



AGENCY: City Council
MEETING DATE: July 23, 2018
DEPARTMENT: City Manager
PRESENTED BY: Tabatha Miller
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AGENDA ITEM SUMMARY

TITLE:

Receive Report from the New Revenue Sources Ad Hoc Committee and Consider Approval of Rebuttal to Argument Against the General Purpose Sales Tax Measure H to be Submitted for Inclusion in the November 6, 2018 Election Voter Information Guide

ISSUE:

Resolution No. 4112-2018 placed the general purpose 3/8ths of a cent transactions and use tax on the November 6, 2018 ballot. If the measure passes by a simple majority, the City's intent is to commit to a 15-year amortization period on the estimated \$9.4 million unfunded accrued liability instead of a 30-year amortization. The reduced payment period will save the City taxpayers an estimated \$4.1 million. The tax is a general purpose tax, so there is no legal requirement that the funds be used for payment of unfunded accrued liability. However, the unfunded pension obligation is the primary reason for the projected structural deficit and the reason for submitting the new tax measure to the voters. Regardless of the financial state of the City, the unfunded pension liability must be paid.

Resolution No. 4112-2018 also authorized the Council as a body and individual Councilmembers to submit arguments in favor of the Special Tax Measure (Measure H). At the special meeting on July 11, 2018, the City Council unanimously agreed to submit the attached Argument in Favor of Measure H.

The same Resolution set forth due dates for submittal of arguments and rebuttals. The Arguments in favor and against must be submitted by July 20th. If the City receives any argument against Measure H, it may provide a rebuttal argument, not to exceed 250 words. Rebuttal arguments are due to the City Clerk by end of day on Monday, July 30, 2018. Due to the tight deadlines, a draft rebuttal (if applicable) will be supplied just before the Council meeting on Monday, July 23, 2018.

ANALYSIS:

N/A

RECOMMENDED ACTION:

1. If an argument against Measure H is submitted, City Council approve the language and submittal of the rebuttal to argument against Measure H.
2. If no argument against Measure H is submitted, no action is necessary.

ALTERNATIVE ACTION(S):

Assuming an argument against Measure H is submitted, provide alternative language for a rebuttal of the argument against Measure H.

FISCAL IMPACT:

No impact from submitting the rebuttal itself. If Measure H is successful, it will generate approximately \$623,000 per year.

CONSISTENCY:

N/A

IMPLEMENTATION/TIMEFRAMES:

Arguments in favor of or against Measure H must be submitted to the City Clerk on or before July 20, 2018 and rebuttals are due to the City Clerk on or before July 30, 2018.

ATTACHMENTS:

1. Argument in Support of Measure H
2. Rebuttal to Argument Against Measure H (to be supplied prior to Council Meeting, if applicable)

NOTIFICATION:

None.