

**TOWN OF YUCCA VALLEY**  
**TOWN COUNCIL STAFF REPORT**

**To:** Honorable Mayor & Town Council

**From:** Curtis Yakimow, Town Manager

**Date:** July 27, 2016

**Meeting Date:** August 2, 2016

**Subject:** Essential Town Services Measure

**Recommendation**

It is recommended that the Town Council consider the adoption of the following:

1. A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA, ORDERING THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE TOWN OF A ½ CENT PER DOLLAR (0.5%) TRANSACTIONS AND USE TAX FOR GENERAL FUND PURPOSES TO BE CONSOLIDATED WITH THE GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016, AS CALLED BY RESOLUTION NO. 16-15; REQUESTING THAT THE COUNTY OF SAN BERNARDINO CONSOLIDATE THE ELECTION WITH THE ESTABLISHED ELECTION DATE TO BE HELD ON NOVEMBER 8, 2016; AND DIRECTING THE COUNTY ELECTIONS DEPARTMENT TO CONDUCT THE ELECTION ON THE TOWN'S BEHALF.

**Order of Procedure**

Request Staff Report  
Open Public Hearing  
Request Public Comment  
Close Public Hearing  
Council Discussion/Questions of Staff  
Motion/Second  
Discussion on Motion  
Call the Question

**Discussion**

At the Town Council meeting of June 2, 2015, the Town Council established a Revenue Ad Hoc Committee (Committee) to work with various citizen groups and stakeholders in assessing the appropriateness for voter consideration of a local sales tax revenue measure or measures. This action was in response to two sales tax initiatives that were introduced to the community in 2015, but not circulated. The Council collectively determined that there was sufficient community interest in meeting certain Town-wide needs through a revenue measure, and therefore a wide-ranging review was in order. It was further discussed that the Committee

should identify some guiding principles for any future revenue measure discussion.

### Ad Hoc Committee Efforts

Over the course of the past year, the Committee met with staff, citizen groups, and others a number of times to discuss the various potential policy issues associated with a measure, as well as to understand related technical aspects. Further, the Committee developed, and the Council adopted, a number of guiding principles relative to any potential revenue measure

### Guiding Principles

1. Town-wide Effort - Any potential revenue measure should be a Town-wide effort, with broad support from the entire community. While the measure can be sponsored by the Town for administrative reasons, the underlying support should be from as many Town-based stakeholder groups as possible.
2. Unified Support - For any measure to be successful, it will be necessary to have a unified voice throughout the Town to minimize fracturing of the voter base. If multiple Town-sponsored measures are introduced, a unifying message for all measures will be critical to the success of any measure.
3. Accountable to the Voter - Proposed measures should be developed in such a way as to ensure accountability to the voter and tax payer. This can be accomplished through limited duration of measures of 10 years or less; potential use of advisory measures, and through consideration of revenue measure oversight committees.
4. Respectful of the Voter - Any proposed measures should be respectful of the identified priorities and concerns of as many Town residents as possible. Potential tax payers should have primary input as to the intended uses of funds.
5. Respectful of Future Councils - Any proposed measure should not limit the ability of future Councils to meet the needs of Town residents in the future. Accordingly, measures should generally be limited in duration.

### Community Input 2015

As part of the Committee's analysis, potential revenue measure concepts were included in the Council's strategic planning efforts in 2015. Various questions were discussed and tested in the outreach and social media sessions. Additionally, the Committee met with local citizen groups including the Citizen's for Lower Sewer Cost to review their concerns and proposed initiatives. Through this process, the Committee identified three primary community needs that were consistently highlighted by the various participants:

1. Increased Public Safety Efforts
2. Town Streets and Roads
3. Pending Wastewater (Sewer) Project Cost

### Formal 2016 Community Survey

In accordance with the Council's guiding principles, the Town Council commissioned Godbe Research to conduct a survey to assess resident satisfaction and priorities for Town services. This survey was designed to capture a representative sample of the community and would supplement the input received during the Strategic Planning process conducted in fall 2015.

The survey was completed in the spring of 2016, and indicated the following:

- Constituents are satisfied with the job the Town is doing to provide services.
- After hearing details about a measure to make neighborhoods safe, improve local streets and roads and other community needs, 71% of likely November 2016 voters indicated support.

The complete Summary of Results is provided as an attachment to this report.

### Development of Formal Alternatives

Based on the input and desires of the community to address unmet Town needs including public safety and local streets and roads, the Council provided formal direction to staff to develop the resolutions and ordinances necessary for a potential November 2016 ballot. Over the course of the past weeks, Town staff and legal counsel have developed the necessary resolutions and ordinances for consideration. The final placement of any Town ballot revenue measure must be approved with at least a 2/3 vote of the Council, and must be submitted to the County Registrar of Voters no later than August 12, 2016.

### Town of Yucca Valley Essential Services Measure

The Town has heard a great deal from the community about their desire for better local services, especially public safety and streets and pothole repair. The Citizens for Lower Sewer Costs Committee, along with other community members and town staff, have concluded that the best option available to the Town to address local town service needs is a one-half cent sales tax measure.

Attached for the Council's consideration is the resolution and proposed ordinance related to the Town of Yucca Valley Essential Services Measure. This measure is a half-cent general fund sales tax revenue measure that would be allocated for Town public safety services, Town infrastructure needs, and other Town quality of life programs. It is estimated to generate approximately \$1.5 million annually for a 10 year period. Benefits of the measure include:

- Town citizens repeatedly rank general services, like public safety and street maintenance, as their top priorities. However, no sufficiently reliable sources of revenue exist to address the Town of Yucca Valley's critical infrastructure and general service needs, while maintaining the Town's long-term financial viability. Sacramento money grabs and unfunded state mandates continually threaten funding for local services, impacting our quality of life. A local general tax, however, is a state constitutionally guaranteed source of local funding that cannot be taken by Sacramento and requires that our tax dollars are spent locally for Town services.

- Many of the Town's neighborhood streets and roads are deteriorated and riddled with cracks, pot holes, loss of structural base, and other characteristics of asphalt deterioration. While the Town has made major improvements to a number of streets, additional funds are needed to address streets that are in the worst condition. This measure will provide additional funds to address these needs.
- The Town estimates a deferred maintenance liability of approximately \$14 million on Town maintained roads since inheriting the roads upon incorporation from the county. While there is currently no identified funding source to sufficiently address this community need, this measure would provide substantial funds towards this effort.
- Over the last several years, there has been an increase in crime rates, an increase in the number of calls for police services in the Town of Yucca Valley, with burglaries increasing 113% in 2015 from the prior year. Nonetheless, the level of police services for the Town has remained the same since 2009 due to constraints on the Town's General Fund, which is the source of funding for police services. This measure would provide needed funds for public safety.
- As stated in presentations by the Joshua Tree National Park, millions of visitors come to the Town of Yucca Valley each year to shop, use local services and traverse the Town as a gateway to the Joshua Tree National Park. Given that over half of the sales tax generated in Yucca Valley comes from folks visiting the Basin, this proposed measure would spread the costs of providing services across the many people that use them.
- A local revenue measure would give Yucca Valley local control over local funds for community priorities including but not limited to, maintaining neighborhood police patrols and 911 response, maintaining and repairing existing neighborhood streets and alleys, and maintaining community requested quality of life programming such as the Town's aquatics program, senior site programming, and other community participant programming.
- By taking this step, keeping the Town safe, crime rates low, emergency response times low for all areas of the Town, keeping the Town well maintained with critical public facility infrastructure and maintaining desired quality of life programming, the Town can protect property values and preserve the Town's small town atmosphere.
- Funds from this proposed measure are subject to strict fiscal accountability and transparency provisions, including annual independent audits, review by a citizens' oversight committee, and the publishing of expenditure reports to confirm that funds are spent efficiently and effectively.
- The proposed Town services measure will provide Yucca Valley with locally-controlled funding for Town services that are protected by law from Sacramento.

### **Top Priorities for the Town of Yucca Valley Essential Services Measure**

When discussing the possibility of a revenue measure, it is essential that taxpayers know what the Town Council's priorities are for the use of funds generated through the measure. Because

the proposed measure is a general tax, it is not dedicated toward a specific singular expenditure, and may be used for any legitimate General Fund purpose. Based on community input and discussions over the course of the past year and a half, the following are the proposed top priorities for use of the funds:

- a) Maintaining neighborhood safety, police patrols and 911 response.
- b) Maintaining and repairing existing neighborhood streets and alleys.
- c) Maintaining the Town's quality of life basic programs.

The Sample Town Services Revenue Measure Budget included as an attachment to this report, is illustrative of what the intended use of the funds would be. It is expected that future revenues generated by any such measure, if passed by the voters, would be utilized in similar fashion, in accordance with the top priorities identified above.

### **Impartial Analysis, Arguments For & Against, Rebuttals**

Whenever a municipal ballot measure is authorized, State law provides that the Town Council may direct the Town Attorney to prepare an impartial analysis and provide for the filing of written arguments for and against a measure and for rebuttal arguments to be filed with the Town elections official.

By adopting the additional resolution, the Town Council is directing the Town Attorney to prepare an impartial analysis of the Measure. The impartial analysis shall be filed within fifteen (15) days of the adoption of this Resolution or by the date set by the Town Clerk for the filing of primary arguments, whichever is later.

The resolution also authorizes members of the Council, collectively or individually, or any individual Yucca Valley voter or association of Yucca Valley citizens, to file written arguments in favor or against the Transactions and Use Tax Measure, and to change the argument until and including the date fixed by the Town Clerk after which no arguments for or against the Measure may be submitted to the Town Clerk. The Town Clerk shall follow Elections Code sections 9281 through 9287 in determining the printing of all arguments in favor and against.

### **Next Steps**

Should the Council adopt the resolutions placing the measure before the voters on the November 8, 2016 ballot, the Town Clerk will be responsible for submitting the essential documents to the county Registrar of Voters. Additionally, the following tasks will be completed between now and November:

- Measure Title and Summary provided by the Town Attorney, with proper noticing.
- Ongoing communication, workshops and educational support for the community to provided necessary information and education regarding the measure.

**Strategic Plan Consistency:** The recommended action is consistent with the Town's Strategic Plan to *Move Forward as a Town*. Specifically, this action implements Objective #'s 6, 7 & 8:

*"Provide the Community with clear options related to concerns raised throughout the Strategic Planning Outreach period".*

**Alternatives:** Decline to move forward at this time.

**Fiscal Impact:** Based on prior Registrar of Voter costs, estimated consolidated election costs are \$20,000, and are accommodated by the FY 2016-18 adopted budget.

### **Attachments**

EXHIBIT A  
Citizens Committee Letter of Support  
Yucca Valley Survey Summary of Results

**RESOLUTION NO. 16-**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA, ORDERING THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE TOWN OF A ½ CENT PER DOLLAR (0.5%) TRANSACTIONS AND USE TAX FOR GENERAL FUND PURPOSES TO BE CONSOLIDATED WITH THE GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016, AS CALLED BY RESOLUTION NO. 16-15; REQUESTING THAT THE COUNTY OF SAN BERNARDINO CONSOLIDATE THE ELECTION WITH THE ESTABLISHED ELECTION DATE TO BE HELD ON NOVEMBER 8, 2016; AND DIRECTING THE COUNTY ELECTIONS DEPARTMENT TO CONDUCT THE ELECTION ON THE TOWN'S BEHALF**

**WHEREAS**, the Town has heard a great deal from the community about their desire for better local services, especially public safety and streets and pothole repair; and

**WHEREAS**, the Citizens for Lower Sewer Costs Committee, along with other community members and town staff, have concluded that the best option available to the Town to address local town service needs is a one-half cent sales tax measure; and

**WHEREAS**, the Citizens for Lower Sewer Costs Committee recommends the Town Council place a one-half cent sales tax measure for local town services on the November 2016 ballot for voters' consideration; and

**WHEREAS**, if approved, the proposed Town services measure will provide Yucca Valley with locally-controlled funding for Town services that are protected by law from Sacramento; and

**WHEREAS**, Town streets are underfunded and they are continuing to deteriorate; and

**WHEREAS**, more and more parolees and sex offenders are being released early into the local community because of state cuts to prisons, which may threaten public safety in our Town and neighborhoods; and

**WHEREAS**, local Town service priorities include preventing violent crimes, maintaining youth violence prevention and gang intervention programs, supporting fire protection services, providing additional police officers and neighborhood patrols, fixing streets and potholes, and providing ongoing street maintenance; and

**WHEREAS**, the proposed Town services measure requires an independent taxpayers' oversight committee, mandatory financial audits, and yearly reports to the community to ensure the funds are spent as promised; and

**WHEREAS**, many of the Town's neighborhood streets and roads are deteriorated and riddled with cracks, pot holes, loss of structural base, and other characteristics of asphalt deterioration. These deteriorated road conditions are exacerbated by the fact that there are

many other streets that are unpaved, or located on steep hillsides, wash-out zones or otherwise regularly subjected to extreme weather conditions inherent to the desert environment. While the Town has made major improvements to a number of streets, additional funds are needed to address streets that are in the worst condition; and

**WHEREAS**, the Town estimates a deferred maintenance liability of approximately \$14 million on Town maintained roads. There is currently no identified funding source to sufficiently address this community need; and

**WHEREAS**, over the last several years, there has been an increase in crime rates, an increase in the number of calls for police services and an increase in crime in the Town of Yucca Valley, with burglaries increasing 113% in 2015 from the prior year. Nonetheless, the level of police services for the Town has remained the same since 2009 due to constraints on the Town's General Fund, which is the source of funding for police services; and

**WHEREAS**, Town citizens repeatedly rank general services, like public safety and street maintenance, as their top priorities. However, no sufficiently reliable sources of revenue exist to address the Town of Yucca Valley's critical infrastructure and general service needs, while maintaining the Town's long-term financial viability. Sacramento money grabs and unfunded state mandates continually threaten funding for local services, impacting our quality of life. A local general tax, however, is a guaranteed source of local funding that cannot be taken by Sacramento and requires that our tax dollars are spent locally for Town residents; and

**WHEREAS**, the Town of Yucca Valley has worked diligently to reduce expenditures by modifying or eliminating various Town programs; reducing employee salary costs and reducing non-public safety staff by almost 20% since 2008, and critically examining all expenditures; and

**WHEREAS**, the Town of Yucca Valley has implemented local pension reform measures, including a reduced-benefit pension program for new employees and requiring all employees to pay their share towards retirement costs, resulting in significant savings to taxpayers; and

**WHEREAS**, as stated in presentations by the Joshua Tree National Park, millions of visitors come to the Town of Yucca Valley each year to shop, use local services and traverse the Town as a gateway to the Joshua Tree National Park. To date, no fiscal measures have been taken to ensure that these visitors contribute a fair share for their use of local services, including their use of roads, sidewalks, parks, police and other services they use when they visit the Town; and

**WHEREAS**, the Town Council received valuable input from the community through the Town's Strategic Planning Outreach activities in support of identifying alternative revenue solutions, and was approached by the Citizen's for Lower Sewer Costs seeking ways to maintain essential Town services and lower sewer costs for Town property owners, and received positive responses from the community in the April 2016 Community Needs Survey indicating potential support for a local revenue measure or measures; and

**WHEREAS**, a local revenue measure would give Yucca Valley local control over local funds, for local community priorities including but not limited to, maintaining neighborhood police patrols and 911 response, maintaining and repairing existing neighborhood streets and alleys, and maintaining community requested quality of life programming such as the Town's aquatics program, seniors site programming, and other community participant programming; and

**WHEREAS**, by taking this step, keeping the Town safe, crime rates low, emergency response times low for all areas of the Town, keeping the Town well maintained with critical public facility infrastructure and maintaining desired quality of life programming, the Town can protect property values and preserve the Town's small town atmosphere; and

**WHEREAS**, as a solution to the fiscal constraints on general services, the Town Council desires to submit to the voters a proposal to enact a one-half cent per dollar (i.e., 0.5%) transaction and use tax for a period of ten (10) years in the Town of Yucca Valley, with the funds to be deposited in the Town's General Fund and be used for general Town purposes and services, including but not limited to police and crime prevention, fire protection, paramedic and 911 emergency response services, street repair and maintenance, graffiti prevention and abatement, anti-gang activities and other quality of life programs; and

**WHEREAS**, funds from this proposed measure are subject to strict fiscal accountability and transparency provisions, including annual independent audits, review by a citizens' oversight committee, and the publishing of expenditure reports to confirm that funds are spent efficiently and effectively; and

**WHEREAS**, California Constitution Article XIII C, Section 2, provides that any general tax must be submitted to the electorate and approved by a majority vote of the electorate; and

**WHEREAS**, California Constitution Article XIII C, Section 2, provides that an election regarding a general tax must be consolidated with a regularly-scheduled general municipal election for members of the Town Council; and

**WHEREAS**, a general municipal election on Tuesday, November 8, 2016, has been called by Resolution No. 16-15, adopted on June 7, 2016; and

**WHEREAS**, on the basis of the foregoing, following a public hearing on August 2, 2016, the Town Council determines it is appropriate to place a measure before the voters at the November 8, 2016, general municipal election regarding adoption of a Town transactions and use tax.

**NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1.** That the Town Council, pursuant to its right and authority, does order submitted to the voters at the General Municipal Election on November 8, 2016, the following question:

To provide funding, that cannot be taken by the State, to maintain Yucca Valley services and help make neighborhoods safer, including: violent crime/burglary/home invasion prevention; youth crime prevention; anti-gang/anti-drug programs; adding police officers/neighborhood patrols; fixing potholes/maintaining Town streets; senior/youth programs; and other general Town services; shall Yucca Valley enact a 0.5% sales tax, for 10 years, providing approximately \$1,500,000 annually, with annual audits, citizens' oversight, and all funds spent in Yucca Valley?	YES
	NO

**SECTION 2.** Upon approval of the voters of the Town of Yucca Valley, the Yucca Valley Municipal Code shall be amended to add a new Chapter 3.26 to Title 3, establishing a one-half cent per dollar (0.5%) transactions and use tax within the Town. The proposed complete text of the measure submitted to the voters is attached hereto as Exhibit "A". This question requires the approval of a majority of those casting votes. The Town Council hereby approves the ordinance, the form thereof attached hereto as Exhibit "A", and its submission to the voters of the Town.

**SECTION 3.** That in all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

**SECTION 4.** That notice of the time and place of holding the election is hereby given, and the Town Clerk is authorized, instructed, and directed to give further or additional notice of the election, in time, form and manner as required by law.

**SECTION 5.** That pursuant to the requirements of Section 10403 of the California Elections Code, the Board of Supervisors of the County of San Bernardino is hereby requested to consent and agree to the consolidation of said election. The Town Council authorizes the Registrar of Voters to consolidate this election with the established election on November 8, 2016, for the ease and convenience of the registered voters and to take advantage of any cost savings possible by such consolidation. The County Election Department is authorized to canvass the returns of said election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. That the San Bernardino County

Board of Supervisors is requested to issue instructions to the County Election Department to take any and all steps necessary for the holding of the consolidated election. The Town Clerk may request the assistance of the County Elections Department in regard to said election, as the Town Clerk deems necessary. The Town shall reimburse the County for services performed when the work is completed and upon presentation to the Town of a properly approved bill.

**SECTION 6.** That this Resolution shall become effective immediately upon its passage and adoption, and the Town Clerk is directed to send certified copies of this Resolution to the San Bernardino County Board of Supervisors, to the County Clerk-Recorder, and County of San Bernardino Election Department.

PASSED, APPROVED AND ADOPTED ON this 2nd day of August, 2016.

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ROBERT LEONE, MAYOR

ATTEST:

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TOWN CLERK