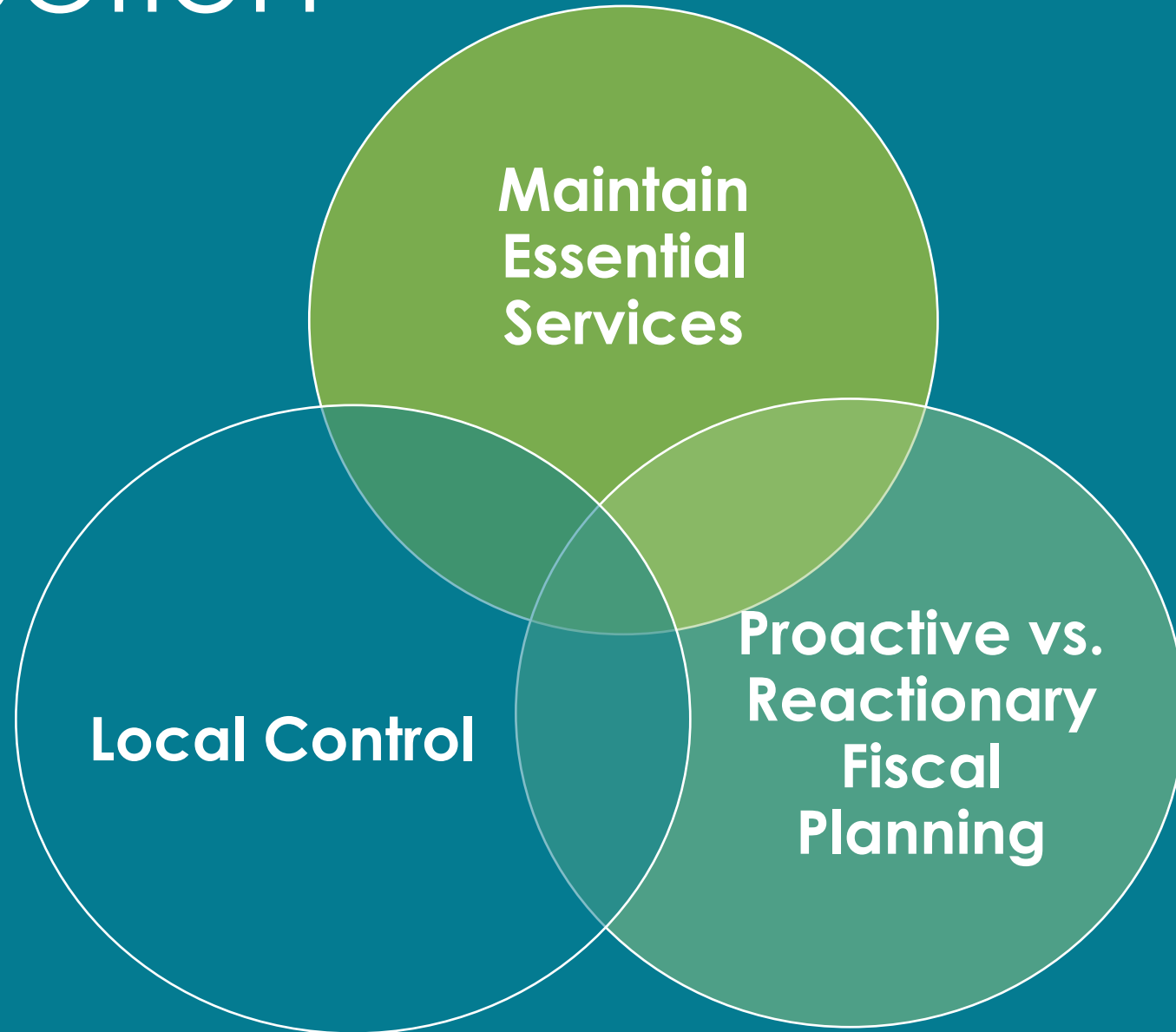
City of Hermosa Beach

Public Safety/City Services Measure



**CITY OF  
HERMOSA BEACH**

# Introduction



# What is **Measure HB**: the Hermosa Beach Public Safety/City Services Measure?

- Hermosa Beach voters will have a choice. The City Council has approved placing a Ballot Measure on the November 5, 2024 ballot so voters in Hermosa Beach can consider enacting a local sales tax of 3/4%.
- If voters approve the Measure, it is expected to generate approximately \$3 million each year in dedicated and locally controlled funds that benefit Hermosa Beach residents and businesses.
- The Measure has a sunset clause 20 years from the effective date, or until ended by voters.
- The Measure includes the formation of a Citizens Oversight Committee.



# Sales Tax Overview

## BREAKDOWN OF YOUR CURRENT SALES TAX

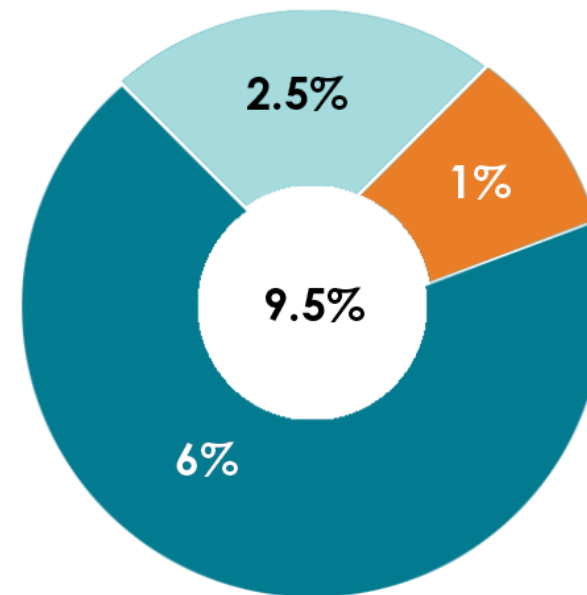
### TAX BREAKDOWN

OF \$1 PURCHASE WITH  
CURRENT 9.5% RATE

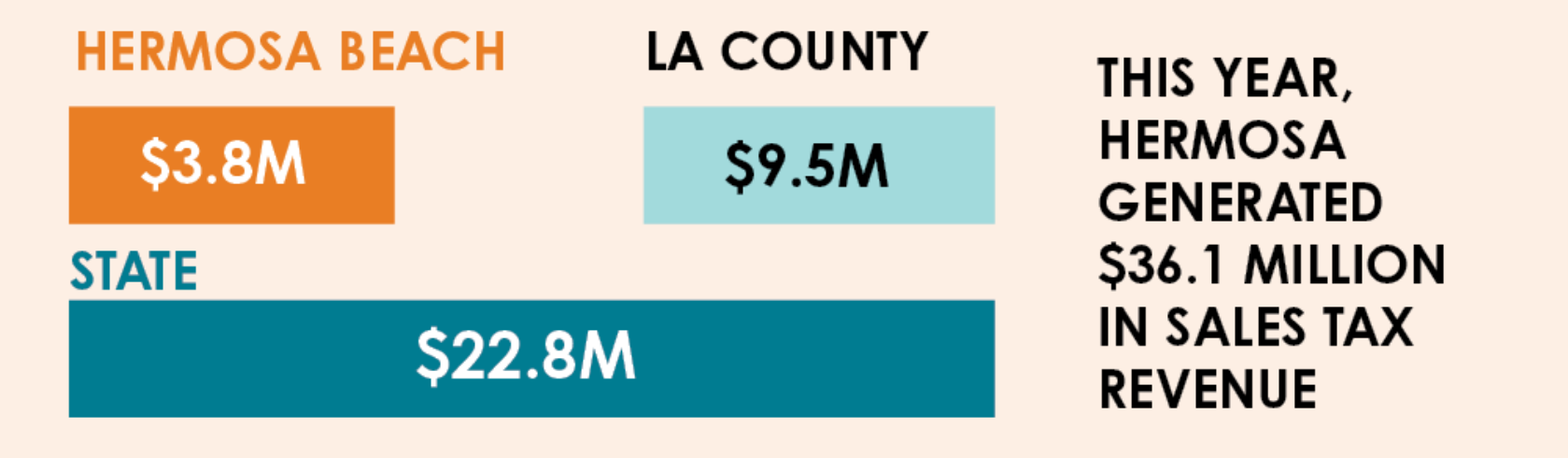
**HERMOSA BEACH**

LOS ANGELES COUNTY

STATE OF CALIFORNIA



# Sales Tax Overview



# Sales Tax Overview

## 5.2 million

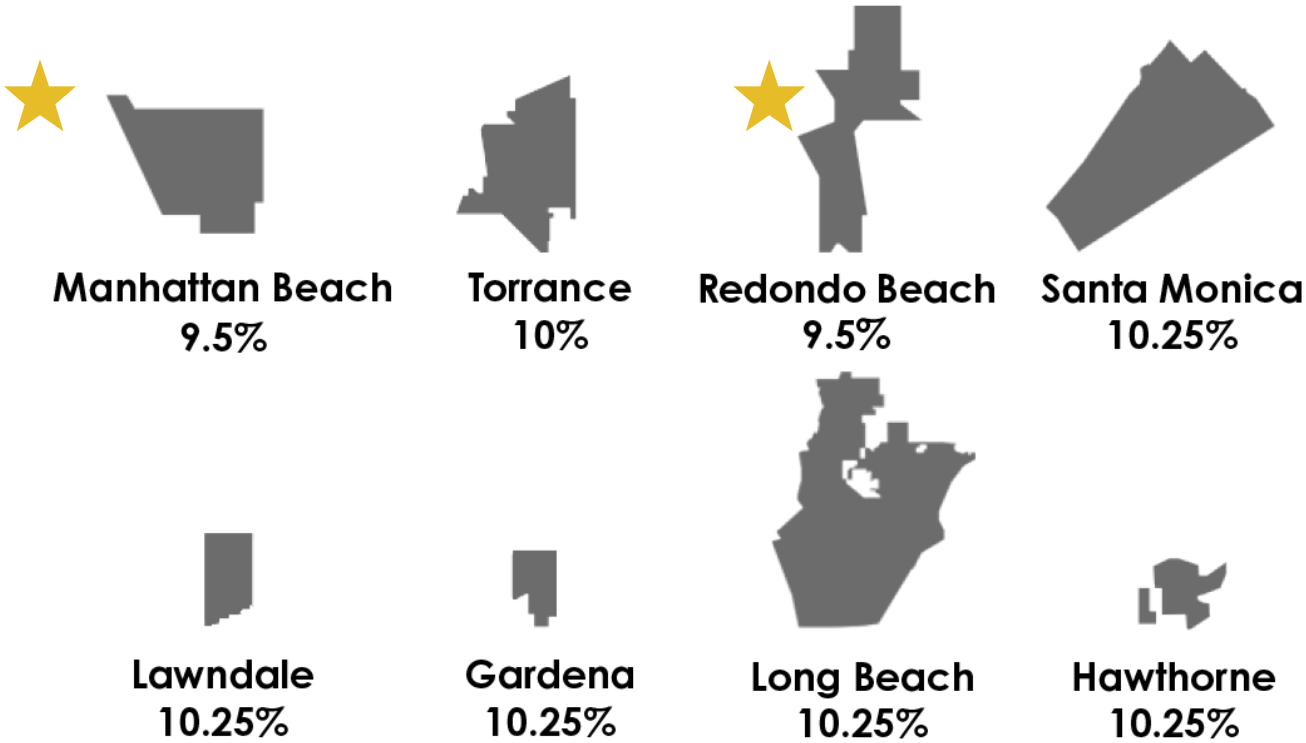
visitors to Hermosa Beach each year contribute to the local economy by spending on accommodations while experiencing dining and shopping amenities. If voters approve Measure HB, it will ensure that these visitors contribute their fair share to maintain and enhance the services they use, from our parks and beaches to public safety.



# Key Facts for Local Businesses

- **Visitor Contributions**
  - The 5.2 million annual visitors will contribute their fair share to city services through the Measure.
- **Revenue Utilization**
  - The estimated \$3 million in annual revenue will be used to maintain and improve Hermosa Beach's services and infrastructure.
- **Supporting Local Businesses**
  - Well-maintained streets, public spaces, and essential services create a thriving environment for local businesses to succeed.

# Sales Tax Rates In Neighboring Cities



★ The cities highlighted above also have a measure on the November 2024 ballot.



# If Approved, the Measure Amounts To...



**LESS THAN ONE PENNY**

PER \$1 SPENT

**OR SEVEN-AND-A-HALF PENNIES**

ON EVERY \$10 SPENT ON QUALIFYING PURCHASES

# Transaction and Use Tax Overview

- General Transaction and Use Tax
  - Requires approval by a simple majority or 50% +1

# Transaction and Use Tax Overview

- Excludes:

• Groceries	• Utilities
• Prescriptions and medical expenses	• Education
• Real estate transactions	• Personal services
• Rent	• Labor
• Goods transmitted electronically (music, books, movies, software)	

- Includes online purchases and goods delivered to an address in Hermosa Beach.

# Maintaining Essential Services

## REVENUE FROM THE MEASURE WILL STAY IN HERMOSA BEACH

The locally controlled revenue generated from this Measure will support the preservation of the City's existing quality of life services and will allow for the City to begin addressing critical needs that, over time, will become more expensive.



### **PUBLIC SAFETY**

Maintaining 911 emergency response. Updating police technology to prevent crime from encroaching upon our neighborhoods and businesses



### **STREETS & SIDEWALKS**

Repairing and maintaining local streets, sidewalks, and transportation infrastructure



### **PARK & BEACH PROTECTION**

Maintaining clean & safe parks, equipment replacement, protecting beaches and coastal waters



### **EMERGENCY PREPAREDNESS**

Preparing for/responding to storms and flooding



### **RETAINING & ATTRACTING LOCAL BUSINESSES**

Keeping Pier Plaza and our business district safe and clean

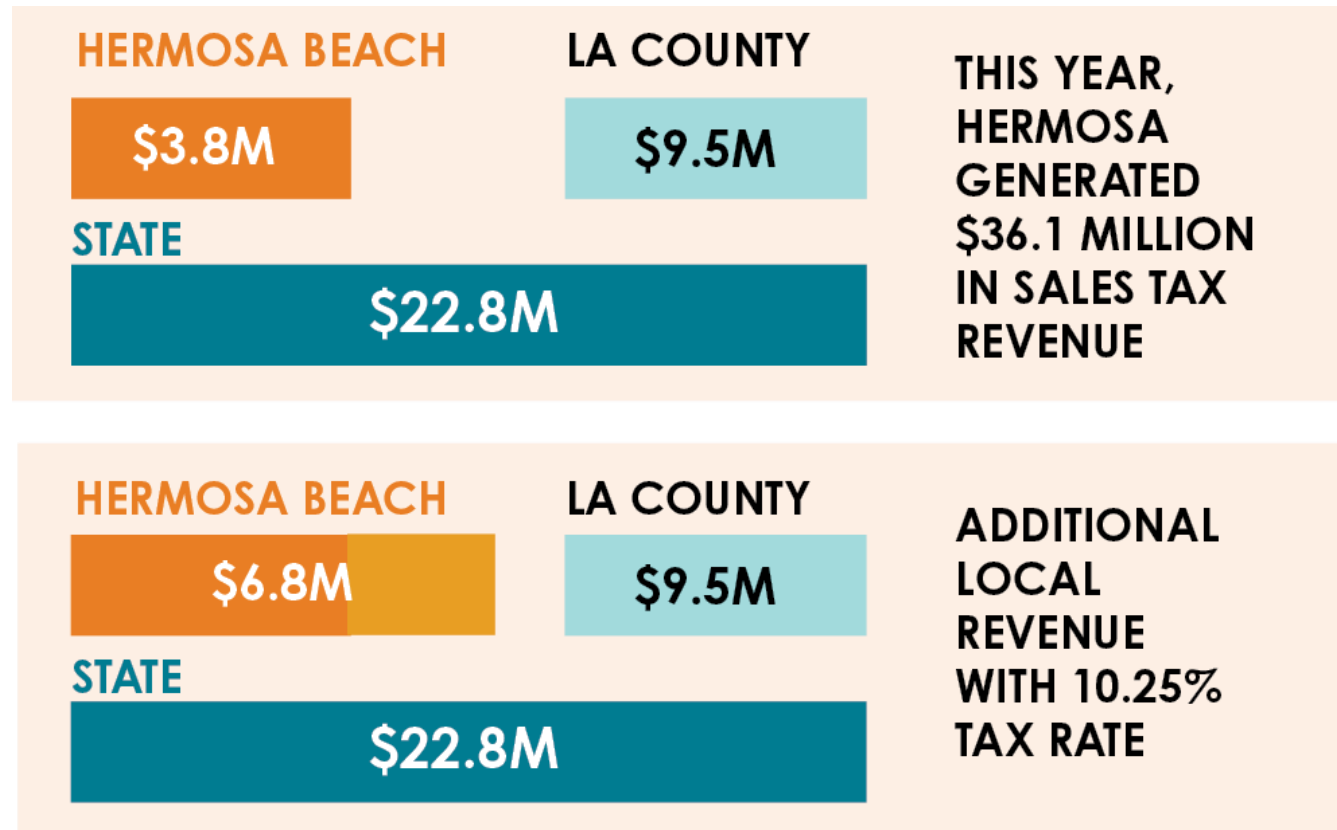


### **COMMUNITY IMPROVEMENT**

Neighborhood and City infrastructure improvements & beautification

# Transaction and Use Tax = Local Control

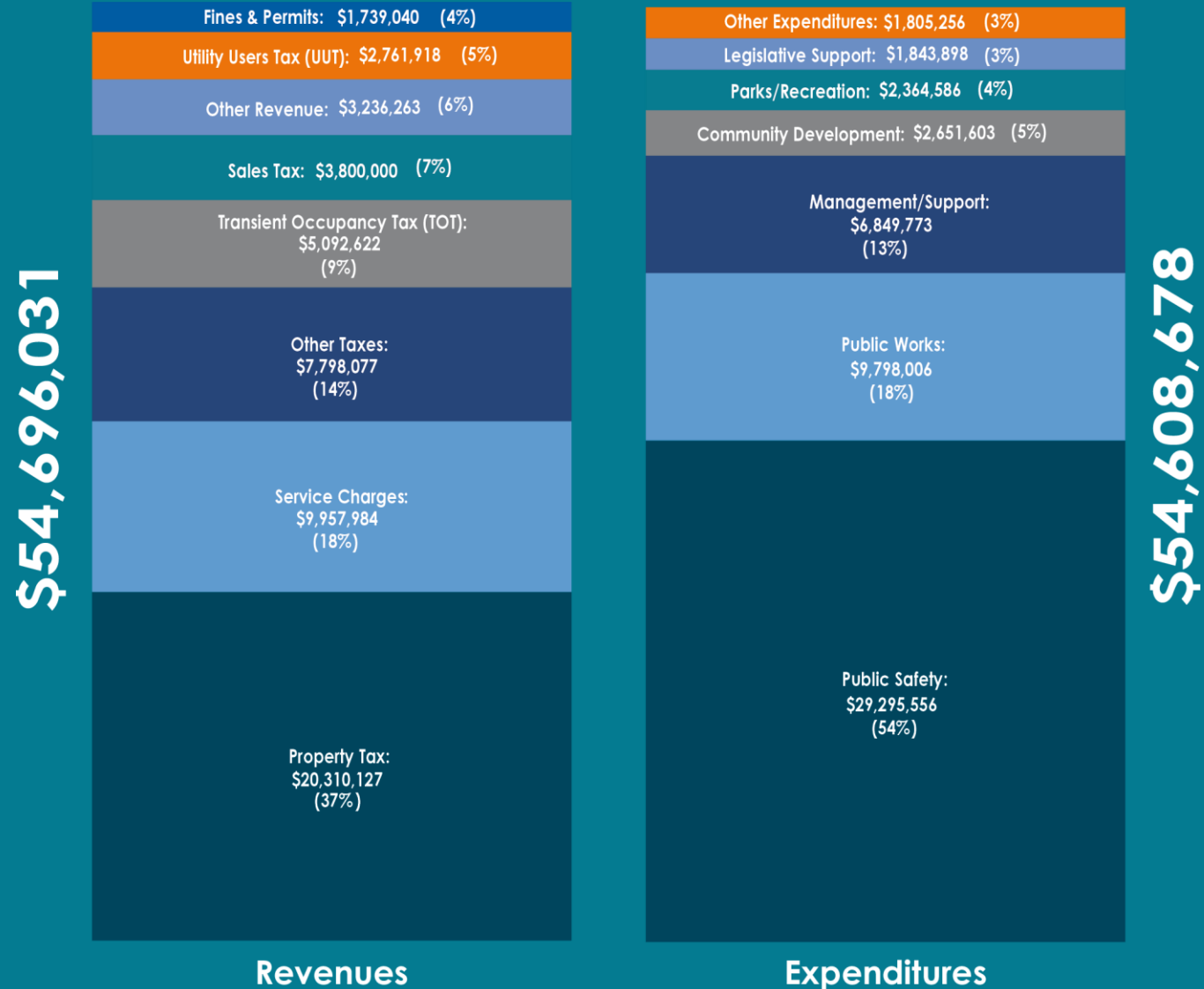
This year, of the \$36.1 million in sales tax revenue generated in the City of Hermosa Beach, \$22.8 million is expected to be sent to Sacramento and \$9.5 million to Los Angeles County and Districts. Of that \$36.1 million, only about \$3.8 million is returned to Hermosa Beach.



# Economic & Fiscal Stability

- The City Council identified “Economic & Fiscal Stability” as one of Hermosa Beach’s guiding principles.
  - Contributing to economic & fiscal stability requires prudent fiscal decisions with each annual budget.
  - It dictates that the City Council and Staff focus on long-range financial planning.

# GENERAL FUND REVENUES & EXPENDITURES FY 2024-2025



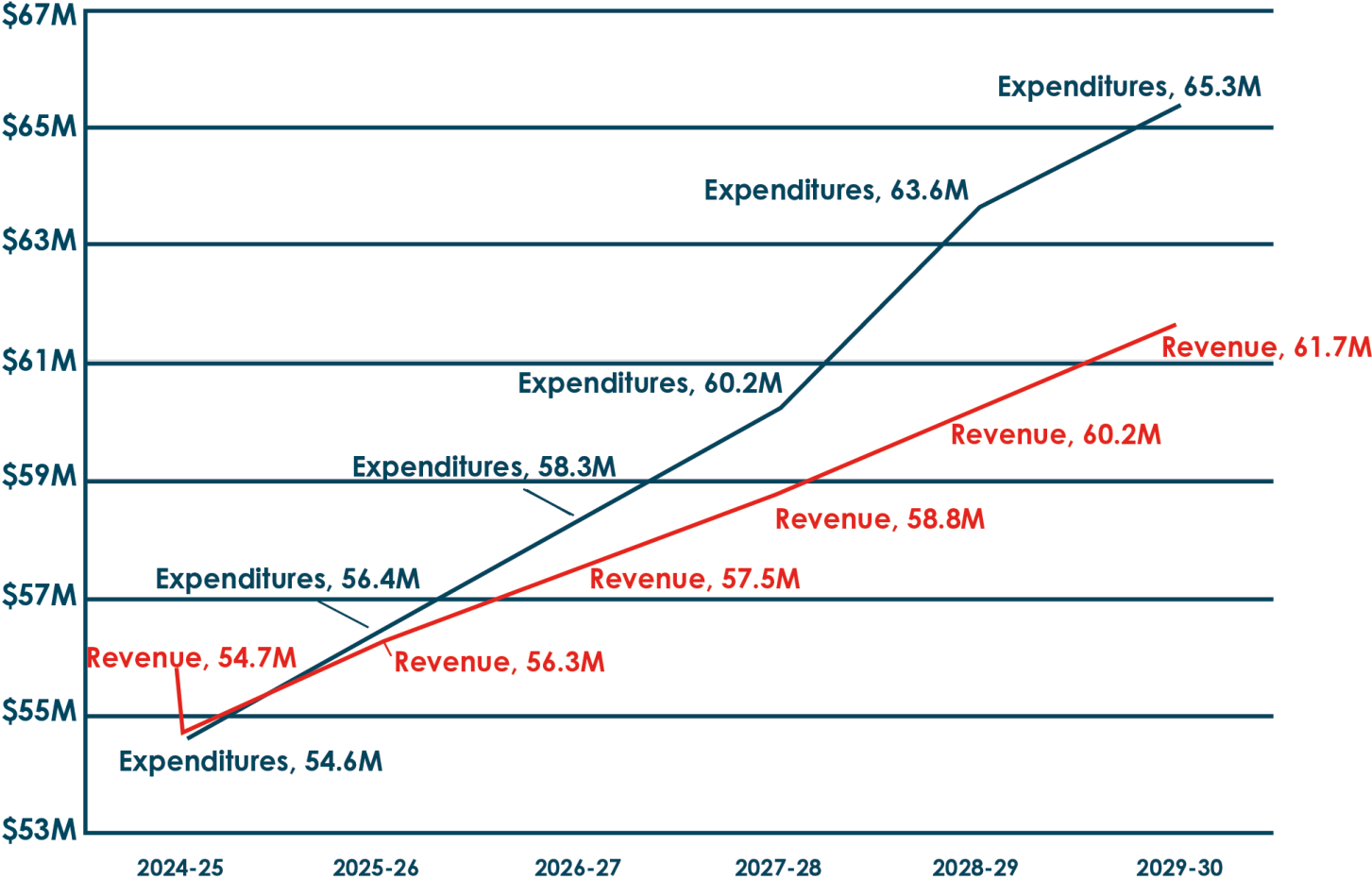
# Increased Cost of Services

VENDOR	SERVICE	FY 23-24	FY 24-25	CHANGE	% CHANGE
ALL CITY MANAGEMENT	CROSSING GUARD	\$289,913	\$306,054	\$16,141	5.6%
ATHENS SERVICE	STREET SWEEPING/PORTER/ STEAM CLEANING/SCRUBBER	\$606,768	\$624,367	\$17,599	2.9%
LA COUNTY FIRE	FIRE	\$6,339,445	\$6,711,571	\$372,126	5.9%
MERCHANTS LANDSCAPE	CITYWIDE LANDSCAPING	\$579,777	\$605,964	\$26,187	4.5%
NETRIX	IT SUPPORT	\$349,998	\$356,032	\$6,034	1.7%
SOUTH BAY REGIONAL	DISPATCH	\$881,869	\$898,811	\$16,942	1.9%
VALLEY MAINTENANCE	JANITORIAL	\$160,444	\$165,052	\$4,608	2.9%
<b>TOTAL</b>		<b>\$9,208,214</b>	<b>\$9,667,851</b>	<b>\$459,637</b>	

**+\$460K**

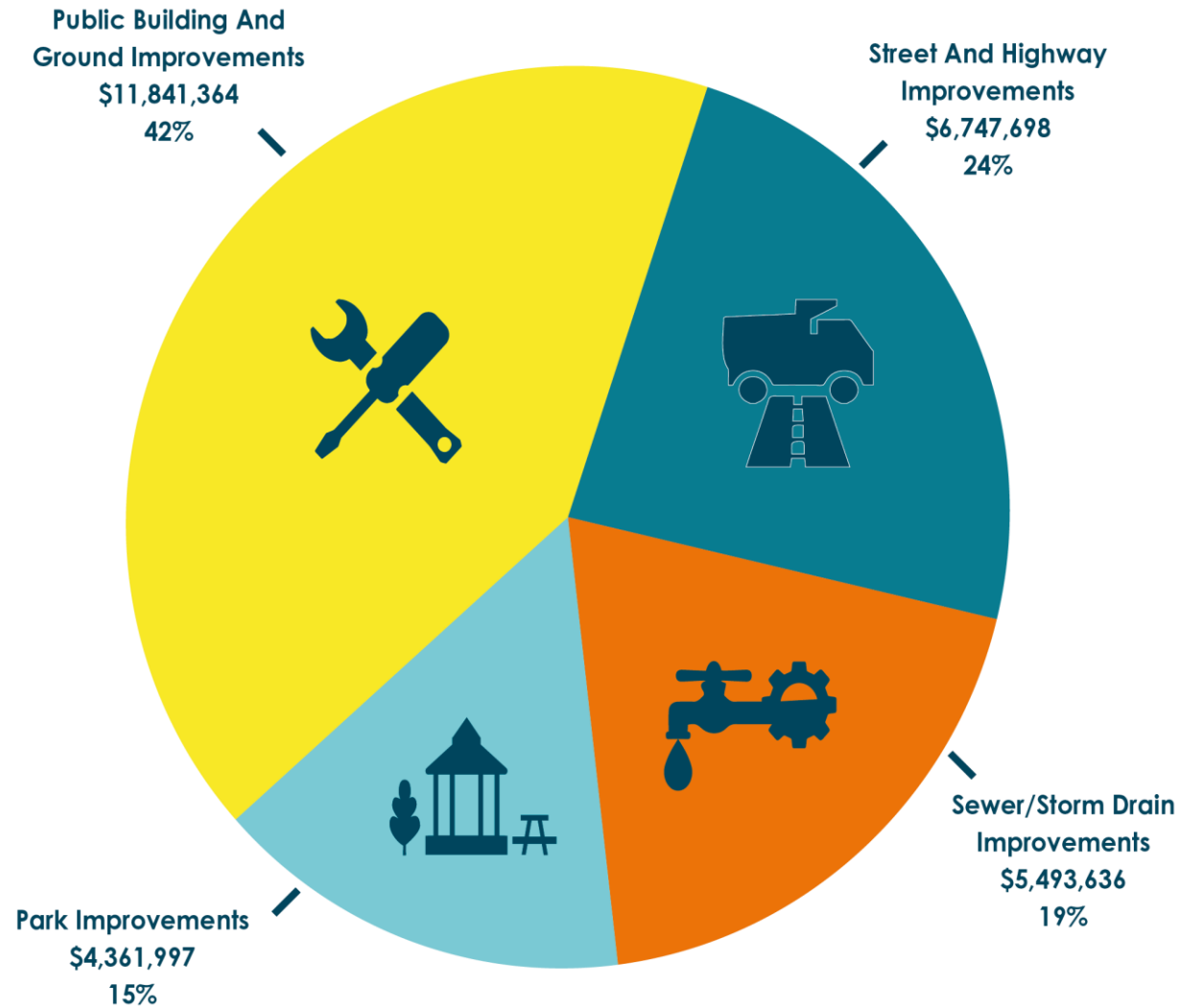


# General Fund 5-Year Forecast



Without new revenue, it will require the use of the City's reserve funds, and if not addressed, would deplete the \$10.6 million held in reserve for emergencies within three years.

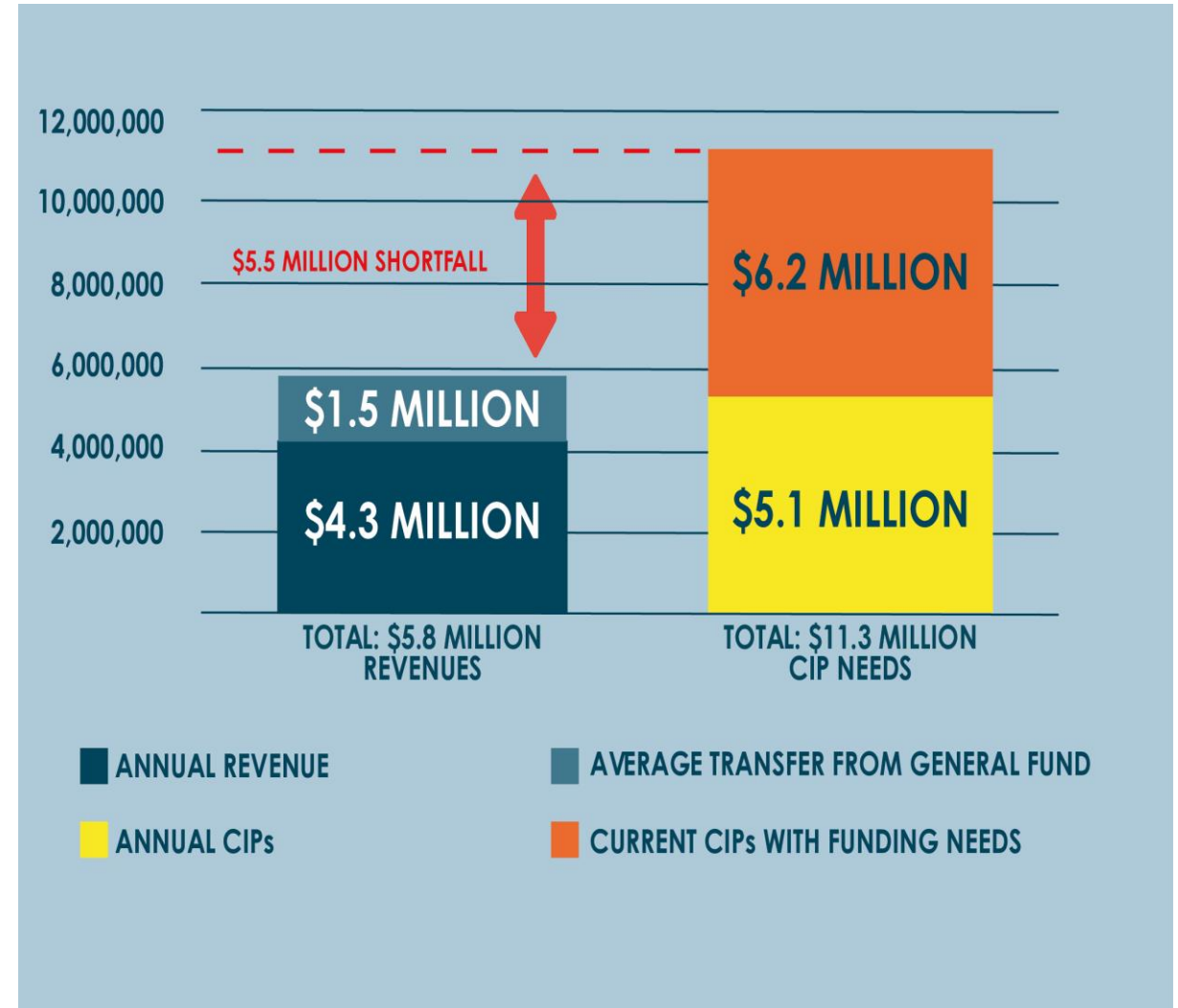
# Capital Improvement Program Funding FY 2024-25



**Total: \$28,444,695**

# Current/Annual CIP Funding Needs

Currently programmed CIPs (unfunded amounts) is \$26-31 million (\$6.2 million per year). After factoring in other available funding sources, an additional \$5.5 million would be needed annually over the Five-Year Capital Improvement Program to complete the current projects.



# Next Steps

## CITY OF HERMOSA BEACH

Shall the measure protecting essential services such as police, crime prevention, parks, streets and sidewalks, beaches, cleaning of public areas, addressing homelessness, schools, supporting local businesses, and for other general governmental use by enacting a  $\frac{3}{4}\%$  transaction and use (sales) tax providing approximately \$3,000,000 annually, with a sunset clause 20 years from the effective date, or until ended by voters, with annual audits, a citizen oversight committee and all funds staying local, be adopted?

YES

NO

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# Discussion and Questions



**CITY OF  
HERMOSA BEACH**

[HermosaBeach.gov/MeasureHB](https://HermosaBeach.gov/MeasureHB)