



Sales Tax Ballot Measure

City Council Meeting
July 21, 2020

Alan Alton
Acting Chief Financial Officer, Finance Department

Current Issues

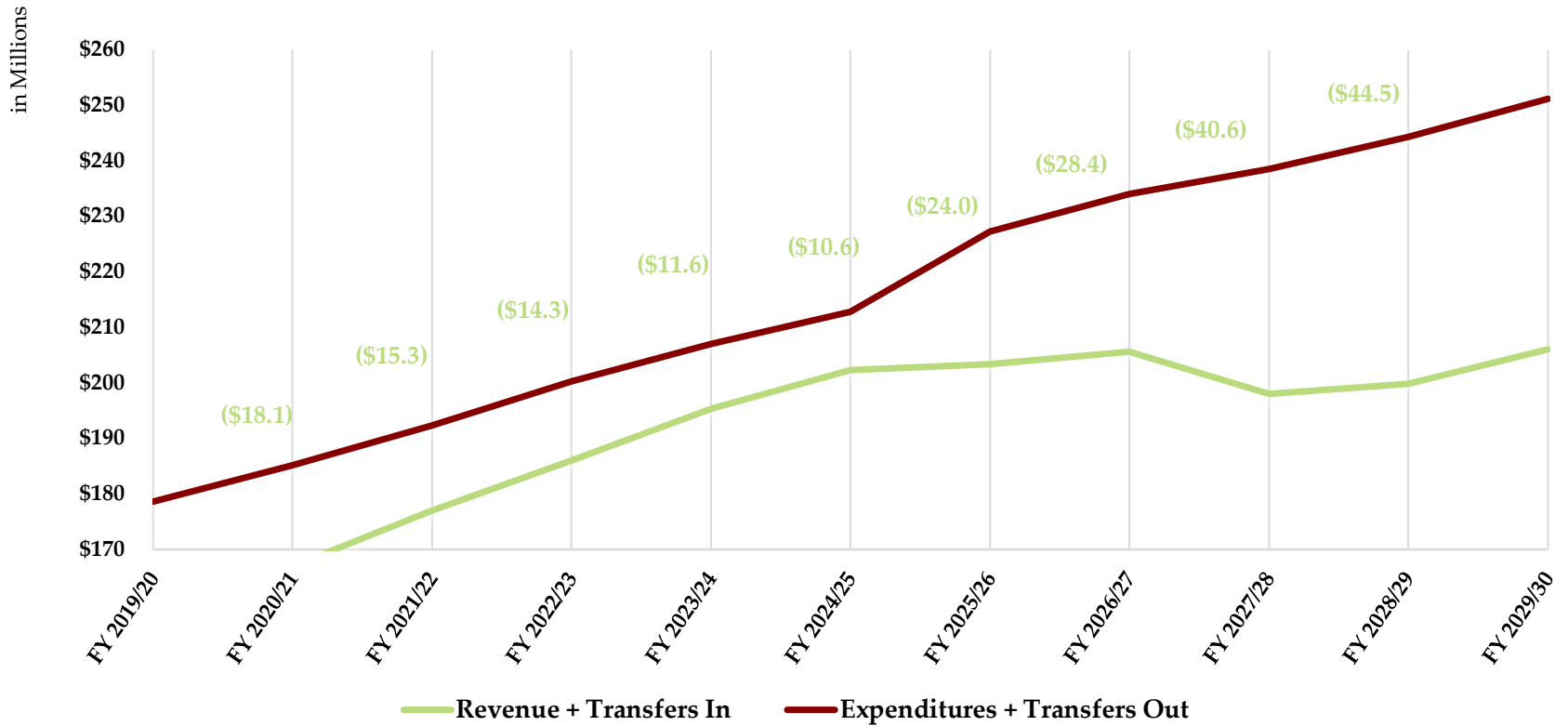
- Ongoing Structural Deficit
- COVID-19 Pandemic and Recession
 - Revenue losses last quarter FY 20, continuing into first quarter FY 21
 - Estimated 4+ years to return to pre-COVID sales tax amounts
- Three additional sales tax measures expire between 2025 and 2027
- Total Revenue Raised \$27M - \$30M per Year
 - \$18M - \$20M direct to General Fund
 - \$9M - \$10M Special revenue (not in GF)

Current Sales Tax Measures

- Public Safety Special Tax (expires 2025)
 - Police Programs
 - Fire Operations (Sta. 10, 11, and 5)
 - Violence Prevention Partnership Programs
- 2010 General Tax (expires 2027)
- 2018 General Tax (expires 2025)

- If Special Tax ends, programs supported by that revenue either cease, or are funded by General Fund

Impact of Expiring Sales Tax Measures



Actions Taken

- Engaged Godbe Research and TBWBH to craft ballot test questions and perform opinion survey
 - Several Research Questions
 - General favorability of City services
 - How is City managing through COVID-19
- Survey presented to Long Term Financial Policy and Audit subcommittee on July 9, 2020

Sonoma County Sales Taxes

- Current Santa Rosa Sales Tax Rate: 9.00%
- Sonoma County Sales Tax Cap: 10.25%

Proposed Sonoma County Tax Measures

Agency	Tax Type	Ext/New	Amount
Sonoma County	Sales Tax	Ext	¼ Cent
Sonoma County	Sales Tax	New (Mental Health & Homeless Services)	¼ Cent
Petaluma	Sales Tax	New	1 Cent
Cotati	Sales Tax	Extension	1 Cent
Healdsburg	Sales Tax	Extension	½ Cent
Sonoma	Sales Tax	Extension	½ Cent
Cloverdale	Util Users Tax	Extension	3%

June 2020 Opinion Survey



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City of Santa Rosa: 2020 Santa Rosa Revenue Measure Feasibility Survey

July 2020

Overview and Research Objectives

The City of Santa Rosa commissioned Godbe Research to conduct a survey of local voters with the following research objectives:

- Assess opinion on State and local governments' and districts' efforts to address the coronavirus crisis, the future direction of the economy, and the future direction of Santa Rosa;
- Gauge satisfaction with the City's provision of services;
- Assess potential voter support for a special sales tax measure versus a general sales tax measure to protect City or public safety services with locally controlled funding that cannot be taken by the State;
- Prioritize projects and programs to be funded with the proceeds;
- Test the influence of informational and critical statements on potential voter support;
- Identify the rate and duration at which voters will support the measure; and
- Identify any differences in voter support due to demographic and/or voter behavioral characteristics.

Methodology Overview

- Data Collection Landline (107), text to online (1,317), and email to online (100) interviewing
- Universe 75,885 likely November 2020 voters in the City of Santa Rosa
- Fielding Dates June 17 through June 25, 2020
- Interview Length 20 minutes
- Sample Size n=1,524
- Margin of Error $\pm 2.49\%$

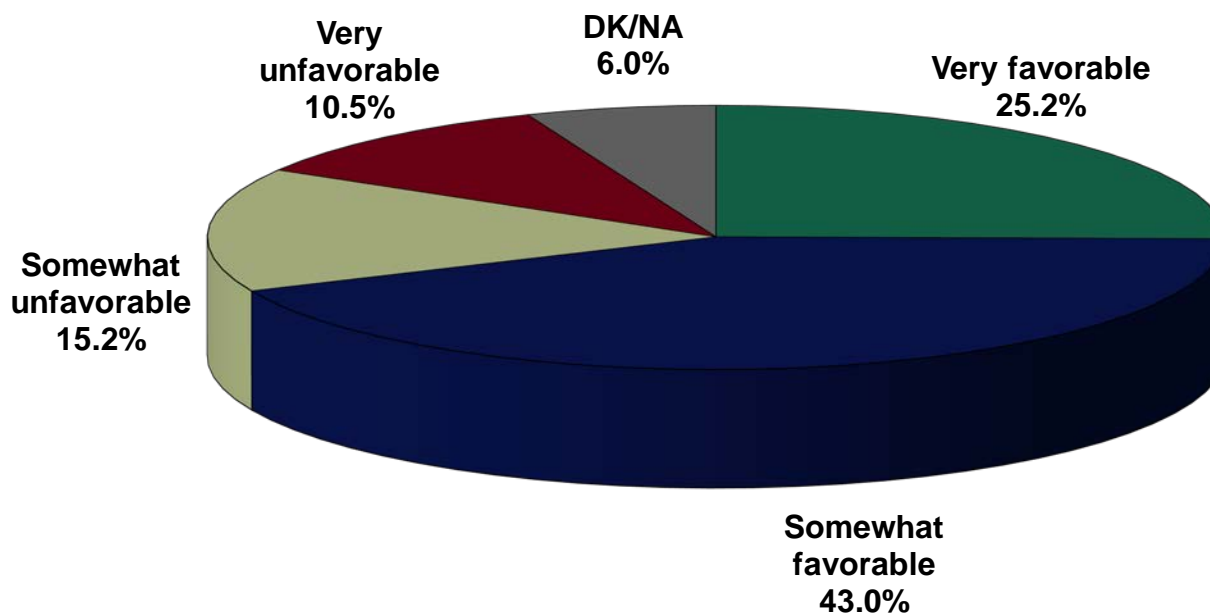


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Key Findings

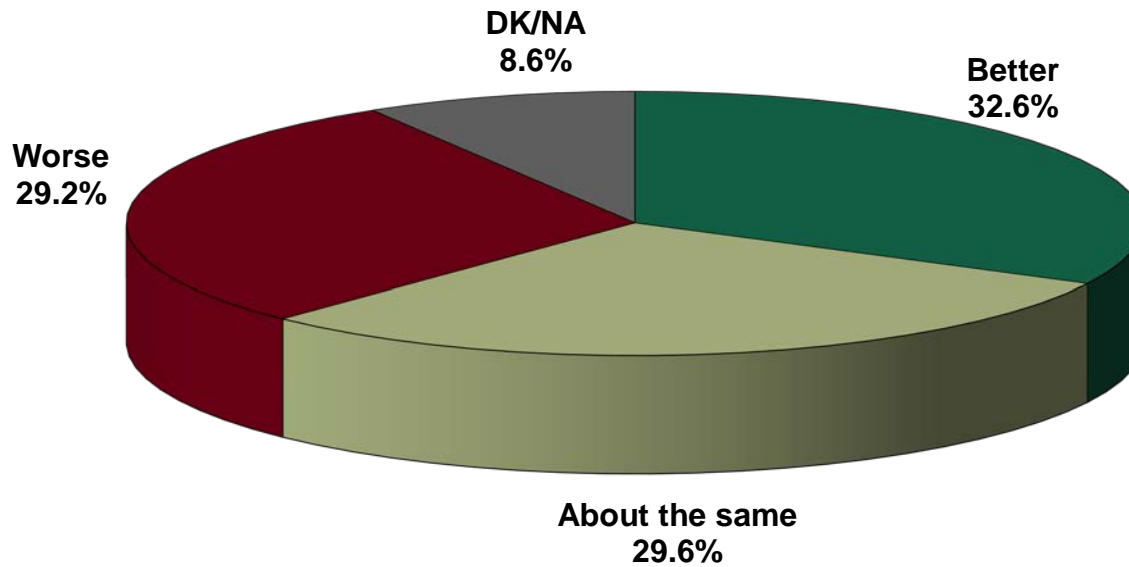
Q1. Favorability Rating of the Job State/Local Govts and Districts are Doing to Address the COVID Crisis Likely November 2020 Voters



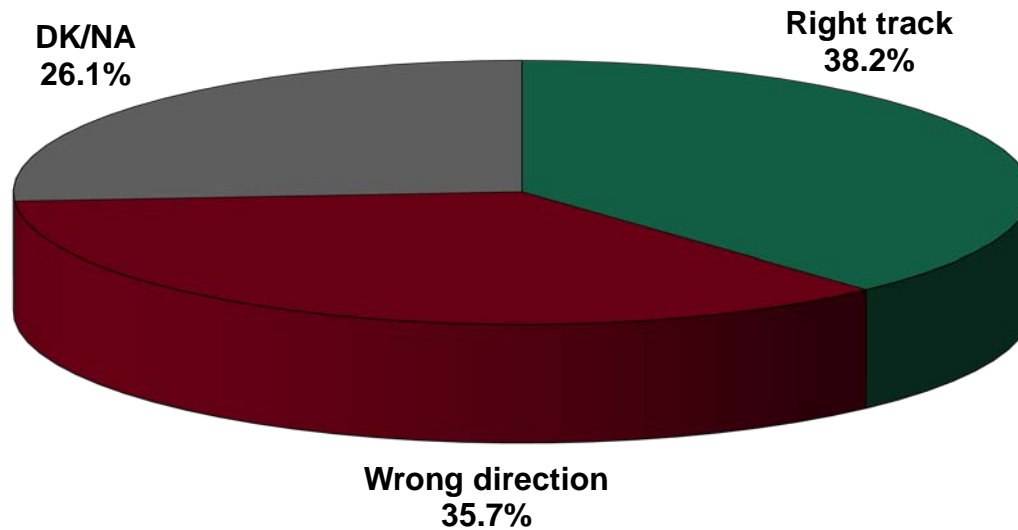
	<u>Nov '20</u>
Total Favorable	68.3%
Total Unfavorable	25.7%
Ratio Fav to Unfav	2.7

Q2. Opinion on Future Direction of the Economy

Likely November 2020 Voters



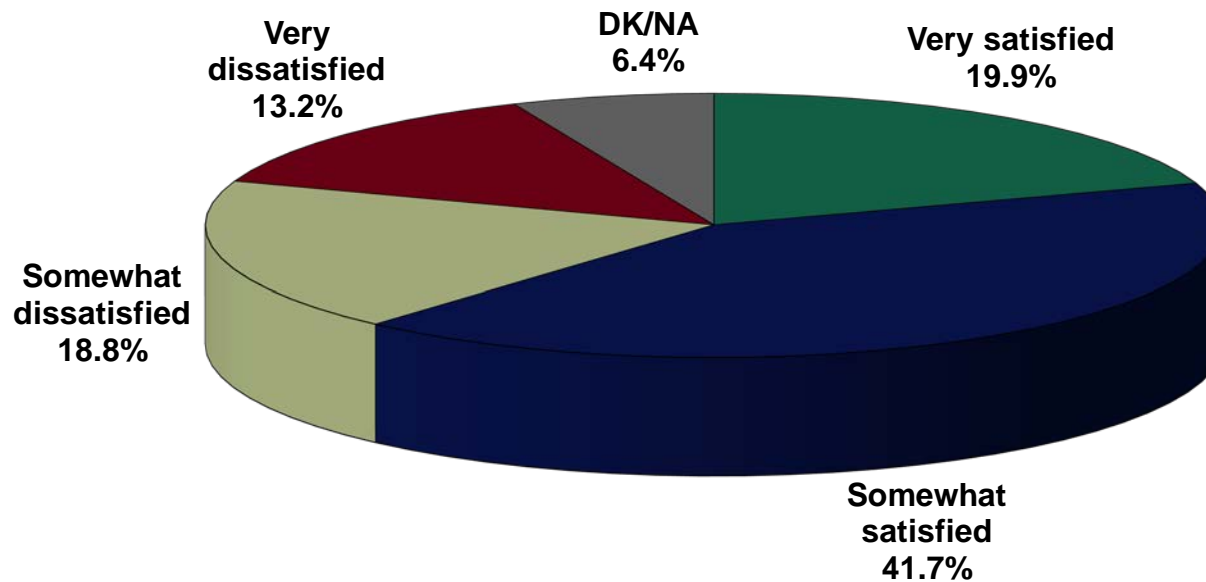
Q3. Opinion on Direction of Santa Rosa Likely November 2020 Voters



	<u>Nov '20</u>	<u>Nov '18</u>
Right Track	38.2%	34.4%
Wrong Direction	35.7%	37.9%

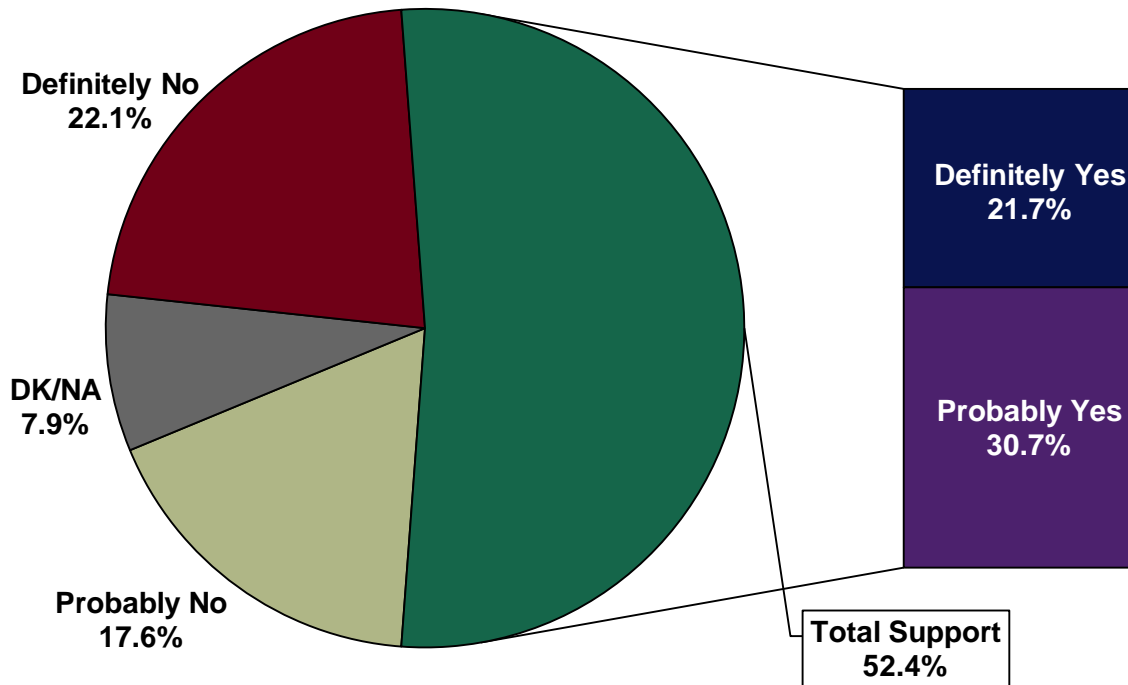
Q4. Satisfaction With the City's Provision of Services

Likely November 2020 Voters



	<u>Nov '20</u>	<u>Nov '18</u>
Total Satisfied	61.6%	61.0%
Total Dissatisfied	32.0%	33.7%
Ratio Sat to Dissat	1.9	1.8

Q5. Uninformed Support for Special Sales Tax Measure Sample A



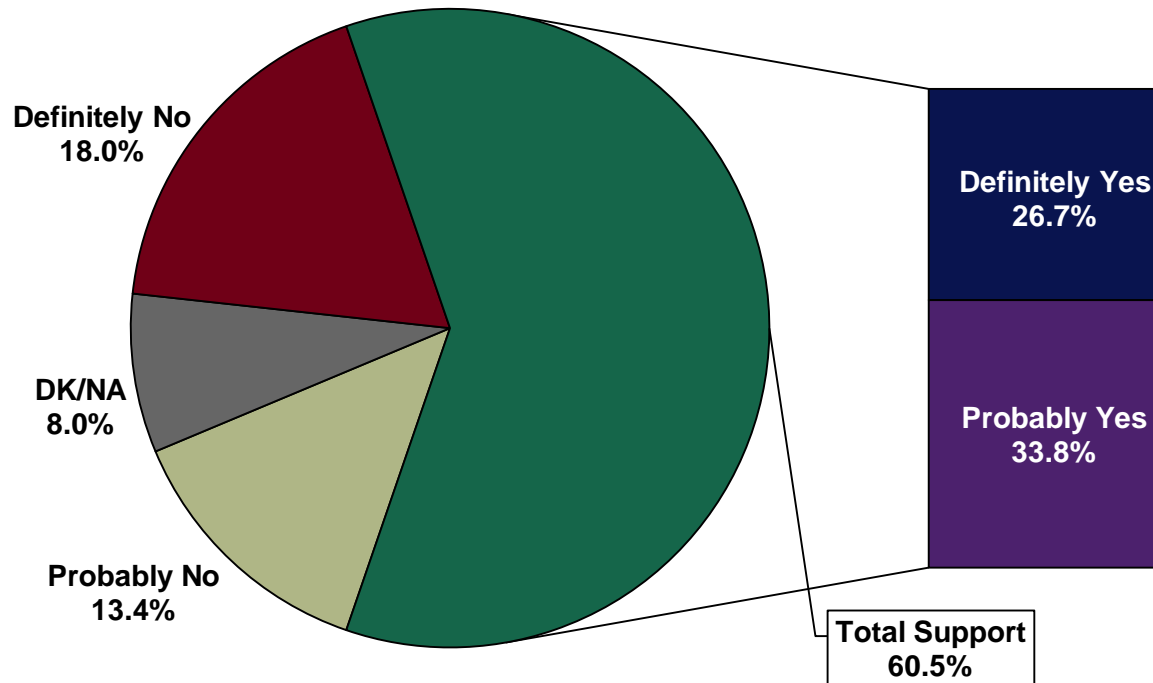
To continue locally controlled funding, that the State cannot take, that protects public safety services, including:

- maintaining Santa Rosa Fire, Police and Paramedic services;
- combatting gang violence;
- maintaining crime prevention and after-school youth programs; and
- improving disaster, wildfire and pandemic preparedness and response;

shall Santa Rosa's measure extending the existing voter-approved sales tax, at a revised rate of ½ cent, raising approximately \$18 million dollars annually, until ended by voters, subject to yearly audits and citizen oversight, be adopted?

Q6. Uninformed Support for General Sales Tax Measure

Sample B

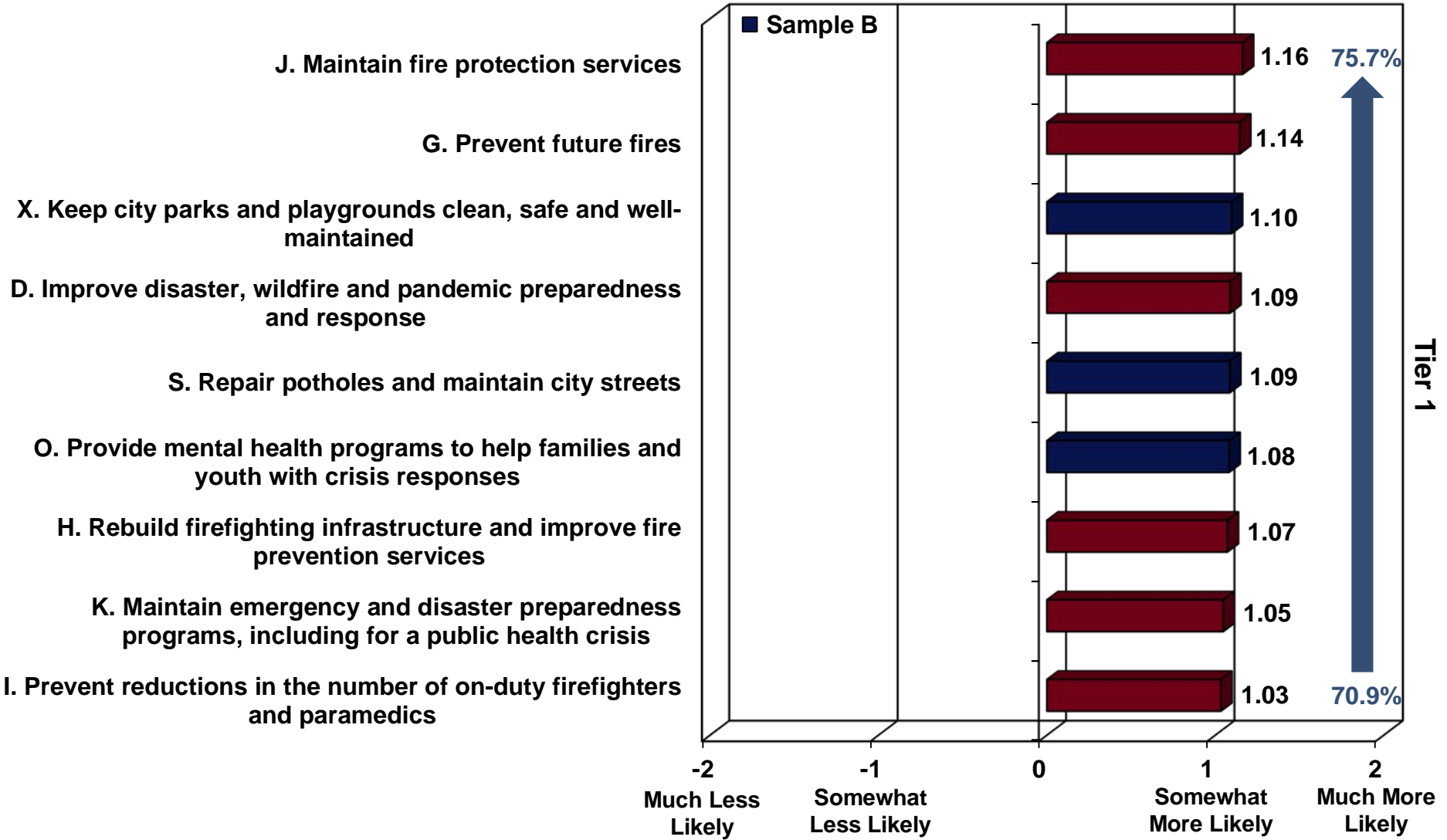


To continue locally controlled funding, that the State cannot take, and protect city services, including:

- 911 emergency, paramedic, fire and police response;
- street and pothole repair;
- gang prevention;
- disaster, wildfire and pandemic preparedness and response;
- neighborhood police patrols;
- senior and youth programs; and
- other city services;

shall Santa Rosa's measure consolidating and extending existing voter-approved sales taxes, without change to the current $\frac{3}{4}$ cent rate, providing approximately \$27 million dollars annually, until ended by voters, be adopted?

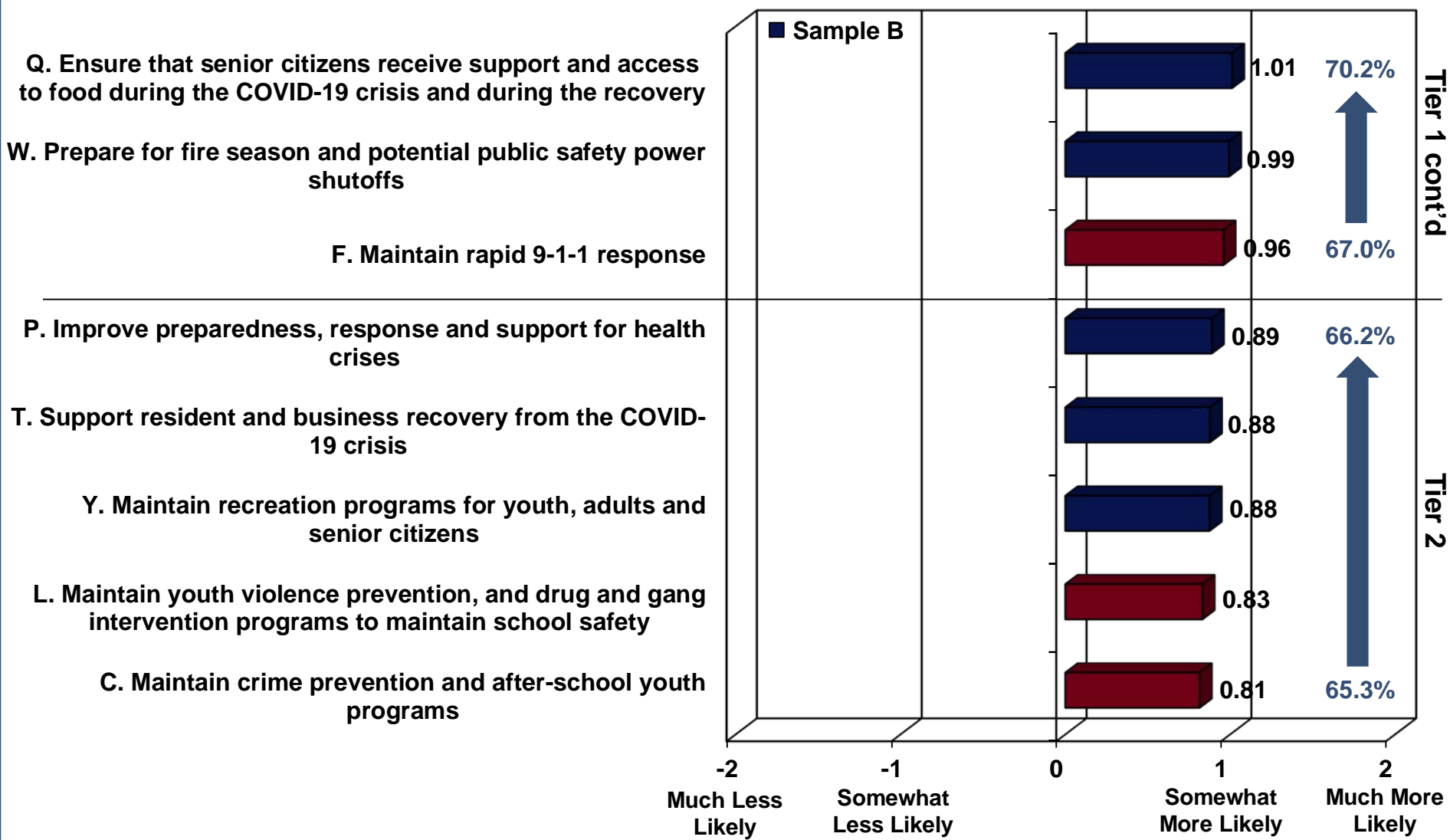
Q7. Features of the Measure I Likely November 2020 Voters



Note: The above rating questions have been abbreviated for charting purposes, and responses were recoded to calculate mean scores: "Much More Likely" = +2, "Somewhat More Likely" = +1, "No Effect" = 0, "Somewhat Less Likely" = -1, and "Much Less Likely" = -2.

Q7. Features of the Measure II

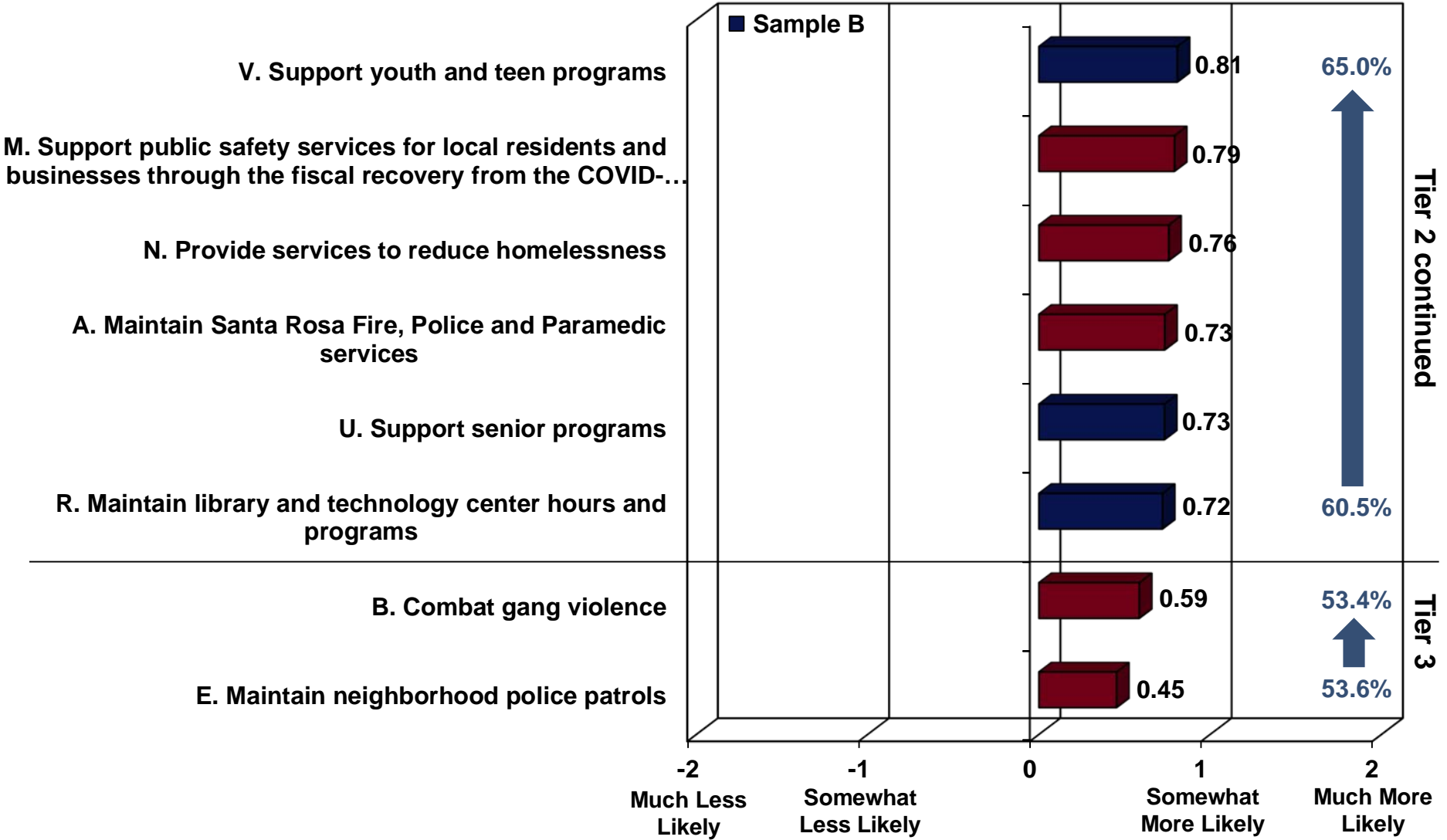
Likely November 2020 Voters



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Q7. Features of the Measure III

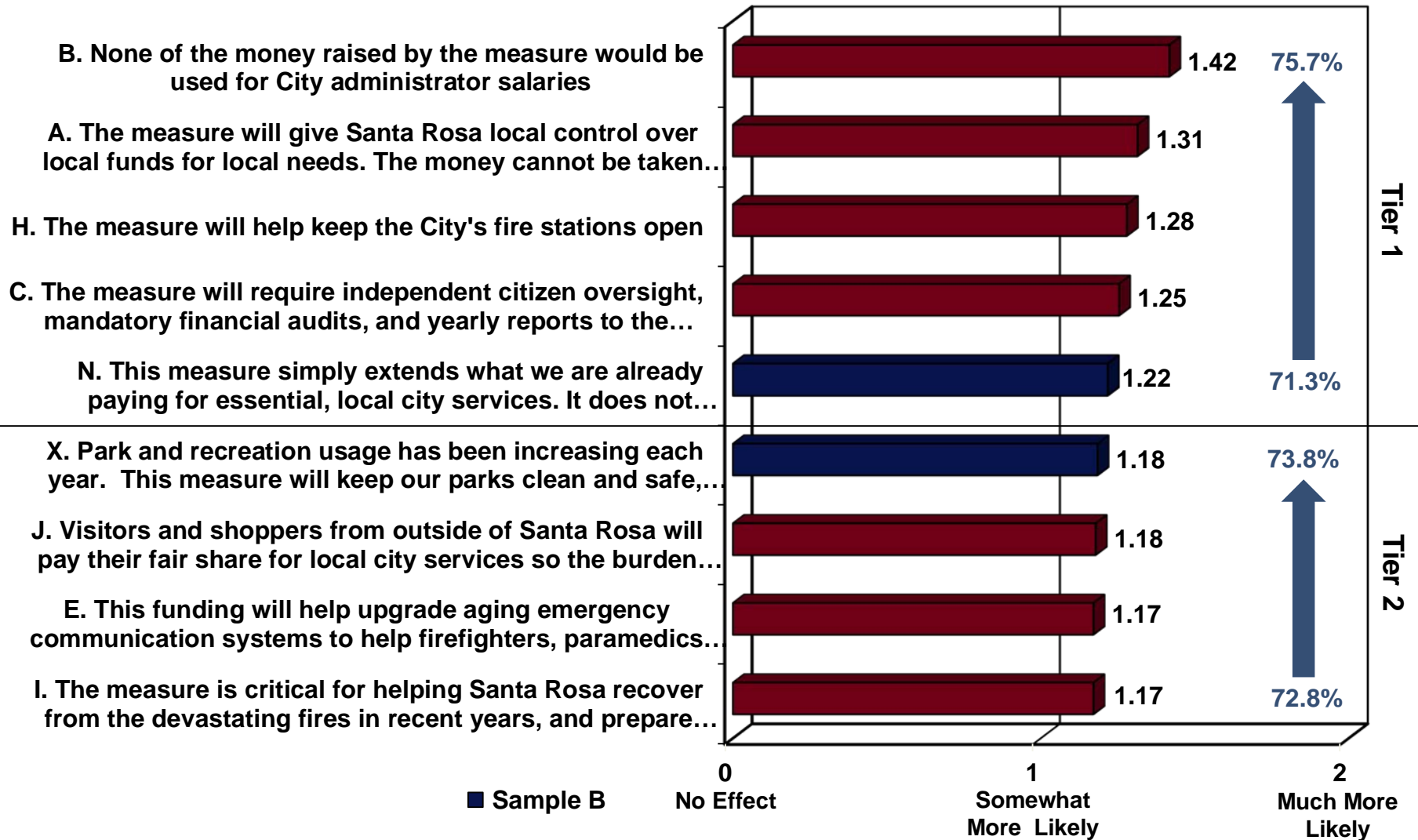
Likely November 2020 Voters



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Q8. Informational Statements I

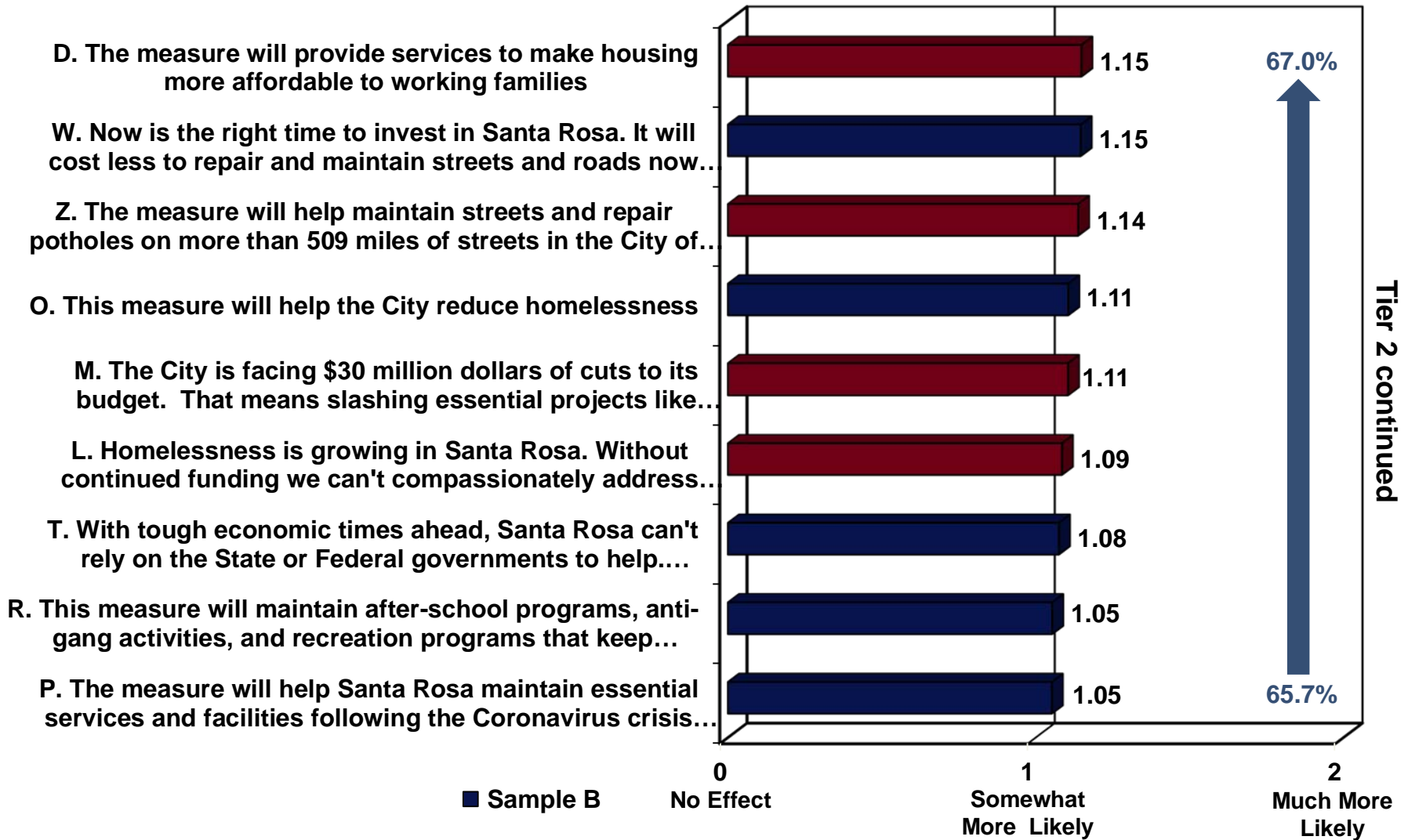
Likely November 2020 Voters



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Q8. Informational Statements II

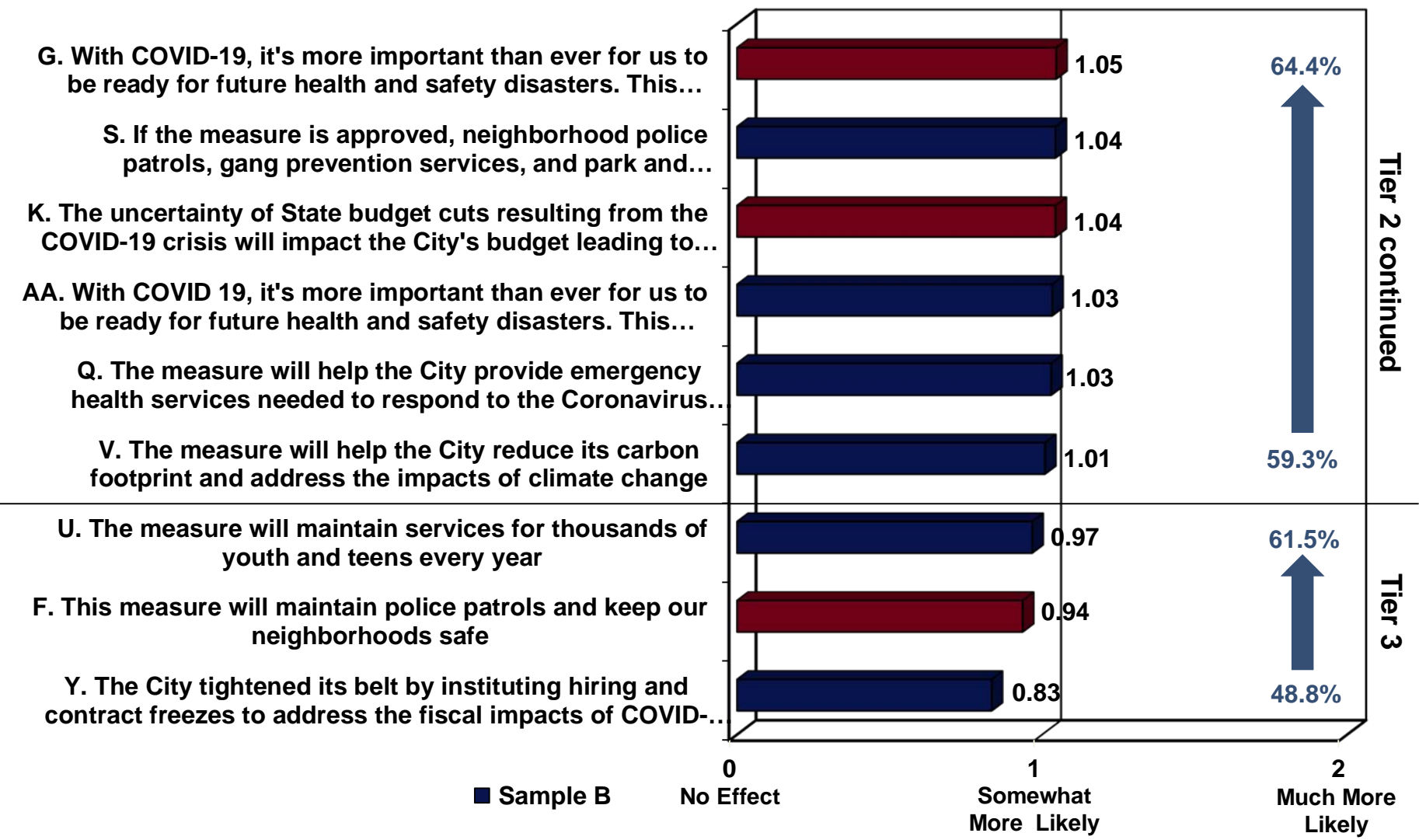
Likely November 2020 Voters



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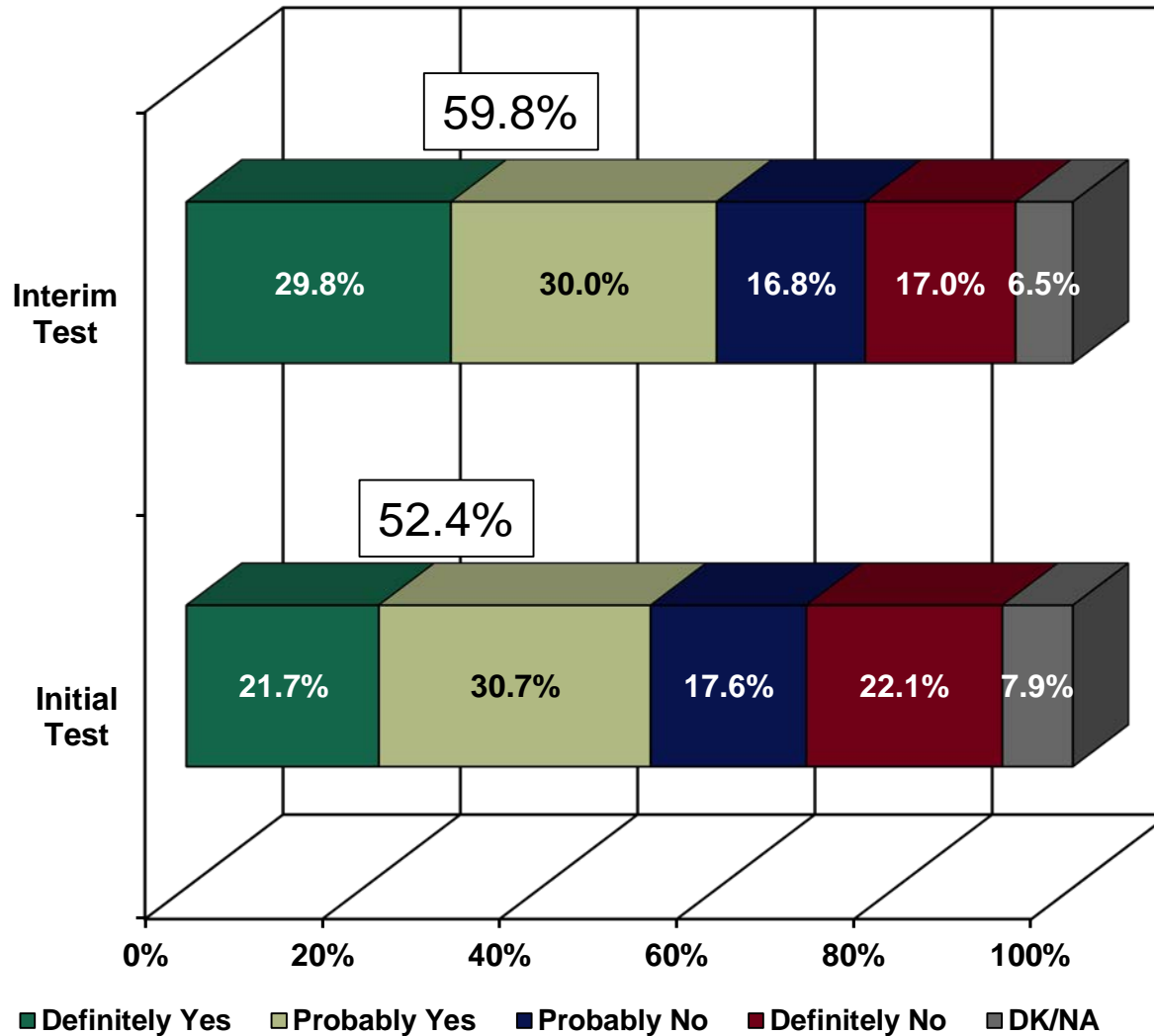
Q8. Informational Statements III

Likely November 2020 Voters



Note: The above rating questions have been abbreviated for charting purposes, and responses were recoded to calculate mean scores: "Much More Likely" = +2, "Somewhat More Likely" = +1, and "No Effect" = 0.

Q9. Interim Support for Special Sales Tax Measure Sample A

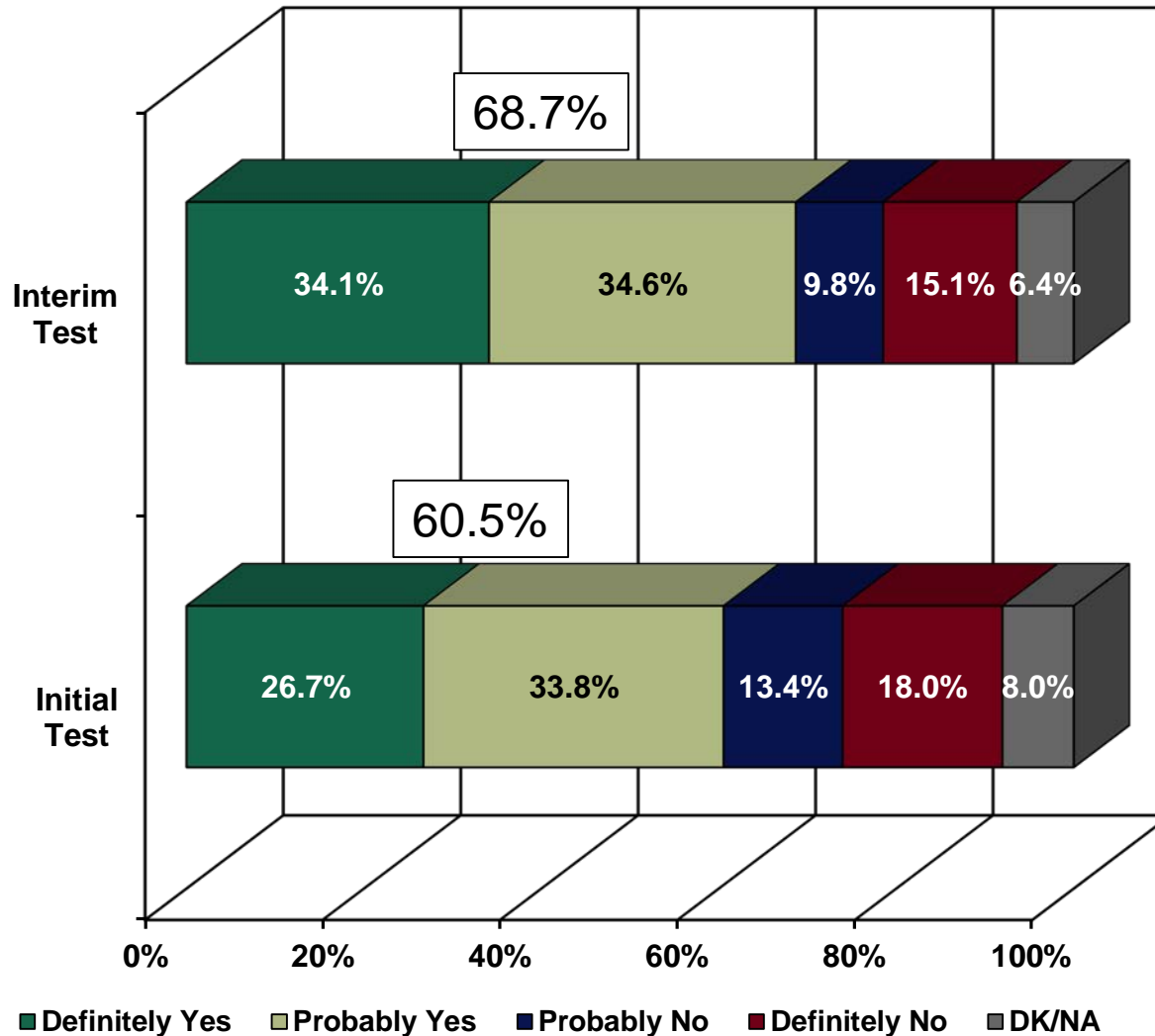


To continue locally controlled funding, that the State cannot take, that protects public safety services, including:

- maintaining Santa Rosa Fire, Police and Paramedic services;
- combatting gang violence;
- maintaining crime prevention and after-school youth programs; and
- improving disaster, wildfire and pandemic preparedness and response;

shall Santa Rosa's measure extending the existing voter-approved sales tax, at a revised rate of ½ cent, raising approximately \$18 million dollars annually, until ended by voters, subject to yearly audits and citizen oversight, be adopted?

Q10. Interim Support for General Sales Tax Measure Sample B

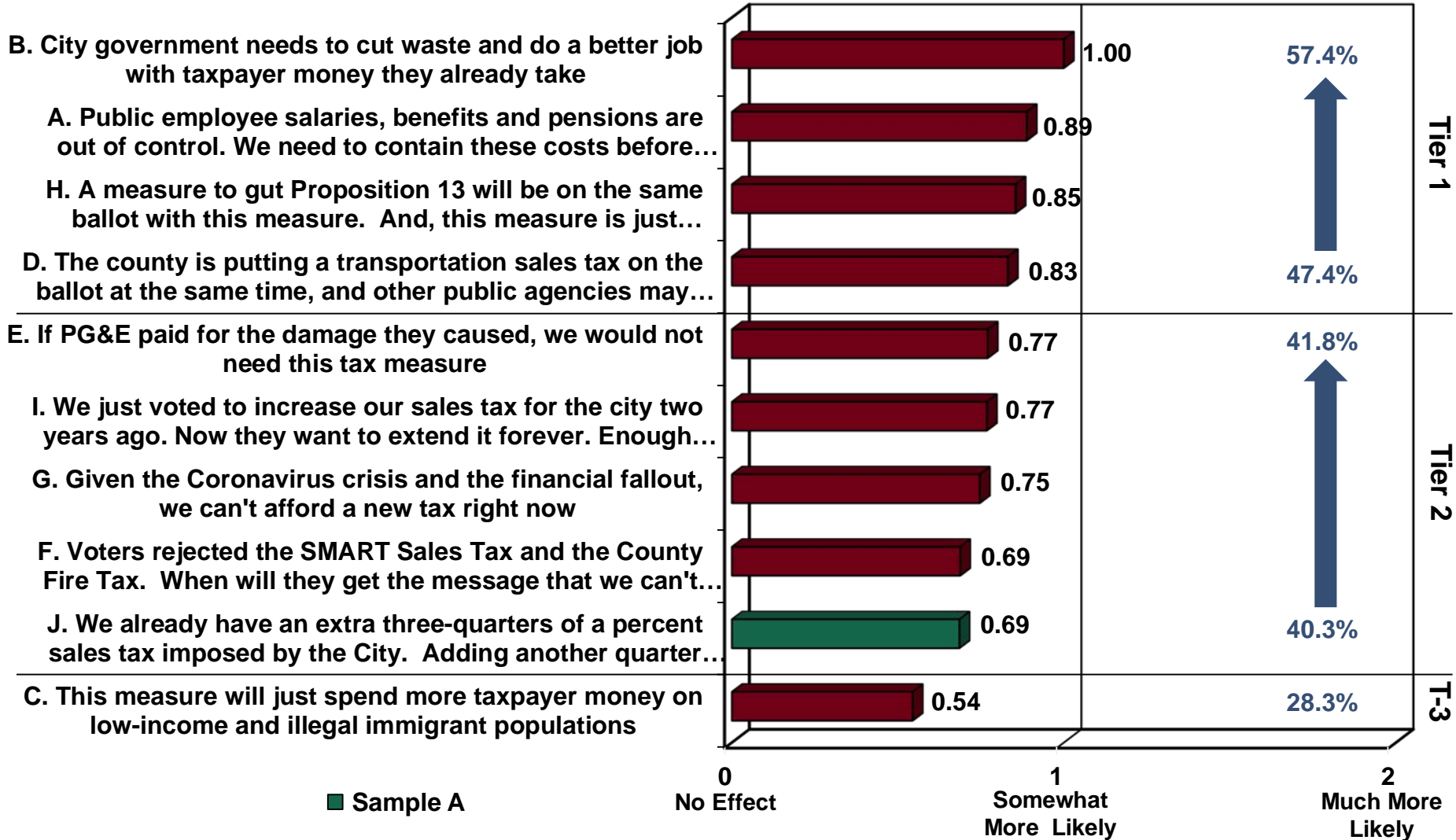


To continue locally controlled funding, that the State cannot take, and protect city services, including:

- 911 emergency, paramedic, fire and police response;
- street and pothole repair;
- gang prevention;
- disaster, wildfire and pandemic preparedness and response;
- neighborhood police patrols;
- senior and youth programs; and
- other city services;

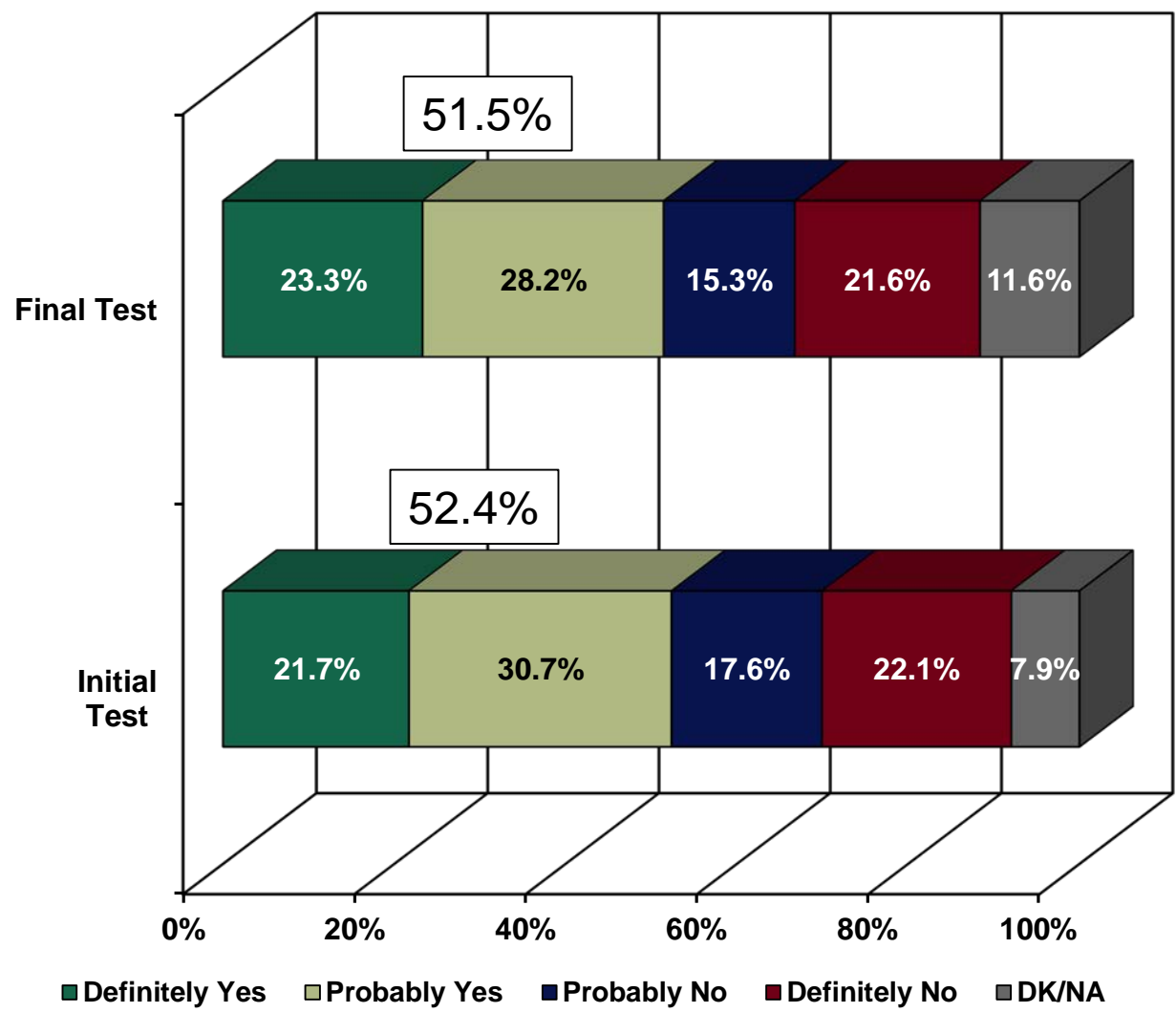
shall Santa Rosa's measure consolidating and extending existing voter-approved sales taxes, without change to the current $\frac{3}{4}$ cent rate, providing approximately \$27 million dollars annually, until ended by voters, be adopted?

Q11. Critical Statements Likely November 2020 Voters



Note: The above rating questions have been abbreviated for charting purposes, and responses were recoded to calculate mean scores: "Much More Likely" = +2, "Somewhat More Likely" = +1, and "No Effect" = 0.

Q12. Informed Support for Special Sales Tax Measure Sample A

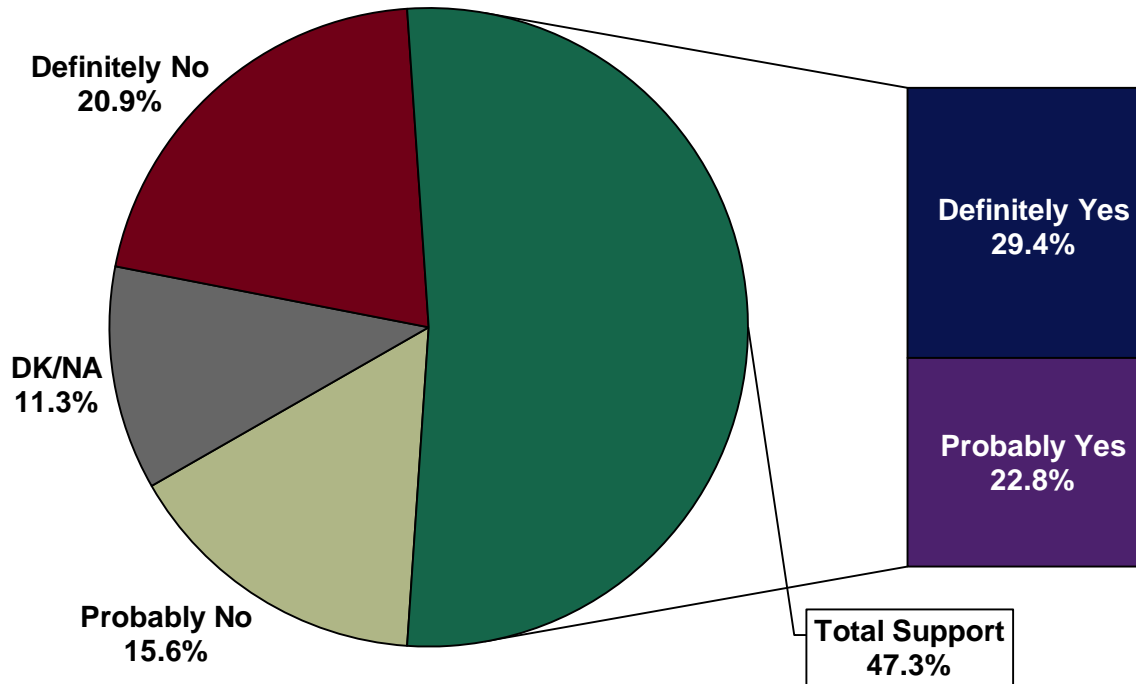


To continue locally controlled funding, that the State cannot take, that protects public safety services, including:

- maintaining Santa Rosa Fire, Police and Paramedic services;
- combatting gang violence;
- maintaining crime prevention and after-school youth programs; and
- improving disaster, wildfire and pandemic preparedness and response;

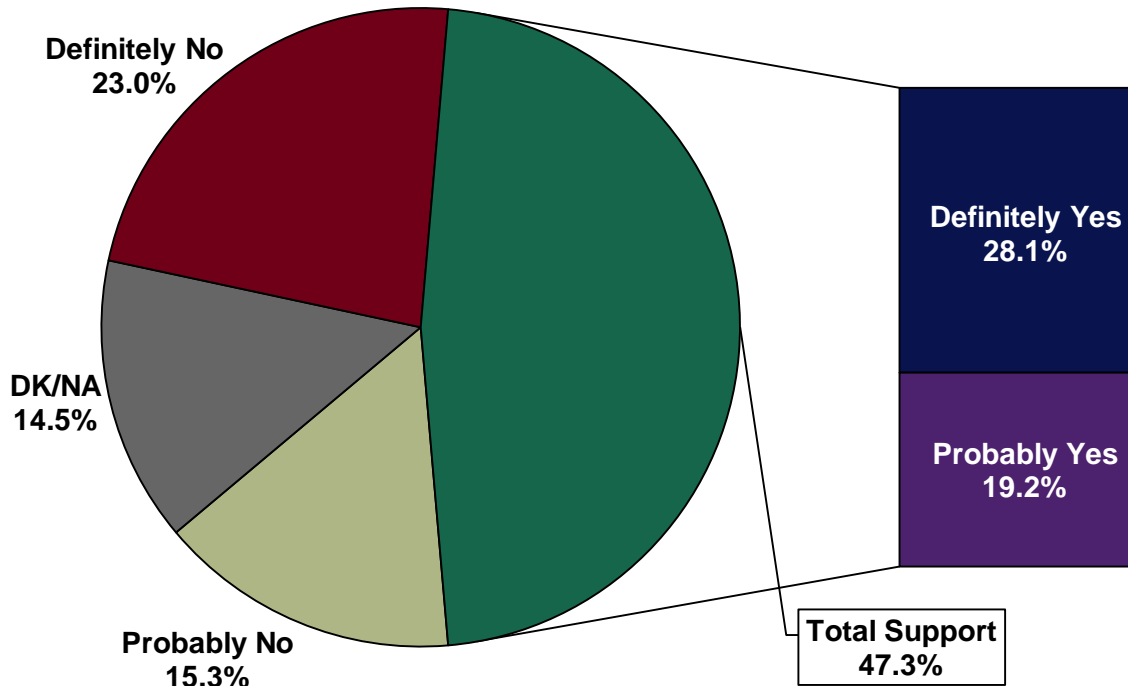
shall Santa Rosa’s measure extending the existing voter-approved sales tax, at a revised rate of ½ cent, raising approximately \$18 million dollars annually, until ended by voters, subject to yearly audits and citizen oversight, be adopted?

Q13. Support for Alternative ¼ Cent Special Sales Tax Measure Sample A



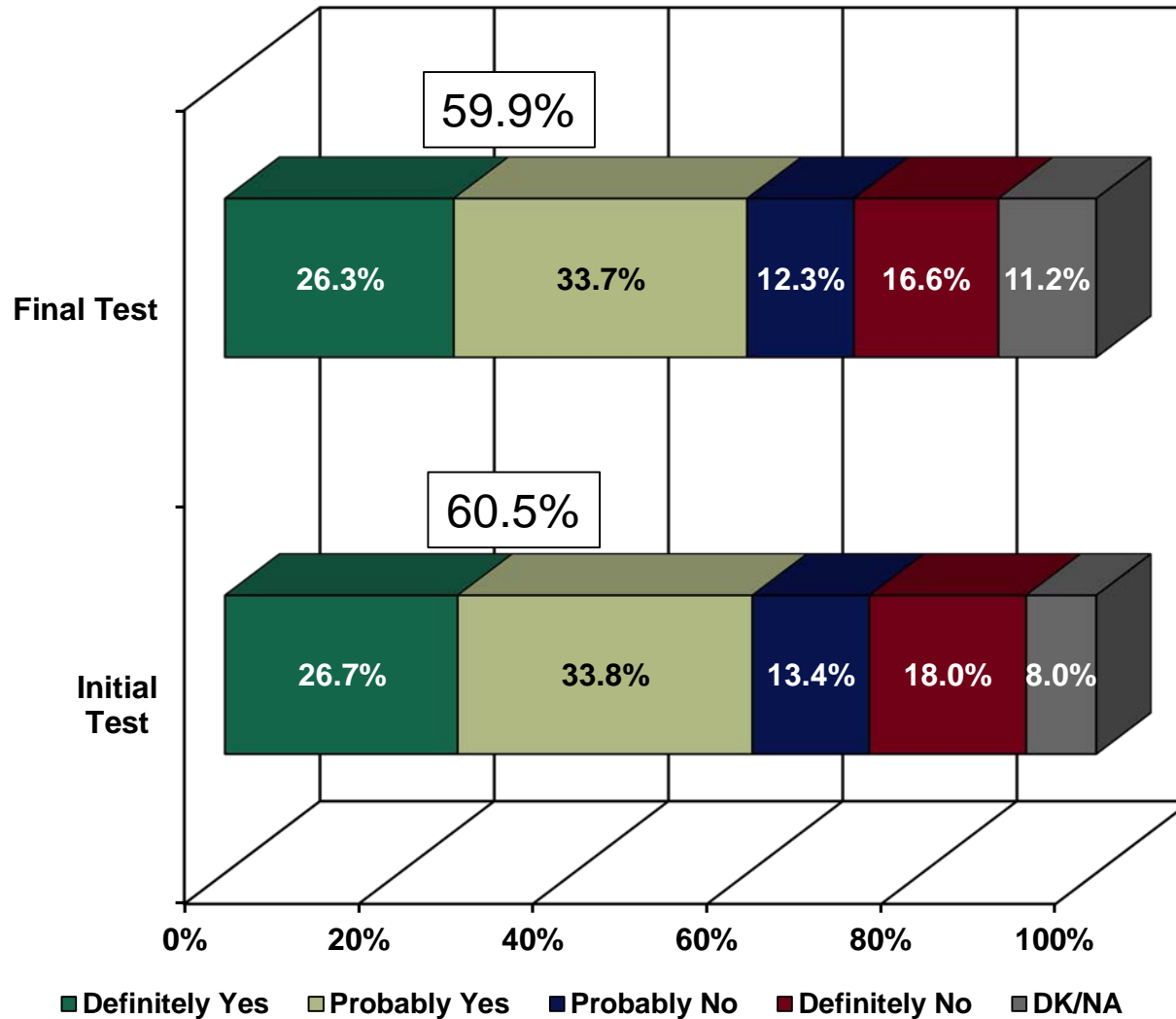
INSTEAD of levying a ½ cent sales tax to protect public safety services, including: maintaining Santa Rosa Fire, Police and Paramedic services; combatting gang violence; maintaining crime prevention and after-school youth programs; and improving disaster and pandemic preparedness and response, another alternative would be levying a ¼ cent sales tax.

Q14. Support for Alternative 9 Year Duration Special Sales Tax Measure Sample A



Instead of levying the sales tax until ended by voters, another alternative would be to end it after 9 years. Would you vote yes or no on the measure?

Q15. Informed Support for General Sales Tax Measure Sample B



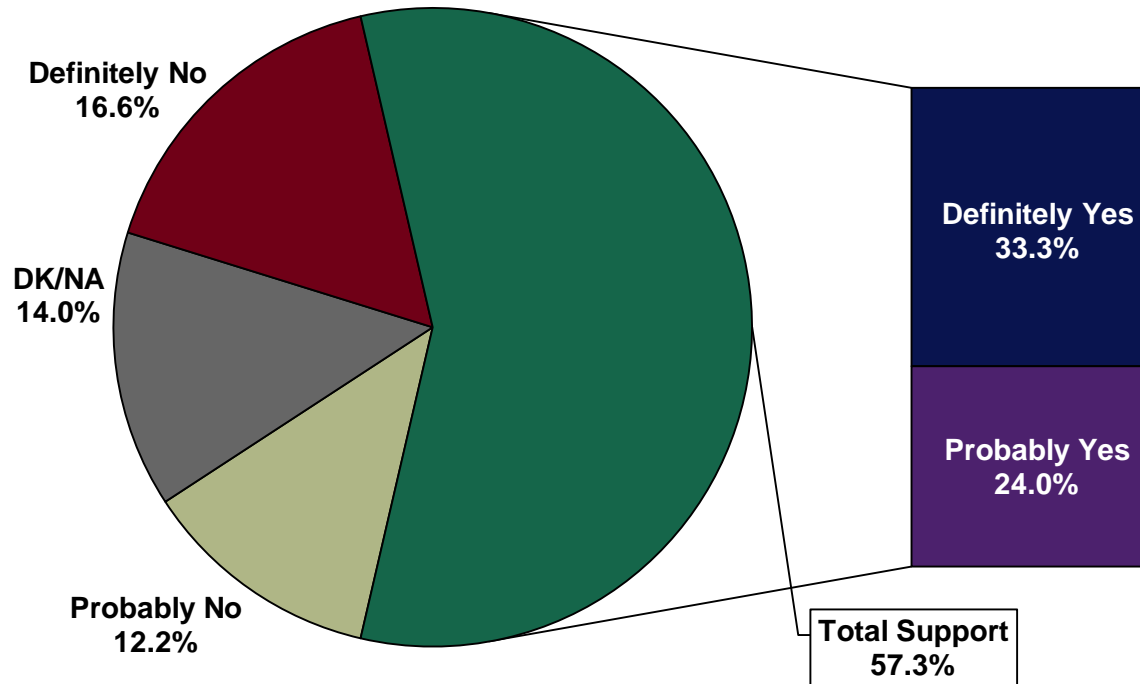
To continue locally controlled funding, that the State cannot take, and protect city services, including:

- 911 emergency, paramedic, fire and police response;
- street and pothole repair;
- gang prevention;
- disaster, wildfire and pandemic preparedness and response;
- neighborhood police patrols;
- senior and youth programs; and
- other city services;

shall Santa Rosa's measure consolidating and extending existing voter-approved sales taxes, without change to the current $\frac{3}{4}$ cent rate, providing approximately \$27 million dollars annually, until ended by voters, be adopted?

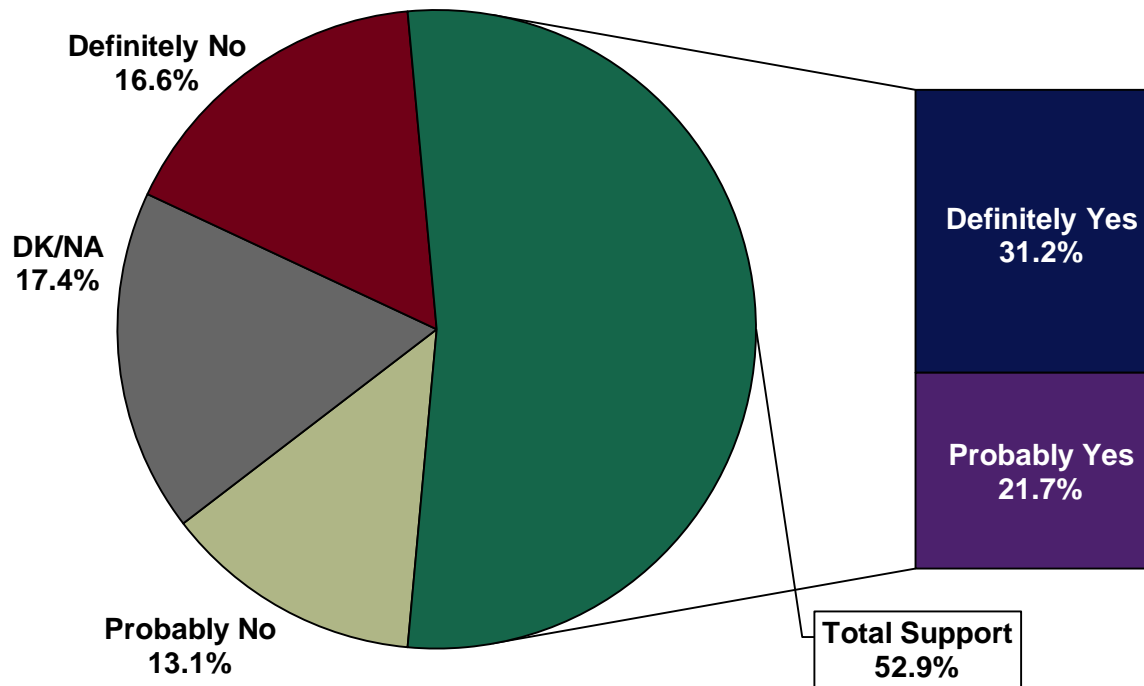
Q16. Support for Alternative ½ Cent General Sales Tax Measure

Sample B



INSTEAD of extending a $\frac{3}{4}$ cent of existing sales taxes to protect city services, including: 911 emergency, paramedic, fire and police response; street and pothole repair; gang prevention; disaster and pandemic preparedness and response; neighborhood police patrols; and, senior and youth programs, another alternative would be extend just a $\frac{1}{2}$ cent of sales taxes.

Q17. Support for Alternative 9 Year Duration General Sales Tax Measure Sample B



Instead of extending the sales taxes until ended by voters, another alternative would be to end the sales taxes after 9 years. Would you vote yes or no on the measure?

Summary I

A City of Santa Rosa general purpose sales tax consolidation and extension measure has a path forward, assuming:

- The measure consolidates and extends the current rate of $\frac{3}{4}$ cent.
- The term can be “until ended by voters”.
- Key services include:
 - Maintain fire protection services
 - Prevent future fires
 - Keep city parks and playgrounds clean, safe and well-maintained
 - Improve disaster, wildfire and pandemic preparedness and response
 - Repair potholes and maintain city streets
 - Provide mental health programs to help families and youth with crisis responses
 - Rebuild firefighting infrastructure and improve fire prevention services
 - Maintain emergency and disaster preparedness programs, including for a public health crisis
 - Prevent reductions in the number of on-duty firefighters and paramedics
 - Ensure that senior citizens receive support and access to food during the COVID-19 crisis and during the recovery
 - Prepare for fire season and potential public safety power shutoffs
 - Maintain rapid 9-1-1 response

Summary II

- Key informational statements include:
 - None of the money raised by the measure would be used for City administrator salaries.
 - The measure will give Santa Rosa local control over local funds for local needs. The money cannot be taken by Sacramento.
 - The measure will help keep the City's fire stations open.
 - The measure will require independent citizen oversight, mandatory financial audits, and yearly reports to the community.
 - This measure simply extends what we are already paying for essential, local city services. It does not increase tax rates above the current rate structure.



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2020 Measure Planning Timeline



Amended Ballot Question

“THE CITY OF SANTA ROSA VITAL CITY SERVICES

MEASURE To continue locally controlled funding, that the state cannot take, and protect city services, including 911 emergency, paramedic and fire response; disaster, wildfire, and pandemic preparedness/ response; keep city parks clean/ safe; street/ pothole repair; senior/ youth programs; and other city services, shall Santa Rosa’s measure consolidating and extending existing voter-approved sales taxes without change to the current ½¢ rate, providing approximately \$18,000,000 annually, until ended by voters, be adopted?”

Recommendation

It is recommended by the Finance Department that the City Council (1) introduce an ordinance to add chapter 3-30 to the Santa Rosa City Code consolidating and extending the City's two general quarter-cent Transaction and Use Taxes into one half cent Transaction and Use Tax, and (2) approve a resolution ordering the submission of a ballot measure to seek voter approval of that ordinance at the November 3, 2020, General Municipal Election and directing related actions.