



Ballot Measure DD

(Information Only)

September/October 2016

Agenda



- ❖ What is Measure DD?
- ❖ Why is Measure DD needed?
- ❖ Why Sales Tax Instead of Another Tax?
- ❖ How Will the Funds be Raised?
- ❖ How Will the Funds be Spent?

What is Measure DD?



- ❖ 1¢ Local Add-on Sales Tax Measure
 - Current rate in Menifee is 8.0%
 - Statewide average rate is 8.5%
- ❖ Sales Tax funds Police, Fire, Parks, Public Works and the general operations of the City
- ❖ If enacted, Measure DD will generate \$6.2 million annually
 - Local control, not subject to State takeaways
 - Until ended by voters

What is Measure DD?



Ballot Measure Language

MENIFEE PUBLIC SAFETY/TRAFFIC CONGESTION RELIEF/VITAL CITY SERVICES MEASURE.

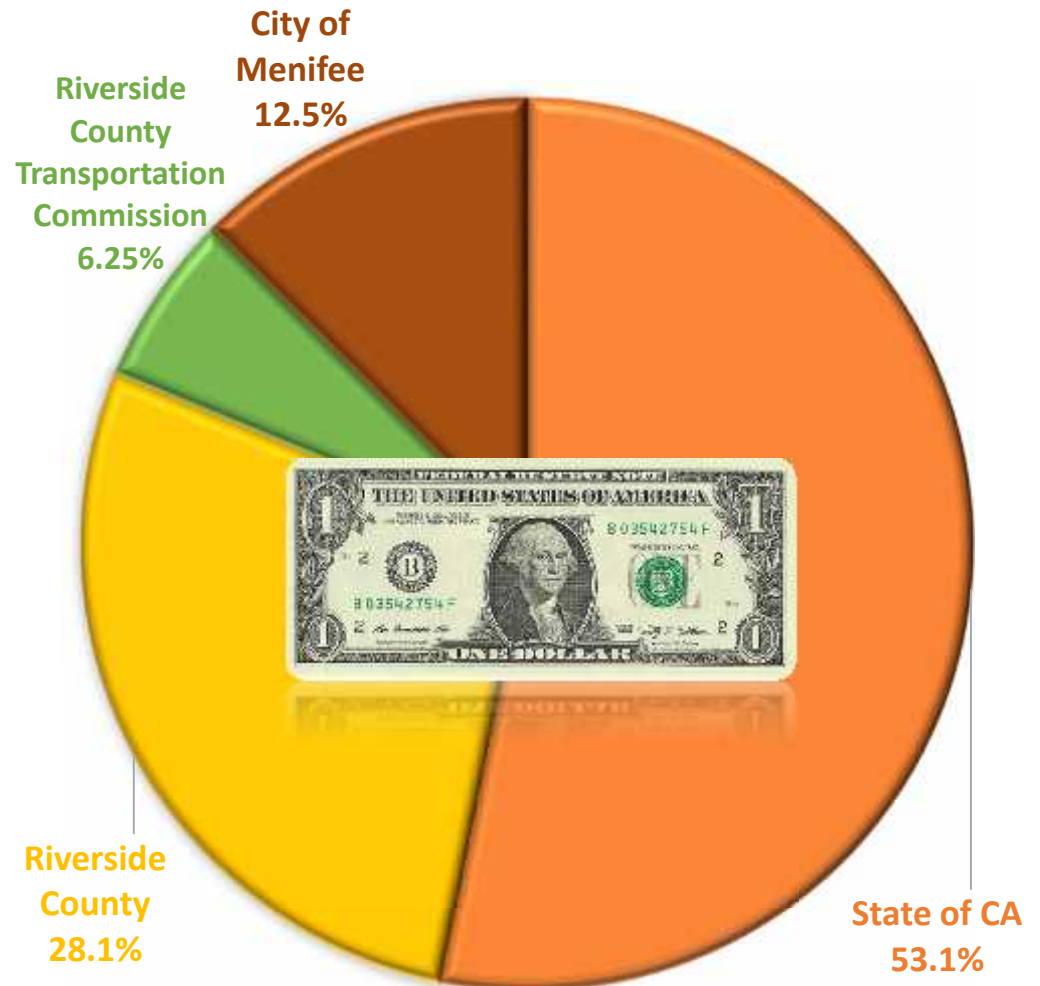
Shall Ordinance 2016-199 of the City of Meniffee to reduce traffic congestion; improve/repair local interchanges / overpasses / streets / roads / bridges / potholes; maintain local police / fire protection / paramedics / 9-1-1 emergency response times; prevent cuts to senior/disabled/youth programs; and provide other general services by enacting a 1¢ sales tax providing \$6.2 million annually until ended by voters; requiring annual independent audits, all funds spent locally, be adopted?

Sales Tax Distribution



Sales Tax Rate = 8%
\$1 Purchase = \$0.08 Sales Tax

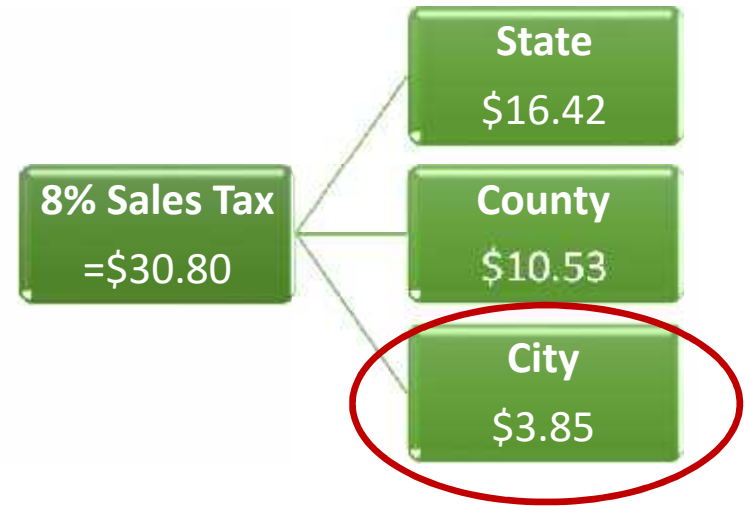
State of CA 4 ¼ Cent	<ul style="list-style-type: none">•K-12/Community Colleges•Education Protections
Riverside County 2 ¼ Cent	<ul style="list-style-type: none">•Public Safety•Transportation•Mental Health/Welfare
Riverside County Transportation Commission ½ Cent	<ul style="list-style-type: none">• County Transportation
City of Menifee 1 Cent	<ul style="list-style-type: none">•City Services (Police, Fire, Parks, etc.)



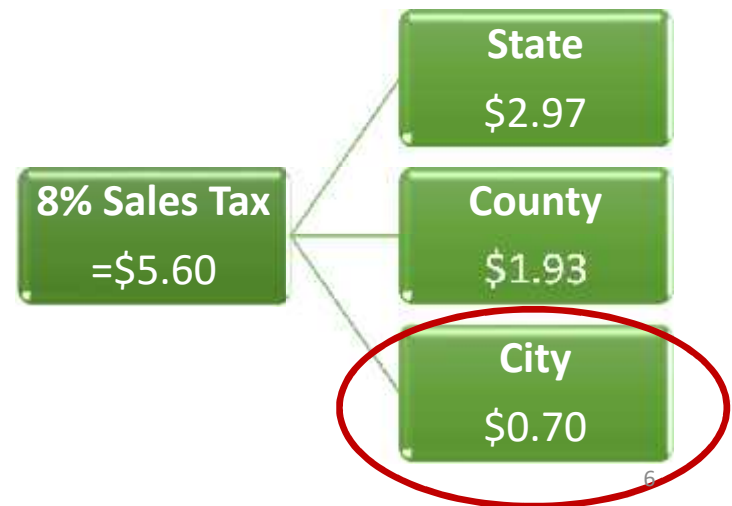
Sales Tax Example



New Golf Clubs = \$385
8% Sales Tax = \$ 30.80



Sit Down Dinner = \$70
8% Sales Tax = \$5.60



Where Do Your Property Taxes Go?



SCHOOL
DISTRICTS
\$0.59

RIVERSIDE
COUNTY
\$0.12

SPECIAL
DISTRICTS
\$0.16

CITY OF
MENIFEE
\$0.13

\$0.06
Goes to
GF

\$0.06
Goes to
Fire

Why is Measure DD Needed?

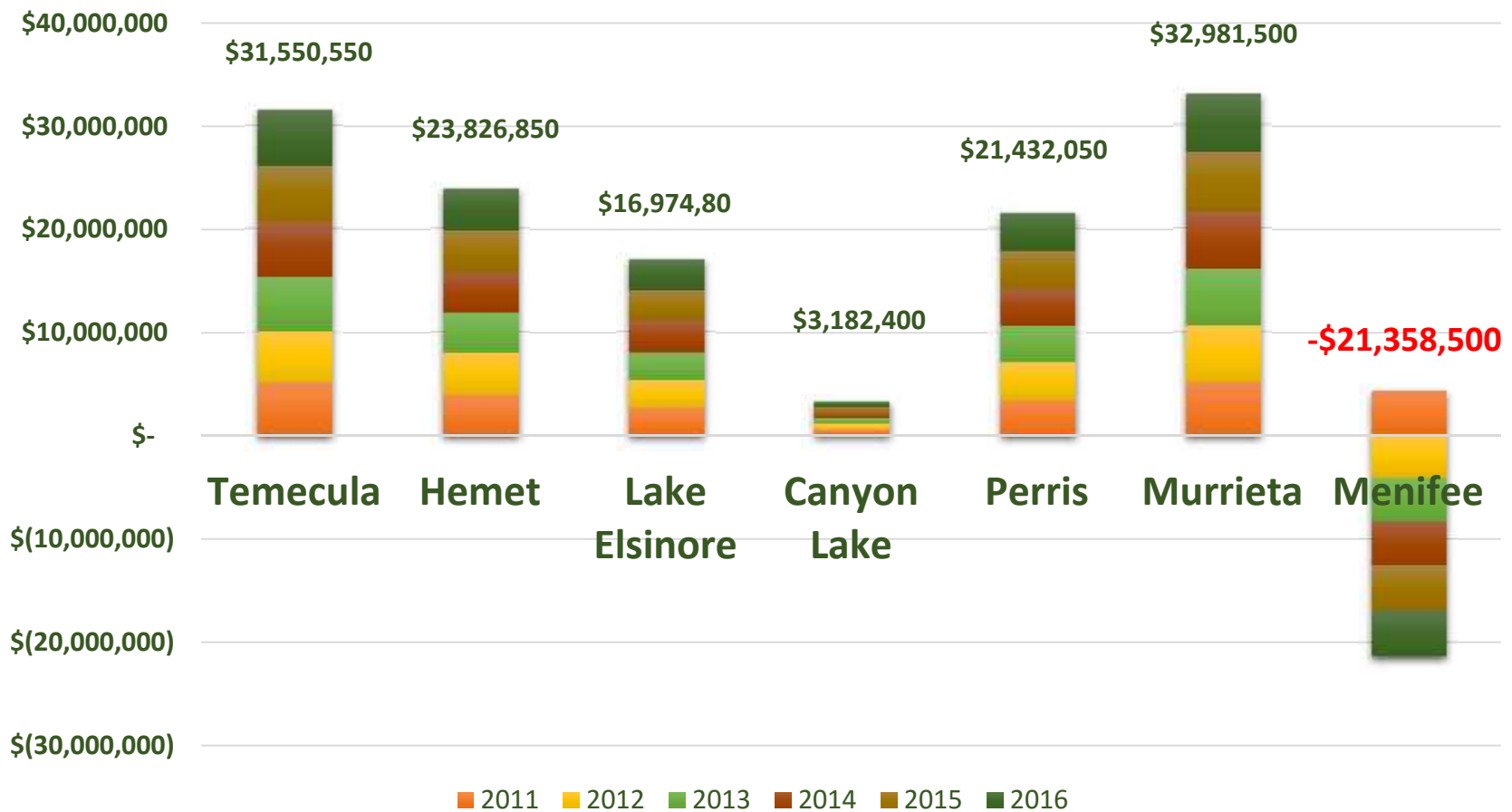


- ❖ The City's 5-Year Financial Forecast indicates a looming structural deficit
 - Expenditures are outpacing revenues
 - Currently, Menifee is operating with a **\$2.4M deficit** (expenditures over revenue)
- ❖ Imbalance due to added Public Safety responsibilities, rising cost of Public Safety services & continued State takeaways (VLF, Gas Tax \$)
 - Menifee is one of only 4 cities, out of 482, not receiving Vehicle License Fees (VLF) because of policy error in Sacramento
 - Menifee residents pay VLF annually, yet the City receives none of these fees that all other cities in CA receive (478 cities in CA).
 - This amounts to a loss of \$50 per capital based on population (89,000 in Menifee)
 - \$50 x 89,000 = \$4,450,000 this year alone...
 - \$21 Million lost in revenue since 2011
- ❖ Measure DD will ensure continued high quality of life and fund vital services

VLF Loss Hurts Meniffee

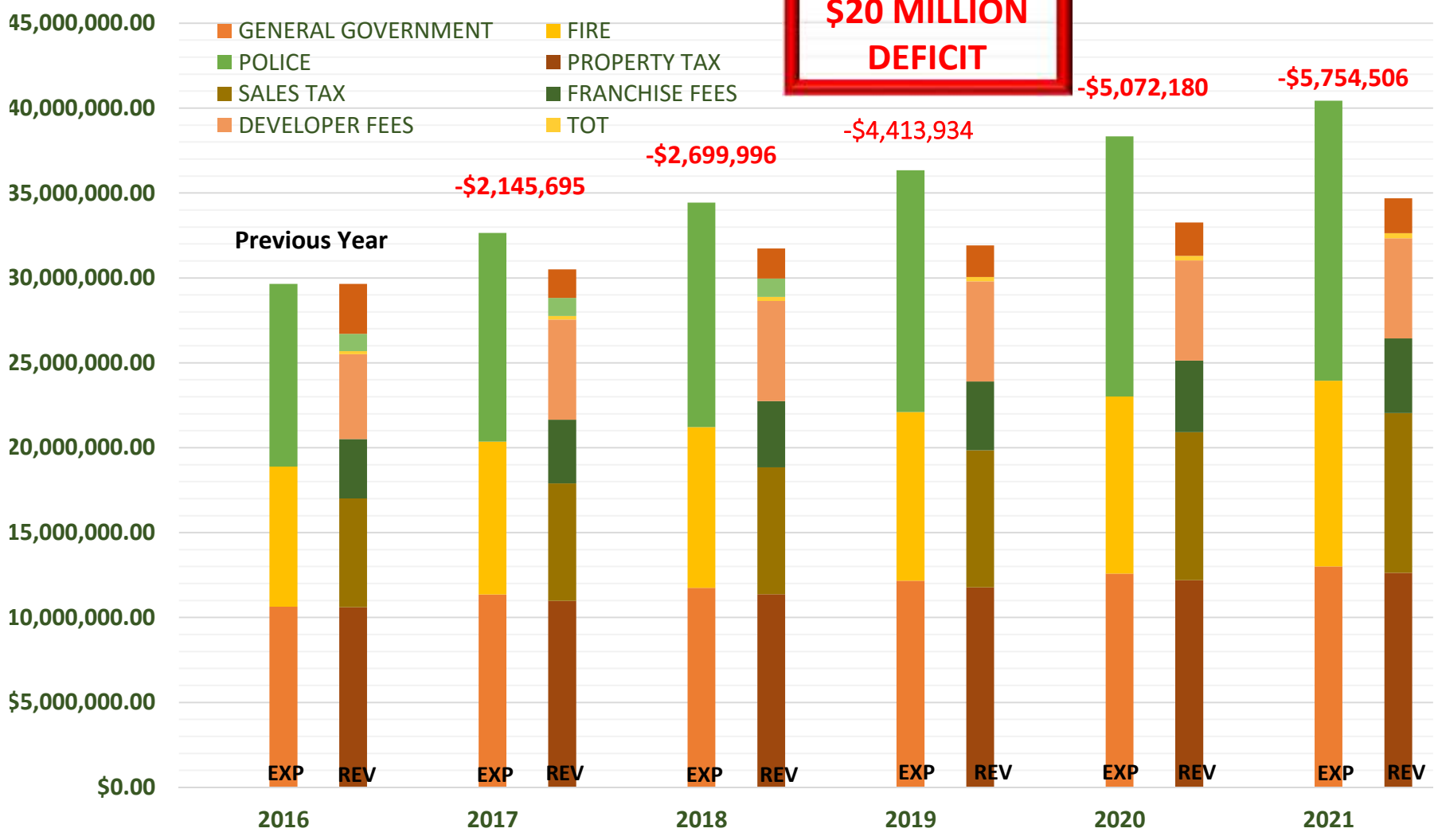


Vehicle License Fees (VLF)



5 Year Financial Forecast

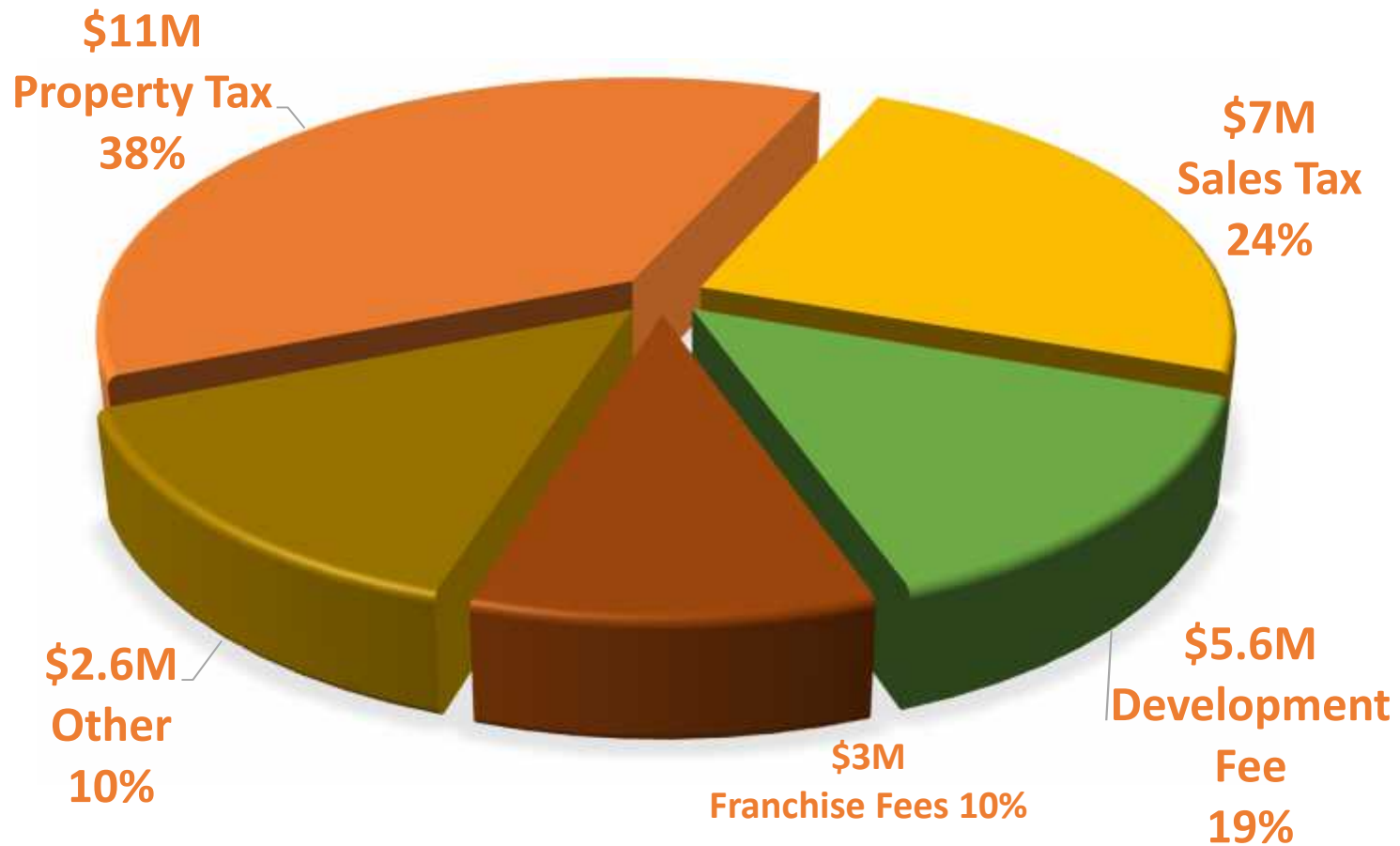
Current 2016/2017 FY Budget Gap (\$2,414,960)



General Fund Revenues



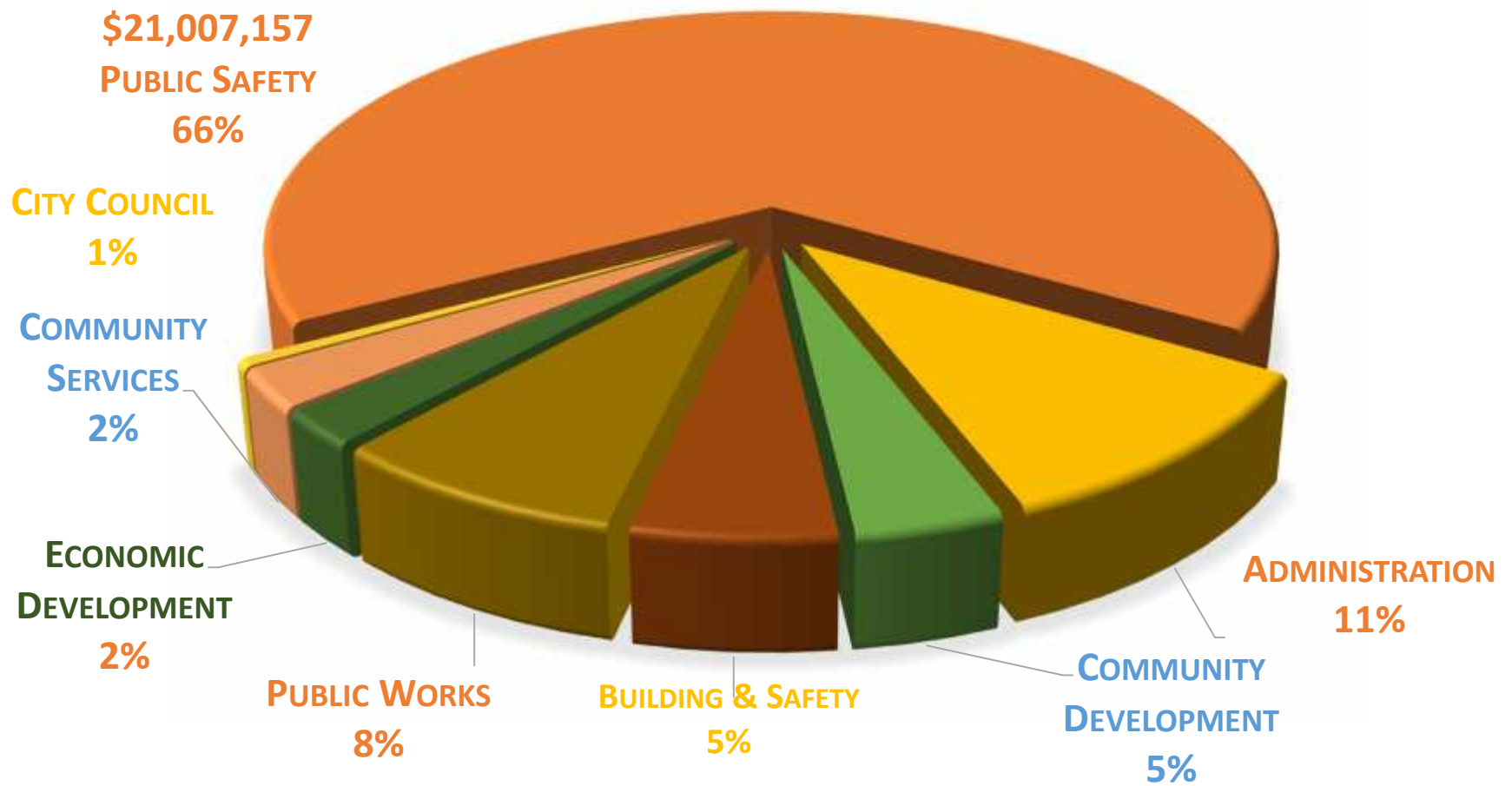
Total Budget Revenues \$29,380,373



FY 16-17 Annual Operating Budget



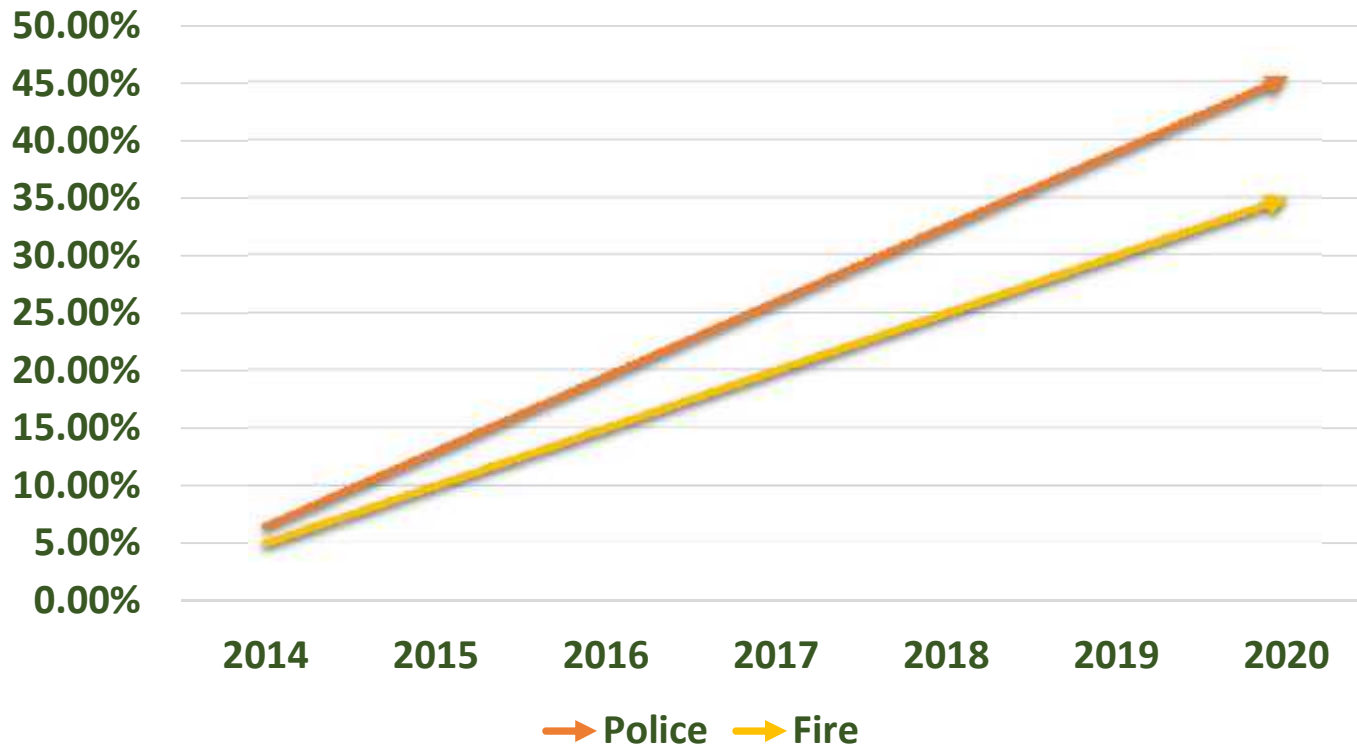
General Fund Operating Expenditures \$31,795,333



Increasing Cost of Police & Fire



Price of Public Safety



*Status Quo-No additional officers

- Police- Increases 5-7.5% per year
- Fire-Increase 5% per year

Why Sales Tax?



- ❖ Council explored the impacts of increasing other avenues and found they were insufficient to meet revenue demands
- ❖ Local control without State takeaways
- ❖ Sales Tax is paid by residents, businesses, & non-residents (visitors)
 - 700,000 population within 15 miles of city center (Newport/Haun)
 - 85,000 vehicle trips per day on I-215 between Scott & Mcall
 - 58,000 vehicle trips on Newport
 - 31,000 vehicle trip on Scott
- ❖ Estimated ½ or more would be paid by non-residents (visitors)

How Will Funds Be Raised?



- ❖ Requires voter approval on November 8th
 - Simple majority needed for approval (>50%)
- ❖ Added 1% Sales Tax (1¢ on each dollar spent) collected at time of sale
 - Exempts most household products like prescription medicines, healthcare, groceries & utilities
- ❖ Merchants remit tax to the State, who then distributes to City on quarterly basis

How Will Funds Be Spent?



Maintain & Prevent Cuts to:

❖ Reduce Traffic Congestion

- Connect traffic signals for more effective timing
- Add necessary traffic flow assistance
 - Signals, stop signs, signage, enforcement

❖ Maintain Aging Infrastructure

- Roads, parks, sidewalks

❖ Fund Capital Improvements

- Scott Interchange
- Holland Overpass
- Bradley Bridge
- Murrieta Road (N-Lane Configuration)
- Repair Goetz

How Will Funds Be Spent?

(CONTINUED)



Maintain & Prevent Cuts to:

❖ 911 Emergency Response Times

- Maintain 4 minute average Fire/Paramedic response time
- Add officers for patrol & traffic congestion relief

❖ Local Paramedic, Police, & Fire Protection

❖ Maintain Public Safety Services

- Backfill 20 officer vacancies consistent with population growth
- Maintain Fire staffing in city, and keep paramedics on all fire engines

❖ Preserve Fiscal Stability & High Quality of Life

Questions?



- ❖ For additional information/questions please visit <http://www.cityofmeniffee.us/MeasureDD>
- ❖ Or email your questions to questions@cityofmeniffee.us