

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: City / Moorpark Unified School District (MUSD) Facilities, Programs and Advance Planning Ad Hoc Committee (Councilmembers Millhouse and Van Dam)
Prepared by: Steven Kueny, City Manager 

DATE: February 25, 2010 (CC Meeting of 3/3/10)

SUBJECT: Consider Partnering with Moorpark Unified School District to Conduct Voter Opinion Poll for Potential Sales Tax Ballot Measure

BACKGROUND

On February 1, 2010, and again on February 24, 2010, Councilmembers Millhouse and Van Dam met with MUSD School Board Members Barker and LaGuardia as members of their respective agency's Ad Hoc Committee. One of the items discussed was the financial and operational impacts the State's finances has caused both the District and City. One of the suggestions that came out of the discussion was to explore a potential one-half cent (1/2 cent) increase in the City's sales tax that could potentially offset revenue losses and resulting service reductions. Voters in the cities of Oxnard and Port Hueneme approved one-half cent sales tax measures for general use in November 2008. Such an increase would generate about \$1.5 million per year for the City. To qualify as a general tax measure requiring only a simple majority approval (as opposed to a special tax requiring a 2/3 voter approval), the use of such tax proceeds could not be specified until after the vote. Some cities have included a companion advisory measure on the ballot asking the voters what their preference would be for use of such taxes if the general tax measure was approved. While not binding, such information provides the City Council some sense of what the community deems important.

DISCUSSION

The City and District have been separately considering revenue enhancement options to address budget shortfalls. Both agencies have implemented expenditure reductions each of the last two fiscal years and are facing more cuts in FY 2010/11. As previously reported, the City is facing a projected \$500,000 General Fund shortfall in FY 2010/11

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in addition to continuing to offset shortfalls in several Landscape and Lighting Assessment Districts for another \$200,000.

A Voter Opinion Poll conducted by the City in October 2007 showed that there would be virtually no support for a general property tax increase for use by the City, and the City received high marks of satisfaction. The poll did show that voters were more likely to vote for a tax increase to maintain and improve city services and facilities, as long as it was around \$9 per \$100,000 in assessed value; however, none of the tested tax rates reached the two-thirds majority support level. Since that time, the City's revenue has declined and flattened, and the State continues to eye city revenues for its own use.

The District is considering two potential options for additional revenue: 1) Parcel Tax requiring 66 2/3 percent voter approval; and 2) Bond requiring 55 percent voter approval (proceeds to be used for capital items that would yield long-term expenditure savings such as solar energy and water conservation).

A City Sales Tax Measure that could be used to address some of the impacts to Moorpark residents resulting from City and District service reductions is another option to be considered. The District's two Ad Hoc Committee members are supportive of participating in a joint Opinion Poll with the City to determine community support for such a measure. They are likely to recommend such to the District Board at their March 9 meeting. The District will also consider if they should conduct an Opinion Poll about a potential Bond measure. Such a poll would be performed at no cost to the District by their Bond consultant whether or not a Bond measure is placed on the ballot.

The City's Ad Hoc Committee supports conducting an Opinion Poll jointly with the District. Both agencies would participate in the selection of the consultant and have input on the survey questions. The cost is estimated to be about \$25,000 to \$30,000 and, as proposed, would be shared equally. The City's Ad Hoc Committee (Councilmembers Millhouse and Van Dam) recommends that the City Council support the joint Opinion Poll as proposed. If this action is taken, it is further recommended that the Ad Hoc Committee be authorized to work with the District on selecting the consultant and developing the survey. If the Council decides to place such a measure on the November 2, 2010 Ballot, all requisite actions would need to be taken by mid to late June 2010. An appropriation of funds is not needed at this time. It would be requested after the cost is determined. If the District is supportive of conducting the Opinion Poll, the two Ad Hoc Committees would meet as needed to proceed with selecting the consultant and having input on the questions. A tentative schedule for conducting the polling is attached as Exhibit A. In addition to the actions required by the County Elections Division, the City would also be required to work with the State Board of Equalization (BOE) to prepare the ordinances for the measure and to sign agreements with BOE for setting up and administering the tax. If the measure was

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approved by the voters, the BOE could begin collecting the additional sales tax beginning with the first calendar quarter that is 110 days after the election. For a November election, the tax would likely become effective April 1 of the following year, with the first full tax payment sent to the City in September.

FISCAL IMPACT

If the proposed Opinion Poll is conducted in conjunction with MUSD, the City's cost is estimated to be \$12,500 to \$15,000. An appropriation in such amount from the General Fund Reserve would be needed.

STAFF RECOMMENDATION

Support the Opinion Poll in cooperation with MUSD and authorize the Ad Hoc Committee (Councilmembers Millhouse and Van Dam) to participate in the process as outlined in the report and authorize the City Manager to sign the agreement with the consultant subject to final language approval by the City Manager and City Attorney.

SK:db

Attachment: Exhibit A

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EXHIBIT A

Tentative Schedule for Conducting Polling

	<u>Action</u>	<u>Date</u>
1.	A. Council Action to authorize the Joint Opinion Poll	March 3
	B. District Action to authorize the Joint Opinion Poll	March 9
2.	Solicit proposals from qualified consultants	March 4-12
3.	Interview and select consultants	March 15-22
4.	Prepare questions	March 23-31
5.	Conduct survey	April 1-15
6.	Report results to Council	April 21
7.	City conduct public meeting to hear from public about potential tax measure	May 5
8.	If directed by Council, prepare ballot materials	June 16

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