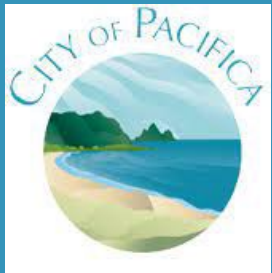

INFORMATION ABOUT PACIFICA'S MUNICIPAL ELECTION & MEASURE Y



COMMUNITY UPDATE

FALL 2022



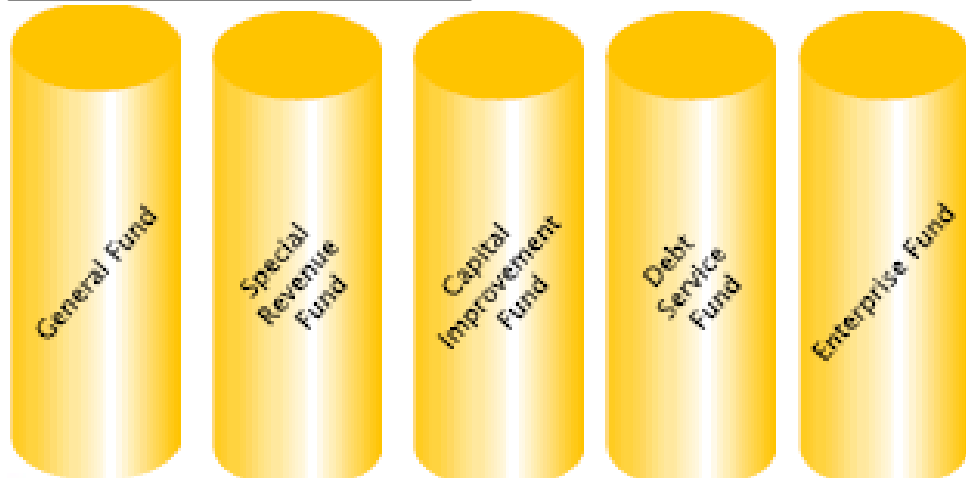


OUTLINE

- Summary of City Finances
 - Fund Accounting
 - Major revenue sources
 - Financial Projections
- Measure Y – ½ cent Transactions and Use (Sales) Tax
- Election Information

FUND ACCOUNTING

Typical Government Funds



Typical Budget Process

Project out your revenues

Expenses-One time versus on-going

Fund balances

General Fund:

Primary operating fund to provide general services and accounts for day-to-day activities

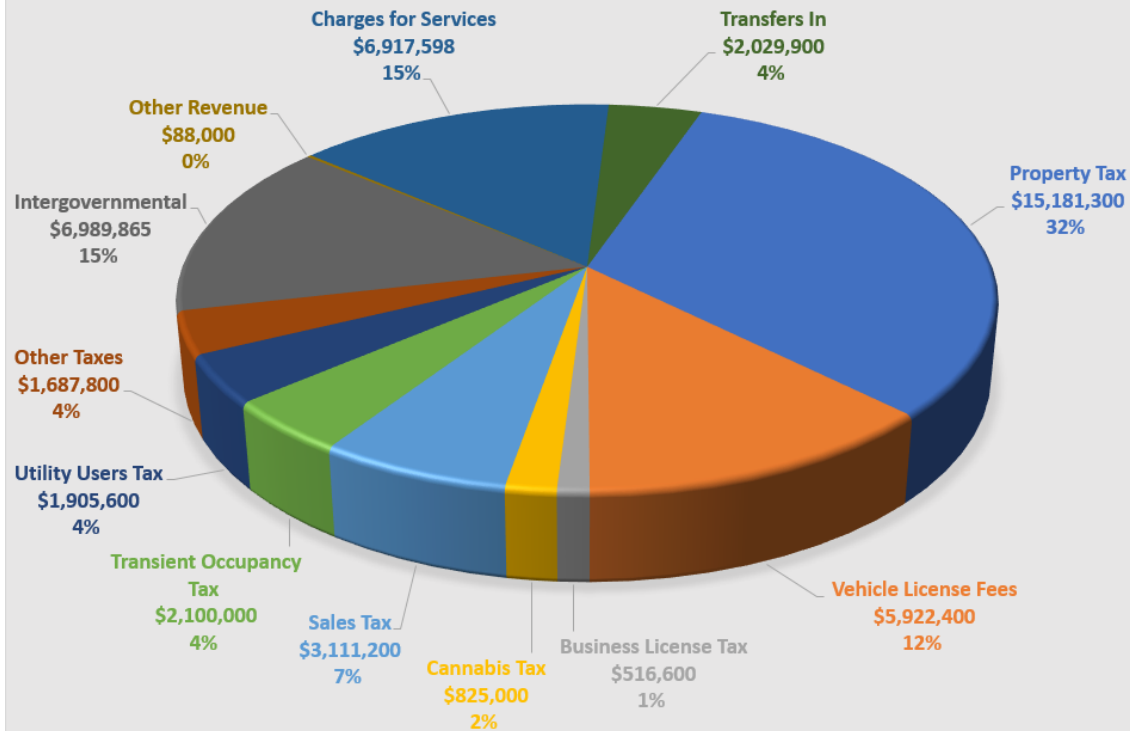
Revenue sources (property tax, sales tax, hotel tax, permits and fees)

Expenditures uses (Police, Fire, Public Works, Parks, Beaches & Recreation, Public Works, Planning, and Administration, etc.)

General Fund Budget by Type	2022-23 Adopted	
Salaries & Benefits	\$ 30,919,021	65%
Material/Supplies/Maintenance	\$ 3,514,531	7%
Contract Services	\$ 9,738,294	21%
Transfers/Allocations Out	\$ 2,445,381	5%
Transfers Out - Capital	\$ 655,000	1%
Total General Fund Exp.	\$ 47,272,227	100%

MAJOR OPERATING REVENUE SOURCES

CITY OF PACIFICA
FY 2022-23 ADOPTED BUDGET
GENERAL FUND REVENUE BY TYPE

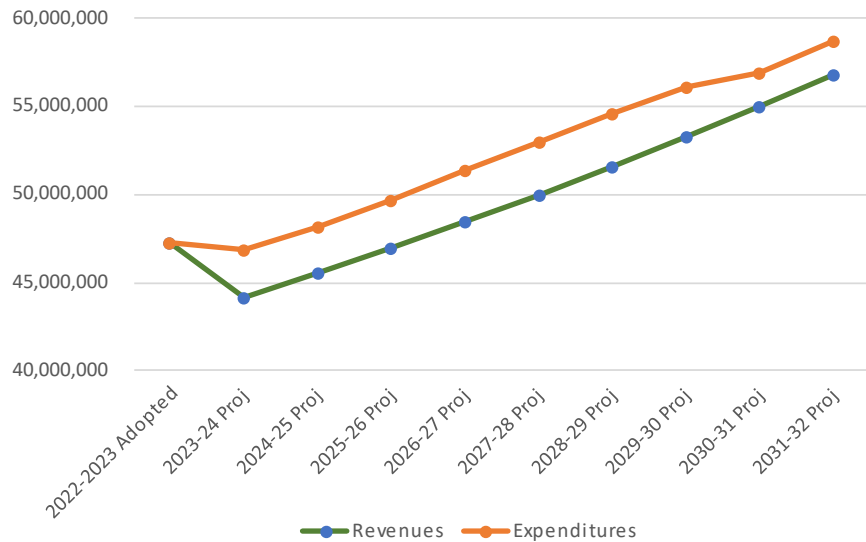


70% of General Fund Revenues come from Taxes

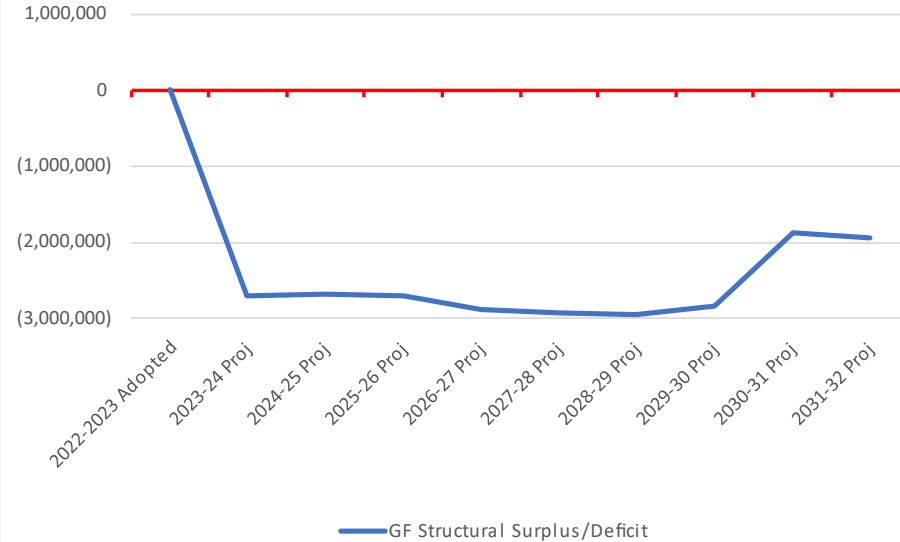
Description	FY 2022-23 Adopted Budget
Taxes	\$ 31,249,900
Property Tax	15,181,300
Vehicle License Fees	5,922,400
Business License Tax	516,600
Cannabis Tax	825,000
Sales Tax	3,111,200
Transient Occupancy Tax	2,100,000
Utility Users Tax	1,905,600
Other Taxes	1,687,800
Intergovernmental	6,989,865
Other Revenue	88,000
Charges for Services	6,917,598
Sub-total	\$ 45,245,363
Transfers In	2,029,900
Total	\$ 47,275,263

FINANCIAL PROJECTIONS – CURRENT LEVEL OF SERVICES

General Fund Revenues v. Expenditures
Current (Base) Level of Services



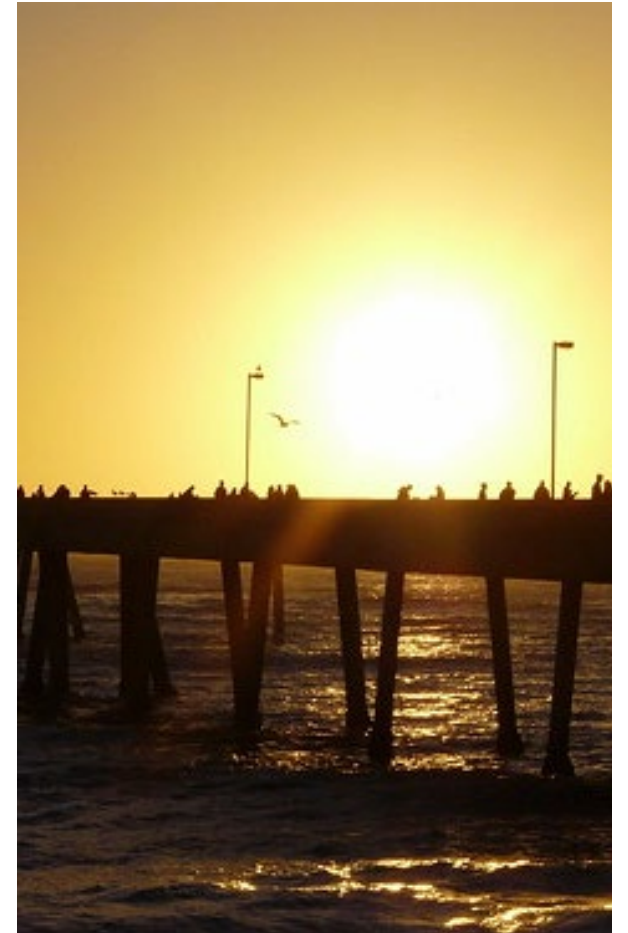
GF Structural Surplus/(Deficit)
Current (Base) Level of Services



<u>Fiscal Year</u>	<u>Projected Deficit</u>
2022-2023 Adopted	3,036
2023-24	(2,707,100)
2024-25	(2,681,700)
2025-26	(2,695,600)
2026-27	(2,876,400)
2027-28	(2,921,100)
2028-29	(2,953,000)
2029-30	(2,826,500)
2030-31	(1,863,000)
2031-32	(1,938,200)

MEASURE Y

- On June 27 the City Council unanimously placed Measure Y on the November 8, 2022, Municipal Election ballot to address community priorities identified during a Spring 2022 Community Survey. Needs prioritized by the public included maintaining fiscal stability and services such as:
 - Public safety
 - Attracting jobs and businesses
 - Protecting local resources/parks/beaches
- If enacted, Measure Y would generate locally controlled funding that stays in Pacifica
 - No Measure Y funding could be taken by the State



OFFICIAL MEASURE Y BALLOT QUESTION

Shall the measure establishing a $\frac{1}{2}$ ¢ sales tax for general government use to maintain the City of Pacifica's vital services, such as police, fire, medical 9-1-1 emergency response; keeping pollution / trash off beaches; attracting / retaining jobs/businesses; street paving; storm drain maintenance to prevent flooding; preventing coastal erosion, and generating approximately \$2,600,000 annually for 9 years, with regular financial audits, independent citizens' oversight, and requiring funds be used locally, be adopted?

DIFFERENCE BETWEEN 1% SALES TAX AND ½ CENT TRANSACTION AND USE TAX

1% Sales Tax

- The State levies and collects a local 1% "Bradley-Burns Sales Tax and Use Tax"
- A "**place of sale**" tax allocated to the City where the sale is negotiated, or the order is taken.

½ Cent-TUT (Sales Tax)

- A "**where the goods are delivered or placed into use**" tax that is allocated to the City
- Residents and visitors pay TUT on purchases that they consume or take possession of at the place of business within the City
- Purchases shipped or delivered into the City from other places (business, medical and industrial supplies, construction materials, catalog and internet purchases, furniture, appliances, bulk fuel, etc.) will generate TUT
- The TUT is levied on vehicle purchases, regardless of where the purchase is made



MEASURE Y OTHER INFORMATION

- Cities in California may propose, and voters can approve, local add on taxes that are added to the statewide 1% "base"
- Can be placed on ballot by 2/3 majority vote of the City Council (4 out of 5 Councilmembers)
- Can be adopted by a simple majority vote (50% + 1) of the voters to pass
- 1/2 Cent in effect in Belmont, Daly City, East Palo Alto, Redwood City, San Bruno, and South San Francisco



COMMUNITY PRIORITIES

- The City recently engaged residents about needs and priorities for the City
- Top community priorities based on responses received include items such as:
 - Maintaining 911 fire, police, and emergency medical response times
 - Attracting and retaining local jobs and businesses
 - Keeping pollution and trash off our beaches
 - Maintaining storm drains to prevent flooding
 - Paving streets and roads



COULD-MEASURE Y IMPACT OUR ROADS?

- Pacifica has the worst rated roads in the Bay Area according to the 2020 Metropolitan Transportation Commission Bay Area Pavement Condition Report.
- Additional revenue is needed so that the City can make road repairs to local streets and fix potholes:
 - Keep the community safe
 - Improve traffic congestion
 - Prevent further deterioration
 - Prevent more cost increases to fix

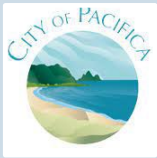




MEASURE Y & PUBLIC SAFETY

- Pacifica is a full-service city providing vital services to thousands of residents every day.
- Additional revenue is needed to help:
 - Prevent reductions to neighborhood police patrols
 - Maintain existing levels of fire protection and rapid emergency
 - Help address/prevent coastal erosion
 - Maintain storm drains to prevent flooding/help protect homes and livelihoods

HOW DOES MEASURE Y WORK?



Measure Y is a proposed local half-cent sales tax (transaction and use tax). If enacted, the additional general fund revenue can help maintain existing city services with reliable, locally controlled funding that cannot be taken by the State



Does not apply to prescription medicine or food purchased as groceries



Is not a tax on rent, homes, or property.

MEASURE Y FISCAL ACCOUNTABILITY



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- Measure Y requires:
 - City Council to establish independent citizen oversight.
 - All Measure Y funds subject to regular financial audits.
 - By law, the use of all funding would be subject to local control.



VOTING IN THE NOVEMBER 2022 MUNICIPAL ELECTION

- All registered voters in Pacifica will be mailed a ballot starting on October 10, 2022
- You can track your ballot status online at california.ballottrax.net/voter/
- A list of ballot drop boxes & vote center locations can be found at: cityofpacifica.org/departments/city-clerk/municipal-election-november-2022
- Election Day is November 8 – ballots must be received by 8pm.
- Local Pacifica ballot includes:
 - Measure Y - Vital Services Measure
 - Measure Q - Fireworks Advisory Measure
 - City Councilmember Districts 2 , 3 & 5



We want to continue hearing from the community.



Please let us know of other local groups who may wish to hear from us.



For more information, go to the City website:
www.cityofpacific.org/MeasureY



We will be continuing to update the community about Measure Y

WHAT'S NEXT?