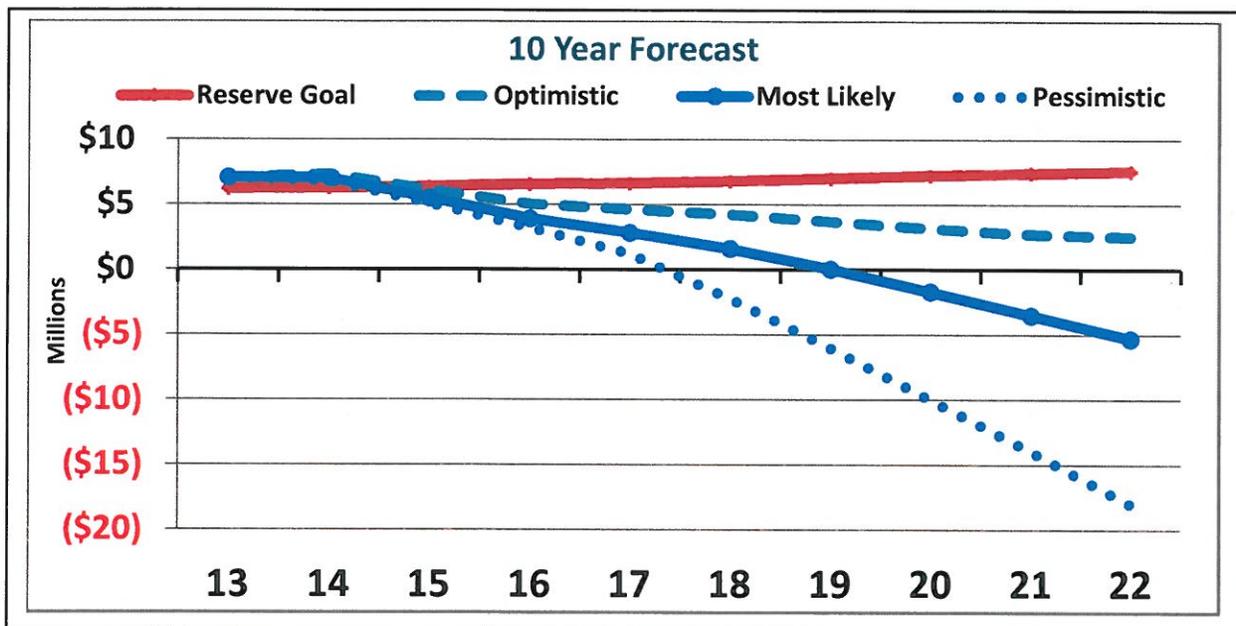


MEASURE C – SALES TAX INITIATIVE INFORMATION SHEET

The City's Financial Condition

- ❑ The City's presented a 10-year forecast in May. Failure to take action will result in budget deficits in 3 to 5 years.
- ❑ The projected deficits are a result of escalating operating costs outside of City control and which are outpacing revenue growth. This makes it a challenge to continue existing funding levels for critical services to the community.



- ❑ The City has significant unfunded needs including over \$100 million in unfunded capital needs, including over \$50 million in streets and transportation, \$20 million in storm drain improvements, over \$30 million in parks and facilities including the library and swimming pool.
- ❑ While Benicia's property tax base is returning to pre-recession levels, approximately \$1.0 billion representing 20% of the City's property tax base is at risk due to outstanding appeals. Meaning despite increased property values the corresponding City receipt in property tax lags behind or is contested by the property owner, reducing the City's growth rate from this revenue source.
- ❑ In previous decades the City has enjoyed revenue growth from residential and industrial construction. In the last four years there have only been 10 residential permits issued and 0 industrial permits.

What has the City done to address the current Financial Condition?

- ❑ Over the last four years, since 2010 the City has decreased employee related expenditures by approximately \$11.2 million and reduced City's full time workforce by 12%.
- ❑ Over the same period, the City has maximized revenue potential of City real estate, implementing park user fees and increasing lease income by 275%, generating over \$65,000 per month.

- ❑ The City is developing a long-term plan for fiscal sustainability. The City has initiated a Sustainable Community Services Strategy (SCSS) which is a collection of actions designed to align City's resources with resident's most desired services. The SCSS includes:
 - Preparation of a 10-year forecast (May) ✓
 - Community Survey (June) ✓
 - An organizational scan of city programs and services (Fall 2014)
 - Community Engagement (Winter 2014/2015)

What is the difference between SCSS items and the actions already completed, i.e. employee reductions, & revenue enhancements? The efforts in 2010 and 2011 were a response to crisis with the concerted effort by City officials to protect the community during the Great Recession from increased costs and decreased services; these actions served the community well during the crisis but are not sustainable. SCSS, on the other hand, is a methodical plan that will establish a model of delivering City services that is viable with the City's annual revenue.

Facts about the Sales Tax

- ❑ The proposed sales tax would adjust the Benicia sales tax rate from 7.625% to 8.625%.
- ❑ If approved on November 4th, (50% +1), the tax would go into effect on April 1, 2015.
- ❑ The proposed, locally-enacted sales tax measure of one cent is projected to generate approximately \$3.7 million in revenue to support local needs that cannot be taken away by the State.

Why place Measure C on the ballot this year?

- ❑ Failure to place Measure C on the ballot in 2014 would have required the City to wait until November 2016. The Community Survey indicated, by wide margins, that residents preferred to support a sales tax increase rather than endure service cuts.

What will the new revenue be used to support?

Measure C is just part of the solution but a vital part to maintain Benicia's financial viability as a full-service city. The sales tax spending plan will coincide with the City's 2-year budget process. Should Measure C succeed, City staff is recommending that in each of the next two fiscal years \$1.7 million be applied to maintain services the citizens prioritized in the Community Survey. In addition to maintaining services or put another way, to prevent service cuts, the measure will address capital improvement needs to improve public safety, city streets, and parks. Within the first 24 months of implementation, City staff is recommending that approximately \$2 million in each of the next two years be applied to support the following projects:

- Patch and asphalt overlay Industrial Way from Teal to Lake Herman Road
- Repair 250 damaged sections of roads (potholes/resurfacing) throughout the City
- Purchase "Wildland" Fire Engine to respond to vulnerable wild land fire areas
- Replace outdated police radios and computer aided dispatch (CAD) and Record management system
- Replace obsolete Community Park Playground Equipment
- Replace damaged First Street Promenade Safety Railing
- Repair Pool deck and bathrooms
- Repair and asphalt overlay Southampton Rd. from Panorama to Hastings and construct safety crossing improvements for Benicia Middle School
- Repair sidewalks in Downtown Commercial District
- Develop Storm Water / Flood Mitigation Plan

Measure C Recommended Two-Year Expenditure Plan

Year 1: FY 2015/2016

Item	Estimated Cost
Police/Fire Dispatch Project: Replace outdated Police/Fire computer aided dispatch and record management system	\$400,000
Fire Equipment: Add Type III "Wildland" Fire Engine	\$292,000
First Street Waterfront Promenade Railing Project: Replace damaged First Street promenade safety railing	\$150,000
Community Park Playground Project: Replace obsolete Community Park Playground Equipment	\$200,000
Benicia Middle School Road Project: Repair and asphalt overlay Southampton Road from Panorama along the frontage of Benicia Middle School to Hastings Drive. Construct safety crossing improvements for Benicia Middle School	\$500,000
Industrial Park Road Project: Engineering plans and specifications for patch and asphalt overlay project on Industrial Way from Teal to Lake Herman Road	\$50,000
Downtown Sidewalk Repair Project: Repair sidewalks in Downtown Commercial District	\$100,000
Pothole & Resurfacing Project: Repair 250 damaged sections of roads (potholes/resurfacing) throughout the City	\$200,000
Storm Water Management & Flood Mitigation Plan: Develop a plan to address the City's storm water management and flood prevention	\$100,000
Total:	\$1,992,000

Year 2: FY 2016/2017

Item	Estimated Cost
Police Equipment: Replace outdated police radios	\$80,000
Fire Equipment: Replace Type I Fire Engine	\$448,491
James Lemos Swim Center Repair Project: Repair Pool Deck and Restrooms	\$400,000
Industrial Park Road Project: Patch and asphalt overlay on Industrial Way from Teal to Lake Herman Road	\$1,000,000
Total:	\$1,928,491

***Note: \$1.7 million from the proceeds of Measure C would be allocated, each year, to support existing City services, or in other words prevent the City from drawing down reserves to pay for services.**

