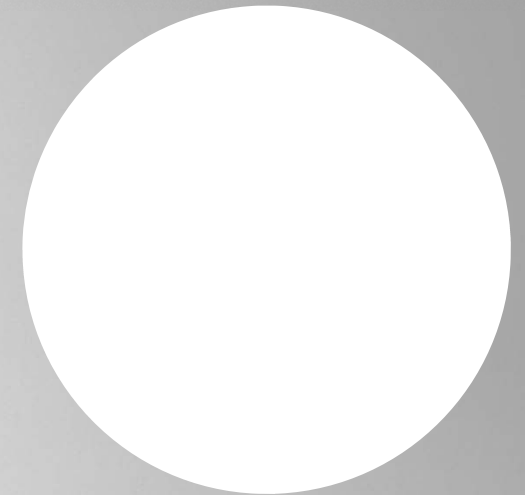


Revenue Measure - Voter Survey

REVIEW, DISCUSSION, AND DIRECTION



Current/Past Activities

- ▶ Reductions/Layoffs
- ▶ Outsource/Insource
- ▶ Organizational Structure Changes
- ▶ Employee Negotiations



Key Considerations

- ▶ **Ask Voters?**
- ▶ **Purpose** – what priorities?
- ▶ **Funding Measure** – what mechanism?
- ▶ **Amount** – how much?
- ▶ **Need** – what is the City's story?



Voter Survey Consultants

- ▶ EMC Research
 - ▶ Jessica Polsky, Sr. Vice President
- ▶ **Familiar** with Butte County
- ▶ **Successful** with Chico Unified School District
- ▶ **Working** in Chico Area Recreation District



Key Considerations

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Identified City Needs

- ▶ **Capital** Infrastructure
 - ▶ \$7-10 million
- ▶ **Staffing** – Public Safety and Other Departments
 - ▶ \$10 million
- ▶ Long-term **Liabilities** and Revenue **Uncertainties**
 - ▶ \$4-5 million +
 - ▶ Unknown business impacts

Key Considerations

- ▶ Ask Voters?
- ▶ Purpose – what priorities?
- ▶ **Funding Measure** – what mechanism?
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Revenue Options

- ▶ Property Tax / Property Assessments (*includes Bonds*)
 - ▶ Impacts tangible **Chico Property**
- ▶ Sales Tax
 - ▶ Impacts **Chico and non-Chico Individuals**
- ▶ Utility Users' Taxes/Franchise Fees
 - ▶ Impacts **Chico users of utilities**

Key Considerations

- ▶ Ask Voters?
- ▶ Purpose – what priorities?
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Revenue Potential

▶ Property Tax

- ▶ Ad Valorem – **over \$129 per \$100,000** to fund complete streets
- ▶ Parcel – **\$36 per million** (27,719 properties)

▶ Sales Tax

- ▶ Ad Valorem – current 7.25%/ **City 0.95%**
- ▶ Purchases

Metric	Revenue
1 ½ cent	\$27 million
1 ¼ cent	\$22.5 million
1 cent	\$18 million
¾ cent	\$13.5 million
½ cent	\$9 million
¼ cent	\$4.5 million

Revenue Potential



▶ Utility Users' Tax

- ▶ Current rate of 5% - gas, electric, landline telecom, and water. Mobile phones exempted.
- ▶ **1% increase - \$1.3 million**

▶ Franchise Fees

- ▶ Current rate of 2% for gas/electric, 5% for cable, and 10% for garbage.
- ▶ **1% increase - \$700,000**

		Sensitivity Range @ 95%		Bonded Debt for Capital			
Sales Tax Amount	Estimated Tax Amount (HDL)	Est. Worse Case Year	Est Best Case Year	At 50%	At 60%	At 70%	At 80%
1 1/2 cent	\$ 27,000,000	\$ 19,186,997	\$ 31,788,504	\$ 9,593,499	\$ 11,512,198	\$ 13,430,898	\$ 15,349,598
1 1/4 cent	\$ 22,500,000	\$ 15,989,165	\$ 26,490,420	\$ 7,994,582	\$ 9,593,499	\$ 11,192,415	\$ 12,791,332
1 cent	\$ 18,000,000	\$ 12,791,332	\$ 21,192,336	\$ 6,395,666	\$ 7,674,799	\$ 8,953,932	\$ 10,233,065
3/4 cent	\$ 13,500,000	\$ 9,593,499	\$ 15,894,252	\$ 4,796,749	\$ 5,756,099	\$ 6,715,449	\$ 7,674,799
1/2 cent	\$ 9,000,000	\$ 6,395,666	\$ 10,596,168	\$ 3,197,833	\$ 3,837,399	\$ 4,476,966	\$ 5,116,533
1/4 cent	\$ 4,500,000	\$ 3,197,833	\$ 5,298,084	\$ 1,598,916	\$ 1,918,700	\$ 2,238,483	\$ 2,558,266
				Remaining Revenue for Other Ongoing Uses			
Sales Tax Amount	Estimated Annual per Capita Cost		Sales Tax Amount	50%	40%	30%	20%
1 1/2 cent	\$293		1 1/2 cent	\$ 17,406,501	\$ 15,487,802	\$ 13,569,102	\$ 11,650,402
1 1/4 cent	\$244		1 1/4 cent	\$ 7,994,582	\$ 6,395,666	\$ 4,796,749	\$ 3,197,833
1 cent	\$195		1 cent	\$ 6,395,666	\$ 5,116,533	\$ 3,837,399	\$ 2,558,266
3/4 cent	\$146		3/4 cent	\$ 4,796,749	\$ 3,837,399	\$ 2,878,050	\$ 1,918,700
1/2 cent	\$98		1/2 cent	\$ 3,197,833	\$ 2,558,266	\$ 1,918,700	\$ 1,279,133
1/4 cent	\$49		1/4 cent	\$ 1,598,916	\$ 1,279,133	\$ 959,350	\$ 639,567

Key Considerations

- ▶ Ask Voters?
- ▶ Purpose – what priorities?
- ▶ Funding Measure – what mechanism?
- ▶ Amount – how much?
- ▶ **Need** – what is the City's story?



City's Story

What is it?

What should it be?



Example Measures

▶ Sales Tax (1 cent)

- ▶ Proposal 1: **Budget** Restricted (50% vote)
- ▶ Proposal 2: **Municipal Code** Restricted (50% vote)
- ▶ Proposal 3: **Voter** Restricted (2/3 vote)

- ▶ **Public Infrastructure Debt** Limit up to 60%
- ▶ **Ongoing Public Safety** (Police, Fire, PW) Expenditures Limited to 20%
- ▶ **Limit Pay as You Go** to 20%
- ▶ Remaining/Unspent – to reserves, internal service funds or capital projects

Example Measures

▶ Property Tax (Parcel Tax)

▶ Proposal 4: Voter Restriction

(2/3 vote)

▶ **Public Infrastructure Debt** Limit up to 60%

▶ **Ongoing Public Safety** (Police, Fire, PW) Expenditures Limited to 20%

▶ **Limit Pay as You Go** to 20%

▶ Remaining/Unspent – to reserves, internal service funds or capital projects



Example Measures

▶ GO Bond (Ad Valorem)

▶ Proposal 5: Voter Restriction

(2/3 vote)

▶ **Public Infrastructure Debt** – restricted to capital infrastructure

▶ Estimated \$450-700 annually per parcel for complete streets

EMC Research

Welcome Jessica Polsky!

