

City of Greenfield Budget & Finance Advisory Board
Meeting

June 25, 2015 - 5:30 PM

599 El Camino Real Greenfield CA 93937 831-674-5591
www.ci.greenfield.ca.us

A. CALL TO ORDER

B. ROLL CALL

C. BUSINESS

1. Discussion Regarding the Renewal of the Central Coast Youth Sports Organization (CCYSO) Contract – Page 1
2. Discussion Regarding Local Option Sales Tax – Page 35

D. ADJOURNMENT

The City of Greenfield does not discriminate on the basis of disability in the admissions or access to, or treatment of or employment in, its programs or activities. Disability-related aids or services, including printed information in alternate formats, to enable persons with disabilities to participate in public meetings are available by contacting the City Clerk Office at 813-674-5591 arathbun@ci.greenfield.ca.us.



Your courtesy is requested to help our meeting run smoothly. If you will be kind enough to follow the rules of conduct for public participation in City Council meetings, we can make the best possible use of your time and ours. Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering and any disruptive activities that substantially interfere with the ability of the City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting. **Please turn off cell phones and pagers.**

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THE CITY OF GREENFIELD

OPERATION AND MAINTENANCE AGREEMENT

PATRIOT PARK-SOCCER PARK AND
RECREATION PROGRAM



CENTRAL COAST YOUTH SPORTS ORGANIZATION
Dated July 1, ~~2013~~2015

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AGREEMENT FOR THE OPERATION AND MAINTENANCE

of

**PATRIOT PARK-SOCCER COMPLEX
AND**

RECREATIONAL PROGRAMMING

Between

THE CITY OF GREENFIELD

and

CENTRAL COAST YOUTH SPORTS ORGANIZATION

THIS AGREEMENT is made and entered into on this day of ~~April~~July 1, ~~2012~~2015 by and between the CITY OF GREENFIELD (hereafter referred to as the "CITY"), a municipal corporation and CENTRAL COAST YOUTH SPORTS ORGANIZATION (hereafter referred to as "CCYSO"), a California nonprofit corporation.

WHEREAS, the CITY received proposals for the operation and maintenance of the fields at Patriot Park and the Adjacent Soccer Complex (hereafter referred to as "PPASP"); and

WHEREAS, the City Council determined that operation and maintenance of the PPASP will be best be served by an outside, non-profit entity capable of such services; and

~~WHEREAS, the CITY'S Parks and Recreation Commission and Public Works Department (the "DEPARTMENT") received and analyzed the proposal which was received between July 1, 2011 and September 15, 2011; and~~

~~WHEREAS, the City Council selected and CCYSO desire to operate and maintain the PPASP continue working together in accordance with the terms and conditions of this AGREEMENT hereinafter; and maintaining and operating Patriot Park-Soccer Park, Community Center and offering recreational programs to the Community;~~

WHEREAS, CCYSO desires to secure and enter into an agreement in accordance with the foregoing and undertakes to provide services of the type and character required therein by the CITY to meet the needs of the public at the PPASP; and

WHEREAS, the principal purpose of the CITY entering into this AGREEMENT is to serve the public by providing a well maintained and operated sports field and related facilities and services hereinafter "CONCESSIONS", and

WHEREAS , CCYSO desires and is able to provide recreational programming to meet the needs of all City residents and which will approved by the City Manager

NOW THEREFORE, in consideration of the premises and of the terms, covenants and conditions hereinafter contained to be kept and performed by the respective parties it is agreed as follows:

SECTION 1 DEFINITIONS

For the purpose of this AGREEMENT the following capitalized words and phrases not defined elsewhere in this AGREEMENT are defined and shall be construed as hereinafter set forth:

AGREEMENT: This AGREEMENT FOR THE OPERATION AND MAINTENANCE OF THE PATRIOT PARK AND ADJACENT SOCCER PARK CONCESSION.

FISCAL YEAR: The period from July 1 to June 30 of the next calendar year.

IMPROVEMENTS: All buildings and appurtenances recessed into or attached by any method to the ground or to another object which is recessed or attached to the ground or to other CITY owned facilities such as buildings, turf, fences, posts, signs, electrical hookups, irrigation systems, plumbing, tracks, tanks, etc.

PREMISES: The geographical area as defined in **Exhibit A** which is the subject of this AGREEMENT and in which the CONCESSION may be operated.

RECREATIONAL PROGRAMMING: Those recreational programming and classes specified in **Exhibit B**

SECTION 2 PERMISSION GRANTED

A. For and in consideration of payment of the fees and charges as hereinafter provided and subject to all of the terms, covenants and conditions of this AGREEMENT, the CITY hereby grants CCYSO subject to all of the terms and conditions of this AGREEMENT the exclusive right and obligation within the PREMISES to: (1) offer the use of the PPASP approved by the City Manager; and (2) operate and maintain the PPASP for the purpose of hosting, organizing, or scheduling of the PPASP for sporting events appropriate for the PPASP including, but not limited to football, soccer, ~~lacrosse~~, field hockey, rugby, golf, cheerleading and other special events.

The CONCESSION rights herein granted shall be carried on solely within the limits and confines of said areas designated as PREMISES and as shown in **Exhibit A**.

B. CCYSO by accepting this AGREEMENT agrees for itself and its successors and assigns that it will not make use of the PREMISES in any manner which might interfere with the recreational uses of the PPASP.

C. The CITY reserves the right to further develop or improve the PREMISES as it sees fit without interference or hindrance; however the CITY shall consider the desire and views of CCYSO. No other activity, service or amenity shall be provided by CCYSO unless related to CONCESSION, nor without the express written approval of the DEPARTMENT.

SECTION 3 PREMISES

A. The PREMISES subject to this AGREEMENT are located at Oak Avenue & 13th Street, Greenfield, CA 93927 (see **Exhibit A**).

B. The PPASP includes, but is not limited to, six grass soccer fields, ~~three~~four baseball/softball fields, the Community Center and facilities contained therein, and two parking lots adjacent to two parks. This AGREEMENT explicitly includes the maintenance of grass fields and baseball fields only. Maintenance of all structures, parking areas, irrigation systems, lights, and any other physical structures will be the responsibility of the CITY. CCYSO may provide recommendations to the CITY regarding irrigation systems, lighting, parking, meeting rooms or restroom facilities as may be appropriate, and the CITY is expected to act within a reasonable timeframe to address critical issues, especially associated with irrigation systems and water supply. CCYSO may use of the Community Center located in Patriot Park for after school programs, restroom facilities, league meetings and other community events coordinated through CCYSO. To the extent such facilities are utilized and scheduled, they are also included in the PREMISES definition.

C. CCYSO shall not use or allow the PPASP or the PREMISES to be used in whole or in part during the term of this AGREEMENT for any use in violation of any present or future laws, ordinances, rules and regulations at any time applicable thereto of any public or governmental authority or agencies, departments, or officers thereof, including the CITY. These ordinances, rules and regulations include those which relate to sanitation, public health and safety.

D. At any time during the term of this AGREEMENT, the CITY may, at the direction of the City Manager) require CCYSO to surrender any portion of the PREMISES for a public necessity. Should the CITY impose such a requirement on CCYSO, the City shall attempt to provide CCYSO with equivalent substitute space as needed or applicable or financially viable as determined by the City.

Section 4 RECREATIONAL PROGRAMMING

A. In order to establish recreational opportunities in the City, CCYSO will work with the City to develop and co-brand recreational programming at Patriot Park and the Soccer Complex that is well run, creative and in keeping with the needs of the community.

- B. CCYSO shall promote all current and future programs and activities in such a way that credits both organizations while expanding the overall offerings available to community members.
- C. CCYSO shall plan for ~~tenand facilitate~~ or more recreational activities for ~~2013~~2015-17 ~~which will include but not be limited to the following core programs:delineated in Exhibit B. Additional activities will be evaluated on an ongoing basis based on community interest and feedback and financial feasibility..~~
- ~~a. Youth sports: Includes soccer clinics, recreation league, baseball, girls softball and little league. CCYSO will host its first recreational soccer league during Spring, 2013.~~
 - ~~b. First Tee program: The program will be offered 1-2 times per week. This would be a partnership with the new program being started in King City by First Tee, and would afford youth in Greenfield to be part of the King City program and the golf program that will be offered through this community.~~
 - ~~c. Zumba class: Offered three times per week and open to any participants at the community center.~~
 - ~~d. Women & Children Self-defense Karate: Offered three times per week beginning in February.~~
 - ~~e. Spring, summer and winter camps: Week-long half-day camps filled with variety of activities and sporting events for kids ages 5-12~~
 - ~~f. Literacy program: CCYSO will be starting a literacy program after school in the spring and summer to help develop English readers that in turn will help train siblings and family at home on reading skills.~~
 - ~~g. Family movie nights: Offered twice a month on Friday nights.~~
 - ~~h. Cooking classes for youth to learn culinary skills and prepare a special dinner for parents on occasion.~~
- D. CCYSO shall ensure all activities are branded and promoted both through the City of Greenfield via communication to the City Manager of upcoming recreational activities as well as through CCYSO web site and special promotional materials. There will be agreement between both organizations' management to determine the priority of each program and the role of each organization in delivery the recreational programs. CCYSO will evaluate the attendance and ongoing efficacy of each program to be sure it is meeting needs of community constituents.
- E. CCYSO shall ~~expand the role of the current~~provide an Operations Director ~~to a full time position and designate it as the Parks and Recreation Director at 0.75 FTE.~~ The Parks and Recreation Operations Director will primarily be committed

to recreational programming and implementation on behalf of CCYSO and the City of Greenfield— at Patriot Park, the Soccer Complex and Community Center. The Operations Director will also participate in coordination meetings hosted by the City and/or ongoing communications to communicate promote activities and programming at the parks. CCYSO will also contract with and provide recreational programming staff necessary to plan, implement and sustain the recreational activities outlined about, currently at approximately 1.5-2.5 additional FTEs depending on time of year and programs being offered.

- F. Key duties will include but not be limited to the following:
- a. Supervise the recreational staff under CCYSO control
 - b. Scheduling oversight for all facilities Patriot Park, Soccer Complex and the Community Center
 - c. Implement and, when necessary and appropriate, interpret recreational policies to ensure equal access for all city residents and program users
 - ~~d. Plan, organize and act as coordinator with regard to a number of recreational and communal programs at the park level, community center or with regard to other recreational facilities~~
 - e.d. Conduct Participate in meetings with public organizations and the community at large in order to better explain the objective of certain programs
 - f.e. Plan and budget for classes, activities and events, promote activities in at Patriot Park, the community Soccer Complex and the Community Center, attend activities to ensure proper implementation, and oversee staff ~~and maintain attendance logs.~~
 - g.f. Coordination with other City departments, including Police and Public Works Departments with regard to facility usage, support services and overall goals of the programs

- G. CCYSO will contract with an additional part-time position staff (discussed in 4.E. above) which will assist with the following activities ~~to free up the Parks and Recreation Director's time to focus on programming and community engagement efforts:~~

- a. Manage reservations for facility use at all parks and facilities Patriot Park, the Soccer Complex and the Community Center, including applications, insurance processing, scheduling, fee collection and ongoing communications with regard to events.
- b. Prepare, file and keep appropriate records of all transactions and schedules.
- c. Procure supplies, such as copies, sports equipment, reading materials, and the like, for programs offered through the City and CCYSO.

d. Answering phones and respond to questions during peak hours.

H. This position(s) will be hired for approximately 20-40 hours per week at \$12-20 per hour by CCYSO, but with the clear expectation that their time will be dedicated to supporting the City of Greenfield and CCYSO efforts at Patriot Park, the Soccer Complex and Community Center.

SECTION 5 TERM OF AGREEMENT

A. The term of this AGREEMENT shall be twenty-four (24) months, subject to early termination as set forth in Section 19. This AGREEMENT shall commence on July 1, ~~2013~~2015 and will terminate on June 30, ~~2015~~2017. This AGREEMENT may be extended in increments to coincide with the normal fiscal year of the CITY at the agreement of both parties at least thirty (30) days prior to the expiration of this AGREEMENT in effect

SECTION 6 CONCESSION FEE AND PAYMENT, QUARTERLY REPORTS

A. As part of the consideration for CCYSO'S services to and on behalf of the CITY, the CITY shall pay CCYSO a quarterly payment as follows:

1. July 1, ~~2013: \$31~~2015: \$26,250
2. October 1, ~~2013: \$31~~2015: \$26,250
3. January 1, ~~2014: \$31~~2016: \$26,250
4. April 1, ~~2014: \$31~~2016: \$26,250
5. July 1, October 1, ~~2014: \$31~~2016: \$26,250
6. January 1 and April 1, ~~2015: \$31~~2017: \$26,250

Quarterly payments will remain the same unless modified by mutual agreement by both parties commensurate with any changes in scope of work by CCYSO.

At the beginning of each new contract year, the CITY and CCYSO will meet to review and discuss the proposed budget for the upcoming year and agree to annual payment from the CITY with the intent of minimizing the CITY'S annual payment while insuring adequate support to CCYSO to maintain fields and parks at high quality levels and increasing participating of community youth in outdoor sports utilizing the fields. In lieu of this meeting or a revised amount upon mutual agreement, the CITY agrees to pay CCYSO according to the schedule and amounts above

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B. Method of Payment. The quarterly concession payments shall be addressed to the following person and address:

ATTENTION: Eric Johnsen, President
Central Coast Youth Sports Organization
25560 Meadowview Circle
Salinas, CA 93908

C. CCYSO shall maintain and submit to the CITY regular statistical information and reports on the ongoing programs field reservations, participant levels, use by sports type, gross receipts and net receipts associated with management and maintenance of the PPASP.

SECTION 7 CAPITAL IMPROVEMENT PROGRAM

A. The CITY and CCYSO shall negotiate in good faith to develop and agree by April of each fiscal year upon a three (3) year capital improvement program for the PREMISES and PPASP. Such program shall set forth the needed capital improvements to be made within the three (3) year program and the respective responsibilities of the CITY and CCYSO to fund and complete such program if approved by both the CITY Council and by the CCYSO Board. The respective share of responsibility of the program shall reasonably reflect the following factors: the term of this AGREEMENT and possible future extension of this AGREEMENT; the expected life of the improvements; the degree to which the activities of each party contribute to the wear and tear on the improvements; and the need for the improvements and the expertise of each respective party to make any such improvements. City shall be responsible for all capital improvements agreed upon and approved by the City Council each fiscal year. CCYSO will not oversee nor be fiscally responsible for any capital improvements, but may agree to act in an advisory role to the City on such improvements as needed and requested.

SECTION 8 LATE PAYMENT

A. Failure of the CITY to pay any of the quarterly fee payments when due is a breach of this AGREEMENT for which CCYSO may terminate the agreement if quarterly payments exceed 9045 days past due. CCYSO will make every reasonable effort to communicate with City and resolve payment issues prior to executing its termination right under this Agreement.

SECTION 9 PARK USAGE

A. In the case of disputes during the life of this AGREEMENT over any conditions which may impede upon CCYSO's quiet enjoyment of the PREMISES, the City Manager shall have final determination of any solution to such dispute and the City Manager's final determination shall be binding upon all parties in such dispute.

B. Charges and Pricing. CCYSO shall have the right to charge and establish prices for the usage of the PPASP fields, parking, advertising and any other usage of the

PREMISES permitted under this AGREEMENT subject however to approval by the City Manager. Such determination shall take into account the business considerations presented by CCYSO. CCYSO shall provide the City Manager with a list of prices for all services and goods offered pursuant to this AGREEMENT. This list shall be reviewed annually and updated, if necessary, whenever prices are changed. CCYSO shall also consult with the sports leagues established in the area as well as its Advisory Council and the City's Financial and Budget Advisory Board comprised of community members regarding the proposed fees to insure they are reasonable and accessible to all community members.

C. Scheduling. CCYSO shall establish and implement a field reservation system and shall schedule PPASP field usage for community use ~~and other regional uses of Patriot Park, the Soccer Complex and Community Center.~~

D. City Use. The CITY shall have the right to utilize the PPASP for community events when it determines that such use is in the best interest of the community. The CITY agrees to coordinate with CCYSO regarding the schedule so as to minimally impact high season sports and usage.

E. Parking Use. The improved parking lots are part of the PREMISES under this AGREEMENT and CCYSO shall have the right to levy and collect parking fees which shall be used to provide recreational programming to the community.

F. Advertising. CCYSO shall have the right to pursue advertising and sponsorship agreements in partnership and collaboration with the City whenever possible to jointly promote the partnership between the City and CCYSO. CCYSO may be allowed to have temporary advertising for alcohol products for exclusively adult only tournaments and special events occurring on the PREMISES upon approval by the City Manager.

G. Naming Rights. CCYSO shall have the right to pursue and have the authority to enter into agreements, with City approval, for advertising naming rights for the fields amenities provided that the term of any such agreement shall not continue beyond the term of this AGREEMENT and shall be subject to cancellation in the event this AGREEMENT is cancelled. CCYSO may also pursue naming rights agreements for the entire PPASP subject to approval by the City Council by resolution. CCYSO and the CITY shall work in good faith to negotiate the terms of any agreement.

H. Food and Beverage Concession Stand. CCYSO shall have the right to establish or permit food and beverage sales at the concession stand provided that no such concession shall sell any alcohol or tobacco products..

I. Vending Machines. CCYSO shall not install or allow to be installed any vending machines, electronic games or other coin operated machines without prior written approval of the City Manager. The City Manager shall have the right to order the immediate removal of any unauthorized machines.

J. Signage. CCYSO may design and construct a sign on the PREMISES to advertise the location and events at the PPASP subject to the approval of the City

Manager. ~~CCYSO shall provide an advertising sign plan to the City Manager for approval.~~CCYSO may also seek sponsors to help underwrite recreational programming and sell commensurate banner space to be posted on the PREMISES if it deems such programs meritorious.

SECTION 10 OPERATING RESPONSIBILITIES

CCYSO shall at all times during the term of this AGREEMENT comply with the following conditions:

A. Conduct. CCYSO shall at all times conduct its business in a professional, quiet and orderly manner to the satisfaction of the City Manager. CCYSO shall use its best efforts to permit no intoxicated persons, profane or indecent language or boisterous or loud conduct in or about the PREMISES, and shall not knowingly allow the unlawful use or possession of illegal drugs, narcotics or controlled substances on the PREMISES. CCYSO will call upon peace officers to assist in maintaining peaceful conditions.

B. Non-Discrimination. CCYSO in its CONCESSION operations at the PREMISES, for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree that: (1) no person on the grounds of race, color, national origin, religion, ancestry, sex, age, physical disability or sexual orientation shall be excluded from the PREMISES or PPASP or activities thereon, denied the benefits of or be otherwise subjected to ~~unjust~~ discrimination in access to or in the use of the facilities covered by this AGREEMENT; (2) that in the construction of any IMPROVEMENTS on over or under the PREMISES authorized to be utilized herein and the furnishing of services thereon, no person on the grounds of race, color, national origin, religion ancestry, sex, age, physical disability, gender identification or sexual orientation shall be excluded from participation in and denied the benefits of or otherwise be subjected to ~~unjust~~ discrimination. In addition, CCYSO during the term of this AGREEMENT agrees not to unjustly discriminate in its employment practices against any employee or applicant for employment because of the employee's or applicant's race, color, religion, national origin, ancestry, sex, age, physical disability or sexual orientation. All subcontracts entered into by CCYSO shall contain a like provision.

C. Qualified Personnel and Contractors. CCYSO will, in the operation of the CONCESSION, employ, contract, or permit the employment of only such personnel as will assure a high standard of service to the public and cooperation with the CITY. All such personnel while on or about the PREMISES shall be neat in appearance and courteous at all times and shall be appropriately attired with passes or other suitable means of identification. No person employed by CCYSO while on or about the PREMISES shall be under the influence of illegal drugs, narcotics, other controlled substances or alcohol or use inappropriate language or engage in otherwise inappropriate conduct for a work environment. In the event an employee is not satisfactory to the CITY, CCYSO shall remove that person from the PREMISES.

D. Concession Manager. CCYSO shall appoint a Concession Manager of CCYSO's operations at the PREMISES and/or at office space provided by the CITY. If CCYSO elects to subcontract the management of any or all of the CONCESSION operations to a managing entity or entities, the provisions of this Section shall also apply to any such entity.

E. Marketing and Promotion. CCYSO shall use its best efforts to market and promote the usage of the PPASP and the PREMISES for purposes permitted under this AGREEMENT. ~~Each FISCAL YEAR, CCYSO shall work with the CITY to develop an annual marketing plan, which plan shall include goals to support local economic development activities.~~—The CITY reserves the right to concurrently market and promote the use of the PPASP.

F. Utilities. CCYSO shall be responsible for utility charges associated with the Community Center. Charges will include all usage charges for gas, electricity, heat and air conditioning. The CITY shall be responsible for all other utility charges to the PREMISES including, but are not limited to, deposits, installation costs, meter deposits, other utility services to the PREMISES outside of the Community center. The CITY will incur the cost of all refuse collection from the main dumpster during the term of this AGREEMENT.

G. Safety. CCYSO shall correct safety deficiencies and violations of safety practices immediately after the condition becomes known or the City Manager notifies CCYSO of said condition. CCYSO shall cooperate fully with the CITY in the investigation of accidents occurring on the PREMISES. In the event of injury to a patron or customer, CCYSO shall reasonably ensure that the injured person receives prompt and qualified medical attention and as soon as possible thereafter. CCYSO shall notify the CITY in writing describing the person's injured and the time place and nature of the injury.

H. Security. CCYSO shall be responsible for maintaining reasonable security of the PREMISES during events and usage. CCYSO may install equipment approved by the CITY which will assist in protecting the PREMISES from theft, burglary, or vandalism. Any such equipment must be purchased, installed and maintained by the CITY as agreed upon by both parties. CCYSO will rely on response from local police in the instance of violence, unruly tenants, vandalism, or other such activities beyond the normal scope of surveillance.

I. Environmental Sensitivity. CCYSO must operate the CONCESSION in an environmentally sensitive manner and all operations must comply with CITY policies and ordinances regarding protection of the environment. CCYSO shall not use or allow the use on the PREMISES of environmentally unsafe products. With the application of herbicides, fields will be closed during application periods and appropriate number of days thereafter so as to assure compliance with all safety requirements and manufacturer recommendations for safe application.

J. Fund Raising Activities. CCYSO will be expected to cooperate with CITY personnel on all matters relative to the conduct of fundraising and/or special events.

K. Community Outreach. CCYSO shall coordinate and cooperate with the DEPARTMENT to develop strategies to outreach to all members of the community particularly those living in low to moderate income areas, fixed income households, youth, the disabled, etc. to provide its services to these members of the community who may not otherwise have the opportunity to partake in the services provided by CCYSO.

L. Resources Supplied by CCYSO. CCYSO shall supply resource items that are specifically listed in this Section in order to ensure business operations are run effectively and efficiently.

SECTION 11 MAINTENANCE AND REPAIR

A. As-Is. CCYSO acknowledges that it is agreeing to a concession of the PREMISES on an as-is basis.

B. Maintenance and Operating Standards. During all periods that the PREMISES are used or are under the control of CCYSO for the uses, purposes and occupancy set forth in this AGREEMENT, CCYSO shall maintain and operate the PREMISES and the PPASP at its own expense in compliance with law and unless otherwise more specifically set forth to a standard equal to or better than standards in place as of the commencement of this AGREEMENT.

C. General Responsibilities.

CCYSO responsibilities:

Restrooms: CCYSO will maintain park and facility restrooms in a clean and sanitary manner at all times. CITY will insure that water service, lighting, toilet fixtures and sinks are maintained in working order and well-lighted in order to promote maximal safety for users.

Fields. CCYSO shall at its own expense keep and maintain the grass fields at a high standard required by tournament play within the constraints of available water and budget resources. CCYSO shall ensure that trash is properly removed during each event or organized use of City fields. CCYSO may recommend periodically the application of appropriate fertilizer, topsoil dressing or herbicide applications to CITY, and CITY will be responsible for approval and purchase of such supplies if CITY concurs with CCYSO recommendations.

Irrigation system: CCYSO shall maintain and operate all irrigation systems and fixtures, except for the CITY-installed well, pump, and filtering devices. CCYSO will purchase replacement heads for sprinklers and valves as needed, and CITY will reimburse CCYSO for all such parts via the quarterly billing not to exceed \$300 per month unless pre-approved by City Manager. All major or substantial repair work will be pre-approved through the CITY or the City Manager. CCYSO will provide prompt notice to

the CITY with regard to any repairs, upgrades or replacements as needed to the irrigation systems, and the CITY will in turn respond in a timely manner to these suggested repairs and upgrades. CCYSO expects that the appropriate minimum standards for water delivery from the pump of at least 500 gpm and 70 psi at the well-head on a sustained basis. The pump is specified to produce nearly 800 gpm and psi of 70 and above. CITY will be responsible for payment of both quarterly payments outlined in Section 6.A. above as well as for reimbursement to CCYSO for all irrigation parts, park lighting, repairs or upgrades to facilities and any item not explicitly included in this AGREEMENT. CCYSO will communicate and seek approval ahead of time for any expenditures over \$300 in a given month.

~~Pest Control. CCYSO shall be responsible for pest control limited to the PREMISES and including application of fungicide and gopher abatement only. All other abatement will be the responsibility of the CITY.~~

Volunteers. CCYSO shall also coordinate with users to help voluntarily maintain the facilities.

The above responsibilities are estimated to require 1.25 FTE employees to complete the following tasks:

- | | |
|--|---|
| 1. Mowings | 40 per year |
| 2. Water | <u>5 acre ft/acre of turf 2-3 waterings per week</u> |
| 3. Fertilize | <u>6-2 applications/year (only if fertilizer is approved)</u> |
| | <u>and paid for in advance by CITY)</u> |
| 4. Field Paint | Biweekly in season |
| 5. Aeration | Annually |
| 6. Pest management | (fungicide, gophers etc.) |
| 7. Weed management | Fields, fence line, common areas |
| 8. Trash/bathroom maintenance | 2 times/week Daily |
| 9. Equipment R&M | As needed |

CITY responsibilities:

~~Restrooms. CCYSO shall be responsible for necessary janitorial duties on weekdays, and minor plumbing and other repairs to restrooms that may be required on any day. Said needed cleaning and repairs may result from normal wear and tear as well as vandalism.~~

Buildings and Structures. The CITY shall be responsible for the building structures, parking lots, fencing, landscaping, sidewalks, exterior lights or any other structures not part of the regular grass field maintenance and repairs.

Irrigation system: ~~The CITY shall be responsible for repair of irrigation line and the purchase of supplies for underground irrigation systems..~~ The CITY shall be

responsible for maintenance and operation of the CITY well, pump, main water distribution lines and irrigation clock.

Pest Control. CITY shall be responsible for pest control limited to the PREMISES and including application of fungicide and gopher poison abatement. CITY will comply with all safety and permitting regulations and will notify CCYSO in advance of intended application of abatement materials and whether partial or full park closure is required during application of such materials.

D. Property Damage and Theft Reporting. CCYSO shall report to the CITY in writing in the event that the PREMISES and/or any CITY-owned property is damaged or destroyed in whole or in part from any cause.

E. Equipment. CCYSO may, at its own expense, purchase or receive donations for equipment required at the parks for recreational and sports uses. With City approval, CCYSO has the right to charge rent or usage fees for such equipment or to roll into a City approved user fee a portion to help cover and replace capital equipment on a periodic and as-needed basis.

F. Damage or Destruction to Premises.

1. Partial Damage. If all or a portion of the PREMISES are partially damaged by fire, explosion, flooding, inundation, floods, the elements, acts of the public enemy, or other casualty, but not rendered uninhabitable, the same will be repaired with due diligence by the CITY at its own cost and expense, subject to the limitations as hereinafter provided, that if said damage is caused by the acts or omissions of CCYSO, its agents, officers or employees, CCYSOs shall be responsible for reimbursing the CITY for the cost and expense incurred in making such repairs. If the damages as described in this Section are so extensive as to render the PREMISES or a portion thereof uninhabitable, but are capable of being repaired within a reasonable time not to exceed sixty (60) days, the same shall be repaired with due diligence by the CITY at its own cost and expense and a negotiated portion of the fees and charges payable hereunder shall abate from the time of such damage until such time as the PREMISES are fully restored and certified by City Manager as again ready for use, provided, however, that if such damage is caused by the acts or omissions of CCYSO, its agents, officers, or employees. CCYSO shall be responsible for the cost and expenses incurred in making such repairs.

2. Complete Destruction. In the event all or a substantial portion of the PREMISES are completely destroyed by fire, explosion, the elements, acts of the public enemy, or other casualty, or are so damaged that they are uninhabitable and cannot be replaced except after more than sixty (60) days, the CITY shall be under no obligation to repair, replace, or reconstruct the PREMISES and an appropriate portion of the fees and charges payable hereunder shall abate as of the time of such damage or destruction and shall henceforth cease until such time as the PREMISES are fully restored. If within four (4) months after the time of such damage or destruction said PREMISES have not been repaired or reconstructed, CCYSO may terminate this

AGREEMENT in its entirety as of the date of such damage or destruction. Notwithstanding the foregoing, if the PREMISES or a substantial portion thereof are completely destroyed as a result of the acts or omissions of CCYSO, its agents, officers, or employees, the CITY may in its discretion require CCYSO to repair and reconstruct the same within twelve (12) months of such destruction and CCYSO shall be responsible for reimbursing the CITY for the cost and expenses incurred in making such repairs.

3. Limits of the CITY'S Obligation Defined. In the application of the foregoing provisions the CITY may, but shall not be obligated, to repair or reconstruct the PREMISES. If the CITY chooses to do so, the CITY'S obligation shall also be limited to repair or reconstruction of the PREMISES to the same extent and of equal quality as obtained by CCYSO at the commencement of its operations hereunder.

SECTION 12 LIABILITY

A. Indemnification.

1. To the extent permitted by law, except for the active negligence or willful misconduct of the CITY, CCYSO undertakes and agrees to defend, indemnify, and hold harmless the CITY, and any and all of its officers, agents, and employees from and against all suits, causes of action, claims, losses, demands and expenses including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever for death or injury to any person including CCYSO's employees and agents or damage or destruction of any property of either party hereto or of third parties arising in any manner by reason of or incident to the performance of this AGREEMENT on the part of CCYSO its officers, agents, employees or sub-contractor of any tier.

2. CCYSO, in consideration of the granting of this AGREEMENT agrees to hold the CITY harmless for any and all claims or rights of action for damages which may or might arise or accrue to CCYSO its officers, agents, servants, employees or others who may be on the PREMISES at its invitation or the invitation of any one of them by reason of injury to the property or the persons of any of them resulting from the entry upon or the use of the PREMISES by the CITY at any time for any purpose necessary or convenient in connection with public works.

B. Insurance Required. CCYSO shall at its own cost and expense purchase and maintain throughout the term of this AGREEMENT the following insurance:

1. Automobile and Liability. CCYSO shall maintain business automobile liability insurance, any auto including owned autos, non-autos and hired autos, comprehensive general liability insurance, and employer liability insurance, protecting CCYSO, the CITY, and their members including without limitation members of the City Council, its officers, agents and employees all of whom shall be named as additional insured from and against any and all liabilities arising out of or relating to CCYSO's use or occupancy of the PREMISES or the conduct of its operations under this AGREEMENT in such form and with such companies as the CITY may reasonably

approve with a combined single limit or its equivalent per occurrence of not less than the amount set forth below with a deductible reasonably acceptable to the CITY with a waiver of any right of subrogation that the insurer may have against the CITY with contractual liability coverage for CCYSO'S covenants to and indemnification of the CITY under this AGREEMENT. This insurance shall provide that it is primary insurance as respects any other valid and collectible insurance the CITY may possess including any self-insured retention or deductible the CITY may have and that the CITY shall not be obligated to contribute to cover any loss damage or liability. This insurance shall also provide that it shall act for each insured and each additional insured as though a separate policy has been written for each provided however that this provision shall not operate to increase the policy limits of the insurance.

Business Automobile Liability \$1,000,000.
Comprehensive General Liability \$2,000,000.
Employer Liability \$1,000,000.

2. Workers Compensation. CCYSO shall maintain workers compensation insurance as required by the laws of California provided however that CCYSO may self-insure its workers compensation liability subject to all applicable requirements of California law together with employer liability insurance in the coverage amount of not less than \$1,000,000.

3. Insurance Certificates. Prior to commencement of the term of this AGREEMENT and at least thirty (30) days prior to the expiration of any policy or policies theretofore provided hereunder by CCYSO, CCYSO shall cause a certificate or certificates of insurance and all required endorsements to be furnished to the CITY evidencing all such coverage and such certificate shall provide that the policy or policies will not be cancelled, limits thereunder will not materially change without first providing at least thirty (30) days written notice thereof to the CITY. At the CITY'S request copies of all required insurance policies will be provided to the CITY. Insurance coverage will be retroactive to the commencement term of this AGREEMENT.

SECTION 13 PROHIBITED ACTS

CCYSO shall not:

A. Rent, sell, lease or offer any space for storing of any articles whatsoever within or on the PREMISES other than specified herein without the prior written approval of the City Manager.

B. Do or permit to be done any act or thing upon the PREMISES which will invalidate, suspend or increase the rate of any insurance policy required under the AGREEMENT or carried by the CITY covering the PREMISES or the buildings in which the same are located or which in the opinion of the City Manager may constitute a hazardous condition that will increase the risks normally attendant upon the operations contemplated under the AGREEMENT provided however that nothing contained herein shall preclude CCYSO from bringing, keeping or using on or about the PREMISES such

materials, supplies, equipment and machinery as are appropriate or customary in carrying on its business or from carrying on said business in all respects as is customary.

C. Use, create, store or allow any hazardous materials as defined in California Health and Safety Code section 25117 or those which meet the criteria of said Code as well as any other substance which poses a hazard to health and environment provided, however, that nothing contained herein shall preclude CCYSO from bringing, keeping or using on or about the PREMISES such materials, supplies, equipment and machinery as are appropriate or customary in carrying on its business or from carrying on said business in all respects as is customary except that all hazardous materials must be stored and used in compliance with all City, State and Federal rules, regulations, ordinances and laws.

D. Use the PREMISES in any manner that will constitute waste.

SECTION 14 PERFORMANCE DEPOSIT AND ASSURANCES

A. Financial Assurances. CONCESSIONIARE represents to the CITY that it has sufficient capital credit and investment available to it for the purposes of meeting its obligations set forth in this AGREEMENT. In order to demonstrate CCYSO's financial capacity to perform under this AGREEMENT CCYSO shall provide to the CITY evidence of its source of capital and operational funding upon the CITY'S request including:

1. Written representation from a bona fide financial institution, bank or lending institution etc. evidencing the amount of loan or credit offered or extended to CCYSO for the purposes set forth in this AGREEMENT.

2. Written representation from investors stating the amount of investment capital invested in, loaned to or offered to CCYSO for the purposes set forth in this AGREEMENT.

B. Annual Progress Report. CCYSO shall submit no later than sixty (60) days after the end of each FISCAL YEAR a progress report ~~of an annual compilation of information contained to the City Council of programs, actual to budgeted performance, approximate participants numbers in the monthly reports required under Section 5.C programs and capital expenditures for the Fiscal Year.~~

SECTION 15 INDEPENDENT CONTRACTORS CONSULTANTS

CCYSO is acting hereunder as an independent contractor and not as an agent or employee of the CITY. CCYSO shall not represent or otherwise hold itself or any of its directors, officers, partners, employees or agents to be an agent or employee of the CITY.

SECTION 16 TAXES, PERMITS AND LICENSES

A. CCYSO shall obtain and maintain at its sole expense any and all approvals, permits or licenses that may be required in connection with the operation of the CONCESSION including, but not limited to tax permits, business licenses, health permits, building permits and police and fire permits etc.

B. CCYSO shall pay all taxes of whatever character that may be levied or charged upon the rights of CCYSO to use the PREMISES or upon CCYSO's improvements, fixtures, equipment or other property thereon or upon CCYSO's operations hereunder. In addition, by executing this AGREEMENT and accepting the benefits thereof a property interest may be created known as Possessory Interest and such property interest will be subject to property taxation, CCYSO as the party to whom the Possessory Interest is vested may be subject to the payment of the property taxes levied by the State and County upon such interest.

SECTION 17 ASSIGNMENT SUBLEASE BANKRUPTCY

A. CCYSO shall not underlet or sublet the subject the PREMISES or any part thereof or allow the same to be used or occupied by any other person or for other use than that herein specified nor assign this AGREEMENT, nor transfer, assign or in any manner convey any of the rights or privileges herein granted.. Neither this AGREEMENT, nor the rights herein granted shall be assignable or transferable by any process or proceedings, in any court or by attachment, execution, proceeding in insolvency or bankruptcy either voluntary or involuntary or receivership proceedings. Any attempted assignment, mortgaging, hypothecation, or encumbering of the CONCESSION rights or other violation of the provisions of this Section shall be void and shall confer no right title or interest in or to this AGREEMENT or right of use of the whole or any portion of the PREMISES upon any such purported assignee, mortgagee, encumbrancer, pledgee, or other lien holder successor or purchaser.

B. CCYSO may not, without prior written permission of the CITY: (1) Assign or otherwise alienate any of its rights hereunder including the right to payment; or (2) Delegate, subcontract or otherwise transfer any of its duties hereunder.

SECTION 18 BUSINESS RECORDS

A. Record Retention. CCYSO shall maintain during the term of the AGREEMENT and for three (3) years thereafter all of its books, ledgers, journals and accounts wherein are kept all entries reflecting the gross receipts received or billed by it from the business transacted pursuant to this AGREEMENT. Such books, ledgers, journals, accounts and records shall be available for inspection and examination by the City Manager or a duly authorized representative of the CITY during ordinary business hours at any time during the term of this AGREEMENT and for at least three (3) years thereafter.

B. Employee Fidelity Bonds. At the City Manager's discretion, adequate employee fidelity bonds may be required to be maintained by CCYSO covering all its employees who handle money.

C. Cash and Record Handling Requirements. If requested by the City Manager, CCYSO shall prepare a description of its cash handling and sales recording systems and equipment to be used for operation of the CONCESSION which shall be submitted to the City Manager for approval. CCYSO shall be required to maintain a method of accounting of the CONCESSION which shall correctly and accurately reflect the gross receipts and disbursements received or made by CCYSO from the operation of the CONCESSION. The method of accounting, including bank accounts established for the CONCESSION shall be separate from the accounting systems used for any other business operated by CCYSO or for recording CCYSO's personal financial affairs.

SECTION 19 REGULATIONS INSPECTION AND DIRECTIVES

A. The operations conducted by CCYSO pursuant to this AGREEMENT shall be subject to:

1. Any and all applicable rules, regulations, orders and restrictions which are now in force or which may be hereafter adopted by the CITY with respect to the operation of the CONCESSION.

2. Any and all orders, directions or conditions issued, given or imposed by the City Manager with respect to the use of the roadways, driveways, curbs, sidewalks, parking areas or public areas adjacent to the PREMISES.

3. Any and all applicable laws, ordinances, statutes, rules, regulations or orders, including the Municipal Code and of any governmental authority, federal, state or municipal lawfully exercising authority over CCYSO'S operations.

4. Any and all applicable local state and federal laws and regulations relative to the design and installation of facilities to accommodate disabled persons including the Americans with Disabilities Act.

B. Permissions. Any permission required by this AGREEMENT shall be secured in writing by CCYSO from the CITY or the City Manager and any errors or omissions therefrom shall not relieve CCYSO of its obligations to faithfully perform the conditions therein. CCYSO shall immediately comply with any written request or order submitted to it by the CITY or the City Manager.

C. Right of Inspection. The CITY and the City Manager, their authorized representatives, agents and employees shall have the right to enter upon the PREMISES at any and all reasonable times for the purpose of inspection evaluation and observation of CCYSO's operation.

D. Access to Premises. The CITY shall have absolute and full access to the PREMISES and all its appurtenances during the term of this AGREEMENT and may make such changes and alterations therein and in the grounds surrounding same as may be determined by the CITY. Such determination shall not be unreasonable and shall take into account the business considerations presented by CCYSO.

SECTION 20 TERMINATION

A. Termination by the CITY. The CITY may by thirty (30) day written notice terminate this AGREEMENT in its entirety and all rights ensuing therefrom as provided by applicable law if any one or more of the following events of default occur:

1. CCYSO fails to keep perform and observe any promise, covenant and condition set forth in the AGREEMENT on its part to be kept, performed or observed and CCYSO fails to perform within ten (10) days after receipt of written notice from the CITY or where fulfillment of CCYSO's obligation requires activity over a period of time and CCYSO fails to commence to perform whatever may be required within ten (10) days after receipt of such notice and to continue such performance diligently and without interruption except for causes beyond its control.

2. CCYSO fails to meet performance assurances pursuant to that procedure and process set forth in Section 13.

3. The interest of CCYSO under this AGREEMENT is assigned, transferred, passes to or devolves upon by operation of law or otherwise any other person, firm or corporation.

4. CCYSO becomes, without the prior written approval of the City Manager, a successor or merged corporation in a merger a constituent corporation in a consolidation or a corporation in dissolution.

5. The levy of any attachment or execution or the appointment of any receiver or the execution of any other process of any court of competent jurisdiction which is not vacated, dismissed or set aside within a period of ten (10) days and which does or as a direct consequence of such process will interfere with CCYSO'S use of the PREMISES or with its operations under this AGREEMENT.

6. CCYSO becomes insolvent, or takes the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy or a petition or answer seeking an arrangement for its reorganization or the arrangement for its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any state law, or consents to the appointment of a receiver trustee or liquidator of all or substantially all of its property or its property located within the PREMISES.

7. By order or decree of court, CCYSO is adjudged bankrupt or an order is made approving a petition filed by any of the creditors or stockholders of CCYSO seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or any state thereof.

8. A petition under any part of the federal bankruptcy laws or an action under any present or future solvency law or statute is filed against CCYSO which materially

and adversely affects the operation or service required to be performed by CCYSO under this AGREEMENT.

9. By or pursuant to, or under authority of any legislative act, resolution or rule, order or decree of any court, governmental board, agency or officer having jurisdiction, a receiver, trustee or liquidator takes possession or control of all or substantially all of the property of CCYSO.

10. Cessation or deterioration of service for any period which in the opinion of the City Manager materially and adversely affects the operation or service required to be performed by CCYSO under this AGREEMENT.

11. Any lien is filed against the PREMISES because of any act or omission of CCYSO and such lien is not removed enjoined or a bond for satisfaction of such lien is not posted within ten (10) days.

12. CCYSO voluntarily abandons deserts vacates or discontinues its operation of the business herein authorized. ,

B. The CITY'S Right of Reentry. The CITY shall as an additional remedy upon an event of default as above provided have the right to reenter the PREMISES and every part thereof on the effective date of termination without further notice of any kind, remove any and all persons therefrom and may regain and resume possession either with or without the institution of summary or legal proceedings or otherwise. Such reentry, however, shall not in any manner affect alter or diminish any of the obligations of CCYSO under this AGREEMENT.

C. Additional Rights of the CITY. The CITY upon termination of this AGREEMENT or upon reentry, regaining or resumption of possession of the PREMISES may occupy said PREMISES and shall have the right to permit any person firm or corporation to enter upon the PREMISES and use the same. Such occupation by others may be of only a part of the PREMISES or the whole thereof or a part thereof together with other space and for a period of time the same as or different from the balance of the term remaining hereunder and on terms and conditions the same as or different from those set forth in this AGREEMENT.

D. Survival of CCYSO's Obligations. In the event this AGREEMENT is terminated by the CITY or in the event the CITY reenters, regains or resumes possession of the PREMISES, CCYSO shall be responsible to pay the CITY all deferred revenue including but not limited to deposits advances cash or checks received for services scheduled to be provided by CCYSO after the date of termination the CITY may maintain an action to recover any monies due.

E. Waiver of Redemption and Damages. CCYSO hereby waives any and all rights of redemption granted by or under any present or future law or statute in the event it is dispossessed for any cause or in the event the CITY obtains or retains possession of the PREMISES in any lawful manner.

F. Termination by CCYSO. This AGREEMENT may be terminated by CCYSO via thirty (30) day written notice upon the happening of one or more of the following event of default:

1. The complete destruction of all or a substantial portion of the PREMISES from a cause other than the negligence or omission to act of CCYSO, its agents, officers or employees and the failure of the CITY to repair or reconstruct the PREMISES.

2. Any exercise of authority under this AGREEMENT which so interferes with CCYSO's use and enjoyment of the PREMISES as to constitute a termination in whole or in part of this AGREEMENT by operation of law in accordance with the laws of the State of California.

3. The default by the CITY in the performance of any covenant or agreement herein required to be performed by the CITY and the failure of the CITY to remedy such default for a period of thirty (30) days after receipt from CCYSO of written notice to do so.

4. For any reason without cause or default if CCYSO deems that it can no longer maintain and operate the parks and facilities at normal standards due to financial constraints, budget cuts, lack of water resources, natural disasters or acts of God beyond the control of CCYSO.

SECTION 21 SURRENDER OF POSSESSION

CCYSO agrees to yield and deliver possession of the PREMISES to the CITY on the date of the expiration or earlier termination of this AGREEMENT promptly, peaceably, quietly and in as good order and condition as is now, are or may be hereafter improved by CCYSO or the CITY. Normal use and wear and tear thereof shall be excepted. No agreement of surrender, or to accept a surrender shall be valid unless and until the same is in writing and signed by the duly authorized representatives of the CITY and CCYSO. Neither the doing, nor omission of any act, or thing by any of the officers, agents or employees of the CITY shall be deemed an acceptance of a surrender of the PREMISES utilized by CCYSO under this AGREEMENT. CCYSO shall have the right to remove its equipment, supplies, furnishings, inventories, removable fixtures and personal property from the PREMISES within thirty (30) days of the expiration or earlier termination of the AGREEMENT. CCYSO shall provide to the City, prior to removal, a detailed description of all of its equipment, supplies, furnishings, inventories, removable fixtures and personal personality. If CCYSO fails to remove said property within that thirty (30) days said property shall be considered abandoned and the CITY may dispose of same as it sees fit.

SECTION 22 WAIVER

A waiver of a default of any part term or provision of this AGREEMENT shall not be construed as a waiver of any succeeding default or as a waiver of the part term or

provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

SECTION 23 FORCE MAJEURE

Neither party hereto shall be liable to the other for any failure delay or interruption in the performance of any of the terms, covenants or conditions of this AGREEMENT due to causes beyond the control of that party including without limitation, strikes (except strikes of CCYSO's own employees), boycotts, labor disputes, embargoes, shortage of material, acts of God, landslides, acts of the public enemy, acts of superior governmental authority, floods, riots, rebellion, sabotage or any other circumstance for which such party is not responsible and which is not in its power to control.

SECTION 24 REMEDIES ARE NON EXCLUSIVE

No right, power, remedy or privilege of the CITY shall be construed as being exhausted or discharged by the exercise thereof in one or more instances. It is agreed that each and all of said rights, powers, remedies or privileges shall be deemed cumulative and additional, and not in lieu of, or exclusive of each other or of any other remedy available to the CITY at law or in equity.

SECTION 25 AGREEMENT BINDING UPON SUCCESSORS

This AGREEMENT shall be binding upon and shall inure to the benefit of the successors heirs executors administrators and assigns of the parties hereto. The term CCYSO shall include any assignee of CCYSO and any assignment permitted and approved by the City Manager.

SECTION 26 LAW OF CALIFORNIA APPLIES

This AGREEMENT shall be enforced and interpreted under the laws of the State of California.

SECTION 26 VENUE

Venue of any action brought under this AGREEMENT shall lie in Monterey County.

SECTION 28 NOTICES

A. To the CITY. Unless otherwise stated in this AGREEMENT written notices to the CITY hereunder shall be addressed as follows:

City of Greenfield
City Manager's Office
599 El Camino Real
Greenfield, CA 93927

All such notices may either be delivered personally or may be deposited in the United States mail properly addressed as aforesaid with postage fully prepaid for delivery by registered or certified mail. Service in such manner by registered or certified mail shall be effective upon receipt the CITY shall provide CCYSO with written notice of any address change within thirty (30) days of the occurrence of said address change.

B. To CCYSO. All such notices may either be delivered personally to CCYSO or to any officer or responsible employee of CCYSO or may be deposited in the United States mail properly addressed as aforesaid with postage fully prepaid for delivery by registered or certified mail. Service in such manner by registered or certified mail shall be effective upon receipt. Written notices to CCYSO shall be addressed to CCYSO as follows:

Central Coast Youth Sports Organization
25560 Meadowview Circle
Salinas, CA 93908

CCYSO shall provide the CITY with written notice of any address change within thirty (30) days of the occurrence of said address change.

SECTION 29 INTERPRETATION

CCYSO and the CITY agree that this AGREEMENT shall be deemed to have been jointly drafted and shall be construed according to its fair meaning and not strictly for or against either the CITY or CCYSO. The section headings appearing herein are for the convenience of the CITY and CCYSO and shall not be deemed to govern limit modify or in any manner affect the scope meaning or intent of the provisions of this AGREEMENT. If any provision of this AGREEMENT is determined to be void by any court of competent jurisdiction then such determination shall not affect any other provision of this AGREEMENT and all such other provisions shall remain in full force and effect and it is the intention of the parties hereto that if any provision of this AGREEMENT is capable of two constructions one of which render the provision void and the other of which would render the provision valid then the provision shall have the meaning which renders it valid. The use of a gender herein shall include all genders and the use of any number shall be construed as the singular or the plural all as the context may require.

SECTION 30 AGREEMENT CONTAINS ENTIRE AGREEMENT

The provisions of this AGREEMENT contain the entire agreement between the parties hereto and this AGREEMENT may not be changed or modified in any manner except by formal written amendment fully executed by both the CITY and CCYSO.

SECTION 31 TIME OF THE ESSENCE

Time is of the essence for all provisions of this AGREEMENT.

SECTION 32 INCORPORATION OF DOCUMENTS

This AGREEMENT and incorporated documents represent the entire integrated agreement of the parties and supersedes all prior written or oral representations discussions and agreements. The following exhibits are to be attached to and made part of this AGREEMENT by reference.

EXHIBIT A – Premises

EXHIBIT B – Recreation Scope of Work

Where the provisions of this AGREEMENT and the exhibits conflict, the terms of this AGREEMENT will prevail.

IN WITNESS WHEREOF, the CITY has caused this AGREEMENT to be executed on its behalf by its duly authorized representative and CCYSO has executed the same as of the day and year herein below written.

THE CITY OF GREENFIELD,
a municipal corporation

CENTRAL COAST YOUTH SPORTS ORGANIZATION, a California non-profit corporation

By: _____
City Manager

By: _____
President

APPROVED AS TO FORM:

By: _____
City Attorney

|

EXHIBIT A PREMISES



|

EXHIBIT B CCYSO Scope of Recreational Services

Acting on behalf of the City of Greenfield in the capacity as ~~a modified parks operations~~ and recreation coordinator for Patriot Park, the Community Center and the Soccer Park, CCYSO agrees to provide the following services as part of this AGREEMENT:

Programming

CCYSO currently offers or is considering the following programs for youth, adults and seniors at the parks and recreation facilities. All programs will be considered, but will require a teacher and coordinator for each program and an ongoing evaluation with regard to the attendance and efficacy of each program.

Youth Programs

CCYSO run programs:

- Youth sports: soccer clinics – Saturday mornings 9-11, February-March through August, and during summer
- Recreation soccer league ages 4-13: Saturday mornings 9-11, Sept-Nov and April through June
- First Tee program: as part of winter, spring and summer youth camps, First Tee will provide 1- 2 staff persons to help with activities and to tie into King City startup program
- Karate: women, children – 3x per from Feb-Aug, maybe during fall
- Spring, summer and winter camps: week-long half-day camps filled with variety of activities and sporting events for kids ages 5-12
- After school homework help program: CCYSO is partnering with local schools and teacher resources to offer a reading and homework program at the community center offered several days each week beginning fall, 2015
- Cooking classes for youth to learn culinary skills and prepare a special dinner for parents on occasion.
- Computer classes
- Library extension resource center
- Marble tournament 1-2 times annually
- Flag football team play

Adults and Family Programs

- Zumba class: Zumba class is offered three times weekly at the community center.

- Family movie nights offered once or twice a month on Friday nights during summers
- Summer activities, dance and youth outing day
- Volleyball
- Special occasion dances

Seniors

- Therapeutic recreation and/or dance classes
- Smart phone & computing introduction class
- Senior exercise programs such as Pilates & Yoga

CCYSO Facility Use and Coordination for Sporting Leagues

Maintain Fields and Facilitate Use of Facilities and Schedules

- Baseball practices and games: spring
- Girls softball: spring
- Basketball league for ages 10-17
- Men's soccer league
- ~~First Tee program: as part of winter, spring and summer youth camps, First Tee will provide 1-2 staff persons to help with activities and to tie into King City startup program~~
- ~~Karate: women, children—3x per from Feb-Aug, maybe during fall~~
- ~~Spring, summer and winter camps: week-long half-day camps filled with variety of activities and sporting events for kids ages 5-12~~
- ~~Literacy program: CCYSO is partnering with literacy organizations throughout Monterey County to support implementing a reading and homework program at the community center offered several days each week beginning fall, 2013~~
- ~~Cooking classes for youth to learn culinary skills and prepare a special dinner for parents on occasion.~~
- ~~Computer classes~~
- ~~Library extension resource center~~
- ~~Marble tournament 1-2 times annually~~

Adults and Family

- ~~Zumba class: Zumba class is offered three times weekly at the community center.~~
- ~~Family movie nights offered once or twice a month on Friday nights. during summers~~
- ~~Breakfast in the Park~~

- ~~Campfire sing-alongs~~
- ~~Badminton~~
- ~~Summer activities, dance and youth outing day~~
- ~~Volleyball~~
- ~~Community gardens~~
- ~~Father Daughter nigh, Mother son~~
- ~~Special occasion dances~~

Seniors

- ~~Therapeutic recreation and/or dance classes~~
- ~~Smart phone & computing introduction class~~
- ~~Senior exercise programs such as Pilates & Yoga~~

REVENUE OPTIONS STUDY



City of Greenfield



February 2015

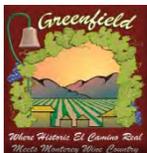
William C. Statler

Fiscal Policy ■ Financial Planning ■ Analysis ■ Training ■ Organizational Review

REVENUE OPTIONS STUDY

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City of Greenfield

1. EXECUTIVE SUMMARY

OVERVIEW

The purpose of this study is two-fold:

- Identify and analyze potential new revenues for the City of Greenfield in funding General Fund (non-enterprise) operations such as public safety and storm drainage. (This study does not address funding enterprise operations such as water and sewer.)

The Short Story: There is a broad range of reasonable revenue options available to the City, which together total about \$2.3 million annually. However, almost all these new revenue measures would require either majority or two-thirds voter approval. The results of this analysis are further summarized below and presented in detail in Chapter 2.

- Discuss what would be required to successfully implement the new revenue sources under Proposition 218.

The Short Story: Based on the experience of many cities in California, it is possible to successfully pass a revenue measure. However, doing so requires effective preparation by the City before placing the measure on the ballot; and an effective community-based group that will campaign for its passage afterwards. These results are also further summarized below and discussed in detail in Chapter 3.

The City faces a unique challenge in considering voter-approved revenues, in light of the sun-setting of Measure X in 2017. As a general purpose measure, if the City chooses to ask voters to approve its continuance, this would most likely be considered with Council elections in November 2016. Unless a fiscal emergency is declared unanimously by the Council, the soonest that any other general purpose measure could be presented for voter consideration is also November 2016.

BACKGROUND

Factors Driving the Preparation of this Study

This proposal is in response to the City of Greenfield's interest in assessing available revenue options in funding improved public safety services for the community. Even with recovery from the Great Recession and the passage of Measure X in June 2012, which adopted a general purpose, one-percent City sales (transactions and use) tax with a five-year sunset, the City is concerned that police operations are seriously understaffed, and that other important community services are underfunded as well. The 2014-15 Budget Message notes:

"... the City will need to adopt a more permanent revenue enhancement to provide for basic needs in the community. Existing, and projected, revenues from property tax, user fees and other sources are simply not adequate to pay for the critical law enforcement, public works, and recreational needs of this community."

An initial concept in meeting public safety needs is to add four to six patrol officers. This would cost \$400,000 to \$600,000 annually. This would use 8% to 12% of existing General Fund revenues, which is simply beyond the General Fund's current ability to do.

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The 2014-15 Budget Message also notes that the need for added resources in funding critical services may be at variance with community expectations that the City would have additional funds for new spending and programs with the passage of Measure X, which is estimated to generate an \$846,000 in 2014-15 (about 16% of General Fund revenues).

Along with funding public safety and other City services overall, the City is also interested in exploring ways of funding storm water operations and improvements. Preliminary estimates are that \$300,000 to \$600,000 would be needed annually for this purpose.

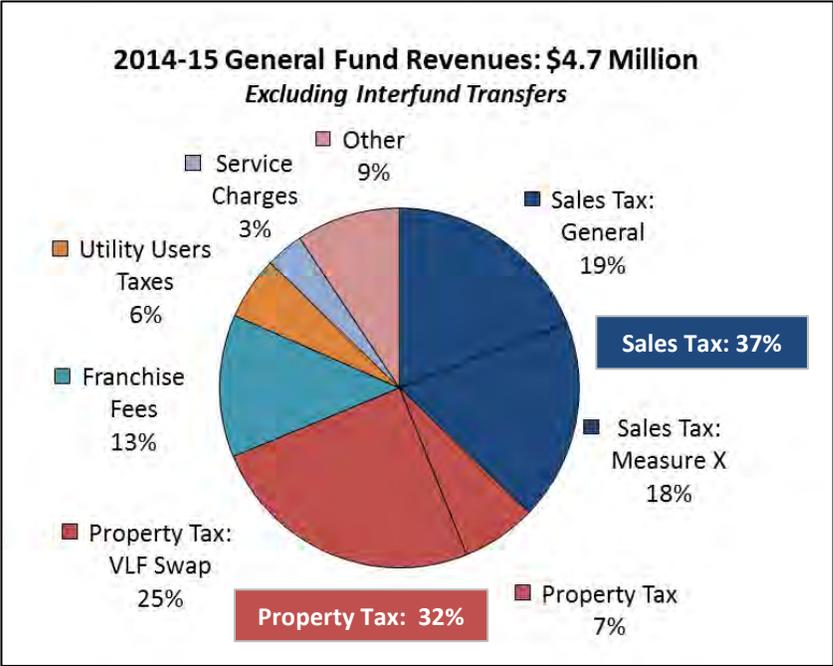
In addressing funding options and meeting these needs, the Council contracted with William C. Statler on December 9, 2014 to prepare this revenue options study (a summary of consultant qualifications is provided in the Appendix).

Revenue Diversity and Stability

As reflected in the chart below, the City relies heavily on sales and property tax related revenues, which together account for almost 70% of General Fund revenues (excluding interfund transfers).

Accordingly, in diversifying and stabilizing its revenue base, the City may want to consider other options to avoid “putting all of its revenue eggs in one basket.”

For this reason, this study takes a broad look at a wide range of reasonable revenue options available to the City that would also generate significant new revenues while diversifying and stabilizing the City’s revenue base.



Provided in Chapter 4 is a “White Paper” prepared for the Institute for Local Government (affiliated with the League of California Cities), which more fully explores this topic.

RESULTS OF REVENUE OPTIONS ANALYSIS

The following summarizes the results of this analysis, which are detailed in Chapter 2:

1. EXECUTIVE SUMMARY

Summary of Revenue Options Analysis

	Revenue Source		Required Approval			Annual Revenues
	Increase in Existing	New	Council	Voter		
				Majority	Two-Thirds	
Local Option Sales Tax: • Additional ½% • Additional ¾%	x			If general purpose	If special purpose	\$423,000 \$634,000
Transient Occupancy Tax: Increase rate from 8% to 10%	x			If general purpose	If special purpose	\$6,700
Property Transfer Tax	x			If general purpose	If special purpose	Not allowed for General Law cities
Business License Tax: Adjust for passage of time since flat rates set in 1975	x			If general purpose	If special purpose	\$81,000
General Obligation Bond (For capital improvements only)		x			x	Varies
Parcel Tax: Per year “Equivalent Dwelling Unit” (EDU) • \$100 per EDU • \$150 per EDU		x			x	\$422,000 \$633,000
Utility Users Tax: Increase from 3% to 5%	x			If general purpose	If special purpose	\$177,000
Admissions Tax		x		If general purpose	If special purpose	Not viable
Parking Tax		x		If general purpose	If special purpose	Not viable
Maintenance Assessments		x		x		Varies
Mello-Roos: Existing Development		x			x	Varies
Mello-Roos: New Development			*			Varies
Higher Cost Recovery, Property Related User Fees: Storm Water • \$75 per EDU • \$150 per EDU		x		x (Property owners)	x (Voters)	\$316,000 \$633,000
Higher Cost Recovery: Non-Property Related Fees	x		x			\$100,000
Franchise Fees	x		x			Unlikely

* With developer concurrence

As reflected in this summary chart, only three of these revenue options can be implemented by the Council:

1. EXECUTIVE SUMMARY

- For Mello-Roos special taxes for new development, the revenues would only be available in new development areas: they could not be used to fund citywide improvements (such as public safety or storm drainage); and developer concurrence would also be required.
- And the revenue potential from the other two revenues that can be set independently by the Council (higher cost recovery for non-property related service charges and some franchise fees) is relatively small compared with the other options.

This underscores the findings of this study that any new significant revenues will require voter approval.

Focused Look

As set forth in the workscope approved by the Council, this study does not take a detailed look at “General Fund” service charges; and it does not address development impact fees or enterprise fund revenues like water and sewer at all. These would be major projects on their own. However, this study does provide an “order of magnitude” assessment of user fee potential. The study also addresses at a “reconnaissance” level whether enterprise funds are appropriately reimbursing the General Fund for support services like accounting, human resources, information technology and building maintenance.

User Fees Are Important

However, while the revenue potential may be modest, the importance of setting user fees at appropriate levels should not be understated. As discussed below, this is one of the few remaining areas where elected officials can still exercise local judgment. And the fact is that if there are areas where user fees should appropriately fund service costs – but they aren’t – this means that general-purpose revenues are being used instead. This reduces the resources available for critical services where significant fee options simply don’t exist, and must rely upon general-purpose revenues. This includes services such as police and streets, which are among the most important (and most costly) services that cities deliver.

Simply stated, if a city chooses to subsidize services with general-purpose revenues that could reasonably be funded with fees, the result will be reduced capacity to achieve other high-priority goals that can only be funded through general-purpose revenues. This is a straightforward trade-off with straightforward policy impacts. For example, if planning application fees do not fully cover development review costs, then public safety, recreation and street maintenance are likely to suffer as a result. For any number of reasons, this may be an appropriate policy outcome – but it is one that should be made consciously, and not by default.

Strong Candidates for Further Consideration

In meeting revenue requirements and diversity goals for public safety, storm water and other General Fund services, the following are strong candidates for consideration:

- **Public Safety: Parcel Taxes.** As reflected above, modest parcel taxes of \$100 per “equivalent dwelling unit” (EDU), where a single family residence is one EDU, would raise

1. EXECUTIVE SUMMARY

about \$400,000 annually; and \$150 per EDU would raise about \$600,000 annually. This would be a broad-based revenue source that would diversify the City's revenue base. It accommodates the ability to earmark its proceeds for public safety, since it requires two-thirds voter approval whether it is for general or special purposes. Follow-up steps include further analysis of the parcels in the City and refined allocation of taxes among different parcel types. This measure could be submitted to voters at any time.

- ***Storm Water: Fee or Special Assessment.*** While parcel taxes could also be used to fund storm water service, adopting either a property-related fee or special assessment for this purpose is the most common approach used by cities throughout the State for this purpose. An EDU of \$75 would generate about \$300,000 per year; and an EDU of \$150 would generate about \$600,000. Conceptually, the process for developing and gaining approval of property-related fees and assessments is very similar. The proceeds can be used to fund operations, improvements or both. Follow-up steps include a detailed apportionment of costs among properties based on benefit prepared by a firm specializing in this type of analysis. Subsequent public hearings based on this analysis are then required. This measure could be submitted for approval by property owners at any time, subject to notice and hearing requirements.
- ***Other General Fund Services.*** The City might consider a package of modest revenues, including transient occupancy taxes, business license taxes, utility user taxes and improved cost recovery.

SUCCESSFUL REVENUE MEASURES

Background: Voter Approval Required for Most New or Increased Revenues

Under Proposition 218, a State constitutional amendment approved by the voters in November 1996, most new revenue measures will require voter approval at some level:

Taxes. New and increased taxes require voter approval as follows:

- **General purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).
- **Special purpose.** If the revenues will be "earmarked" for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

Special Assessments. Whether for capital improvements or ongoing maintenance services, special assessments require majority approval by those being assessed (who are property owners), with each property owner's vote "weighted" by the amount of their assessment. For example, an owner with a property with an assessment of \$1,000 would have ten votes for that parcel compared with one vote for an owner with a parcel assessment of \$100. Additionally, Proposition 218 sets specific rules for how the benefit of special assessments must be apportioned.

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Property-Related Fees. For fees that are levied as “an incidence of property ownership” (just because you own property), majority approval by those who will have to pay the fee is required; or at the agency’s option, by a two-thirds vote of the electorate residing in the affected area. There are several specific exemptions under Proposition 218, including development review and impact fees under “AB 1600” (Section 65000 of the Government). Additionally, there is general consensus that many fees charged by cities – such as recreation fees and police reports – are not subject to Proposition 218, since they are usually based on use, not property ownership. Lastly, based on the State Supreme Court “Bighorn” ruling in 2006, while water, sewer and trash services are not subject to voter or property owner approval, they are subject to the procedural and protest provisions of Proposition 218.

This means that service charges unrelated to property ownership or enterprise operations (like water and sewer) are one of the few funding sources subject to Council decision-making: virtually all others require some form of voter or property owner approval.

Preparing for Successful Revenue Measures

As discussed in further detail in Chapter 3, one of the major “mega-trends” affecting governance today at all levels is a fundamental change in the way decisions are made. Over the past forty years, there has been a significant shift in voter preference from “representative democracy” to “direct democracy,” especially in local government finance.

Proposition 13 did not start this trend, but it certainly resulted from it. Since its passage almost forty years ago in 1978, there have been an increasing number of citizen-approved limits on the ability of elected officials at the local level to make resource decisions on behalf of the community since then.

While there a number of possible explanations for this change, the fact remains that there is a decided shift to direct citizen decision-making in a broad range of issues previously thought to be too “technical” for this. While this has occurred in a number of areas such as insurance and campaign financing, it is especially prevalent in “ballot box budgeting.” Citizens are no longer willing to give their proxy on financial issues to elected officials or to their interest group representatives on “blue ribbon” committees. City finance is an issue they want to decide directly for themselves.

How does this shift affect the City’s long-term fiscal health? Cities now need broad-based community support—in evidence on Election Day—to implement new revenue sources. In this new model of direct democracy, creating support among elected officials and community leaders—even if it broadly crosses a number of interest groups—is no longer enough. With these profound changes in voter approval requirements, cities must communicate a compelling vision for new revenues at a grass roots level among likely voters.

While this may seem a high-hurdle, many local agencies throughout the State have been successful in gaining voter approval for revenue measures, even at the two-thirds level.

As shown in the chart below, since 2001 (when school districts were first allowed to pass general obligation bond issues with 55% voter approval, versus the prior two-thirds requirement), almost

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1,500 local revenue measures – 65% of those presented to voters – have been passed through March 2014.

For cities, over 400 general-purpose, majority approval measures have passed statewide: 70% of those presented to voters for consideration. (The City of Greenfield is among those with successful revenue measures: the City received 65% voter approval for its general purpose, 1% local option sales tax – Measure X – in June 2012.)

And over 130 two-thirds voter approval measures have passed in cities, although with a much lower success rate: only 47% of those measures were approved. In short, while two-thirds measures can be successful, the track record shows that they are more difficult to pass than general purpose measures.

Local Revenue Measures Since 2001			
Through March 31, 2014			
	<u>Total</u>	<u>Pass</u>	<u>Passing%</u>
City Majority Vote	578	407	70%
County Majority Vote	56	30	54%
Special Distr Fee MajVote	3	2	67%
City 2/3 Vote	276	131	47%
County 2/3 Vote	92	42	46%
Special District (2/3)	312	143	46%
School ParcelTax2/3	274	168	61%
SchoolBond 2/3Vote	28	10	36%
School Bond 55%	654	534	82%
Total	2273	1467	65%

Source: California Local Government Finance Almanac

In summary, if the need is compelling—either to maintain current services or to improve them—and it is effectively communicated, the experience throughout the State shows that voter-approved revenue measures can be successful.

However, this experience also shows that doing so requires a significant commitment of time and resources in preparing for the measure. More importantly, as discussed in greater detail in Chapter 3, it typically requires a strong community-based advocacy group that will aggressively raise funds and campaign for the measure once it is on the ballot.

This last issue cannot be stressed enough. Under State law, cities have broad discretion in using their funds for staff and professional assistance in analyzing issues, researching public opinion, conducting public education programs and developing voter support strategies. However, once an issue becomes a formal ballot measure, cities cannot participate as an advocate in any way. For this reason, unless there is a strong community-based group that is willing to aggressively raise funds and campaign for the measure, it is not likely to pass, no matter how much preparation was undertaken by the City before placing the measure on the ballot.

The first pre-condition—effective preparation—is within the control of the City; the second one—an effective community-based group—is not.

In summary, new revenues require community support—in evidence on Election Day. Gaining this support requires more than a compelling need: it also requires communicating this need in a compelling way. And this requires effective preparation by the City before placing the measure on the ballot; and an effective community-based group that will campaign for its passage afterwards.

2. REVENUE OPTIONS

OVERVIEW

This Chapter takes a detailed look at all of the possible new revenues for the City of Greenfield. In the “Fact Sheets” beginning on page 15, the following information is provided for each of the thirteen possible new revenues identified in this study:

- General description of the revenue source.
- Is it in place in Greenfield at this time? (Would this be a new source? Or an increase in an existing one?)
- Who pays it?
- Who else has it? How does this compare with ten “benchmark” cities?
- How much new revenue would it generate?
- What is required to implement it?
- How can these revenues be used?
- Why is this an appropriate funding source?
- How would these revenues be collected?
- How would this added revenue affect the diversity and stability of the City’s revenue base?
- When could the new revenue be effective?
- What approval steps are required under Proposition 218 and other State requirements, such as development review and impact fees under AB 1600 (Section 66000 of the State Government Code)?
- Are there any other special implementation issues?

SUMMARY OF STUDY FINDINGS

The following is a brief overview of the findings of this study, organized by whether voter or Council approval is required to implement it.

Requires Voter Approval

Two-Thirds Voter Approval

- **Parcel Taxes.** With two-thirds voter approval, parcel taxes are allowed in any amount as long as they are not based on property value. They may set based on either a flat rate per parcel or a variable rate depending on the size, use or number of units on the parcel. As a “special” tax, they must be levied for a specific service—such as police, fire, emergency medical service, libraries or storm drainage. The City does not have any parcel taxes in place today.

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For projection purposes, a rate of \$100 per “equivalent dwelling unit” (EDU), where a single family residence is one EDU, will generate about \$400,000 annually; and \$150 per EDU will generate about \$600,000.

- **Mello-Roos Special Taxes: Operating or Capital.** Mello-Roos “Community Facilities Districts” (CFD’s) are typically formed to provide services or capital improvements to new developments (when there is usually just one “voter”—the developer/land owner), but they can be formed on a citywide basis in already developed areas as well. Depending how they are structured when approved, Mello-Roos special taxes can pay for operations and maintenance as well as capital improvements. If there are twelve or more registered voters in the district, approval by two-thirds of the registered voters is required. However, if there are fewer than twelve registered voters, the district vote is by the property owners in the district. In this case, property owners have one vote for each acre of land they own in the District. For this reason, Mello-Roos CFD’s are typically used in financing improvements and services for new development. It is rarely used for developed areas: given the similar two-thirds voter approval requirements, most cities use the more straightforward parcel tax approach instead.
- **Property Tax Increase as Part of General Obligation Debt.** Adopted almost forty years ago in 1978, Proposition 13 does not allow an increase in general purpose property taxes above the “1% of market value” limit under any circumstances. However, subsequent amendments to this constitutional limit allow for increases in property taxes for voter-approved bonded indebtedness. General Law cities may incur general obligation debt up to 3.75% of assessed value, which for the City would be about \$21 million. Under current market circumstances, this translates into an annual revenue-raising capacity to meet annual debt service requirements of about \$1.7 million. The proceeds are restricted to specified capital improvements.

Majority (General Purpose) or Two-Thirds (Special Purpose) Voter Approval

The following revenue sources can be adopted by either majority or two-thirds voter approval, depending on their purpose. Revenue measures where the proceeds may be used for “general purposes” only require majority voter approval. However, revenue measures where the proceeds are “earmarked” and designated for specific purposes require two-thirds voter approval. In both cases, depending on how the revenue measure is structured, the proceeds could be used for operations or capital improvements (including debt service payments on capital projects financed by bonds).

- **Local Option Sales Tax.** Cities are allowed to set their own “local option” sales taxes. As approved via Measure X, the City already has an added local option rate of 1.0%. Under State guidelines, the City has the flexibility of adding an additional rate of up to 0.875%. An added ½% would generate about \$425,000 annually; and an added rate of ¾% would generate about 634,000.
- **Transient Occupancy Tax (TOT).** The City’s TOT is 8%, which is projected to raise about \$26,800 in 2014-15. On one hand, the rate is below the state average of 10%. On the other

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hand, TOT revenues represent a minor portion of General Fund revenues (less than 1%). Each “one percent” increase in the TOT rate would raise about \$3,350 annually.

- **Property Transfer Tax.** Statewide, there is a property transfer tax of \$1.10 per \$1,000 of value when property is sold (or \$220 on a property worth \$200,000). For sales in a city, the proceeds are evenly divided between the city and the county, for an effective city rate of \$0.55 per \$1,000 of value. (For sales in unincorporated areas, the county retains all of the tax.)

Prior to the adoption of Proposition 62 by State voters in 1986, all cities were allowed to set their own rate, but they had to give up their share of the \$1.10 rate to do so. With the passage of Proposition 62, *general law* cities lost the ability to do this, since among its many revenue-raising limitations (many of which were subsequently superceded by Proposition 218), is a prohibition on real estate transfer taxes.

However, because Proposition 62 was a “statutory initiative” (as compared with a Constitutional amendment), its provisions only apply to General Law cities. As such, Charter cities are allowed to adopt this revenue source. Moreover, from 1986 until 1995, a number of appellate court rulings declared the provisions of Proposition 62 to be unconstitutional. For this reason, during this interim period, many General Law cities—along with Charter cities—implemented their own property transfer tax at rates ranging from \$1.10 to \$15.00 per \$1,000 of value. The most common rate is \$4.40 per \$1,000. At this level, the City’s own property transfer tax (which has averaged about \$20,000 annually over the last five years) would raise about \$158,000 annually, for a “net” increase of \$138,000. However, in order to adopt this tax, the City would first have to become a Charter city. For this reason, while an option, it is not as viable as many of the other new revenue sources analyzed in this study.

- **Business License Tax.** Anyone doing business in the City is required to pay a business license tax. The amount is generally based on a flat fee of \$40 per year. However, this fee has not been changed in forty years, when it was last adjusted in 1975. While the City should consider modernizing its business license tax ordinance, simply adjusting the rate to account for the passage of time – in essence, setting it the at the same level when it was adopted, would generate an additional \$81,000 annually.
- **Utility Users Tax.** Half of the State’s residents and a majority of businesses in California pay utility users taxes (UUT) at rates ranging from 1% to 11%. It is a tax on the consumption of utility services (such as natural gas, electricity, water, sewer, telephone and cable), similar in concept to the retail sales tax on commodities. For this reason, most cities set their rates based on the sales tax rate in effect at the time they adopted their UUT ordinance, which accounts for some of the variability in rates. Statewide, for those 154 cities that levy UUT, the average rate is 5.5%. The City’s rate is 3.0%. At 5%, UUT revenues would increase by about \$176,000 annually.
- **Admissions Tax.** This tax is levied on the consumer for the privilege of attending theaters, concerts, movies, sporting events, museums and other performances. The tax can be a flat rate, a percentage of the ticket value or a sliding rate depending on the cost of the ticket.

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Although generally determined to be lawful, courts have struck down admissions taxes that are borne solely or primarily by activities protected by the First Amendment. These cases suggest that to implement this tax, a city must have substantial businesses or events that would be subject to it, which do not involve First Amendment rights and would bear a significant portion of the tax burden. For this reason, most cities that have this tax have professional sports teams, amusement parks or similar major event venues in their cities. As such, no revenues have been projected from this source: given the lack of any major venues in the City similar to those where this tax has been successfully implemented, it is unlikely that it would be legal to do so.

- **Parking Tax.** This tax is imposed on occupants of off-street parking spaces for the privilege of renting the space within the City. It is typically levied when there are a large number of privately-owned and operated parking lots and garages, and there is a high demand for these spaces. Since this is not the case in Greenfield, no revenues have been projected from this source.

Majority Property Owner Approval

Under Proposition 218, the approval process for property-related fees and special assessments is very similar: they both require:

- A clear relationship between the costs and benefits per parcel.
- Mailed notice and public hearings.
- Majority approval by those responsible for paying the fee or special assessments, weighted by each property owner's fee or assessment benefit obligation.

Accordingly, either approach would be a candidate for funding storm water services: further analysis would be required to determine which would be the best option for the City.

- **Property related fees: operating or capital.** Under Proposition 218, property-related fees are allowed with majority property owner approval, with votes weighted by the proportionate amount that each property owner would pay (or at the agency's option, by a two-thirds vote of the electorate residing in the affected area). Additionally, there must be a "nexus" between costs and benefits. Lastly, property related fees for services generally provided to the public, such as police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners, are not allowed.
- **Special assessments: operating or capital.** Special assessments for either one-time improvements or ongoing maintenance are also allowed under Proposition 218; however, majority approval by those responsible for paying the special assessments, weighted by each property owner's benefit obligation, is required. Detailed assessment reports prepared by a registered civil engineer justifying the apportionments among properties are required. Under similar ground rules, special assessment districts can be formed for one-time capital improvements.

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In funding storm water services, whether through a property related fee or special assessment, an EDU of \$75 would raise about \$300,000; and an EDU of \$150 would raise about \$600,000.

Could Be Approved by the Council

The following revenue sources could be set or increased by the Council.

- **Mello-Roos Districts for New Development.** Many cities require that new development pay not only for the facilities needed to service them, but for day-to-day services as well. This could include park and landscape maintenance, street lighting, street sweeping, libraries and fire protection. While this sets up two classes of city residents—those who receive what may be perceived as general city services based on the general purpose tax revenues they pay, and those who must pay an additional premium for those same services—many cities have moved to this out of fiscal necessity. The revenue impact of this is difficult to assess, since it would depend on what services were subject to the special Mello-Roos tax. However, as discussed above, this would require the concurrence of the property owner in establishing this special tax district (assuming there are less than twelve registered voters in the District) before the start of construction.
- **Development Impact Fees.** The City can set impact fees at any level that will fully offset (but not exceed) the cost of constructing capital improvements needed to service new development. This can cover a broad range of public facilities, including water, sewer, transportation, parks, cultural facilities, community centers, civic center improvements and public safety facilities. Detailed procedures for developing and collecting impact fees are set forth in Government Code Section 66000 (commonly referred to as “AB 1600”). The City has already adopted a wide range of development impact fees. Because of their narrow focus in funding facilities required for new development (as opposed to citywide services and improvements), they are not covered in this report.
- **Higher Cost Recovery for Non-Property Related Services.** This is one of the few remaining areas where the Council has discretion in balancing the cost services between general purpose revenues and fees. Performing a comprehensive cost of services is a major undertaking on its own and is beyond the scope of this study. However, based on a high-level assessment of the City’s current cost recovery, there is a conservative potential for about \$100,000 annually from improved cost recovery. This strongly supports allocating the resources needed to prepare a comprehensive cost of services study.
- **Franchise Fees.** These fees are charged to public utilities – such as natural gas, electricity, refuse collection, water, sewer and cable television – for the use of City’s right-of-way and their adverse impact on City streets in conducting their operations. However, the State prohibits franchise fees on telecommunications; and sets franchise fees for natural gas and electricity. Similarly, the Federal government limits franchise fees on cable television. While some discretion exists for water, sewer and refuse, given existing rates, there is very limited potential for added revenues from this source.

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Reimbursements for Support Services Provided to Enterprise Funds

The workscope does not include the preparation of a formal cost allocation plan, which is the best way of determining appropriate reimbursement for the support services provided to the enterprise and other special funds for services like accounting, human resources, insurance, building maintenance, legal services and information technology. (Cost allocation plans are also key analytical tools in preparing effective user fee studies,) However, provided in Appendix B is a high level assessment of direct and indirect costs, and a resulting indirect cost rate of 21.2%.

While a “best practice” is to allocate indirect costs based on individual basis of allocations (such as number of employees for payroll costs), a citywide indirect cost rate can provide an “order of magnitude” basis for allocating indirect costs. In this case, with the ratio of total direct costs to total indirect costs of 21.2%, the “total” cost of a direct cost program can be determined by applying this rate to it. This approach was used in preparing the high-level assessment of the potential for higher cost recovery.

The 2014-15 Budget shows \$83,100 in support cost reimbursements to the General Fund from the Sewer Fund; and \$80,800 from the Water Fund. Based on an indirect cost of 21.2%, these reimbursement amounts are certainly supportable; and there is a strong likelihood that a more formal cost allocation plan would identify greater reimbursement opportunities.

COMPARISON CITIES

For each new revenue source, the “Fact Sheets” generally describe the revenue situation for cities throughout the State. In addition to this, where applicable, they also summarize revenue information for the following ten comparison cities:

Recommended Comparison Cities		
City	County	Population
Chowchilla *	Madera	18,971
Dinuba	Tulare	23,666
Escalon	San Joaquin	7,323
Galt	Sacramento	24,289
Gonzales	Monterey	8,383
King City	Monterey	13,211
Ripon	San Joaquin	14,855
Sanger	Fresno	24,908
Soledad **	Monterey	24,997
Winters	Yolo	6,979
Greenfield	Monterey	16,919

About Chowchilla and Soledad. The population estimates for these ten cities are provided by the State of California’s Demographic Research Unit as of January 1, 2014 (the most recent date for which this information is available). For Chowchilla and Soledad, these estimates include prison populations that are within the city limits: about 6,900 in Chowchilla and 8,800 in Soledad.

This results in comparable community populations of 12,000 in Chowchilla and 16,000 in Soledad.

* Estimated Community Population: 12,000

** Estimated Community Population: 16,000

These cities generally share six key characteristics with the City:

- Population between 5,000 and 25,000
- Rural location

2. REVENUE OPTIONS

- Tourism minor part of City revenues
- Full service city providing similar scope of services as Greenfield
- Not the “central city” for its area (such as a county seat)
- Management/governance reputation

A detailed discussion of the process used to select these ten cities is provided in the Appendix A.

LOCAL OPTION SALES TAX

What is a local option sales tax?

Under the Bradley-Burns Uniform Sales and Use Tax Law, cities statewide levy an effective 1% sales tax rate (after adjusting for “triple flip” reimbursements). In addition to this, under Revenue and Taxation Code Sections 7251.1 and 7285.9 to 7285.92, cities in California are allowed to adopt a “local option” sales tax (transactions and use tax district) with voter approval. (Counties and special districts are also allowed to adopt “transactions and use district” tax rates with voter approval.)

There is no direct limit on the additional rate that cities can levy; however, the combined district use and transactions tax rates cannot exceed 2.0% (for a current maximum countywide rate of 9.5%). There are exceptions for Alameda, Contra Costa and Los Angeles Counties and the Cities of La Mirada, Pico Rivera and South Gate where the maximum rate is 10%.

While very similar, there are some differences in the tax base between the statewide and local option sales tax:

- The statewide “Bradley-Burns” sales tax is “situs” based: revenues are determined based on where the sale takes place.
- Local option sales taxes are based on where the purchase will be used.

For most retail purchases, there are no practical differences between these two tax bases. However, they result in significant revenue differences for large purchases where there is location information for the buyer via registration with the State, such as automobiles, boats and planes.

For example, where new car sales are a large component of a city’s total retail tax base due to sales to non-residents, local option revenues will likely be less than those from the statewide rate (even if the rates are the same), since the local option sales tax will only be collected from city residents: no local option tax revenues will be collected from out-of-town buyers. (However, out-of-town buyers will pay the “statewide” rate to the city, since it is based on where the sale takes place). Conversely, where new car sales are not a significant part of the city’s retail base, local option revenues are likely to be about the same or higher.

Why is this an appropriate City funding source?

Consumers benefit from a variety of City services while shopping in Greenfield: public safety, streets and sidewalks. It is appropriate that consumers share in the cost of maintaining these service levels. Additionally, sales tax is broad-based, and generally reflects the ability of consumer to pay the tax. Because sales taxes do not apply to food, prescription medicines, housing or services, impacts to low income consumers are partially mitigated. Lastly, since it is already in place, there are no significant added costs or administrative effort required. Given its revenue potential, this is one of the most cost-effective revenue options available to the City.

Is this tax in place today?

Yes. The City has both the Bradley-Burns 1% sales tax rate (including the “triple flip” portion), which generates about \$890,000 annually; and a local option sales tax rate of 1%, which

LOCAL OPTION SALES TAX

generates about \$846,000. The City’s local option sales tax was adopted by voters in June 2012 via 65% voter approval of Measure X. It is a general purpose measure with a five-year sunset in 2017. As discussed above, the revenue difference between the statewide and local option revenues, although minor, is due to the different tax bases.

Who pays this tax?

It is paid by consumers and collected by retail outlets.

Who currently receives the revenue?

The revenue from both sales tax sources goes directly into the City’s General Fund and is used for general municipal purposes.

Can cities increase their tax rate?

Yes, with voter approval.

How much revenue would this tax generate?

Based on revenues from the current local option sales at 1% of \$846,000, an additional ½ percent local option rate would raise about \$423,000 annually; and an additional ¾% rate would raise about \$634,000 annually. Because effective April 1, 2015 the Monterey-Salinas Transit District will have a local option sales tax rate of 0.125% that covers the City, the maximum local option sales tax rate that the City can levy in total is 1.875%.

How does this compare with other cities?

There are 230 agencies throughout the State that have adopted local option sales taxes, ranging from 0.125% to 1.0%. Of these, 180 are cities – almost 40% of all cities in the State. The following shows local option sales tax rates (if any) for the ten benchmark cities:

Local Option Rates: Comparison Cities	
Chowchilla	None
Dinuba	0.75%
Escalon	None
Galt	0.5%
Gonzales*	1.0%
King City*	1.0%
Ripon	None
Sanger	0.75%
Soledad	1.0%
Winters	None
Greenfield	1.0%

**Adopted by voters in November 2014; will become effective April 1, 2015*

LOCAL OPTION SALES TAX

What authority is required to implement this tax?

- **General Purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).
- **Special Purpose.** If the revenues will be “earmarked” for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

How can these revenues be used?

With majority voter approval, they can be used for any legitimate government purpose, such as parks, street maintenance, recreation or police; or with two-thirds voter approval, they must be used for specifically dedicated purposes that are set forth in the ballot measure.

How would these revenues be collected?

The State Board of Equalization is responsible for collecting and distributing this tax.

How would this added revenue affect the diversity and stability of the City's revenue base?

Sales tax is the City's “Number One” General Fund revenue source, accounting for almost 40% of total General Fund sources. Increasing the rate would further increase the City's reliance on this revenue source.

When could the increase be effective?

About six months would be required after its passage to coordinate its collection from local businesses by the State Board of Equalization, beginning with the start of a quarter. For example, if approved by voters in November 2016, the soonest it could be implemented is April 1, 2017. Given collection cycles and phase-in, new revenues are unlikely to be available for use until 2017-18.

TRANSIENT OCCUPANCY TAX

What is the Transient Occupancy Tax?

This is a tax on the occupant who resides temporarily in a dwelling (typically a hotel or motel) for 30 days or less based on the price of the rental.

Why is this an appropriate City funding source?

Placing this tax on visitors to the City appropriately recognizes that they receive municipal services during their stay, and as such, they should share in the cost of providing them.

Is this tax in place at this time?

Yes. The transient occupancy tax (TOT) rate is currently 8% and provides the City with approximately \$26,800 annually.

Who pays this tax?

It is paid by visitors to Greenfield; it is not paid by local residents or businesses.

Who currently receives the revenue?

The revenue goes into the City's General Fund and is used for general municipal purposes.

Can cities increase their tax rate?

Yes. With voter approval, cities can set the TOT rate at any level. There is no regulation of this revenue source by the State or Federal government.

How much revenue would an increase generate?

For each one percent increase, General Fund revenues will increase by about \$3,350. The following summarizes additional revenues that would be generated from rates ranging from 9% to 15% (which is the highest rate in the State).

TOT Rates: New Revenues	
9%	\$3,350
10%	6,700
11%	10,050
12%	13,400
13%	16,750
14%	20,100
15%	23,450

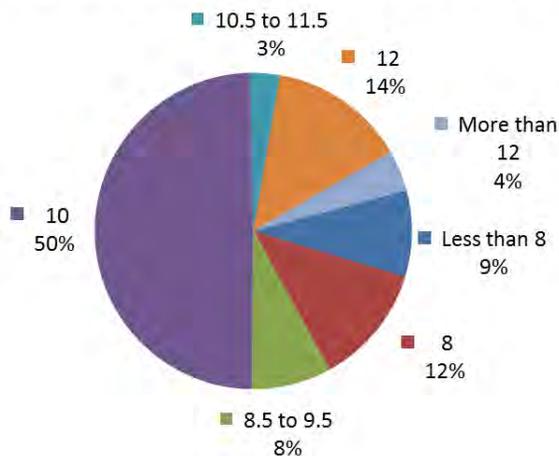
How does the City's transient occupancy tax rate compare with other cities?

As of March 2014, there are 430 cities in California that have adopted TOT revenues, with rates ranging from 3.5% to 15%. The most common rate is 10%, which is levied by 213 cities. The following summarizes TOT rates in California.

TRANSIENT OCCUPANCY TAX

TOT Rates in California Cities: March 2014		
TOT Rate	No.	Percent
14% to 15%	9	2%
12.1% to 13.5%	9	2%
12.0%	60	14%
10.5% to 11.5%	13	3%
10.0%	213	50%
8.5% to 9.5%	35	8%
8.0%	53	12%
7.0% to 7.5%	13	3%
6.0% to 6.5%	15	3%
3.5% to 5.0%	10	2%
Total	430	100%

TOT % Rates in California Cities: March 2014



As reflected in this chart, about 80% of all cities with TOT revenues levy a rate greater than 8%. The following summarizes TOT rates currently in place for the ten comparison cities:

TOT Rates: Comparison Cities	
Chowchilla	10%
Dinuba	10%
Escalon	10%
Galt	10%
Gonzales	8%
King City	10%
Ripon	10%
Sanger	4%
Soledad	6%
Winters	10%
Greenfield	8.0%

What authority is required to increase this tax?

- General Purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).
- Special Purpose.** If the revenues will be “earmarked” for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

How can these revenues be used?

With majority voter approval, they can be used for any legitimate government purpose, such as parks, street maintenance, recreation or police; or with two-thirds voter approval, they must be used for specifically dedicated purposes set forth in the ballot measure.

TRANSIENT OCCUPANCY TAX

How are these revenues collected?

Operators of “transient lodgings” (typically hotels and motels) are responsible for collecting TOT from the occupants and remitting it to the City. As such, since this revenue source is already in place and no changes in collection method are required if the rate is increased, collection of added revenue from a rate increase can be easily implemented.

How would this added revenue affect the diversity and stability of the City’s revenue base?

TOT revenues are a relatively small component of General Fund revenues, accounting for less than 1% of total revenues. Bringing this rate to the statewide average of 10% would modestly improve the diversity and stability of the City’s revenue base.

When could an increase be effective?

Theoretically, an increase could be implemented immediately upon voter approval. However, an effective date that is 90 to 120 days from the date of adoption is recommended in order to ensure a smooth transition for the hotels and motels.

PROPERTY TRANSFER TAX

What is a property transfer tax?

This is a tax resulting from the transfer of real property ownership based on the value of the property.

Background. Prior to the adoption of Proposition 62 by State voters in 1986, all cities were allowed to set their own rate, but they had to give up their share of the \$1.10 rate to do so. With the passage of Proposition 62, *General Law* cities lost the ability to do this, since among its many revenue-raising limitations (many of which were subsequently superseded by Proposition 218) is a prohibition on real estate transfer taxes.

However, because Proposition 62 was a “statutory initiative” (as compared with a Constitutional amendment), its provisions only apply to General Law cities. As such, Charter cities are allowed to adopt this revenue source. Moreover, from 1986 until 1995, a number of appellate court rulings declared the provisions of Proposition 62 to be unconstitutional. For this reason, during this interim period, many General Law cities—along with Charter cities—implemented their own property transfer tax at rates ranging from \$1.10 to \$15.00 per \$1,000 of value. The most common rate is \$4.40 per \$1,000. At this level, the City’s own property transfer tax (which has averaged about \$20,000 annually over the last five years) would raise about \$158,000 annually, for a “net” increase of \$138,000. However, in order to adopt this tax, the City would first have to become a Charter city. For this reason, while an option, it is not as viable as many of the other new revenue sources analyzed in this study.

Why is this an appropriate City funding source?

The City’s real property transfer tax would be paid by the buyers of Greenfield properties. As such, it is an appropriate way for new residents to pay their fair share of the amenities that have already been provided by existing residents. For properties changing hands through local buyers, the transfer tax reflects the enhancement of property values by the facilities and programs that the City provides.

Is this tax in place at this time?

Yes. Section 11901 of the Revenue and Taxation Code establishes a statewide property transfer tax at the rate of \$1.10 per \$1,000 of value (or \$220 on a property with a transfer value of \$200,000).

Who pays this tax?

Both the buyer and the seller are jointly liable for payment of the tax. However, it is customary for this tax to be paid by the buyer.

Who currently receives the revenue?

For sales in a city, the proceeds are evenly divided between the city and the county, for an effective city rate of \$0.55 per \$1,000 of value. For sales in unincorporated areas, the County retains all of the transfer tax revenues at the \$1.10 per \$1,000 rate.

PROPERTY TRANSFER TAX

Can cities increase their tax rate?

Yes, with voter approval. However, as discussed above, only Charter cities are allowed to set their own rate separately from the provisions of Section 11901 of the Revenue and Taxation Code at this time. In this case, however, the County would retain the entire proceeds from the \$1.10 rate specified in this section.

Have any other cities adopted their own property transfer taxes?

Yes. 26 cities in 12 counties throughout the State have adopted their own property transfer tax rates. Rates range from \$1.10 per \$1,000 of value in Riverside and Woodland to \$15.00 per \$1,000 in value in Berkeley and Oakland. City population ranges from one of California’s smallest cities (Cotati, with a population of 7,300) to its largest one (Los Angeles, with a population of 3,866,000).

City	Rate Per \$1,000 Value	City	Rate Per \$1,000 Value
Berkeley	\$15.00	Vallejo	\$3.30
Oakland	15.00	Santa Monica	\$3.00
Piedmont	13.00	Mountain View	\$3.30
Alameda	12.00	Palo Alto	\$3.30
Albany	11.50	Sacramento	2.75
Richmond	7.00	Redondo Beach	2.20
San Leandro	6.00	Pomona	2.20
San Francisco*	5.00	San Rosa	2.00
San Mateo	5.00	San Rafael	2.00
Hayward	4.50	Petaluma	2.00
Los Angeles	4.50	Cotati	1.90
Culver City	4.50	Riverside	1.10
San Jose	3.30	Woodland	1.10

* Values in excess of \$250,000 are charged at higher rates.

How does this compare with similar cities?

None of the ten comparison cities have their own property transfer tax.

How much revenue would an increase generate?

This depends on two key factors:

- The value of property transferred annually.
- The tax rate established by the City.

For comparison purposes, the following is a summary of property transfer tax revenues received by the City over the past five years at the current rate of \$0.55 per \$1,000, and the amount that would have been received at rates ranging from \$1.10 per \$1,000 to \$10.00 per \$1,000:

PROPERTY TRANSFER TAX

Fiscal Year	Actual Revenues	Projected Revenue					
		@ \$1.10	@ \$2.20	@ \$3.30	@ \$4.40	@ \$5.00	@ \$10.00
2013-14	18,730	37,460	74,920	112,380	149,840	170,256	340,512
2012-13	12,021	24,042	48,084	72,126	96,168	109,271	218,542
2011-12	17,782	35,564	71,128	106,692	142,256	161,638	323,276
2010-11	25,421	50,842	101,684	152,526	203,368	231,077	462,154
2009-10	25,175	50,350	100,700	151,050	201,400	228,841	457,682
5 Yr Avg	19,826	39,652	79,303	118,955	158,606	180,217	360,433
Net Added Revenue		\$19,826	\$59,477	\$99,129	\$138,781	\$160,391	\$340,607

Based on average annual revenues from this source over the last five years, net new revenues range from \$19,800 at a rate of \$1.10 per \$1,000 of value, to \$340,000 at \$10.00 per \$1,000 of value. At the “mid-range” of the rate set by other cities with this revenue source (\$4.40), net annual revenues would be about \$138,800.

What authority is required to increase this tax?

- **General Purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).
- **Special Purpose.** If the revenues will be “earmarked” for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

How can these revenues be used?

With majority voter approval, they can be used for any legitimate government purpose, such as parks, street maintenance, recreation, police or fire; or with two-thirds voter approval, they must be used for specifically dedicated purposes as set forth in the ballot measure.

How would these revenues be collected?

The County could continue to collect these revenues for the City. While this would require a formal agreement with the County, other cities have been successful in doing so. But again, as noted above, implementing this tax would first require Greenfield becoming a charter city.

How would this added revenue affect the diversity and stability of the City’s revenue base?

Property transfer taxes currently account for less than 1% of General Fund revenues. As such, increasing revenues from this source would help diversify the City’s revenue base. On the other hand, this revenue source is subject to fluctuations based on real estate market conditions.

When could an increase be effective?

Theoretically, an increase could be implemented immediately upon voter approval. However, an effective date that is 120 to 180 days from the date of adoption is recommended in order to ensure a smooth transition for the County, businesses directly involved in processing property transfers such as escrow, title and lending companies; and any individuals or companies with properties currently in escrow.

PROPERTY TRANSFER TAX

Are there any other implementation issues?

Yes. As noted above, under Proposition 62 this revenue source is only available to Charter cities. For this reason, while an option, it is not as viable as many of the other new revenue sources analyzed in this study.

BUSINESS LICENSE TAX

What is a business license tax?

Anyone doing business in the City is required to pay a business license tax. While the term “license” is used for this tax, the City’s municipal code (Section 5.04) is very clear that its purpose is “solely to raise revenue for municipal purposes and is not intended for regulation.” The tax is set on a “flat rate” basis, with most businesses paying \$40 per year.

Background. The flat rates have not been changed since the ordinance was last modified forty years ago in 1975. This underscores a systemic problem with the City’s business tax ordinance: it is unresponsive to economic changes (either up or down). For this reason, most progressive business tax ordinances are based on gross receipts and are simpler, easier to administer by setting rates on few (and in many cases, just one) business categories. And where cities have set flat rates, many ordinances provide for ongoing cost of living adjustments (such as changes in the consumer price index). For example, in the City’s case, simply adjusting for the passage of time and bringing 1975 costs to today’s value would result in flat fees of \$169 per year.

Why is this an appropriate City funding source?

Placing this tax on the City’s businesses appropriately recognizes that they receive municipal services, and as such, they should share in the cost of providing them.

Is this tax in place at this time?

Yes. The amount paid is based on flat rates. While there are 66 different business types set forth in the municipal code, the overwhelming majority pay the same flat rate of \$40 per year. In those cases where the business operates in multiple business categories, it is the City’s practice to assess the flat fee for each category. Accordingly, some businesses pay more than \$40 per year in total.

Who pays this tax?

Any person or company conducting business in the City is required to pay a business license tax.

Who currently receives the revenue?

The revenue goes into the City’s General Fund and is used for general municipal purposes

Can the City increase the tax rate?

Yes. With voter approval, cities can set the business license tax rate at any level, as long as they are not discriminatory or confiscatory, and they are not based on net income.

How much revenue would a rate increase generate?

This depends on the amount of increase and changes to the rate structure, if any. The City’s business license tax currently generates about \$25,000 per year. Even if the flat rate structure was retained, simply adjusting the rate to account for the passage of time would generate \$106,000 annually, an increase of \$81,000.

BUSINESS LICENSE TAX

How does the City’s business tax rate compare with other cities?

Virtually every city in California assesses business license taxes for revenue purposes. Comparing business license rates is very difficult due to the variety of different tax “measures” used by cities (such as gross receipts, flat fees, square footage, vehicles and employees), tax rates and tax rate structures.

For the ten comparison cities, the following summarizes the type of tax system they have in general (gross receipts or flat rates), the amount of revenue that business license taxes generate annually and revenue per capita.

City	Primary Tax Basis	Business License Tax Revenues	% of General Fund Revenues	Revenues Per Capita
Chowchilla *	Gross Receipts	\$98,000	1.4%	\$8.17
Dinuba	Gross Receipts	230,000	2.2%	9.72
Escalon	Gross Receipts	38,000	1.4%	5.19
Galt	Employees	101,000	1.2%	4.16
Gonzales	Gross Receipts	50,000	1.2%	5.96
King City	Employees	78,000	1.6%	5.90
Ripon	Employees	125,000	1.5%	8.41
Sanger	Gross Receipts	115,000	1.2%	4.62
Soledad *	Gross Receipts	57,000	0.9%	3.56
Winters	Flat Fee	26,000	0.6%	3.73
Greenfield	Flat Rate	25,000	0.5%	1.48

** Revenues per capita based on community population*

On average, business license tax revenues for the comparison cities are:

- 1.4% of General Fund revenues, compared with 0.5% for the City –about one-third of the average.
- \$6.05 per capita compared with \$1.48 for the City – about 25% of the average.

Adjusting rates to account for the passage of time since they were last revised forty years ago would bring revenues into the mainstream of the comparison cities.

What authority is required to increase this tax?

- **General Purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).

BUSINESS LICENSE TAX

- **Special Purpose.** If the revenues will be “earmarked” for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

How can these revenues be used?

With majority voter approval, they can be used for any legitimate government purpose, such as parks, street maintenance, recreation or police; or with two-thirds voter approval, they must be used for specifically dedicated purposes as set forth in the ballot measure.

How are these revenues collected?

The City is responsible for collecting this tax: first time applications are typically “over-the-counter” with annual renewals thereafter on a calendar year basis. Unless there were significant changes in the structure, implementing an across-the-board increase in rates would be fairly simple to accommodate with minimal costs, since the collection system is already in place.

How would this added revenue affect the diversity and stability of the City’s revenue base?

Business license taxes currently account for less than 1% of General Fund revenues. As such, increasing revenues from this source would help diversify the City’s revenue base.

When could an increase be effective?

Theoretically, an increase could be implemented immediately upon voter approval. However, an effective date that is 120 to 180 days from the date of adoption is recommended in order to ensure a smooth transition for the City for required internal administrative and computer changes, and to communicate the changes to the business community. Additionally, any change should be carefully coordinated with to avoid any conflicts with the City’s annual renewal cycle.

GENERAL OBLIGATION BOND PROPERTY TAX

What is a general obligation bond property tax?

This is an increase in the property tax rate, levied against the assessed value of properties, in excess of the “1% of market value” limit under Proposition 13, in order fund the repayment of general obligation bonds for capital improvements.

Background. Adopted almost 40 years ago in 1978, Proposition 13 does not allow an increase in general purpose property taxes above the “1% of market value” limit under any circumstances. However, subsequent amendments to this constitutional limit allow for increases in property taxes for voter-approved bonded indebtedness. The proceeds are restricted to specified capital improvements, and as such, cannot be used to fund operating costs.

Why is this an appropriate City funding source?

Along with a number of other intangible factors, property values reflect the kinds and level of service provided by the City: good public safety services and well-maintained streets and parks enhance property values. Additionally, many of the improvements typically funded by general obligation bonds are directly tied to property-related services, and as such, sharing the cost based on value is a reasonable approach. Lastly, this is a very broad-based tax that spreads the tax burden over local businesses and residents as well as out-of-town property owners.

Is this tax in place at this time?

No: the City does not have any voter-approved general obligation debt funded by property taxes.

Who pays this tax?

Property owners within the City limits would pay this tax.

Who receives the revenue?

Proceeds from the bond issue would be accounted for separately by the City in a capital projects fund and used solely to pay for approved projects identified in the bond issue; and the annual revenue from the “add-on” property tax rate would be accounted for separately in a debt service fund and used solely to pay annual principal and interest on the bonds.

Can cities increase their tax rate?

Yes, with two-thirds voter approval. General Law cities may incur general obligation debt up to 3.75% of assessed value. Based on the City’s 2014-15 assessed value of \$563,513,467, this would be about \$21 million for the City. Under current market circumstances, this translates into an annual revenue-raising capacity to meet annual debt service requirements of about \$1.7 million. This would mean an increase an increase of about 0.3% in the general purpose 1% tax rate.

How much revenue would an increase generate?

This depends entirely on the amount of general obligation bonded debt that the City incurs. As noted above, the maximum amount of bonded indebtedness that the City could have outstanding at any one time is about \$21 million. However, it is highly unlikely that the City would (or should) consider approaching this maximum.

GENERAL OBLIGATION BOND PROPERTY TAX

Do other cities have general obligation bond property tax rates?

Many cities throughout the State of have passed general obligation bonds approved with two-thirds voter approval.

None of ten comparison cities have general obligation debt commitments.

What authority is required to implement this tax?

General obligation bond property taxes require two-thirds voter approval. This election can be held at any time.

How can these revenues be used?

The proceeds from a general obligation bond are restricted to capital improvements as set forth in the ballot measure; and annual property tax revenues can only be used to pay for debt service on the bond issue.

How are these revenues collected?

- Proceeds from the bond issue would be placed with a trustee and disbursed as needed to pay for approved capital projects.
- Annual property tax revenues to pay debt service would be collected by the County along with other taxes and assessments on the property tax roll, and distributed to the City on the same remittance schedule.

How would this added revenue affect the diversity and stability of the City's revenue base?

Property taxes revenues are typically a very stable revenue source; and while general obligation bond property taxes do not directly affect the revenue base or its diversity, shifting the burden for capital improvements to a stable revenue source has the affect of improving diversity.

When could an increase be effective?

An increase in property tax rates could be effective for the next tax year following voter approval and issuance of the bonds.

PARCEL TAXES

What is a parcel tax?

With two-thirds voter approval, parcel taxes are allowed in any amount as long as they are not based on property value. They may be set based on either a flat rate per parcel or a variable rate depending on the size, use or number of units on the parcel. They can be used for general or special purposes.

Why is this an appropriate City funding source?

Many of the City's services are directly related to property. Additionally, at modest levels parcel taxes are usually very straightforward and easy to communicate to the public. On the other hand, at high levels, a flat rate may appear unfair, since it is not based on the value of the parcel (like a property tax) or ability to pay (like sales or income taxes).

Is this tax in place at this time?

No. While the City levies maintenance assessments based on benefit, it does not levy parcel taxes.

Who pays this tax?

Property owners within the City limits pay this tax.

Who currently receives the revenue?

This revenue source is not in place at this time. If adopted, the best approach of accounting for any new parcel taxes depends on its purpose, and whether it is fully or partially covering the cost. For example, if the parcel tax were to pay for only part of a specific service provided through the General Fund, then accounting for it in the General Fund would be appropriate. However, if it was intended to fully cover the cost of a specific service, then a separate fund may be warranted depending on the circumstances.

Can cities increase their parcel tax rate?

Yes. As long as the tax is not based on property value, there are no State or Federal limits on this revenue source, assuming that it is adopted with two-thirds voter approval.

How much revenue would an increase generate?

This depends on the rate and basis of the parcel tax. While proportionality is required in setting the rate, the "nexus" standard is not as exacting as it is for assessments and property related fees. Typically, cities differentiate between developed and undeveloped parcels; and for developed parcels, they typically differentiate between single family residential (SFR), multi-family residential (MFR) and non-residential parcels.

If the City pursues this option, an important first step would be to develop the appropriate proportionality of various parcel types. This is typically achieved by creating "equivalent dwelling units" (EDU's), with developed single family residential parcels equal to one EDU.

For revenue projection purposes only, the following are sample EDU's (as noted above, this would require more detailed analysis if the City pursues this option).

PARCEL TAXES

Sample Parcel EDU's and Annual Revenues						
Type	EDU	Units/ Parcels	Projected Annual Revenues @			
			\$50 Per EDU	\$100 Per EDU	\$150 Per EDU	\$200 Per EDU
Undeveloped/Agricultural	0.25	273	3,413	6,825	10,238	13,650
Developed						
SFR	1.00	3,089	154,450	308,900	463,350	617,800
MFR	0.75	663	24,863	49,725	74,588	99,450
Other Non-Residential	2.50	228	28,500	57,000	85,500	114,000
Total		4,253	\$211,225	\$422,450	\$633,675	\$844,900

Do other cities have parcel taxes?

Over fifty cities in California have adopted special parcel taxes for a broad range of services, including libraries, police service, fire service, paramedic services, storm water projects, cultural services and street maintenance.

None of the ten comparison cities have parcel taxes.

What authority is required to implement this tax?

Parcel taxes, whether for general or special purposes, require two-thirds voter approval. This election can be held at any time.

How can these revenues be used?

Parcel taxes can be used for any legitimate government purpose, such as parks, street maintenance, recreation or police. They can be used for operating capital or debt service costs; and they can be for general or special purposes.

How are these revenues collected?

They would be collected by the County along with other taxes and assessments on the property tax roll, and distributed to the City on the same remittance schedule.

How would this added revenue affect the diversity and stability of the City's revenue base?

Parcel taxes are a very stable revenue source. By expanding the City's revenue base and decreasing its reliance on sales and property taxes, parcel taxes would improve the diversity of the City's revenue base.

When could this new tax be effective?

A parcel tax could be effective for the next tax year following voter approval.

UTILITY USERS TAX

What is a utility users tax?

This is a tax on the consumption of utility services (such as natural gas, electricity, water, sewer, telephone and cable), similar to the retail sales tax on commodities.

Why is this an appropriate City funding source?

Utility user taxes are an established means of generating General Fund revenues. Half of the State’s residents and a majority of businesses pay a utility user tax. Additionally, it is very stable revenue source and helps diversify the City’s revenue base.

Is this tax in place at this time?

Yes. The City has a utility users tax (UUT) of 3% on most utilities (excludes water and some telecommunications), generating about \$265,000 annually.

Who pays this tax?

Residents or businesses using the utility pay the tax at the time the utility bill is paid.

Can cities set and increase their tax rate?

Yes. With voter approval, cities can set the UUT rate at any level. There is no regulation of this revenue source by the State or Federal government.

What is the UUT rate in similar cities?

154 cities have adopted a utility users tax, with rates ranging from 1% to 11%. Although a majority of cities do not have a utility users tax, about half of the State’s residents and a majority of businesses are covered by the tax.

The following summarizes UUT rates for the ten comparison cities.

Utility User Tax Rates: Comparison Cities	
City	UUT Rate*
Chowchilla	-
Dinuba	7.0%
Escalon	-
Galt	-
Gonzales	4.0%
King City	2.0%
Ripon	-
Sanger	5.0%
Soledad	5.0%
Winters	5.0%
Greenfield	3.0%

On most utilities: several cities levy a lower rate on some utilities and not at all on others.

UTILITY USERS TAX

How much revenue would a rate increase generate?

This depends on three key factors:

- What utility services are subject to the tax? The broader the base, the greater the revenue. Most cities include the following utilities: gas, electric, telephone, cable television and water.
- What is the tax rate? There are 154 cities in that have adopted UUT rates ranging from 1.0% to 11.0%.
- Which users are subject to the tax? In some cities, only non-residential users are subject to the UUT; and in others, the rates are different depending on the utility. Additionally, some cities exclude other governmental agencies or provide reduced (or waived) levels for senior citizens/and or low-income customers.

The following presents added revenues at alternative rates charged by the comparison cities, based on retaining the current rate base of utilities subject to UUT:

Utility User Tax Revenue Estimates	
Current Revenues: 3% Rate	\$265,000
Added Revenues at:	
4% Rate	88,300
5% Rate	176,700
6% Rate	265,000
7% Rate	353,300

What authority is required to increase this tax?

- **General Purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).
- **Special Purpose.** If the revenues will be “earmarked” for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

How can these revenues be used?

With majority voter approval, they can be used for any legitimate government purpose, such as parks, street maintenance, recreation or police; or with two-thirds voter approval, they must be used for specifically dedicated purposes as set forth in the ballot measure.

How are these revenues collected?

Utility companies are responsible for collecting this tax—at no cost to the City—and remitting it monthly to the City.

UTILITY USERS TAX

How would this added revenue affect the diversity and stability of the City's revenue base?

UUT revenues account for about 6% of General Fund revenues (excluding interfund transfers). Modestly expanding the base and/or increasing its rate would decrease the City's reliance on sales and property taxes, improving the diversity of the City's revenue base. Additionally, UUT revenues are traditionally very stable.

When could this added revenue be effective?

Theoretically, this new revenue could be implemented immediately upon voter approval. However, an effective date that is a least 90 days after adoption is recommended in order to allow enough lead time for notification to all utility companies and to allow them time to make the computer programming and billing changes required.

ADMISSIONS TAX

What is an admissions tax?

This tax is levied on the consumer for the privilege of attending theaters, concerts, movies, sporting events, museums and other performances. The tax can be a flat rate, a percentage of the ticket value or a sliding rate depending on the cost of the ticket. Although generally determined to be lawful, courts have struck down admissions taxes that are borne solely or primarily by activities protected by the First Amendment, such as movie theaters. These cases suggest that to implement this tax, a city must have substantial businesses or events that would be subject to it, which do not involve First Amendment rights and would bear a significant portion of the tax burden. For this reason, most cities that have this tax have professional sports teams, amusement parks or similar major event venues in their cities.

Given these constraints, no revenues have been projected from this source given the lack of any major venues in the City similar to those where this tax has been successfully implemented.

Why is this an appropriate City funding source?

Placing this tax on those who attend major attractions appropriately recognizes that they receive City services during their attendance at major concerts, museums, sporting events, amusement parks or similar venues, and as such, they should share in the cost of providing them.

However, given the lack of major venues in Greenfield similar to those in communities where this tax is in place, this is not a good “fit” for the City.

Is this tax currently in place in the City?

No.

Who pays this tax?

The patrons of events held at theaters, auditoriums, sporting arenas, amusement parks or similar attractions and venues.

Can cities set and increase their tax rate?

Yes, with voter approval. However, as noted above, there are First Amendment limitations on this tax, and for this reason, it is in place in very few cities.

Have other cities adopted this tax?

Yes: Eleven other cities in the State have adopted an admissions tax, most typically in cities with large stadiums, sports arenas, auditoriums, amusements parks or museums.

None of the ten comparison cities have this tax.

How much revenue would this tax generate?

No revenues have been projected from this source given the lack of any major venues in the City similar to those where this tax has been successfully implemented.

ADMISSIONS TAX

What authority is required to implement this tax?

- **General Purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).
- **Special Purpose.** If the revenues will be “earmarked” for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

How can these revenues be used?

With majority voter approval, these revenues can be used for any legitimate government purpose, such as parks, street maintenance, recreation or police; or with two-thirds voter approval, they can be used for specific dedicated purposes as set forth in the ballot measure.

How are these revenues collected?

Operators of the attractions are responsible for collecting the Admissions Tax from its patrons and (most commonly) remitting it to the city on a monthly or quarterly basis.

How would this added revenue affect the diversity and stability of the City’s revenue base?

Since this is not a viable revenue source for the City at this time, there is no impact.

When could this new tax be effective?

Until Greenfield has a variety of major entertainment or event facilities on which to impose an admissions tax, it is not a viable revenue source.

PARKING TAX

What is a parking tax?

This tax is imposed on occupants of off-street parking spaces for the privilege of renting the space within the City. It is typically levied when there are a large number of privately-owned and operated parking lots and garages, and there is a high demand for these spaces. Since this is not the case in Greenfield, no revenues have been projected from this source.

Why is this an appropriate City funding source?

Placing this tax on visitors to a city appropriately recognizes that they receive municipal services during their stay, and as such, they should share in the cost of providing them. Paying for this through parking taxes is one way for visitors to pay their fair share.

However, due to the lack of any large, high-demand privately-owned and operated parking lots and garages in Greenfield, this revenue is not a “good fit” for the City.

Is this tax in place at this time?

No.

Who pays this tax?

Those visiting areas with for-fee parking lots and garages.

Can cities increase their tax rate?

Yes, with voter approval. There are no regulations on this source by the State or Federal government.

How much revenue would an increase generate?

Due to the lack of a number of large, high-demand privately-owned and operated parking lots and garages in the City, no revenues have been projected from this source.

Do other cities have this revenue source?

24 cities in California have parking taxes, at rates ranging from 8% to 25%.

None of the ten comparison cities currently have this tax.

What authority is required to increase this tax?

- **General Purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).
- **Special Purpose.** If the revenues will be “earmarked” for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

PARKING TAX

How can these revenues be used?

With majority voter approval, they can be used for any legitimate government purpose, such as parks, street maintenance, recreation, police or fire; or with two-thirds voter approval, they must be used for specifically dedicated purposes as set forth in the ballot measure.

How are these revenues collected?

They are collected by the parking facility operator, and typically remitted to the City on a monthly basis.

How would this added revenue affect the diversity and stability of the City's revenue base?

Since this is not a viable revenue source for the City at this time, there is no impact.

When could this new tax be effective?

Until there are a number of large, high-demand, privately-owned and operated parking lots and garages in Greenfield, this is not a viable revenue source.

MAINTENANCE ASSESSMENT DISTRICTS

What are maintenance assessments?

They are charges levied on property owners on a “benefit” basis for maintenance services, potentially for a broad range of activities such as fire suppression, public safety, tree trimming, street landscaping, streetlights, storm water, traffic signals, and parks and recreation facilities in the community.

Prior to Proposition 218, maintenance assessment districts were widely used throughout California for a broad range of services. However, forming maintenance assessment districts today that meet the rigorous “proportionate special benefit derived by each identified parcel” criteria is much more difficult.

Why is this an appropriate City funding source?

The services funded by these assessments are a large part of what makes the City an attractive place to live and conduct business. Many also fall into the category of “community enrichment” improvements, such as a higher level of street lighting or special parkway or median landscaping, which may be more appropriately financed from sources outside of the City’s basic general fund tax revenues. In many cases, maintenance assessments can help cities be more business-like and market-driven, by offering augmented services on an optional basis to only those who want them (and are willing to pay for them).

Does the City levy these types of assessments now?

Yes. The City has established two lighting and landscape assessment districts and two street and storm drainage maintenance districts. Combined, these generate about \$462,700 annually: \$356,200 in lighting and landscape assessments and \$106,500 in street and storm drainage assessments.

Who would pay these assessments?

The owners of property within established assessment districts.

Who would receive the revenue?

The City has established separate funds to account for the revenues and expenditures in each District.

Who would administer these assessments?

The City would establish assessment districts and the formulas for apportioning assessments. Given the cost of conducting annual ballots, standard annual adjustment factors (such as changes in the Consumer Price Index) are typically approved when the district is formed. Assessments would be included on the County secured property tax roll and collected by the County on the City’s behalf.

Can cities determine the assessment methods and amounts?

Yes. Within the procedural requirements of Proposition 218, cities have a wide range of discretion in determining the apportionment methods and the amount to be raised. The only requirement is that the total amount generated cannot exceed the costs reasonably incurred in

MAINTENANCE ASSESSMENT DISTRICTS

providing covered services; and the apportionment method must relate to the specific benefit received by each parcel. This assessment report needs to be prepared by a registered engineer.

How much could the City realize from these assessments?

This depends on the nature and scope of services that would be funded from assessments. Within the property owner approval framework of Proposition 218 and its other procedural requirements, there are a wide range of property related services that could be funded through assessments.

As discussed in Chapter 1, along with funding public safety, the City is also interested in exploring ways of funding storm water operations and improvements. Preliminary estimates are that \$300,000 to \$600,000 would be needed annually for this purpose.

Storm Water Fees versus Assessments. As discussed in Chapter 1, the process for setting storm water assessments and property related fees is very similar. Accordingly, a comprehensive discussion of the revenue potential from either storm water assessments or fees is provided in the “Higher Cost Recovery” section of this report.

What other cities have this kind of assessment?

Many cities throughout the State use maintenance assessment districts. All of the ten comparison cities have formed maintenance assessment districts, summarized as follows:

Comparison Cities Use of Maintenance Assessment Districts		
City	Lighting & Landscape	Streets & Storm Water
Chowchilla	x	x
Dinuba	x	x
Escalon	x	x
Galt	x	x
Gonzales	x	
King City	x	
Ripon	x	
Sanger	x	
Soledad	x	*
Winters	x	
Greenfield **	x	x

* Soledad is considering a Citywide storm water fee/assessment of \$1 month per "equivalent dwelling unit."

** Greenfield's storm water assessment district is not citywide.

What is the legal authority for these assessments?

There are at least 18 separate “Acts” governing assessment districts dating back to 1909 (such as the Landscaping and Lighting Maintenance District Act of 1972, Fire Suppression Act and

MAINTENANCE ASSESSMENT DISTRICTS

Pedestrian Mall Law of 1960) and Park and Playground Act of 1909); however, the provisions of Proposition 218 override all these.

To start the assessment proceedings, the City must prepare an engineering report by a registered professional engineer, which includes a description of the work to be accomplished in the following fiscal year, an estimate of the costs for this work, a diagram of the assessment district and the method apportioning costs among specific parcels within the district based on benefit. The Council then must adopt a resolution of intention to establish the assessment district and levy assessments and to announce a public hearing.

An assessment ballot is then conducted, and majority approval by those responsible for paying the special assessments, weighted by each property owner's benefit obligation, is required (based on those voting). In this case, the vote is not by "secret ballot," since the weight (and right to vote to begin with) must be determined publicly.

These elections can be held at any time.

What services can maintenance assessments fund?

If carefully structured to comply with the requirements of Proposition 218, maintenance assessment districts can cover a broad range of costs, including maintaining trees, landscaping, fire suppressions services, storm water, traffic signals, parks, recreation improvements and open space.

How are these revenues collected?

As noted above, they are collected by the County on the secured property roll based on information provided to them by the City.

How would this added revenue affect the diversity and stability of the City's revenue base?

Assessments are a very stable revenue source. By expanding the City's revenue base and decreasing its reliance on sales and property taxes, maintenance assessments would improve the diversity of the City's revenue base.

When could these assessments take effect?

Initially establishing a district is time-consuming; and if approved, collection of assessments must be scheduled to start with a new fiscal year.

MELLO-ROOS SPECIAL TAX DISTRICTS

What are Mello-Roos special taxes?

They are special taxes set through “Community Facilities Districts” (CFD’s). While they are typically formed to provide services or capital improvements to new developments (when there is usually just one “voter”—the developer/land owner), they can be formed on a citywide basis in already developed areas as well. Depending how they are structured when approved, Mello-Roos special taxes can pay for operations and maintenance as well as capital improvements.

Background. If there are twelve or more registered voters in the district, approval by two-thirds of the registered voters is required. However, if there are fewer than twelve registered voters, the district vote is by the property owners in the district. In this case, property owners have one vote for each acre of land they own in the District. For this reason, Mello-Roos CFD’s are typically used in financing improvements and services for new development.

Why is this an appropriate funding source for the City?

Forming Mello-Roos districts to cover the cost of facilities and services for new development is a strategy used by many cities to ensure that new development “pays its own way.” In newly developed areas, the cost of all additional police, recreation and flood control operating services could be covered through Mello-Roos taxes. Likewise, all additional facilities needed, like parks, fire stations and flood control projects, could be financed by these levies.

However, this potentially sets up two classes of City residents—those who receive what may be perceived as general city services based on the general-purpose tax revenues they pay, and those who must pay an additional premium for those same services. Nonetheless, many cities have moved to this out of fiscal necessity. The revenue impact of this is difficult to assess, since it would depend on what services were subject to the special Mello-Roos tax. However, as discussed above, this would require the concurrence of the property owner in establishing this special tax district (assuming there are less than twelve registered voters in the District) before the start of construction.

For existing development, parcel taxes (or other special) taxes may be a simpler approach in achieving the same goal (with the same two-thirds voter approval requirement) than forming a Mello-Roos District. Accordingly, the discussion of parcel taxes conceptually covers the use of Mello-Roos Districts for existing development.

Is this tax in place at this time?

No.

Who would pay this tax?

The owners of property within established CFDs.

Who would administer this tax?

The City would have to initially establish the CFDs and the structure of the tax. The tax could be collected on County tax bills in the same way ordinary ad valorem property taxes are collected.

MELLO-ROOS SPECIAL TAX DISTRICTS

How much additional revenue could the City realize from these taxes?

The revenue impact of this is difficult to assess, since it would depend on what services were subject to the special Mello-Roos tax. However, the “conventional wisdom” is that special taxes (and any other special assessments or tax rates) should not result in a total tax liability that is greater than 2% of assessed value (or 1% more than the 1% general-purpose tax limit under Proposition 13).

What other cities impose Mello-Roos special taxes?

Many cities throughout the State have formed Mello-Roos Districts, almost exclusively to finance infrastructure, facilities and services related to new development. Two of the comparison cities have formed Mello-Roos Districts: Galt and Sanger.

What authority is required to implement this tax?

Although Proposition 13 severely limited ad valorem property taxes in 1978, it included provisions allowing local governments to impose other special property taxes with a two-thirds vote of qualified electors affected. The Mello-Roos Community Facilities Act set up the mechanisms for local governments to levy these special taxes.

Establishing a CFD can start by legislative action or by petition of registered voters or property owners. Once a CFD is proposed, the Council must adopt a resolution of intention, hold a public hearing, adopt a resolution of formation and then put the issue to an election of qualified voters within the CFD. The proposition may be included on a general or special election ballot, or the election may be conducted by mailed ballot.

- If there are twelve or more registered voters, the tax must be approved by two-thirds of the votes cast.
- If there are fewer than twelve registered voters, the district vote is by the property owners in the district. In this case, property owners have one vote for each acre of land they own in the District.

If approved under either scenario, the Council must then adopt an ordinance in order to levy the tax.

Although legislation allows wide flexibility in apportioning Mello-Roos taxes, they may not be assessed in proportion to the value of real property within the CFD, because Proposition 13 specifically precludes additional ad valorem taxation except for voter-approved general obligation bonds. Most Mello-Roos taxes have been assessed on the basis of development density, “equivalent dwelling units,” per parcel, square footage or acreage.

How can these revenues be used?

They can pay for either services or capital facilities. Allowable services are narrowly defined: only additional services beyond those already provided are eligible and these services can only be in the following areas: police protection, fire protection, recreation and flood control. Capital

MELLO-ROOS SPECIAL TAX DISTRICTS

facilities may be special benefit facilities such as streets, water, sewer and drainage facilities or general benefit facilities like parks, police stations or administration buildings.

How are these revenues collected?

This tax could be collected by the County on the secured property tax roll.

How would this added revenue affect the diversity and stability of the City's revenue base?

Special taxes like Mello-Roos collected on the property tax roll are a very stable revenue source. By expanding the City's revenue base and decreasing its reliance on sales and property taxes, Mello-Roos special taxes would improve the diversity of the City's revenue base.

When could Mello-Roos taxes take effect?

At the earliest, the District could become effective 150 days after adoption of a resolution of intention.

HIGHER COST RECOVERY

What is higher cost recovery?

Within general State guidelines, the City has broad discretion in determining the balance in funding services between general purpose revenues (taxes) and fees based on benefit and “service drivers” (those who may not directly benefit from the service but drive the need for it; most regulatory fees fall in this category).

Under Proposition 218, user fees fall into two general categories: property related fees and non-property related fees. As discussed below, the main difference between the two is approval requirements: property related fees require some form of voter approval, whereas non-property related fees can be approved by the Council. This means that service charges unrelated to property ownership are one of the few funding sources subject to Council decision-making.

Why is this an appropriate City funding source?

Setting user fees for non-property related purposes such development review and recreation services is one of the few remaining areas where elected officials can still exercise local judgment. If there are areas where user fees should appropriately fund service costs – but they aren’t – then this means that general-purpose revenues are being used instead. This reduces the resources available for critical services where significant fee options simply don’t exist, and must rely upon general-purpose revenues. This includes services such as police and streets, which are among the most important (and most costly) services that cities deliver.

Simply stated, if a city chooses to subsidize services with general-purpose revenues that could reasonably be funded with fees, the result will be reduced capacity to achieve other high-priority goals that can only be funded through general-purpose revenues. This is a straightforward trade-off with straightforward policy impacts. For example, if planning permit fees do not fully cover development review costs, then street maintenance is likely to suffer as a result. For any number of reasons, this may be an appropriate policy outcome – but it is one that should be made consciously, and not by default.

Is this revenue in place at this time?

Yes. The City already collects user fees for a broad range of services. However, except for water and sewer charges (which are treated differently under Proposition 218), the City does not assess any property-related fees.

Who pays these fees?

The users of the service are responsible for paying these fees.

Who currently receives the revenue?

The revenue is accounted for in the General Fund and is used to offset the cost of providing these services.

Can cities increase user fees?

Yes. However, the requirements are substantially different for property versus non-property related revenues.

HIGHER COST RECOVERY

Property-Related Fees. For fees that are levied as “an incidence of property ownership” (just because you own property), majority approval by those who will have to pay the fee is required; or at the agency’s option, by a two-thirds vote of the electorate residing in the affected area. Additionally, there must be a “nexus” between costs and benefits. Lastly, property related fees for services generally provided to the public, such as police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners, are not allowed.

Based on the California Supreme Court “Bighorn” ruling in 2006, water, sewer and trash services are also considered property related fees. However, they are not subject to voter or property owner approval. On the other hand, they are subject to the substantial procedural and protest provisions of Proposition 218.

Non-Property Fees. Proposition 218 exempted development review and impact fees under “AB 1600” (Section 65000 of the Government) from its provisions. Additionally, there is general consensus that many fees charged by cities – such as recreation fees and police reports – are not subject to Proposition 218 voter approval or other procedural requirement since they are typically based on voluntary use, not property ownership.

How much revenue would an increase generate?

Setting fees – whether for property or non-property related fees – needs to take into consideration three key factors:

- The cost of providing the service, including direct and indirect costs such as accounting, human resources, insurance, building maintenance, legal services, information technology and facilities.
- Current cost recovery.
- And cost recovery goals: not all services can or should fully recover their cost; and of course, fees cannot exceed the reasonable cost of providing the service.

As noted in Chapter 1, performing this type of cost of services study is a major undertaking on its own, typically performed by a firm specializing in this type of work, and beyond the scope of this study. Nonetheless, it is possible to assess at a high level the potential for improved cost recovery. Based on this, the City can determine whether it is worth pursuing further.

This study assesses the potential for improved cost recovery from two perspectives:

- Overall cost recovery in the comparison cities with Greenfield’s as a percent of total General Fund revenues and service charges per capita.
- High-level assessment of current cost recovery for community development and recreation programs.

HIGHER COST RECOVERY

The following summarizes cost recovery ratios in the ten comparison cities with Greenfield:

City	Service Charges	% of General Fund Revenues	Revenues Per Capita
Chowchilla	\$175,000	2.5%	\$14.58
Dinuba	500,000	4.8%	21.13
Escalon	162,000	5.9%	22.12
Galt	907,000	10.5%	37.34
Gonzales	578,000	13.5%	68.95
King City	280,500	5.7%	21.23
Ripon	381,500	4.6%	25.68
Sanger	384,000	4.1%	15.42
Soledad *	308,000	4.8%	19.25
Winters	673,000	16.2%	96.43
Greenfield	150,900	2.8%	8.92

* Revenues per capita based on community population

As reflected below, Greenfield's ratio of service charges to total General Fund revenues and service charges per capita are far below those of the comparison cities.

- 2.8% of General Fund revenues compared with the comparison city average of 6.6% (58% lower than the average).
- Per capita revenues of \$8.92 compared the comparison city average of \$28.68 (69% lower than the average).

It is important to note that there are data collection and methodological issues associated with these ratios that can skew the results. For example, not all cities account for service charges in the same way and there are differences in the scope of services that each city provides. Nonetheless, given the care taken in analyzing budgets and the fact that these cities were selected based on their similarities, the variances are notable.

The second perspective is to review community developments and recreation costs at a high level compared with related revenues:

HIGHER COST RECOVERY

Cost Recovery Potential	
Program Costs	
Community Development	263,400
Parks & Recreation	220,300
Total	483,700
Indirect Costs at 21.2% *	102,500
Total Cost	586,200
Less Service Charges	(150,900)
Potential Subsidy	435,300
Revenue Potential at 25% Recovery	\$108,800

** Indirect Costs. As noted above, cost recovery should include direct as well as indirect costs. Appendix B provides a very high-level assessment of direct and indirect costs, and resulting organization-wide indirect cost rate of 21.2%.*

As reflected above, service charge revenues are far less than related program costs. And this is a conservative assessment, since the cost base excludes possible cost recovery for public safety services like police reports. On the other hand, full recovery is unlikely for a number of practical and policy reasons. However, if even 25% of the potential cost recovery can be captured, then there is the potential for \$108,800 in higher cost recovery.

This potential is reinforced by the experience of the comparison cities: if the City achieved the average cost recovery of these agencies, added revenues would be about \$200,000 annually.

Both of these assessments indicate that the City should pursue a more detailed cost analysis.

Property Related Fees: Focused Look at Citywide Storm Water Fees. Within the property owner approval (or two-thirds voter approval) framework of Proposition 218 and its other procedural requirements, there are a wide range of property related services that could be funded through fees. In accordance with Proposition 218 requirements, many cities throughout the State have formed storm water utilities and established enterprise funds financed by fees, much like water and sewer.

Storm Water Fees Versus Assessments. *As discussed in the "Maintenance Assessments" section, the process for setting storm water assessments versus fees is very similar. Accordingly, this discussion applies to storm water assessments as well.*

Along with funding public safety, the City is also interested in exploring ways of funding storm water operations and improvements. Preliminary estimates are that \$300,000 to \$600,000 would be needed annually for this purpose.

As discussed above, setting such a fee requires a detailed assessment of costs and benefits in assuring that there is a clear "nexus" between the benefits that each property owner would receive and the amount that she or he would pay. However, using the "equivalent dwelling unit" (EDU) basis presented in the "Parcel Taxes" section as an example, the following presents possible storm water fees that would generate \$300,000 to \$600,000 annually.

HIGHER COST RECOVERY

Sample Storm Water EDU's and Annual Revenues					
Type	EDU	Units/ Parcels	Projected Annual Revenues @		
			\$75 Per EDU	\$100 Per EDU	\$150 Per EDU
Undeveloped/Agricultural	0.25	273	5,119	6,825	10,238
Developed					
SFR	1.00	3,089	231,675	308,900	463,350
MFR	0.75	663	37,294	49,725	74,588
Other Non-Residential	2.50	228	42,750	57,000	85,500
Total		4,253	\$316,838	\$422,450	\$633,675

As reflected above, a storm water EDU of \$75 per year could potentially raise about \$300,000; and an EDU of \$150 would raise about \$600,000 annually.

What authority is required to increase these fees?

- Setting or increasing property related fees requires majority owner approval or two-thirds voter approval.
- The Council is authorized to set user fees for non-property related services. As discussed above, this is one the few areas where the Council has revenue-raising discretion.

How can these revenues be used?

They can only be used to offset the costs of providing the service, including both direct and indirect costs.

How are these revenues collected?

- Property related fees can be billed to users (typically “piggybacked” onto water and sewer bills) or collected on the property tax roll.
- Non-property related user fees are typically collected by the operating department before providing services.

How would this added revenue affect the diversity and stability of the City’s revenue base?

By expanding the City’s revenue base and decreasing its reliance on sales and property taxes, higher cost recovery would improve the diversity and stability of the City’s revenue base.

When could an increase be effective?

For property related fees, this is typically a six to eighteen month process in preparing the analysis, presenting it to stakeholders and then proceeding with the public hearing and voting process. Implementation afterwards will depend on the collection approach: if billed with water and sewer, implementation can follow shortly after approval. If collected with the property tax roll, it will need to be coordinated with the County’s procedures for fiscal year following adoption.

HIGHER COST RECOVERY

For non-property related fees, an effective date that is 60 to 90 days from the date of adoption is recommended in order to ensure a smooth transition and meet “AB 1600” noticing requirements for development review fees.

FRANCHISE FEES

What are franchise fees?

These fees are charged to public utilities – such as natural gas, electricity, refuse collection, water, sewer and cable television – for the use of City right-of-way and their adverse impact on City streets in conducting their operations.

Why is this an appropriate City funding source?

Franchise fees help provide reasonable compensation for use of the City's right-of-way and impact of trenching and heavy vehicle use on the City's streets.

Does the City collect franchise fees now?

Yes. The City collects various franchise taxes on all privately-owned utilities operating within the City, such as gas, electricity, refuse and cable television, as well as City water and sewer services. Under State law, telecommunication companies are exempt from local franchise fees. As summarized below, the City is very limited by the state and federal regulations in its revenue raising ability on natural gas, electricity and cable television.

- **Natural Gas and Electricity.** For these two utilities, the State regulates the amount of the fee cities can assess on a statewide basis: 2% of gross receipts arising from their use of the franchise (with an alternative minimum calculation based on sale receipts if it results in a higher franchise fee). The City receives about \$50,000 annually from these two franchises.
- **Cable Television.** The Federal government extensively regulates cable television and has established a maximum franchise fee of 5%. The City receives about \$7,000 annually from this franchise.

Remaining areas where the City has discretion in setting franchise fee rates are refuse, water and sewer services:

- **Refuse Collection.** In conjunction with other cities in Monterey County, the City has set the franchise fee for refuse collection at 20%, which generates about \$400,000 annually. The City also bills for refuse and recycling services for the local trash company (Tri-City Disposal) and receives compensation for this service of about \$150,000 per year.
- **Water and Sewer.** The City assesses a franchise fee of 1.25% on water and 6.25% on sewer. Together these are projected to generate \$266,000 annually in 2014-15.

Who pays these fees?

These fees are paid by the franchise holder. While they may be passed on by the company (like any other operating expense), payment is the responsibility of the operator, not customers.

What other cities have these fees and what rates do they charge?

All cities in California collect franchise fees for electric and gas utilities under the statewide program; virtually all collect cable television franchise fees at the 5% level; and many assess franchise fees on refuse collection at a broad range of rates. Several cities throughout the State assess franchise fees on their enterprise fund operations.

FRANCHISE FEES

What authority is required to increase these fees?

As noted above, the City is pre-empted by the State in setting franchise fees for natural gas, electricity and telecommunications; and by the Federal government for cable television.

However, the Council has the authority to establish franchise fees and determine rates for water, sewer and refuse, although as fees, the amount charged should bare a relationship to the intensity of use of City right-of-way and impact on street wear and tear. For this reason, the franchise fee on refuse is typically greater than on water or sewer.

How much revenue would an increase generate?

The City has no ability to levy franchise fees for telecommunications or to raise rates for natural gas, electricity or cable television. While some discretion exists for water, sewer and refuse, given existing rates, there is very limited potential for added revenues from this source.

How can these fees be used?

Franchise fees can be used for any legitimate government purpose.

How are these fees collected?

They are remitted to the City by the franchise holder. Gas and electric franchise fees are paid annually in April; other franchise fees are typically paid on a monthly or quarterly basis, depending on the terms of the franchise agreement.

How would added revenue affect the diversity and stability of the City's revenue base?

By expanding the City's revenue base and decreasing its reliance on the sales and property tax, franchise fees help with diversity and stability of the City's revenue base.

What action is necessary to increase these taxes?

As discussed above, no action is available for telecommunications, natural gas, electricity or cable television. Raising franchise fees on refuse service would require amending the City's agreement with the franchise holder, which has been done in conjunction with other Monterey County cities. Establishing franchise fees for water and sewer service can be approved by the Council as part of the budget process.

3. PREPARING FOR A SUCCESSFUL REVENUE MEASURE

OVERVIEW

For the past forty years, California has been on the path to a new era of governance, with fundamental changes in the way that decisions are made. While this is occurring at all levels, it is perhaps most pronounced for local agencies, since they are the level of government closest to the people, and the one most susceptible to these changes. The following is a brief overview of this change and it how directly affects the City of Greenfield's ability to preserve its fiscal health while at the same time deliver current service levels, adequately maintain existing facilities and infrastructure, and achieve important community goals and capital improvements.

REPRESENTATIVE VERSUS DIRECT DEMOCRACY

One of major "mega-trends" affecting governance is a fundamental change in the way that decisions are made. Over the last forty years, there has been a decided shift from "representative democracy" to "direct democracy," especially in local government finance.

Proposition 13 did not start this trend, but it certainly resulted from it. Since its passage almost forty years ago in 1978, there have been an increasing number of citizen-approved limits on the ability of elected officials at the local level to make resource decisions on behalf of the community, including Proposition 4, 218 and 62 as part of a long line of expenditure and revenue limitation ballot measures.

There are a number of possible explanations for this change:

- Lack of leadership (or at least the perception) by elected and appointed officials on important issues to the nation, state and community.
- Increasing distrust of government in general.
- Loss of community identity (and support) as places of work and home have become increasingly separated.
- Increasing frustration with the inability to affect government at the state and federal level, and an over-compensation at the one level – local government – where voters feel they can make a difference.
- Improved information about public issues, resulting in less reliance on others to make decisions on our behalf.
- Increased influence of highly-organized and well-financed special interest groups through the initiative process.

Whatever the reason, the reality is that there has been a major shift to direct citizen decision-making in a broad range of issues previously thought to be too "technical" for this. While this has occurred in a number of areas such as insurance and campaign financing, it is especially prevalent in "ballot box budgeting." Citizens are no longer willing to give their proxy on financial issues to elected officials, or to their interest group representatives on "blue ribbon" committees. City finance is an issue they want to decide directly for themselves.

3. PREPARING FOR A SUCCESSFUL REVENUE MEASURE

How does this shift affect the City's long-term fiscal health? Stated simply, the City will need broad-based community support – in evidence on Election Day – to implement new revenue sources. In this new model of direct democracy, creating support among elected officials and community leaders – even if it broadly crosses a number of interest groups – is no longer enough.

And based on the experience of other cities, achieving this support at the *ballot box* (the only place it matters) requires two key ingredients: a compelling vision of how the new revenues would be used; and an effective way of communicating this vision to likely voters.

PROSPECTS IN THE POST PROPOSITION 218 ENVIRONMENT

Under Proposition 218 adopted in November 1996, the ground rules for municipal finance were fundamentally changed. In short, any major, broad-based revenue program will require voter approval. In the case of tax revenues, majority voter approval is required for general-purpose taxes; and two-thirds voter approval for special taxes. Assessments are still possible for selected services; however, they are limited in the kinds of services that can be funded through them (these typically fall into more traditional services such as streets, sidewalks and sewers where costs and benefits can be closely linked); and there are rigorous “assessment ballot” procedures. Any form of citywide assessment district with simple apportionment factors is virtually prohibited.

Limited Opportunities for the Council to Increase Revenues

As discussed in Chapters 1 and 2, there are a limited number of areas where revenues can be raised by the Council without voter approval, such as user fees. Along with these, grant revenues and enhanced economic development efforts can also play a role in augmenting the City's fiscal capacity. However, grant programs are few and far between; and those that remain are more competitive than ever. Moreover, they are focused (appropriately) on the goals and priorities of the granting agency, which may not be the same as the City's. For this reason, while they can be important in enhancing City projects and in providing funding for “pilot” programs, grant revenues cannot be relied upon as a long-term financing source for high-priority programs and projects.

The same is true for even the most successful economic development programs: these are long-term programs, which can typically take five to twenty years before a community sees the benefits; and the results can never be guaranteed: while the City can be a partner in local economic development efforts, ultimately a healthy economy depends on successful private sector market decisions, which the City does not control.

Paramount Need for Broad-Based Community Support

Other than these limited resource options, the City will need strong community support – in evidence on election day – for anything else it does in implementing any significant new or increased revenue sources.

3. PREPARING FOR A SUCCESSFUL REVENUE MEASURE

Intensive, Community-Based Program Required for Success. Communities in California have been successful in generating broad-based voter support for new revenues when:

- There has been a major community-wide focus on desired programs. In these cases, revenue increases have followed these “visioning” efforts, not driven them.
- There are serious fiscal or service problems of crisis proportions.

Although they were driven by very different factors – hopes versus fears – all of these successful efforts share one thing in common: they were the result of extensive community-based efforts, which included a combination of outreach tools, and professional assistance to use them effectively such as:

- Focus groups.
- Professionally conducted, scientific surveys.
- Town hall meetings.
- Direct mailings and/or newspaper inserts – “community budget-building” exercises.
- Strong follow-on advocacy group for ballot measure support.

Based on the experience of many cities and other local government agencies throughout the State, if the need is compelling and is effectively communicated, this effort is likely to be successful. However, it requires commitment, resources (more on this later), time, and most importantly, a strong community-based advocacy group that will aggressively raise funds and campaign for the issue once it is on the ballot.

This last issue cannot be stressed enough. Under State law, cities have broad discretion in using their funds for professional assistance in researching issues, conducting surveys, and developing voter support strategies. However, once an issue becomes a formal ballot measure, cities cannot participate as an advocate in any way. In short, unless there is a strong community-based group who is willing to aggressively raise funds and campaign for the measure, it is not likely to pass.

ELEMENTS OF A SUCCESSFUL REVENUE MEASURE

There are three major steps that have been used successfully by local agencies throughout the State in preparing for a successful revenue measure:

- ***Feasibility Assessment.*** Conduct public opinion research and assess the likelihood of a successful revenue measure.
- ***Education Program.*** If the public opinion research is favorable, develop and implement an educational campaign on why new revenues are needed.
- ***Ballot Measure.*** Place the measure on the ballot *if* there is a community-based group that will aggressively campaign for its passage.

3. PREPARING FOR A SUCCESSFUL REVENUE MEASURE

The following further summarizes the components of each of these steps. It is important to stress that while the City can take the lead on these three tasks in preparing for the measure, once it is placed on the ballot it can no longer be an active participant in the process or commit resources to its passage in any way. For this reason, even though the results of the first two steps may have been very positive, placing the measure on the ballot should only occur if there is a community-based group has emerged that will campaign for its passage.

Lastly, in Greenfield's case, not all of these actions might be necessary if the City chooses to move forward with a revenue ballot measure. However, the following provides the City with an overview of the actions that other local agencies have taken in successfully preparing for a revenue ballot measure.

Feasibility Assessment

The first step many agencies have taken in assessing the feasibility is to hire a qualified team of a public opinion research firm and a revenue measure advisor. The results of the public opinion research are invaluable in assessing at the very beginning if there is adequate voter support for a new revenue measure. While support can subsequently be built (or maintained) through an education program, if there is very low support initially, an education campaign is unlikely to be successful in gaining voter support on Election Day.

The public opinion survey will typically surface three key issues:

- ***How does the community feel about the City and the services it delivers today?*** The experience from revenue measures in other communities show that it is very difficult to gain voter support for new revenues where there isn't already a high level of satisfaction with City services and trust in its government. In short, if voters do not feel that current revenues are being used wisely, they are not likely to approve more.
- ***What programs are most likely to attract voter support?*** What do voters see as the biggest problems in the community, and would be likely to approve additional funding for: Public safety? Street maintenance? Parks and recreation? What messages would be most effective in community the need for additional resources? On the other hand, which service areas are least likely to attract voter support? And what are the reasons why voters would not support a revenue measure?
- ***What revenues would voters most likely support?*** As discussed in detail in Chapter 2, there is a wide range of new revenue options available to the City. Which of these is most likely to attract to attract the most voter support? And how does support change based on the rate and level of revenue generated? In the final analysis, each of these revenue options has underlying philosophical reasons that might make them desirable, such as added revenue diversity, stability or shifting the tax burden to non-residents. However, the best candidate for a successful measure is probably the one that voters are the most supportive of at the outset.

3. PREPARING FOR A SUCCESSFUL REVENUE MEASURE

From the results of this research, the local agencies can evaluate the feasibility of a revenue measure; and if it is, determine the elements of an effective education program (which is the next step).

This step will take 60 to 90 days. Scientific public opinion research like this typically costs about \$20,000.

Public Information Program

Before placing a measure on the ballot, this next step is essential in communicating the need for additional revenues to likely voters. Possible elements include:

- Refining the new revenue purposes and uses.
- Selecting the financing mechanism.
- Developing and implementing a public education program.
- Conducting additional survey research (tracking poll) to assess shifts in support.

Refining the Measure

Based on the result of the public opinion survey, local agencies need to decide which items to fund in the measure. This includes making a key strategic decision: should this be a majority or two-thirds voter approval measure? As discussed more fully in Chapters 1 and 2, general-purpose tax measures only require majority voter approval, while special taxes (general obligation bond measures), where the proceeds are restricted as to their use, require two-thirds voter approval.

On its surface, passage of a majority voter approval measure would appear “numerically” easier; however, since its proceeds cannot be earmarked for a specific purpose, it can be difficult to communicate the need for the measure, when in essence it calls for raising taxes for no particular reason. On the other hand, while it is obviously a greater challenge to gain two-thirds than majority voter approval, it has the advantage of communicating a more focused (and compelling) reason for added revenues.

However, regardless of whether it is a majority or two-thirds measure, a local agency needs to communicate a compelling reason for why it needs added revenues.

Developing Key Messages

Once the agency has determined the basic strategy (majority or two-thirds voter approval) and refined the funding items, assigned costs and select a funding mechanism, key messages are developed that:

- Address the need for such a measure, and why now—make the case that this is a necessary, responsible fiscal plan.

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- If a two-thirds measure, include specifics of the items to be funded.
- Establish protections for ensuring money will be spent responsibly, such as outside audits, sunset provisions or citizen’s oversight committee.

Building Community Support

Opinion Leaders. Depending on the funding mechanism and uses identified for the measure, building community consensus is essential. Early in this process, key constituents, stakeholders, business leaders and other public officials should be contacted and their support, questions or opposition evaluated. This also begins to identify possible members of the community-based group that will be essential later in advocating for passage of the measure.

Public Information Program. An effective public information program often includes the following communications components:

- Personal meetings with external “Opinion Leaders” to educate them on the funding needs contained in a possible measure and obtain input.
- A series of non-partisan, information-only mailings to Opinion Leaders, again about the agency’s funding needs.
- A series of non-partisan, information-only mailings to constituents determined by the public opinion survey as needing more information about the agency’s funding needs.
- A “free media” plan that includes (but is not limited to): non-partisan guest columns, “op-eds” and stories in neighborhood newsletters or other local outlets about the agency’s funding needs.
- Where appropriate, “fixed site visibility” activities where constituents and/or agency representatives table or otherwise distribute non-partisan information about a potential revenue measure.
- A speaker’s bureau primarily led by constituents to make presentations to key community organizations as needed.

As part of an agency’s media/communications plan, information-only fact sheets, brochures, letters, newsletters and guest columns are developed for mailing and distribution. Where time permits, these communications seek citizen input in an “interactive” manner.

Ideally, before placing a revenue measure on the ballot, the agency’s public information program has:

- Shifted public opinion further towards support of a possible revenue measure.
- Yielded letters and cards providing it with guidance on how to further refine the measure.
- Answered questions about its funding needs.
- Generated greater community awareness before taking action to place a revenue measure on the ballot.

3. PREPARING FOR A SUCCESSFUL REVENUE MEASURE

Additional Public Opinion Research

Following the public information program, the agency might consider conducting another scientific public opinion survey—an abbreviated version also known as a “tracking poll”—just before placing the measure on the ballot. The purpose of this tracking poll is a final “litmus test” in ensuring that there is substantial voter approval at this point and to confirm financial thresholds: that the agency is not asking for too little or too much money for the measure.

Conducting a tracking poll close to the time that the agency makes a final decision in going forward with a ballot measure is the final opportunity to evaluate where the electorate is, and to make adjustments in the measure as necessary—including not going forward at all.

Timing and Implications of Other Ballot Measures and Issues

If the measure is for general-purpose revenues (majority voter approval), then it must be held in conjunction with Council elections (unless the Council unanimously declares an emergency). The next opportunity for this is November 2016. A two-thirds voter approval election can be held at any time.

Cost and Timing

An effective public information program will take 90 to 180 days. Cost will depend on the scale of the outreach effort, such as direct mailings, tracking poll and professional assistance in preparing the public information program.

Placing the Measure on the Ballot

The agency’s final action is to place the item on the ballot. As noted above, local agencies cannot commit any resources in advocating for its passage. Because of this, even if all the other factors to-date have been favorable, the agency should seriously consider not placing the measure on the ballot if by this time an effective community-based group has not emerged that will be campaign aggressively for its passage.

TIMING

The following summarizes the general timing in preparing for a successful revenue measure:

Task	Time
Select research/advisor team	30 to 90 days
Conduct public opinion research and evaluate results; make “go/no-go” decision in proceeding further.	60 to 90 days
If “go:” Develop and implement public information campaign.	90 to 270 days
Evaluate results and make decision on placing measure on the ballot.	30 days
If “yes:” Vote on measure.	90 to 120 days
TOTAL	10 to 20 Months

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As reflected above, from the time a decision is made to seriously *consider* a revenue measure, 12 to 20 months are required to effectively prepare for one.

SUMMARY

Preparing for a successful revenue measure in this era of “direct democracy” requires an approach that engages voters in the decision-making process. Gaining this support—in evidence on Election Day—requires more than a compelling need: it also requires communicating this need in a compelling way. And this requires effective preparation by the local agency—doing its homework, and allocating adequate time and resources to this endeavor—before placing revenue measure on the ballot (which is within the control of the agency); and an effective community-based group that will campaign for its passage afterwards (which is not).

4. REVENUE DIVERSITY AND STABILITY

The following "White Paper" was prepared for the Institute of Local Self Government and first presented at the League of California Cities Annual Conference as part of the "Symposium on the Future of Local Government Finance" on October 4, 2002.

LOCAL GOVERNMENT REVENUE DIVERSIFICATION, FISCAL BALANCE/FISCAL SHARE AND SUSTAINABILITY

by

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INTRODUCTION

This white paper examines the concepts of revenue diversity and sustainability, and argues that these concepts should be expanded to include achieving and maintaining an appropriate "fiscal share" of financial resources generated by a jurisdiction's local economy. It further argues that rather than only rail against the state for damaging local government finances, our energies should also be directed to using revenue diversity as a strategic tool for creating increased fiscal independence. Increased fiscal independence is essential to ensure the continued and uninterrupted financing of local government services in California.

THE CONCEPTS OF REVENUE DIVERSITY AND SUSTAINABILITY

Background

A review of the literature concerning revenue diversification and fiscal balance indicates that "revenue diversification" is generally understood to mean the process of creating multiple sources of revenue flows to finance local government operations. It is also generally understood to be a tool for achieving "fiscal balance": an appropriate mix of revenue sources and an appropriate mix of revenue bases by revenue source. For example, concerning revenue bases, a Business License Tax that applied various tax rates to all types of businesses in a community would be more diverse than a Business License Tax that only applied to selected types of businesses (i.e. who pays), and/or that overly relied upon a small set of relatively higher tax rates applied to some businesses for most of the Business License tax revenue (i.e. how much individual payers paid).

4. REVENUE DIVERSITY AND STABILITY

When an appropriate “fiscal balance” has been achieved through revenue diversification, it is generally argued that certain benefits accrue to the jurisdiction:

- A greater probability that the level of overall spending would be lower because less service disruptions and other operating inefficiencies associated with over reliance on more limited or uncertain revenue sources would have to be financed;
- A greater probability that sufficient revenues would be generated to sustain current services and service levels;
- Economic equity and efficiency would be improved by spreading the “burden” of financing local government among a broader base of revenue generators (i.e. taxpayers and fee payers) and the use of the lowest possible tax or fee rates;
- There would be a greater ability to avoid fiscal crisis due to fluctuations in the normal economic cycle, legal challenges, and political action because different revenue sources respond in different ways and over different time periods to such fiscal crises; and
- There would be an increased ability to generate more revenue to finance increased spending that may be necessary due to imposed judicial or legislative demands, natural disasters, or changes in public demands/service priorities.

While empirical studies to date have failed to either confirm or refute that such benefits result from revenue diversification, public finance professionals believe that revenue diversification is, nevertheless, desirable. For example, the Government Finance Officers Association has adopted the following best practice policy guidance 4.6 for governments:

Practice: *A government should adopt a policy that encourages a diversity of revenue sources.*

Rationale: *All revenue sources have particular characteristics in terms of stability, growth, sensitivity to inflation, or business cycle effects, and impact on tax and rate payers. A diversity of revenue sources can improve a government’s ability to handle fluctuations in revenues and potentially help to better distribute the cost of providing services.”*

Over the last 30 years, empirical studies of local government revenue diversification generally conclude that revenues have become more diverse primarily as a reactive result of the need to replace lost revenue flows due to legislative and/or voter actions (e.g. the shift to a greater use of fee and other tax revenue sources following the lost of property tax revenue due to Proposition 13), rather than as the result of a revenue diversification strategy designed to achieve directly some of the benefits described above.

Relatively little has been written concerning the relationship between the concept of “sustainability” and local finance. Probably the best work to date appeared as an article, “Portland, Oregon: A Case Study in Sustainability” in the February 2002 issue of

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Government Finance Review (pages 8 –12). In that article, sustainability was defined as:

“Simply put, sustainability is the notion that the current economic and consumption patterns should not reduce opportunities for future generations by depleting or impairing resources. Put another way, sustainability is the process of creating balance among the environment, the economy and social equity. The concept is derived from recognition that the earth’s natural capital is limited and that pollution and wastefulness are a drain on the economy.”

The remainder of the article develops the argument that finance officers need to be more involved in local government policies that affect the balance among the environment, the economy and social equity because environmentally unsustainable policies simply cost more, and often a lot more, than sustainable policies.

Expanding on the Concepts of Revenue Diversity and Sustainability

The development, to date, of the concepts of revenue diversification and sustainability have focused primarily on increased fiscal performance assumed to result from revenue diversity/fiscal balance, and reduced local government costs from the adoption of environmentally sustainable policies. The authors of this white paper suggest, however, that these concepts may be more useful if they are expanded to include the goal of increasing local government fiscal independence.

For the many reasons explored in the next section of this white paper, local governments in California need to increase their fiscal independence. An expansion of the concepts of revenue diversity and sustainability can help local governments achieve this goal.

The authors suggest that “revenue diversity” needs to be viewed as a conscious strategy to implement and structure multiple revenue sources in such a manner as to ensure that a local jurisdiction’s annual revenue flow represents a constant percentage or proportion of the gross local jurisdiction’s economic product (i.e. the annual value of all goods and services produced/provided within the boundaries of the jurisdiction). In short, revenue diversification needs to be seen as a tool to achieve an appropriate “fiscal share” of financial resources generated by the local economy, rather than as a tool to achieve “fiscal balance.”

This new way of understanding “revenue diversity” assumes that: a) the ability of a local economy to produce goods and services is, to a substantial degree, dependent on the range and quality of governmental services provided to the community by the local government; b) the kinds of governmental services and the quality of services provided by the jurisdiction are determined by the governing body of the jurisdiction; c) the minimum percentage or proportion of the jurisdiction’s annual gross economic product to be “diverted” to the local government in order to finance governmental services is determined by the governing body of the jurisdiction through the design and implementation of the local revenue structure; and d) the provision of governmental

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services should not have to be varied simply as a result of fluctuations in the local economy and its ability to generate local revenue, or due to adverse legal or State political action.

Assumption “d)” is central to re-focusing “revenue diversity” to be a tool for achieving “fiscal share.” It means that if the local economy should decline, the local governmental revenue structure would be designed to automatically adjust so as to ensure a sufficient amount of local government revenue continues to flow to maintain local services and service level. Alternatively, it could also mean that the revenue flow would only be reduced to a pre-defined level that would be sufficient to finance a minimally acceptable set of services/service levels as set by the local governing body. Further, it means that it is in the public interest that local government services be maintained at no less than some pre-defined level as determined by the jurisdiction’s governing body.

For example, existing tax and/or other revenue sources could be redesigned so that if certain pre-defined changes happened in the local economy, tax rates or fee levels would automatically be adjusted (within appropriate limits) to provide some degree of offsetting revenue generation. Another possibility would be that if certain pre-defined changes happened, reserve fund balances (i.e. “rainy day” funds) would also automatically come into play on their own or in conjunction with other automatic adjustments in tax and/or fee rates. The point is that some flexibility would already be built into the local jurisdiction’s revenue structure that is not only reliant on just the mix of revenue sources.

Establishing such revenue structures may require new voter approvals or possibly additional legal authority for local jurisdictions so that they could craft revenue diversification strategies and technical implementing mechanisms specific to the particulars of a jurisdiction’s local economy and service/service level mix.

Similarly, the concept of sustainability, as used in the context of local government finances, needs to be expanded to also include the maintenance over time of an appropriate fiscal share of the financial resources generated by the local economy in order to continue to finance local services/service levels. For example, the redesign of revenue structures discussed above might include the provision that implementation of the automatic features would extend over the following fiscal year, unless specifically halted by the local jurisdiction governing body.

THE NEED FOR GREATER FISCAL INDEPENDENCE

We’re all well aware of the lousy hand that cities have been dealt over the last twenty-five years in our ability to manage our fiscal affairs. These include the:

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- Loss of control over what had traditionally been the mainstay of city finances—local property taxes—with the passage of Proposition 13 in 1978.
- Requirements to reach agreement on tax sharing in annexations with counties.
- State budget grabs like ERAF in the mid-1990's, further devaluing the importance of property taxes, our most stable revenue source.
- Increased State mandates. (Forget about reimbursing us for them: how about just not taking funds away at the same time?)
- Changing nature of our economy from goods to services, and the inability of most of our local revenue bases to effectively capture this change; and in terms of the smaller market for goods that remains, increasing competition from catalog and Internet sales.
- And the most recent pair of deuces in a game where it takes at least two-pair just to break even: Propositions 62 and 218, which further limited the discretionary ability of local elected officials to balance services and revenues.

For the most part, our institutional response to these has been to rail against the lousy hand we've been dealt, and try to get the "house" (the State) to play more fairly, and stop stacking the deck against us. Given the poor treatment we've received and the continued "dealing from the bottom of the deck," our view of ourselves as innocent victims is not unreasonable – because we are. This makes our desire for redress and restitution—and our collective efforts through the League to get them – also reasonable and understandable. And in this case, collective effort is essential for any chance of success: no one city can make these changes happen alone. Moreover, as we've seen, even cities together cannot be successful: this requires forging coalitions with other local agencies and "stakeholders."

But let's be realistic: the outcome from these efforts is uncertain at best. Should the State restore ERAF? Of course it should. Did the Governor run four years ago and promise to restore ERAF? Yeah. To paraphrase John Lennon, is life what happens while you're busy making other plans? Well, yeah again. And really, did anyone who ever stole something fair and square ever give it back?

(Just think: Native Americans. On the other hand, not to overstress this card game metaphor, but they did ultimately get legal gaming, so may be there is something to just persevering long enough And okay: let's give the devil his due: the State promised not steal any more away from us, and it has honored this commitment so far.)

The point is this: as individual cities, there is little we can do on our own to get dealt a better hand. (And as the saying goes: we can't we win; we can't fold; we can't even quit the game!)

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However, we believe there are opportunities to better play the hand we already have, and this is where we should focus on efforts: on the things we can control.

In short, we need to re-up on our efforts for fiscal independence, using the tools we already have. To try a different metaphor, we can't control the weather—but we can put on an overcoat and galoshes when it rains. (And this means we thought about the rainy season before it came, and went out and got ourselves an overcoat and galoshes before the winter storms arrived.)

So, what are the “galoshes” available to us?

There are several, most of which involve clear fiscal policies that set the financial foundation for decision-making. These should be our “global positioning systems” and radar in stormy weather, and include clear policies on the appropriate use of debt financing, avoidance of long-term commitments and use of one-time revenues for one-time costs. They should also include:

- User fee cost recovery policies and plans to minimize the use of limited general-purpose revenues for services where fees are possible, in order to free them up for other purposes.
- Minimum fund balance policies to provide greater flexibility and stability in dealing with revenue swings, unexpected expenditures and other contingencies.
- And revenue diversity: doing all you reasonably can to keep from putting all your eggs in one revenue basket.

Other “white papers” in this series deal with the first two topics; revenue diversity is the focus of this one.

STRATEGIC IMPORTANCE OF DIVERSITY

The authors are strong champions of the strategic importance of diversity as a key success factor in achieving fiscal independence.

First, because it just makes intuitive sense: the more you can spread the risk of any one revenue among many diverse sources, the more you can limit the impact of losses in any one area and better mitigate against downturns. In short, avoiding over-reliance on any one sector of the economy minimizes the adverse impacts when some (but not all) things inevitably go south. This is a fundamental principle of investment portfolio management, and it applies regardless of the size of your investments. And it is equally applicable to your revenues, whether you are a large city or a small one.

But secondly, transcending the theoretical stuff: because we've seen the powerful (and positive) impacts that it has had in our own cities. Not that either of our cities are Camelot and bulletproofed against recession – because we aren't. Our cities have seen tough times, too; and we'll see them again. However, because of our underlying

4. REVENUE DIVERSITY AND STABILITY

policies and diversification of our revenues, we have perhaps been able to navigate rough seas better than many other cities.

Some examples from San Luis Obispo:

Yes, we are heavily reliant on sales tax revenues just like the rest of you. (It accounts for about 30% of our General Fund sources). But we are relatively diverse within this source: in many cities, the top 5 sales tax generators account for 50% of total sales tax revenues. In San Luis Obispo, we have to go to our 50th generator to reach 50%. Transient occupancy tax (TOT) is a big part of our revenue picture, too. (It's our "Number 3" General Fund revenue source.) But again, we are relatively diverse in where our TOT revenues come from by property. The same is also true for our property taxes.

And we are also fortunate to have a pretty diverse revenue base within our "Top Five" revenues: sales tax, property tax, TOT, utility users tax and vehicle license in-lieu (VLF). Each of these draws on something different that's happening in our local economy. For example, within sales tax, our revenues from general consumer goods have been down for the last two quarters, but strong new car sales have offset this. (It takes a lot of sweaters to equal a car!) At the same time – while utility user taxes have been lukewarm and TOT has been down – property taxes and VLF are doing well. Overall, while not spectacular, we have been able to achieve modest growth in the past year in our General Fund revenues, but only because of their diversity.

We saw this in the mid-1990's recession, too, where modest growth in utility user taxes and TOT (which are now headed in the opposite direction) helped get us through severe downturns in sales tax and stalled property tax revenues.

Lastly, there is San Luis Obispo's "poster child" for diversity: our business tax ordinance. Before 1991, when we broadened the base and taxed all businesses on gross receipts at the same rate previously applied to retail (\$50 per \$100,000 of gross receipts), business tax revenues were about \$400,000 annually. Today, they are \$1.4 million making this by far our best performing revenue source over the past ten years (250% growth). **Why?** Because it has a broad and diverse base, and we're able to capture growth in all areas of our local economy: services, professions, construction, manufacturing, retail and tourism. (Just about everything except for telecommunications and financial services – and only because the State has pre-empted us there.)

Where to from Here?

First, take some time to assess the diversity of your revenue base, both by type (sales tax versus property tax versus VLF) as well as by key generators within each the type: who are your principal property tax payers? Who are your principal sales tax producers? What happens if they hit a slow-down? Or, worse leave altogether?

4. REVENUE DIVERSITY AND STABILITY

Secondly, if you find you are highly dependent on just a few key sources, adopt as a core fiscal health strategy the goal of diversifying them. This can take several forms, and some approaches will be more difficult than others. (For example, with the strong involvement and support from our business community, we were able to make the “structural” changes to our business tax ordinance back in 1991 with Council approval; today, under Proposition 218, this would require voter approval.) So, voter approval may be required to do some of these things. But that’s still local control, and many communities throughout the State have been successful in attracting voter approval when they have had a compelling vision to offer.

In order to build community support, one strategy for gaining acceptance for the importance of diversification on its own merits is to propose changes that would initially be revenue neutral, such as reducing rates in one area while broadening the base in others. While this may not have immediate benefits, it will better position you for the future. And that’s a critical factor for success in playing your hand as well as you can: making hay while the sun shines; closing the barn door before all the horses get out; repairing the roof before it rains. In short, through the use of solid fiscal policies: planning ahead.

SUMMARY

While we should certainly hope (and work together) for a better hand to play, the fact is that we do not control the dealer, nor – even if the dealer is an honest one – the inherent randomness of the draw. But we do control how we play the hand we have.

This doesn’t mean forever accepting a rigged game, and giving-up on working hard to make it fairer. (Here comes another game analogy.) But it does mean making the best use of the arrows that we do have in our quiver—that if shot well (with an overall game plan) can make a powerful difference when they hit their mark. We believe that our quiver strategy should be fiscal independence, and that a conscious strategy of revenue diversity is one the most powerful arrows in that quiver.

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Fiscal Policy ■ Financial Planning ■ Analysis ■ Training ■ Organizational Review

MEMORANDUM

February 6, 2015

TO: Susan A. Stanton, City Manager
 Jeri Corgill, Finance Director

FROM: Bill Statler 

SUBJECT: REVENUE OPTIONS STUDY: COMPARISON CITIES

The Revenue Options Study workscope includes comparisons with six to eight similar cities. The purpose of this report is to outline the methodology used in selecting the recommended ten comparison cities (two more than called for in the workscope):

Recommended Comparison Cities		
City	County	Population
Winters	Yolo	6,979
Escalon	San Joaquin	7,323
Gonzales	Monterey	8,383
King City	Monterey	13,211
Ripon	San Joaquin	14,855
Chowchilla *	Madera	18,971
Dinuba	Tulare	23,666
Galt	Sacramento	24,289
Sanger	Fresno	24,908
Soledad **	Monterey	24,997
Greenfield	Monterey	16,919

* Estimated Community Population: 12,000

** Estimated Community Population: 16,000

About Chowchilla and Soledad.

The population estimates for these ten cities are provided by the State of California's Demographic Research Unit as of January 1, 2014 (the most recent date for which this information is available). For Chowchilla and Soledad, these estimates include prison populations that are within the city limits: about 6,900 in Chowchilla and 8,800 in Soledad.

This results in comparable community populations of 12,000 in Chowchilla and 16,000 in Soledad.

SELECTIONS FACTORS

The goal is to select comparison cities in California that best match the following criteria (recognizing that finding up to ten cities that meet all of these criteria is unlikely):

- Population between 5,000 and 25,000
- Rural location
- Tourism minor part of City revenues
- Full service city providing similar scope of services as Greenfield
- Not the “central city” for its area (such as a county seat)
- Management/governance reputation

As outlined below, there are four steps in selecting recommended comparison cities:

- Identify California cities between 5,000 and 25,000 population and screen for rural location
- Screen for comparable transient occupancy tax (TOT) revenues
- Select “candidate cities” based on scope of services and financial management practices
- Identify finalists and recommend comparison cities

❶ Population Between 5,000 and 25,000 (Table 1)

Of the 482 cities in California as of January 1, 2014 (the most recent date that this information is available from the State), Table 1 presents all of those with populations between 5,000 and 25,000. Of these 161 cities, 93 are located in rural counties.

❷ TOT Revenues (Table 2)

Unlike Greenfield, many of these smaller communities have very strong tourist economies. This includes cities like St. Helena, Pacific Grove, South Lake Tahoe, Sonoma, Crescent City, Fort Bragg, Morro Bay, Mammoth Lakes, Pismo Beach, Solvang and Calistoga, where TOT revenues represent 20% to 50% of total general purpose revenues. Based on the State Controller’s report on City finances for 2011-12 (the most recent year that this information is available), Table 2 identifies 39 cities (including Greenfield) with TOT revenues that are greater than zero but less than 4% of total general purpose revenues.

Interestingly, while not an explicit factor, most of these cities are similar to Greenfield in lying next to a major federal highway (Highway 101, Highway 99 or Interstate 5), but are not destination or major overnight stops.

❸ Candidate Comparison Cities (Table 3)

Table 3 provides a matrix of the key services provided by each of these 39 cities based on the State Controller’s report (police, fire, parks & recreation, water and sewer). This table also includes King City: while its TOT revenues are close to 7% of total general

purpose revenues, it is a candidate for inclusion given its close proximity and other similarities to Greenfield.

As reflected in Table 3, virtually all of the cities are “full service” cities that provide services similar to those provided by Greenfield. In fact, only one city (Lathrop) contracts for police services. This table also shows that like Greenfield, most have significant Latino residents.

Lastly, in providing a high level assessment of governance and financial management practices, this table identifies whether the city’s recent audit (current as of at least as of June 30, 2013) and current budget (2014-15) are provided on its web site; and if so, if the city has received an award for excellence for its audit or budget from the GFOA or CSMFO.

④ Finalists (Table 4)

Table 4 shows 18 “finalist” cities. Except for Lathrop (which is not a full service city) and Auburn, Colusa, and Placerville (which are county seats), it includes all of the cities from Table 3 that provide both their audits and budget on-line. Additionally, given its similar population and demographics, Table 4 also includes King City, even though it does not provide its audit and budget on-line and has experienced a number of financial and management problems in recent years.

The ten recommended comparison cities reflect:

- Geographic proximity: Gonzales, King City and Soledad
- Cities that earned GFOA awards for excellence: Dinuba, Galt, Sanger and Winters
- “Best fit” considering size, geography and demographics: Chowchilla, Escalon and Ripon

As reflected in the side chart, five of these cities are smaller in population than Greenfield and five are larger, with an average size of 16,800 (very close to Greenfield’s 16,900).

Recommended Comparison Cities		
City	County	Population
Chowchilla *	Madera	18,971
Dinuba	Tulare	23,666
Escalon	San Joaquin	7,323
Galt	Sacramento	24,289
Gonzales	Monterey	8,383
King City	Monterey	13,211
Ripon	San Joaquin	14,855
Sanger	Fresno	24,908
Soledad **	Monterey	24,997
Winters	Yolo	6,979
Greenfield	Monterey	16,919

* Estimated Community Population: 12,000

** Estimated Community Population: 16,000

ALTERNATIVES

As noted above, King City does not meet the same TOT or “governance” criteria as the other finalist cities. Accordingly, a case could be made to exclude this city and include one of the other strong candidates instead. However, including it makes sense from a

geographic and demographic perspective. As such, based on follow-up discussions with City staff, it is recommended as one of the ten comparison cities.

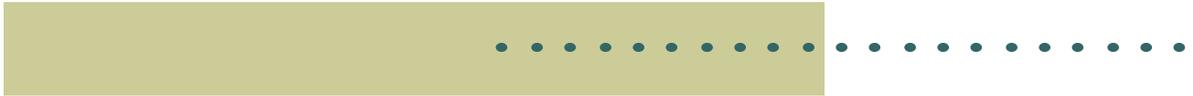


Table 1. California Cities: Population 5,000 to 25,000		
City	County	Population
Soledad	Monterey	24,997
Sanger	Fresno	24,908
Lafayette	Contra Costa	24,659
Seal Beach	Orange	24,591
Hercules	Contra Costa	24,572
Galt	Sacramento	24,289
San Fernando	Los Angeles	24,222
Cudahy	Los Angeles	24,142
El Cerrito	Contra Costa	24,087
Selma	Fresno	23,977
Calabasas	Los Angeles	23,943
Dinuba	Tulare	23,666
Loma Linda	San Bernardino	23,614
Coronado	San Diego	23,419
Barstow	San Bernardino	23,292
Riverbank	Stanislaus	23,243
Laguna Beach	Orange	23,225
Millbrae	San Mateo	22,605
Corcoran	Kings	22,515
Port Hueneme	Ventura	22,399
Duarte	Los Angeles	21,668
Oakdale	Stanislaus	21,442
South Lake Tahoe	El Dorado	21,409
Yucca Valley	San Bernardino	21,053
Patterson	Stanislaus	20,922
Lomita	Los Angeles	20,630
Agoura Hills	Los Angeles	20,625
La Canada Flintridge	Los Angeles	20,535
South El Monte	Los Angeles	20,426
Marina	Monterey	20,268
Arvin	Kern	20,226
American Canyon	Napa	20,001
Lathrop	San Joaquin	19,831
Hermosa Beach	Los Angeles	19,750
Dixon	Solano	19,005
Blythe	Riverside	18,992
Chowchilla	Madera	18,971
Pinole	Contra Costa	18,794
Albany	Alameda	18,472
Orinda	Contra Costa	18,089
Rancho Mirage	Riverside	17,745
Arcata	Humboldt	17,734
Shafter	Kern	17,461
Santa Fe Springs	Los Angeles	17,349
Arroyo Grande	San Luis Obispo	17,334
Greenfield	Monterey	16,919

Table 1. California Cities: Population 5,000 to 25,000		
City	County	Population
El Segundo	Los Angeles	16,897
Artesia	Los Angeles	16,776
Imperial	Imperial	16,708
Laguna Woods	Orange	16,581
Coalinga	Fresno	16,467
Moraga	Contra Costa	16,348
Ukiah	Mendocino	16,185
Truckee	Nevada	15,981
Oroville	Butte	15,980
La Palma	Orange	15,896
Susanville	Lassen	15,832
Pacific Grove	Monterey	15,431
Fillmore	Ventura	15,339
Clearlake	Lake	15,194
Parlier	Fresno	15,019
Ripon	San Joaquin	14,855
Hawaiian Gardens	Los Angeles	14,456
Kerman	Fresno	14,339
Mill Valley	Marin	14,257
Red Bluff	Tehama	14,131
Auburn	Placer	13,804
Livingston	Merced	13,793
McFarland	Kern	13,745
Palos Verdes Estates	Los Angeles	13,665
Carpinteria	Santa Barbara	13,442
Tehachapi	Kern	13,346
San Marino	Los Angeles	13,341
California City	Kern	13,276
Avenal	Kings	13,239
King City	Monterey	13,211
Grover Beach	San Luis Obispo	13,153
Solana Beach	San Diego	13,099
Commerce	Los Angeles	13,003
Malibu	Los Angeles	12,865
Grass Valley	Nevada	12,668
Lindsay	Tulare	12,650
San Anselmo	Marin	12,514
Grand Terrace	San Bernardino	12,285
Marysville	Yuba	12,266
Larkspur	Marin	12,102
Scotts Valley	Santa Cruz	11,954
Fortuna	Humboldt	11,902
Los Alamitos	Orange	11,729
Half Moon Bay	San Mateo	11,721
Kingsburg	Fresno	11,685
Healdsburg	Sonoma	11,541

Table 1. California Cities: Population 5,000 to 25,000		
City	County	Population
Signal Hill	Los Angeles	11,411
Hillsborough	San Mateo	11,260
Mendota	Fresno	11,225
Clayton	Contra Costa	11,200
Sierra Madre	Los Angeles	11,094
Piedmont	Alameda	11,023
Farmersville	Tulare	10,932
Canyon Lake	Riverside	10,826
Sonoma	Sonoma	10,801
Newman	Stanislaus	10,668
Exeter	Tulare	10,539
Placerville	El Dorado	10,527
Emeryville	Alameda	10,491
Anderson	Shasta	10,361
Morro Bay	San Luis Obispo	10,276
Capitola	Santa Cruz	10,136
Shasta Lake	Shasta	10,128
Orange Cove	Fresno	9,410
Corte Madera	Marin	9,381
Tiburon	Marin	9,090
Taft	Kern	8,942
Cloverdale	Sonoma	8,641
Waterford	Stanislaus	8,619
Live Oak	Sutter	8,481
Westlake Village	Los Angeles	8,386
Gonzales	Monterey	8,383
Los Altos Hills	Santa Clara	8,354
Calimesa	Riverside	8,231
Rolling Hills Estates	Los Angeles	8,184
Mammoth Lakes	Mono	8,098
Rio Vista	Solano	7,934
Yreka	Siskiyou	7,840
Firebaugh	Fresno	7,809
Woodlake	Tulare	7,711
Pismo Beach	San Luis Obispo	7,705
Orland	Glenn	7,683
Corning	Tehama	7,598
Ojai	Ventura	7,594
Fairfax	Marin	7,541
Calipatria	Imperial	7,517
Sebastopol	Sonoma	7,440
Fort Bragg	Mendocino	7,350
Escalon	San Joaquin	7,323
Cotati	Sonoma	7,288
Sausalito	Marin	7,175
Guadalupe	Santa Barbara	7,144

Table 1. California Cities: Population 5,000 to 25,000		
City	County	Population
Hughson	Stanislaus	7,118
Winters	Yolo	6,979
Crescent City	Del Norte	6,935
Atherton	San Mateo	6,917
Huron	Fresno	6,843
Ione	Amador	6,759
Gridley	Butte	6,739
Loomis	Placer	6,608
Colusa	Colusa	6,171
Holtville	Imperial	6,154
Willows	Glenn	6,154
St Helena	Napa	5,943
Villa Park	Orange	5,935
Fowler	Fresno	5,883
Gustine	Merced	5,648
Woodside	San Mateo	5,496
La Habra Heights	Los Angeles	5,420
Solvang	Santa Barbara	5,363
Williams	Colusa	5,363
Calistoga	Napa	5,224
Indian Wells	Riverside	5,137
Big Bear Lake	San Bernardino	5,121
Dos Palos	Merced	5,050

Table 2. California Cities: Population 5,000 to 25,000
Rural Counties: Ratio of TOT Revenues to General Purpose Revenues

City	County	Population	TOT % of Gen Revenue	Revenues (In Thousands)	
				Gen Revenue	TOT
Kerman	Fresno	14,339	0.00%	3,310	-
Mendota	Fresno	11,225	0.00%	2,545	-
Orange Cove	Fresno	9,410	0.00%	1,835	-
Parlier	Fresno	15,019	0.00%	2,027	-
Arvin	Kern	20,226	0.00%	3,103	-
McFarland	Kern	13,745	0.00%	2,175	-
Shafter	Kern	17,461	0.00%	13,102	-
Dos Palos	Merced	5,050	0.00%	1,021	-
Gustine	Merced	5,648	0.00%	1,288	-
Guadalupe	Santa Barbara	7,144	0.00%	1,405	-
Hughson	Stanislaus	7,118	0.00%	1,362	-
Newman	Stanislaus	10,668	0.00%	2,002	-
Riverbank	Stanislaus	23,243	0.00%	5,775	-
Waterford	Stanislaus	8,619	0.00%	1,843	-
Live Oak	Sutter	8,481	0.00%	1,806	-
Farmersville	Tulare	10,932	0.00%	1,835	-
Woodlake	Tulare	7,711	0.00%	1,477	-
Cotati	Sonoma	7,288	0.02%	4,454	1
Gonzales	Monterey	8,383	0.05%	2,151	1
Holtville	Imperial	6,154	0.05%	2,026	1
Ione	Amador	6,759	0.07%	1,524	1
Livingston	Merced	13,793	0.10%	4,104	4
Avenal	Kings	13,239	0.12%	4,136	5
Sanger	Fresno	24,908	0.13%	7,009	9
Winters	Yolo	6,979	0.15%	3,329	5
Firebaugh	Fresno	7,809	0.19%	2,130	4
Shasta Lake	Shasta	10,128	0.21%	2,351	5
Huron	Fresno	6,843	0.23%	1,315	3
Escalon	San Joaquin	7,323	0.24%	2,548	6
Imperial	Imperial	16,708	0.37%	4,922	18
Greenfield	Monterey	16,919	0.39%	2,800	11
California City	Kern	13,276	0.60%	2,500	15
Gridley	Butte	6,739	0.77%	2,604	20
Colusa	Colusa	6,171	0.88%	2,738	24
Dinuba	Tulare	23,666	0.92%	14,447	133
Coalinga	Fresno	16,467	0.93%	3,557	33
Loomis	Placer	6,608	1.05%	2,765	29
Soledad	Monterey	24,997	1.08%	4,441	48
Corcoran	Kings	22,515	1.16%	4,133	48
Exeter	Tulare	10,539	1.26%	2,852	36
Lindsay	Tulare	12,650	1.27%	3,950	50
Taft	Kern	8,942	1.28%	4,381	56
Marysville	Yuba	12,266	1.49%	5,514	82
Patterson	Stanislaus	20,922	1.51%	5,362	81
Calipatria	Imperial	7,517	1.59%	1,764	28
Ripon	San Joaquin	14,855	1.59%	6,211	99
Orland	Glenn	7,683	1.77%	2,543	45
Placerville	El Dorado	10,527	2.06%	6,371	131
Galt	Sacramento	24,289	2.13%	6,520	139
Selma	Fresno	23,977	2.37%	7,378	175
Auburn	Placer	13,804	2.73%	7,736	211
Fowler	Fresno	5,883	2.74%	3,540	97
Lathrop	San Joaquin	19,831	3.08%	7,525	232
Oakdale	Stanislaus	21,442	3.29%	7,075	233

**Table 2. California Cities: Population 5,000 to 25,000
Rural Counties: Ratio of TOT Revenues to General Purpose Revenues**

City	County	Population	TOT % of Gen Revenue	Revenues (In Thousands)	
				Gen Revenue	TOT
Clearlake	Lake	15,194	3.33%	4,739	158
Chowchilla	Madera	18,971	3.87%	3,692	143
Grover Beach	San Luis Obispo	13,153	4.02%	6,465	260
Oroville	Butte	15,980	4.19%	8,659	363
Kingsburg	Fresno	11,685	5.19%	3,388	176
Sebastopol	Sonoma	7,440	5.24%	5,722	300
Arroyo Grande	San Luis Obispo	17,334	5.46%	11,533	630
Cloverdale	Sonoma	8,641	5.49%	2,750	151
Healdsburg	Sonoma	11,541	5.90%	6,307	372
Corning	Tehama	7,598	6.09%	4,269	260
Anderson	Shasta	10,361	6.41%	4,340	278
King City	Monterey	13,211	6.62%	4,292	284
Ukiah	Mendocino	16,185	7.26%	10,680	775
Grass Valley	Nevada	12,668	7.49%	8,773	657
Susanville	Lassen	15,832	7.78%	5,027	391
Truckee	Nevada	15,981	7.82%	17,258	1,350
American Canyon	Napa	20,001	8.11%	11,516	934
Capitola	Santa Cruz	10,136	9.91%	9,201	912
Arcata	Humboldt	17,734	9.97%	10,397	1,037
Scotts Valley	Santa Cruz	11,954	9.97%	7,138	712
Williams	Colusa	5,363	10.02%	3,423	343
Tehachapi	Kern	13,346	11.08%	5,116	567
Red Bluff	Tehama	14,131	11.57%	5,135	594
Fortuna	Humboldt	11,902	12.43%	4,152	516
Yreka	Siskiyou	7,840	13.05%	4,798	626
Willows	Glenn	6,154	13.46%	2,971	400
Marina	Monterey	20,268	15.50%	12,103	1,876
St Helena	Napa	5,943	19.68%	7,728	1,521
Carpinteria	Santa Barbara	13,442	20.90%	6,799	1,421
Pacific Grove	Monterey	15,431	22.44%	13,996	3,141
South Lake Tahoe	El Dorado	21,409	23.73%	32,596	7,736
Sonoma	Sonoma	10,801	27.03%	8,724	2,358
Crescent City	Del Norte	6,935	27.79%	3,095	860
Fort Bragg	Mendocino	7,350	28.99%	4,874	1,413
Morro Bay	San Luis Obispo	10,276	31.52%	8,829	2,783
Mammoth Lakes	Mono	8,098	44.43%	22,334	9,924
Pismo Beach	San Luis Obispo	7,705	46.47%	14,914	6,931
Solvang	Santa Barbara	5,363	53.09%	5,054	2,683
Calistoga	Napa	5,224	56.24%	6,700	3,768

Table 3. Candidate Cities

City	County	Population	% Latino	Services Directly Provided By City					On-Line		GFOA/CSMFO Awards	
				Police	Fire	Parks/Rec	Water	Sewer	Audit	Budget	Audit	Budget
Auburn	Placer	13,804	10.0%	x	x			x	x	x		
Avenal	Kings	13,239	71.8%	x		x	x	x				
California City	Kern	13,276	38.8%	x	x	x	x	x		x		
Calipatria	Imperial	7,517	64.4%	x	x	x		x				
Chowchilla	Madera	18,971	37.8%	x	x	x	x	x	x	x		
Clearlake	Lake	15,194	21.3%	x		x			x	x		
Coalinga	Fresno	16,467	53.5%	x	x		x	x				
Colusa	Colusa	6,171	52.4%	x	x	x	x	x	x	x		
Corcoran	Kings	22,515	62.6%	x	x	x	x	x				
Cotati	Sonoma	7,288	17.3%	x		x	x	x	x	x		
Dinuba	Tulare	23,666	84.4%	x	x	x	x	x	x	x	x	x
Escalon	San Joaquin	7,323	27.0%	x		x	x	x	x	x		
Exeter	Tulare	10,539	45.4%	x		x	x	x		x		
Firebaugh	Fresno	7,809	91.2%	x	x	x	x	x				
Fowler	Fresno	5,883	66.2%	x	x	x	x		x	x		
Galt	Sacramento	24,289	42.8%	x		x	x		x	x	x	
Gonzales	Monterey	8,383	88.9%	x	x	x	x	x	x	x		
Gridley	Butte	6,739	45.6%	x	x	x	x	x	x			
Holtville	Imperial	6,154	81.8%	x	x	x	x	x				
Huron	Fresno	6,843	96.6%	x		x	x	x				
King City	Monterey	13,211	87.5%	x	x	x		x				
Imperial	Imperial	16,708	74.8%	x	x	x	x	x				
Ione	Amador	6,759	25.1%	x	x	x		x				
Lathrop	San Joaquin	19,831	42.6%			x	x	x	x	x	x	
Lindsay	Tulare	12,650	85.5%	x	x	x	x	x				
Livingston	Merced	13,793	73.1%	x		x	x	x				
Loomis	Placer	6,608	8.8%	x		x			x			
Marysville	Yuba	12,266	24.2%	x	x	x		x				
Oakdale	Stanislaus	21,442	26.1%	x	x	x	x	x	x	x		
Orland	Glenn	7,683	44.8%	x	x	x	x	x	x	x		
Patterson	Stanislaus	20,922	58.6%	x	x	x	x	x	x	x		
Placerville	El Dorado	10,527	17.9%	x	x	x	x	x	x	x		
Ripon	San Joaquin	14,855	22.2%	x		x	x		x	x		
Sanger	Fresno	24,908	80.5%	x	x	x	x	x	x	x	x	
Selma	Fresno	23,977	77.6%	x	x	x			x	x		
Shasta Lake	Shasta	10,128	8.5%	x		x	x	x	x	x		
Soledad	Monterey	24,997	71.1%	x	x	x	x	x	x	x		
Taft	Kern	8,942	35.9%	x		x		x	x			
Winters	Yolo	6,979	52.4%	x	x	x	x	x	x	x	x	x
Greenfield	Monterey	16,919	91.3%	x		x	x	x	x	x		

Table 4. Finalists

City	County	Population	% Latino	Services Directly Provided By City					On-Line		GFOA/CSMFO Awards	
				Police	Fire	Parks/Rec	Water	Sewer	Audit	Budget	Audit	Budget
Clearlake	Lake	15,194	21.3%	x		x			x	x		
Chowchilla	Madera	18,971	37.8%	x	x	x	x	x	x	x		
Cotati	Sonoma	7,288	17.3%	x		x	x	x	x	x		
Dinuba	Tulare	23,666	84.4%	x	x	x	x	x	x	x	x	x
Escalon	San Joaquin	7,323	27.0%	x		x	x	x	x	x		
Fowler	Fresno	5,883	66.2%	x	x	x	x		x	x		
Galt	Sacramento	24,289	42.8%	x		x	x		x	x	x	
Gonzales	Monterey	8,383	88.9%	x	x	x	x	x	x	x		
King City	Monterey	13,211	87.5%	x	x	x		x				
Oakdale	Stanislaus	21,442	26.1%	x	x	x	x	x	x	x		
Orland	Glenn	7,683	44.8%	x	x	x	x	x	x	x		
Patterson	Stanislaus	20,922	58.6%	x	x	x	x	x	x	x		
Ripon	San Joaquin	14,855	22.2%	x		x	x		x	x		
Sanger	Fresno	24,908	80.5%	x	x	x	x	x	x	x	x	
Selma	Fresno	23,977	77.6%	x	x	x			x	x		
Shasta Lake	Shasta	10,128	8.5%	x		x	x	x	x	x		
Soledad	Monterey	24,997	71.1%	x	x	x	x	x	x	x		
Winters	Yolo	6,979	52.4%	x	x	x	x	x	x	x	x	x
Greenfield	Monterey	16,919	91.3%	x		x	x	x	x	x		

Citywide Indirect Cost Rate			
Direct Costs		Indirect Costs	
General Fund		City Council	73,500
Parks & Recreation	220,300	City Manager	412,000
Community Development	263,400	City Attorney	75,000
Police	3,091,000	City Clerk	132,000
Special Revenue Funds		Finance	326,100
Gas Tax	698,400	Public Works Administration	44,500
Local Transportation	478,200	Fleet Maintenance	89,100
Lighting/Landscape Districts	525,800	Non-Departmental	599,600
Streets/Storm Drain Districts	141,000		
Other Special Revenue Funds	234,100		
Enterprise Funds			
Sewer	1,235,900		
Water	1,378,100		
Total Direct Costs	\$8,266,200	Total Indirect Costs	\$1,751,800

Citywide Indirect Cost Rate 21.2%

Reconciliation to Budget

Excluded: Capital & Debt Service Funds	
Impact Fee Funds	405,000
CDBG	2,000,000
Proposition 84	2,705,000
Debt Service Funds	268,000
Total Excluded	5,378,000
Total Direct	8,266,200
Total Indirect	1,751,800
TOTAL	\$15,396,000

SOURCES

California Department of Finance, Demographic Research Unit, *City/County Population Estimates*, 2014: <http://www.dof.ca.gov/research/demographic/reports/estimates/e-1/view.php>

California Department of Finance, Demographic Research Unit, *Census 2010*: <http://www.dof.ca.gov/research/demographic/index.php>

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California State Board of Equalization, *California City & County Sales & Use Tax Rates*: <http://www.boe.ca.gov/sutax/pam71.htm>

California State Controller's Office. *Cities Annual Report*, 2014 (for the fiscal year ending June 30, 2012): http://www.sco.ca.gov/ard_locrep_cities.html

California State Government Code and Revenue and Taxation Code: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>

City of Greenfield, 2014-15 Budget: <http://www.ci.greenfield.ca.us/modules/showdocument.aspx?documentid=2676>

City of Greenfield, Financial Statements, Fiscal Year Ending June 30, 2013: <http://www.ci.greenfield.ca.us/Modules/ShowDocument.aspx?documentid=2579>

City of Greenfield Municipal Code: <http://www.codepublishing.com/CA/greenfield>

Coleman, Michael. *California Municipal Revenue Sources Handbook*, League of California Cities, 2014.

HdL Companies, *Local Government Guide to Sales, Use and Transaction Taxes*, 2015: <http://www.hdlcompanies.com>

Comparison City Web Sites

Chowchilla: <http://www.ci.chowchilla.ca.us>

Dinuba: <http://www.dinuba.org>

Escalon: <http://cityofescalon.org>

Galt: <http://www.ci.galt.ca.us>

Gonzales: <http://www.ci.gonzales.ca.us>

King City: <http://www.kingcity.com>

Ripon: <http://cityofripon.org>

Sanger: <http://www.ci.sanger.ca.us>

Soledad: <http://www.ci.soledad.ca.us>

Winters: <http://www.cityofwinters.org>

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William C. Statler

Fiscal Policy ■ Financial Planning ■ Analysis ■ Training ■ Organizational Review

QUALIFICATIONS SUMMARY

Senior Management Experience

Bill Statler has over 30 years of senior municipal financial management experience, which included serving as the Director of Finance & Information Technology/City Treasurer for the City of San Luis Obispo for 22 years and as Finance Officer for the City of Simi Valley for 10 years before that.

Under his leadership, the City of San Luis Obispo received national recognition for its financial planning and reporting systems, including:

- Award for Distinguished Budget Presentation from the Government Finance Officers Association of the United States and Canada (GFOA), with special recognition as an outstanding policy document, financial plan and communications device. *San Luis Obispo is one of only a handful of cities in the nation to receive this special recognition.*
- Awards for excellence in budgeting from the California Society of Municipal Finance Officers (CSMFO) in all four of its award budget categories: innovation, public communications, operating budgeting and capital budgeting. Again, *San Luis Obispo is among a handful of cities in the State to earn recognition in all four of these categories.*
- Awards for excellence in financial reporting from both the GFOA and CSMFO for the City's comprehensive annual financial reports.
- Recognition of the City's financial management policies as "best practices" by the National Advisory Council on State and Local Budgeting.

The financial strategies, policies and programs he developed and implemented resulted in strengthened community services and an aggressive program of infrastructure and facility improvements, while at the same time preserving the City's long-term fiscal health.

Consultant Services

Strategic Plans, Fiscal Forecasts and Long-Term Financial Plans

- Strategic Planning: City of Monrovia (in collaboration with HSM Team)
- Council Goal-Setting: City of Willits (in collaboration with the HSM Team)
- Council Goal-Setting and Long-Term Financial Plan: City of Bell
- Long-Term Financial Plan: City of Salinas
- Long-Term Financial Plan: City of Camarillo

- Long-Term Financial Plan: City of Pismo Beach
- Long-Term Financial Plan: Bear Valley Community Services District

Organizational Analysis and Policy Advice

- Pro Bono Financial Management Transition Team and Policy Advice: City of Bell
- Preparation for Possible Revenue Ballot Measure: City of Monterey
- Financial Assessment: City of Guadalupe
- Organizational Review: City of Willits (in collaboration with the HSM Team)
- General Fund Reserve Policy: City of Lompoc
- Benchmark Analysis: City of Capitola
- Financial Management Improvements: City of Capitola
- Finance Division Organizational Review: Sacramento Metropolitan Fire District
- Finance Department Organizational Review: City of Ceres (in collaboration with Management Partners)

Interim Finance Director

- City of Monterey
- San Diego County Water Authority
- City of Capitola

Other Financial Management Services

- Water and Sewer Rate Review: Avila Beach Community Services District
- Revenue Options Study: City of Pismo Beach
- Cost Allocation Plan: City of Guadalupe
- Cost Allocation Plan: City of Port Hueneme
- Cost Allocation Plan: City of Grover Beach
- Water and Sewer Rate Review: City of Grover Beach
- Financial Condition Assessment: City of Grover Beach
- Joint Solid Waste Rate Review of Proposed Rates from South County Sanitary Company: Cities of Arroyo Grande, Grover Beach, Pismo Beach and Oceano Community Services District

Professional Leadership

- Member, Board of Directors, League of California Cities (League): 2008 to 2010
- Member, California Committee on Municipal Accounting: 2007 to 2010
- Budget and Fiscal Policy Committee Member, Government Finance Officers Association of the United States and Canada (GFOA): 2005 to 2009
- President, League Fiscal Officers Department: 2002 and 2003
- President, California Society of Municipal Finance Officers (CSMFO): 2001-02
- Member, Board of Directors, CSMFO: 1997 to 2001
- Chair, CSMFO Task Force on "GASB 34" Implementation
- Fiscal Officers Representative on League Policy Committees: Community Services, Administrative Services and Environmental Quality: 1992 to 1998

- Chair, Vice-Chair and Senior Advisor for CSMFO Committees: Technology, Treasury and Debt Management, Career Development, Professional and Technical Standards and Annual Seminar Committees: 1995 to 2010
- Member, League Proposition 218 Implementation Guide Task Force
- Chair, CSMFO Central Coast Chapter Chair: 1994 to 1996

Trainer

- League of California Cities
- Institute for Local Government
- California Debt and Investment Advisory Commission
- Government Finance Officers Association of the United States and Canada
- California Society of Municipal Finance Officers
- Municipal Management Assistants of Southern California and Northern California
- National Federation of Municipal Analysts
- Probation Business Manager's Association
- Humboldt County
- California Association of Local Agency Formation Commissions

Topics included:

- | | |
|---|---|
| • Long-Term Financial Planning | • Debt Management |
| • The Power of Fiscal Policies | • Transparency in Financial Management: Meaningful Community Engagement in the Budget Process |
| • Financial Analysis and Reporting | • Financial Management for Non-Financial Managers |
| • Fiscal Health Contingency Planning | • Preparing for Successful Revenue Ballot Measures |
| • Effective Project Management | • Integrating Goal-Setting and the Budget Process |
| • Providing Great Customer Service in Internal Service Organizations: The Strategic Edge | • Multi-Year Budgeting |
| • Strategies for Downsizing Finance Departments in Tough Fiscal Times | • Financial Management for Elected Officials |
| • Telling Your Fiscal Story: Tips on Making Effective Presentations | • 12-Step Program for Recovery from Fiscal Distress |
| • What Happened in the City of Bell and What We Can Learn from It | • Strategies for Strengthening Organizational Effectiveness |
| • The Power of Effective Meetings in Achieving Your Organization's Goals: Smart Uses of Electronic Scheduling | |

Publications

- [*Planning for Fiscal Recovery*, Government Finance Review, February 2014](#)
- [*Guide to Local Government Finance in California*, Solano Press, July 2012 \(Co-Author\)](#)
- [*Managing Debt Capacity: Taking a Policy-Based Approach to Protecting Long-Term Fiscal Health*, Government Finance Review, August 2011](#)
- [*Fees in a Post-Proposition 218 World*, League of California Cities, City Attorney's Department Spring Conference, May 2010](#)
- [*Municipal Fiscal Health Contingency Planning*, Western City Magazine, November 2009](#)
- [*Understanding the Basics of County and City Revenue*, Institute for Local Government, 2008 \(Contributor\)](#)
- [*The California Municipal Revenue Sources Handbook*, League of California Cities, 2014 \(Contributor: Chapter 8, "Cost Recovery"\)](#)
- [*Financial Management for Elected Officials*, Institute for Local Government, 2007 \(Contributor\)](#)
- [*Getting the Most Out of Your City's Current Revenues: Sound Fiscal Policies Ensure Higher Cost Recovery for Cities*, Western City Magazine, November 2003](#)
- [*Local Government Revenue Diversification, Fiscal Balance/Fiscal Share and Sustainability*, Institute for Local Government, November 2002](#)
- [*Why Is GASB 34 Such a Big Deal?*, Western City Magazine, November 2000](#)
- [*Understanding Sales Tax Issues*, Western Cities Magazine, June 1997](#)
- [*Proposition 218 Implementation Guide*, League of California Cities, 1997 \(Contributor\)](#)

Honors and Awards

- Cal-ICMA Ethical Hero Award (for service to the City of Bell)
- CSMFO Distinguished Service Award for Dedicated Service and Outstanding Contribution to the Municipal Finance Profession
- National Advisory Council on State and Local Government Budgeting: Recommended Best Practice (Fiscal Policies: User Fee Cost Recovery)
- GFOA Award for Distinguished Budget Presentation: Special Recognition as an Outstanding Policy Document, Financial Plan and Communications Device
- CSMFO Awards for Excellence in Operating Budget, Capital Improvement Plan, Budget Communication and Innovation in Budgeting
- GFOA Award of Achievement for Excellence in Financial Reporting
- CSMFO Certificate of Award for Outstanding Financial Reporting

- National Management Association Silver Knight Award for Leadership and Management Excellence
- American Institute of Planners Award for Innovation in Planning
- Graduated with Honors, University of California at Santa Barbara

Visit my web site for additional information at www.bstatler.com

