

**LEARN THE FACTS ABOUT MEASURE T:
PLEASANT HILL'S PROPOSED UTILITY TAX ON THE NOVEMBER 2 BALLOT**

ISSUE	SUPPORTERS SAY:	OPPONENTS SAY:
<p>“THE CITY PROJECTS BUDGET DEFICITS THROUGH JUNE 2012”</p>	<p>The city maintains a savings reserve for “rainy days.” City budget deficits over the next two years will require the city to dip into this fund.</p>	<p>When expenses exceed income, then it’s time cut expenses. In the city’s case, that means reducing labor costs, which are the city’s largest expense. While this isn’t an easy thing to do, it’s necessary and, frankly, long overdue.</p> <p>Unless/until expenses are brought in line with income, there may be no choice but to tap the “rainy day” savings account.</p>
<p>“SALE TAX RECEIPTS TO THE CITY ARE DOWN “</p> <p>“THE CITY NEEDS TO INCREASE ITS INCOME NOW – WE CANNOT WAIT FOR THE ECONOMY TO TURN AROUND.”</p>	<p>The city’s tax receipts are down due to a bad economy. Tax receipts – including sales taxes, property taxes, hotel taxes, building permit fees, vehicle license fees and business license taxes – have all declined.</p> <p>The city needs to make up for this loss in its income by raising taxes. Measure T will provide the city with \$1.2 million in additional annual tax income.</p>	<p>Everyone has been hit by the poor economy. In response to these conditions the city should reduce expenses – just as families and businesses do – instead of balancing its budget by taking \$1.2 million EVERY YEAR from the pockets of residents and businesses.</p> <p>Imposing new taxes on residents in response to temporary economic conditions is an overreaction and unnecessarily penalizes residents – many of whom are already struggling to stay afloat financially.</p>
<p>“OTHER CITIES HAVE UTILITY TAXES, SOME AT MUCH HIGHER RATES”</p>	<p>In the Bay Area there are an estimated 30 cities with established user utility ordinances.</p> <p>In Contra Costa there are currently six cities with user utility taxes with rates ranging from 1% (Pleasant Hill’s current tax on landline phones) to 10% (Richmond).</p>	<p>User utility taxes in other cities are limited to one or two utility categories, while Pleasant Hill proposes to apply its tax to all utilities (except for trash pick-up) as well as increasing the utility tax rate.</p> <p>Communities are unique, thus are not directly comparable to one another. A tax rate in effect in one city does not mean it is right for Pleasant Hill.</p> <p>Does mention of Richmond’s 10% utility tax rate imply that Pleasant Hill should aspire to be more like Richmond?</p>

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<p>“MEASURE T IS NEEDED TO ‘PROTECT LOCAL SERVICES’ AND MAINTAIN PUBLIC SAFETY”</p>	<p>The city says that revenues collected from Measure T may be used to fund general city services and operations, such as emergency response and neighborhood police patrols, police services, road repair and storm drain maintenance, maintaining youth and teen crime prevention programs, keeping our city clean and free of graffiti and maintaining library hours and services.</p>	<p>The city has not explained definitely how it will spend new tax money – nor has it said precisely what will happen if Measure T fails. However it can be reasonably anticipated that any budget cuts would be made rationally, based upon community values and a common sense assessment of service priorities.</p> <p>While proponents prominently list “emergency police services” as a possible use of Measure T funds, surely cutting police services would be the last budget category the city would cut, should voters reject Measure T!</p> <p>Jeopardizing community safety by slashing the Police Department budget won’t happen because public safety is the city’s first and foremost duty. To pretend otherwise is foolish – or perhaps simply a political scare tactic?</p>
<p>“STATE FUNDING ‘TAKEAWAYS’ FROM CITIES HAVE CREATED A FINANCIAL CRISIS FOR LOCAL AGENCIES . . . THE CITY NEEDS TO BACKFILL ITS BUDGET”</p>	<p>The city needs money to make up for \$2 million in redevelopment funds withheld by the state in an effort to balance the state budget.</p>	<p>Measure T does not address redevelopment funding. Measure T tax receipts will fund the city’s operating budget, which is separate from redevelopment funds. Redevelopment “takeaways” by the state do not impact day-to-day city business operations which are supported by the city’s General Fund.</p> <p>No redevelopment money can be used for anything except for projects within the redevelopment area. State law prohibits transfer of redevelopment money to a city's General Fund. The only one who can take redevelopment money and put it into a General Fund is the State itself.</p> <p>Note should be made that property taxes going to schools, fire, police, etc., are frozen as of the date of the formation of the Redevelopment Area. The incremental increase in property taxes each year goes to the redevelopment agency.</p> <p>Redevelopment agencies siphon off about 12 cents of every property tax dollar – money that otherwise would go to fund schools, fire and police.</p>

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<p>“CITY OPERATIONS HAVE ALREADY BEEN CUT TO THE BONE”</p> <p>“WE’VE REACHED A POINT THAT WE NEED TO INCREASE REVENUES”</p> <p>“WE HAVE COSTS THAT ARE OUTSIDE OF [THE CITY’S] CONTROL”</p>	<p>The city has reduced the number of its employees by 20% and made cuts where possible while continuing to maintain the high level of services that businesses and residents have come to expect. However, without additional local funding, the current level of services will be difficult to sustain.</p>	<p>All of us could use more money. And everyone incurs costs that are beyond our control.</p> <p>We applaud the city for its recent cost-cutting efforts, which include freezing some positions, eliminating some vacant positions and a variety of other relatively minor budget cuts. And we also maintain that the City can and should do more to cut overhead expenses.</p> <p>Ideas to reduce city expenses are no mystery, but they present tough choices and involve difficult collective bargaining with labor unions that represent city workers.</p> <p>Elected officials generally seek to avoid conflict with public employee unions and prefer, instead, to raise taxes and maintain the status quo – at taxpayer expense. By its support for Measure T, the City Council appears to have adopted this approach.</p> <p>Areas in which cost reductions and greater employee cost-sharing can be considered include:</p> <ul style="list-style-type: none"> • City employees presently pay zero towards CalPERS retirement benefits. The customary 7-9% “employee contribution” currently is paid by the city. • City employees presently pay \$55 monthly for health insurance that costs as much as \$2000 monthly. • City employees enjoy 4-4.5% employer matching contributions to a supplemental retirement plan and pay little or nothing for dental, orthodontia, vision, disability, life insurance and other benefits. • Some city employees are eligible to receive “longevity pay” of up to 17% -- just for staying on-the-job. This practice is outmoded, unaffordable and unnecessary in today’s job market. • City employees enjoy 13 holidays a year generous vacation and sick leave benefits.

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<p>“MEASURE T WILL COST RESIDENTS ONLY A FEW EXTRA DOLLARS EACH MONTH”</p>	<p>To estimate the average cost of Measure T, residents and business owners should calculate their total monthly utility costs (for telephone, cell phone service, cable, gas, electricity, water and sewer) and multiply that number by 1.5% The average household will pay an additional \$72 to \$144 annually.</p>	<p>Residents and businesses have already been hit hard by increasing costs of government on all levels – federal, state, county, city, schools, special districts, etc. Dollar upon dollar, year after year, the growing tax burden chips away at household budgets and families’ spending power.</p> <p>Tax burdens on all taxpayers have increased and hikes on federal income taxes are on the way next year. State tax hikes are likely on the horizon, as well.</p> <p>It may be easy for proponents to say that Measure T will cost the average resident “only a few extra dollars” – but struggling families and small business owners no longer have “extra” dollars.</p> <p>Some businesses will be hit hard by this tax and all businesses will pass along the cost of this tax to customers. Essentially residents will pay this tax twice – once at home and again when they shop in Pleasant Hill.</p>