

Annual Report on **MEASURE G**

Fiscal Year 2019/20
July 1, 2019 - June 30, 2020

Damien O'Bid - City Manager
Angela Courter - Director of Administrative Services



City Officials and Staff

Members of the Council

Wendy Skillman - Mayor
John C. Moore - Vice Mayor
Mark Landman - Councilmember
Susan Harvey - Councilmember
John Dell'Osso - Councilmember

Measure G Oversight Board

James O'Rourke
Arianne Eskew
Marjorie Crump-Shears
Michelle Reilly
Kenneth Savano

City Management

Damien O'Bid, City Manager
Michael Parish, Chief of Police
Angela Courter, Director of Admin Services
Noah Housh, Director of Community Development
Craig Scott, Director of Public Works/City Engineer
Lauren Berges, City Clerk
John Bakker, City Attorney



City of Cotati
201 W. Sierra Ave.
Cotati CA 94931

GET TO KNOW YOUR VOTER APPROVED TAX MEASURE

WHY DID THE CITY COUNCIL PLACE MEASURE G ON THE BALLOT IN 2014?

In response to the severe economic recession and the State redistribution of funding through the Redevelopment Dissolution, the City aggressively cut expenses, including a 28% reduction in staffing, elimination of the Recreation Department, voluntary staff salary cut of 14%, cut back or elimination of all contract services, and a general 11% reduction in General Fund expenditures. At that time, the City also was a leader in the state in establishing a new benefit and pension tier for new employees, to reduce future expenses.



In addition to the cuts in expenses, in 2009 the voters of Cotati also approved Measure A, a ½-cent sales tax for 5 years to maintain basic City services through the recession. Even with the additional revenue from Measure A and the City cuts in expenses, the unexpected loss of funding as a result of the State dissolution of Redevelopment, coupled with a much slower than expected economic recovery,

resulted in the City being able to only maintain basic services with no capacity for non-emergency projects. As Measure A was nearing its expiration, the City was again facing the possibility of losing our locally controlled Police Department, and the very viability to continue as a city separate from Rohnert Park or the County was a deep concern.

In response, the City Council declared a State of Emergency on February 11, 2014, putting Measure G on the ballot. On June 3, 2014, the voters of Cotati passed Measure G, the *Cotati Essential City Services Measure*.

At the time Measure G was placed on the ballot, the State had taken hundreds of thousands of dollars in funds from Cotati's budget, which directly affected the General Fund. The General Fund supports all the basic functions of a city including police services, road maintenance, park maintenance, and other essential city services. Just like most cities in California, the economic downturn and declining property values dramatically reduced sales tax and property tax revenues in Cotati.



HOW IS MEASURE G DIFFERENT FROM MEASURE A?

In 2010, Cotati voters approved Measure A, which was a temporary ½-cent sales tax for five years. Measure G is a temporary 1-cent sales tax for 9 years that superseded Measure A and replaced it. Measure G will expire in 2023.

HOW MUCH DOES A 1-CENT INCREASE IN THE SALES TAX COST ME?

A 1-cent increase in the sales tax adds \$1 on a \$100 purchase. Purchases such as food and medicine are exempted from the sales tax. Some of the largest sales tax sources in Cotati such as Lowes, Oliver’s Market and our gas stations, collect a significant portion of their sales taxes from visitors to Cotati, which benefits our residents and the visitors who use the City services and infrastructure. The revenue from Measure G is used to protect the essential services Cotati residents rely on and assist in the implementation of key improvements desired by the community.

DO FUNDS FROM MEASURE G STAY IN COTATI?

Yes. Measure G funds stay local and ensure that this local funding source cannot be taken by the State and can only be spent for Cotati and its residents.

WHAT DOES THIS LOCAL SOURCE OF FUNDING PROVIDE FOR COTATI?

The City of Cotati uses the funds from Measure G to maintain essential City services for our community. Essential City services include the core services needed to run a City, including improved community services, preserving our local police department, recreational opportunities, and maintenance of public infrastructure, including streets and pothole repair. With the additional public safety funding, it also increases the number of officers on duty and helps maintain crime prevention and investigation services. Measure G can also be used to leverage grant funds and key infrastructure projects such as street maintenance, storm drain maintenance, and improvements to parks and other City facilities.



Cotati Police Department

WHAT OVERSIGHT PROVISIONS ARE IN PLACE?

The City has established an independent Citizens’ Oversight Committee that meets annually to review expenditures for Measure G and help make sure that every penny supports voter-approved priorities. This committee is an advisory body comprised of five members that are appointed by the City Council in a public process. Their involvement will help ensure that funds will continue to be spent responsibly on services provided by the City for purposes that benefit the citizens of Cotati.

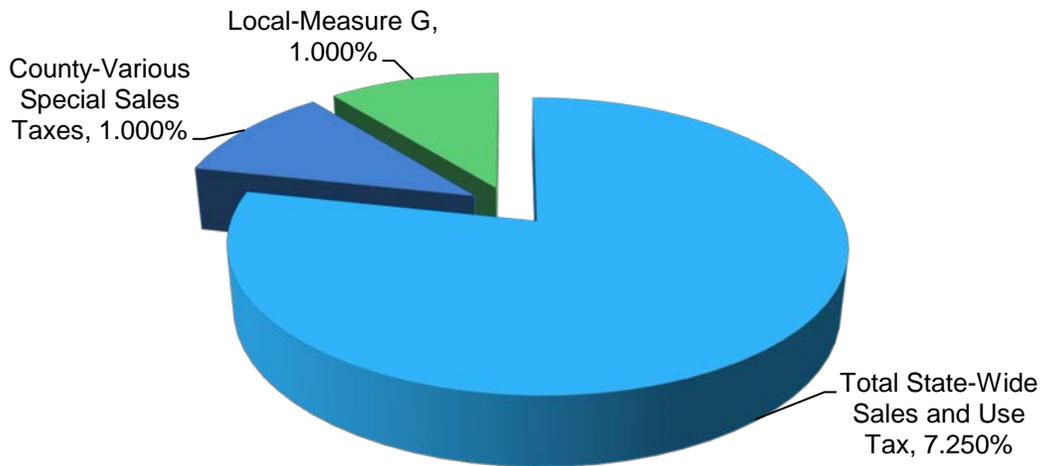
WHAT MAKES UP THE TOTAL SALES TAX RATE?

As of June 30, 2020, the total sales tax rate in Cotati was 9.25% and is broken down as follows:

California Sales and Use Tax Rates	
State	6.00%
County Transportation Funds	0.25%
Local-City of Cotati (Bradley Burns)	1.00%
Total State-Wide Sales and Use Tax Rate	7.25%
County (SMART, Open Space, Measure M Streets, Measure M Parks, and Measure Y)*	1.00%
Measure G	1.00%
Total Sales Tax Rate in Cotati	9.25%

*Sonoma Marin Area Rail Transit [SMART] Measure Q (0.25%), the Agricultural Preservation and Open Space District Measure F (0.25%), Sonoma County Transportation Authority Measure M (0.25%), and Sonoma County Public Library Measure Y (0.125%) and Sonoma County Parks Measure M (0.125%) are countywide measures.

Breakdown of Cotati Sales Tax Rate



Cumulative Funding of Programs



Streets, Sidewalk and Storm Drain Program

9%



Public Safety Program

34%



Recreation Program

7%



Park and Landscape Program

6%



Public Building Program

7%



Capital Improvement Projects

37%

SUMMARY OF PUBLIC BENEFIT

Revenue generated by Measure G began coming into the City in October 2014. In 2019-2020 the City received \$2,545,862 in Measure G funding. The passage of Measure G continues to stabilize the City budget and allowed the City to deliver on the expectations and desires of our community. This includes enhanced services in public safety and infrastructure maintenance, as well as bringing back Recreation Programming, and is the reason the City can make significant investments in streets repaving, traffic safety, and building and park improvements.

PUBLIC SAFETY

Without a positive sense of public safety in our community, it can be difficult to bring in new business or families. Measure G has enabled the City to preserve our own Police Department by funding core operations and enabling key improvements to public safety, including hiring a new full-time police officer and adding a traffic officer assignment starting in FY 14-15. The City also added a Police Services Aide and a full-time dispatcher, as well as continuing to fund ongoing departmental operations. Maintaining the local police department also opened the opportunity to provide emergency dispatch services to Sonoma State University. The revenue from this shared services agreement has also allowed the hiring and continuation of an additional police officer and a part time dispatcher since FY 17-18.

Other elements of the public safety program are intended to improve community safety. This includes things such as street safety and lighting projects.

The City Council's primary focus during FY 19-20 was to continue to improve the overall level of public safety services in the City. The following is a summary of Measure G expenditures under the Public Safety Program:

1. The City continued to fund ongoing operations to preserve our local Police Department.
2. Vehicle purchase for the community service officer, bucket truck to maintain street safety, and back up emergency equipment, including portable fueling equipment and towable generator to ensure continuous backup power during emergencies.
3. Preparation and response to the Kincadee Fires and Public Safety Power Shut Off, including the public Charging Center.
4. Continued investments in traffic safety with the design on an all way stop for W. Sierra and West School Street as well as Traffic Flow Improvements for Old Redwood Highway.



STREET, SIDEWALK, AND STORM DRAINAGE

The community expects and depends on well-maintained city streets, streetlights, traffic signals, sidewalks and storm drains. Well-maintained roadways are safer and improve the visual appeal of our city. It is critical to be able to leverage available grants to bring in additional funds to benefit our community. In addition, to save money in the long run, it is critical to fund road maintenance early to prevent expensive repairs and reconstruction of our streets later.

The City Council's primary focus during FY 19-20 was to complete outstanding projects while continuing to invest in new improvements, all of which benefit the City with improved levels of maintenance in the streets, sidewalks and storm drain systems. In any given fiscal year, construction projects will often carry across fiscal years, as the June 30 fiscal year end is in the middle of the construction season. Therefore, it is expected that each year the ratio of services and capital projects/equipment will fluctuate with the timing of project construction.

The following is a summary of Measure G expenditures under the Street, Sidewalk, and Storm Drain Program:

1. Continued funding of ongoing and improved services, including the full-time civil engineer and continuing enhanced traffic signal, streetlight and roadway landscape maintenance.
2. Construction was completed for the sidewalk and streets improvement plans for the East Cotati Avenue Paving Project which has \$675,000 in state matching grant funding.
3. Expanded design of the School Street Pathway on Richardson Lane to provide a safe pathway for children to walk to and from school at Thomas Page Academy. Having Measure G as a matching source, Sonoma County made additional grant matching funds available from their Community Development Block Grants.
4. Completed construction for the second phase of the "L Section" Streets Improvement project as well as designed the 2020 streets improvement project which will be going into construction in fall 2020.
5. Manufacturing of Wayfinding signage to enhancing the City's bicycle and pedestrian routes and amenities.
6. Began design for phase two Wayfinding Gateway signage program.

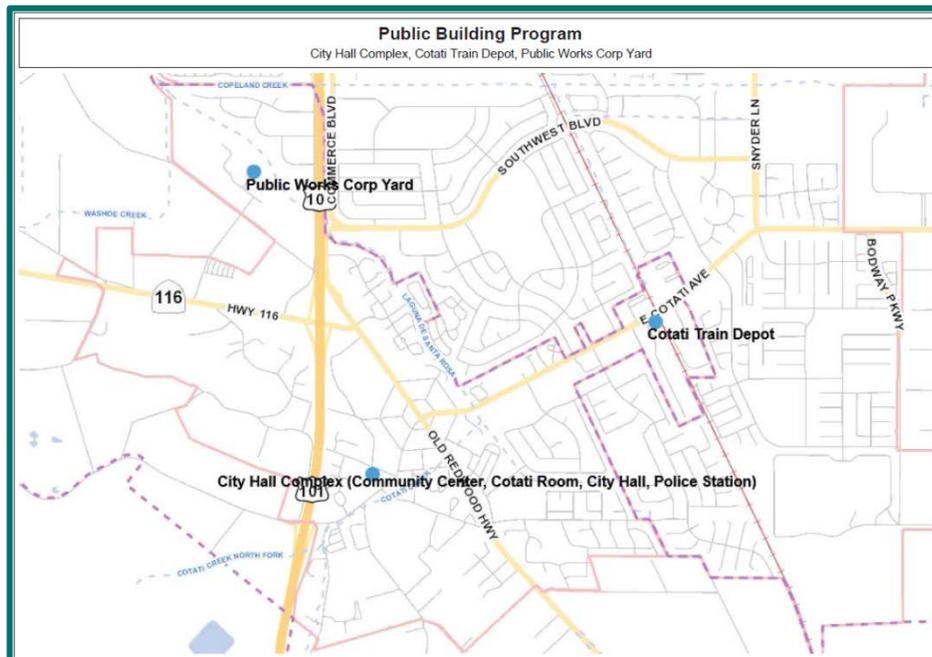


PUBLIC BUILDING

The City operates and maintains several public buildings to conduct public meetings and provide core services to the community, including City Hall, Ray Miller Community Center and Cotati Room, Public Works Corporation Yard, Police Department and the Cotati Train Depot.

The City Council's primary focus during FY 19-20 was to continue to improve the overall level of maintenance of the City Buildings. The following is a summary of Measure G expenditures under the Public Building Program:

1. Funded ongoing building operational costs.
2. Continued to fund building official inspection services and code enforcement.
3. Funded maintenance and repairs of building equipment.
4. Started design on the Civic Center refurbishment project.



RECREATION

During the recession and the ensuing budget cuts, the City's Recreation Programs were eliminated. Since then, it has been a goal of the City Council to bring back the Recreation Department once the City was financially able to support this program. The Recreation Department includes a variety of classes, workshops, camps and events for all ages, as well as management of city facilities and parks for public use. The Recreation Department provides an opportunity to bring the public together for positive, healthy activities and provide a sense of community. The following is a summary of Measure G expenditures under Recreation for FY 19-20:

1. Funded full-time Recreation Manager, Recreation and Facilities Coordinator as well as seasonal employment for up to six part-time camp staff to assist with special recreation programs and ran a counselor-in-training (CIT) program.
2. Produced a completely redesigned activity guide in for both the Spring/Summer and Fall/Winter
3. Funded all services and supplies needed to support the growing programs. In Fiscal Year 19-20, the following is a summary of Recreation programming and events:
 - a. Sweethearts Fairytale Dance
 - b. Bunny Brunch To-Go
 - c. Summer Camp Cotati
 - d. Staffed Free Children's Summer Lunch Program in La Plaza Park
 - e. Facilitated the PSPS Recharging Center
 - f. City Hall-oween
 - g. Thanksgiving Break Camp
 - h. Holiday Tree Lighting
 - i. Breakfast with Santa
 - j. Winter Break Camp
 - k. Spring Break Camp
 - l. City food drives to support local food security
 - m. Promote & support the bike-to-work day
 - n. Seven contracted camps including Several Farmster Camp Programs at Falletti Ranch
 - o. Contracted recreation classes



Camp Cotati



Breakfast with Santa



Bunny Brunch To-Go



PSPS Charging Center

SUMMARY

In FY 19-20, the City undertook a total of \$956,116 in ongoing and improved services and \$1,589,746 in capital improvements and equipment. During this fiscal year, the focus was on continued preparation for large capital projects for construction, as well as completion of key projects which started during fiscal year 18-19. The City is proud of the safety improvements made as well as the streets improvements made throughout the 2019 Street Paving Project and E. Cotati Ave. Street and Sidewalk Improvements. The City looks forward using Measure G to continue to provide many more critical infrastructure projects as well as improved services delivery to our citizens.

Measure G continues to be critical for funding essential city services and infrastructure projects. Additionally, the City is actively working to promote economic development within Cotati to expand and diversify the tax base to provide more long-term revenue stability. The combination of dedicated local revenue from Measure G and a growing local economy provide the local revenue to deliver the services and infrastructure that the citizens of Cotati desire.

Bike to Work



Emergency Equipment

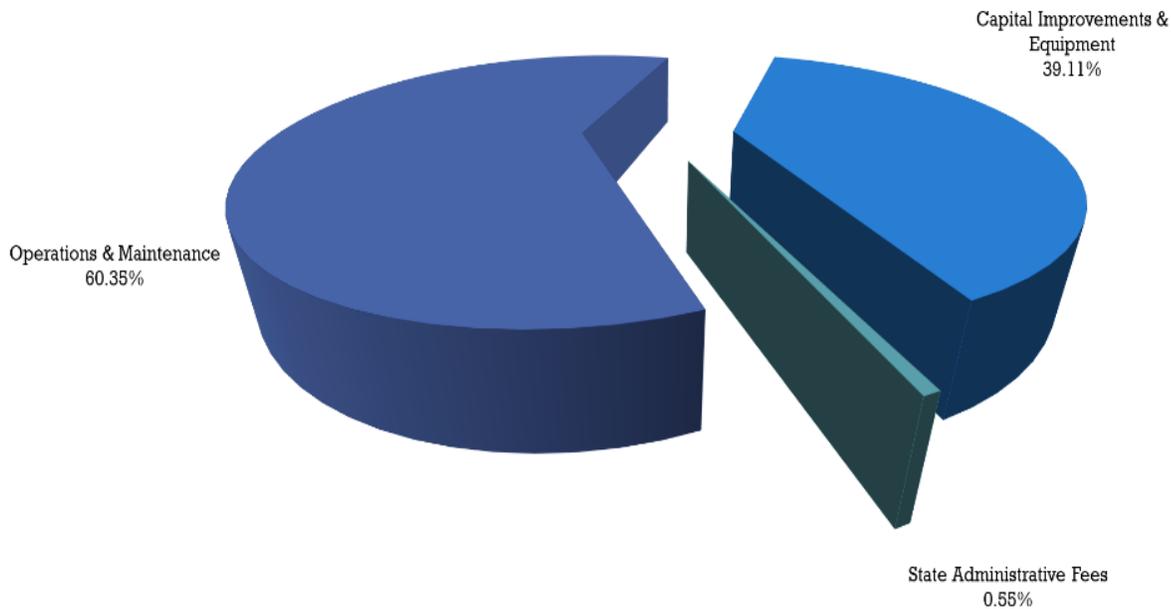
Measure G Financial Summary



**Inception to Date
Essential Services & Improvements Summary**

	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	Combined FY	Cumulative Percentage Usage
GROSS MEASURE G REVENUE	\$ 1,344,594	\$ 1,991,285	\$ 2,120,557	\$ 2,148,886	\$ 2,557,335	\$ 2,558,612	\$ 12,721,269	100.00%
Less: State Administration Fees Expense	(4,650)	(12,900)	(14,230)	(12,550)	(12,670)	(12,750)	(69,750)	0.55%
NET TOTAL REVENUES	\$ 1,339,944	\$ 1,978,385	\$ 2,106,327	\$ 2,136,336	\$ 2,544,665	\$ 2,545,862	\$ 12,651,519	99.45%
Street, Sidewalk, and Stormdrain Program	\$ 492,860	\$ 855,352	\$ 754,349	\$ 566,980	\$ 834,890	\$ 963,915	\$ 4,468,346	35.13%
Operations & Maintenance	144,415	121,663	152,067	324,765	262,772	79,167	1,084,850	8.53%
Capital Improvements & Equipment	348,445	733,689	602,282	242,215	572,118	884,747	3,383,496	26.60%
Public Safety Program	\$ 559,443	\$ 685,633	\$ 729,034	\$ 952,363	\$ 784,420	\$ 916,764	\$ 4,627,658	36.38%
Operations & Maintenance	518,426	641,610	717,556	896,550	740,094	765,828	4,280,064	33.64%
Capital Improvements & Equipment	41,017	44,023	11,478	55,813	44,326	150,936	347,593	2.73%
Recreation Program	\$ -	\$ 52,487	\$ 123,773	\$ 187,557	\$ 256,079	\$ 264,464	\$ 884,360	6.95%
Operations & Maintenance	-	52,487	123,773	187,557	256,079	264,464	884,360	6.95%
Capital Improvements & Equipment	-	-	-	-	-	-	-	0.00%
Park/Landscape Program	\$ 118,283	\$ 161,271	\$ 258,347	\$ 232,637	\$ 438,921	\$ 319,372	\$ 1,528,831	12.02%
Operations & Maintenance	87,260	164,327	156,526	183,399	161,395	69,372	822,279	6.46%
Capital Improvements & Equipment	31,023	6,944	101,821	49,238	277,526	250,000	716,552	5.63%
Public Building Program	\$ 169,358	\$ 213,642	\$ 240,824	\$ 196,799	\$ 230,355	\$ 81,347	\$ 1,132,325	8.90%
Operations & Maintenance	80,998	185,963	222,863	146,481	191,594	77,285	905,184	7.12%
Capital Improvements & Equipment	88,360	27,679	17,961	50,318	38,761	4,062	227,141	1.79%
TOTAL EXPENSES	\$ 1,344,594	\$ 1,991,285	\$ 2,120,557	\$ 2,148,886	\$ 2,557,335	\$ 2,558,612	\$ 12,721,269	100.00%
Operations & Maintenance	831,099	1,166,050	1,372,785	1,738,752	1,611,934	1,256,116	7,976,736	62.70%
Capital Improvements & Equipment	508,845	812,335	733,542	397,584	932,731	1,289,746	4,674,783	36.75%
State Administrative Fees	4,650	12,900	14,230	12,550	12,670	12,750	69,750	0.55%

Measure G - Inception To Date Expenditure Uses



**MEASURE G SALES TAX
REVENUE AND EXPENSES
FY 2019/20**

	Measure G	% of Measure G*
NET TOTAL MEASURE G REVENUE	\$ 2,545,862	100.0%
OPERATIONS AND MAINTENANCE EXPENSE DETAIL		
Street, Sidewalk, and Stormdrain Program		
Materials & Supplies	405	0.0%
Contract Services	2,899	0.1%
Utilities	1,466	0.1%
Repairs & Maintenance	546	0.0%
Salaries and Benefits	73,852	2.9%
Subtotal	\$ 79,167	3.1%
Public Safety Program		
Materials & Supplies	611	0.0%
Contract Services	256,753	10.1%
Utilities	1,233	0.0%
Repairs & Maintenance	1,382	0.1%
Salaries and Benefits	505,849	19.9%
Subtotal	\$ 765,828	30.1%
Recreation Program		
Salaries and Benefits	184,289	7.2%
Recreation Programs Expenses	80,175	3.1%
Subtotal	\$ 264,464	10.4%
Park/Landscape Program		
Materials & Supplies	344	0.0%
Contract Services	1,040	0.0%
Utilities	1,477	0.1%
Repairs & Maintenance	284	0.0%
Salaries and Benefits	66,228	2.6%
Subtotal	\$ 69,372	2.7%
Public Building Program		
Materials & Supplies	270	0.0%
Contract Services	76,130	3.0%
Utilities	653	0.0%
Repairs & Maintenance	233	0.0%
Salaries and Benefits	-	0.0%
Subtotal	\$ 77,285	3.0%
Total Operations and Maintenance Expenses	\$ 1,256,116	49.3%

* Percentages rounded to the nearest .1%.

**MEASURE G SALES TAX
REVENUE AND EXPENSES
FY 2019/20**

Measure G	% of Measure G*
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CAPITAL IMPROVEMENTS AND EQUIPMENT EXPENSE DETAIL

Street, Sidewalk, and Stormdrain Improvements

E. Cotati Avenue Paving Project	250,000	9.8%
Citywide Wayfinding Signage	59,188	2.3%
Richardson Lane - School Street Pathway	1,809	0.1%
Gateway Signage	3,750	0.1%
2020 Street Constr. & Improvements	570,000	22.4%

SubTotal	\$ 884,747	34.8%
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Public Safety Improvements

Vehicles	80,000	3.1%
Backup Emergency Equipment	42,000	1.6%
Old Redwood Highway Traffic Flow Evaluations	22,803	0.9%
Citywide Traffic Safety	6,133	0.2%

SubTotal	\$ 150,936	5.9%
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Park/Landscape Improvements

Falletti Ranch Improvements	250,000	9.8%
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SubTotal	\$ 250,000	9.8%
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Public Building Improvements

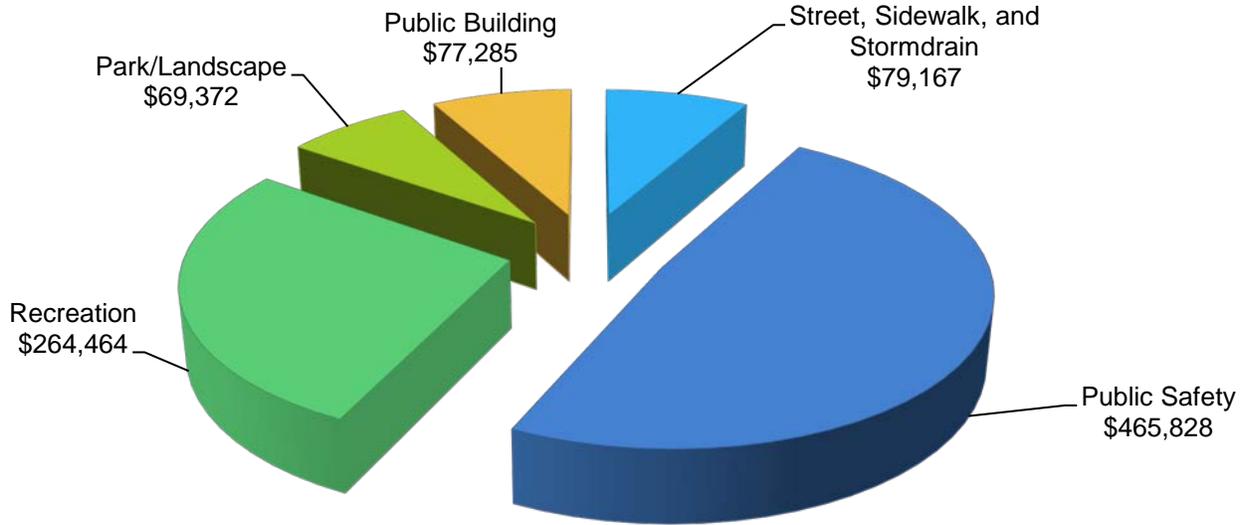
Civic Center Roof Refurbishment	4,062	0.2%
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SubTotal	\$ 4,062	0.2%
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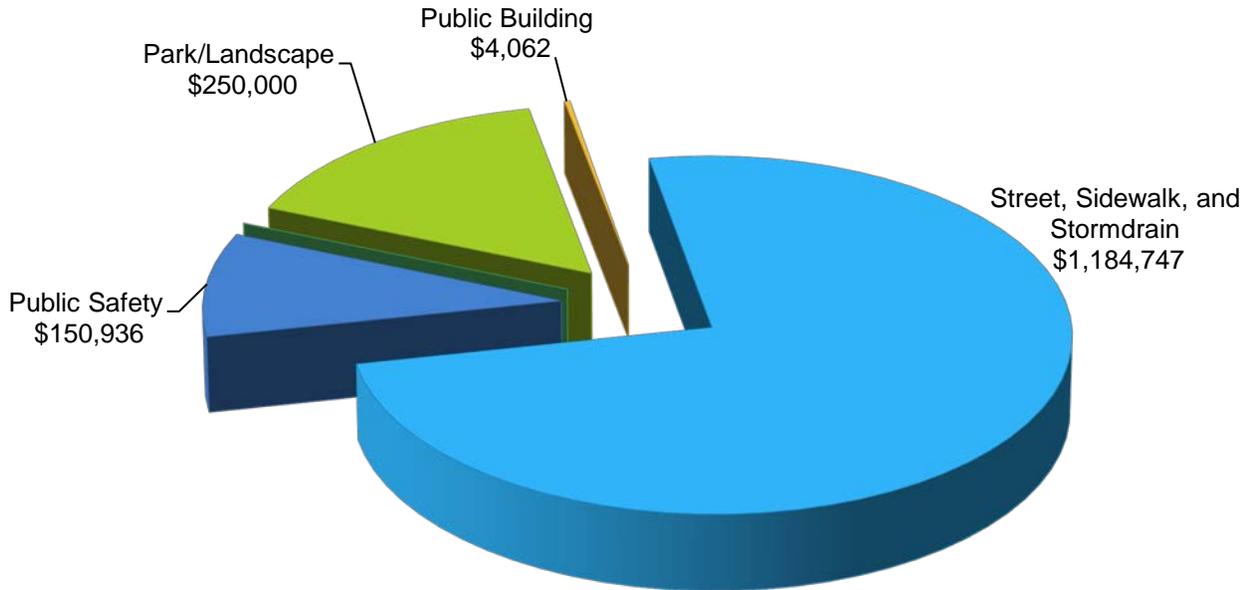
Total CIP and Equipment Expenses	\$ 1,289,746	50.7%
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* Percentages rounded to the nearest 1%.

Operations and Maintenance Expenditure Detail



Capital Improvement and Equipment Expenditure Detail



STATEMENT OF REVENUE AND USES
FOR THE FISCAL YEAR ENDING
JUNE 30, 2020

The following statements are developed for presentation within the audited financial statement for the City of Cotati for the Fiscal year ending June 30, 2020. Audit fieldwork was completed October 16, 2020 and the Comprehensive Annual Financial Report was presented for final approval by the City Council on January 26, 2021.

To the best of our knowledge there are no anticipated audit adjustments or findings as it pertains to the proper presentation of the Statement of Measure G Revenues and Uses.

For more information about the City's historical financial activities, you can view the City's audited basic financial statements at City Hall or online at:

http://www.cotaticity.org/city_hall/departments/administrative_services_finance_water_billing

City of Cotati
Schedule of Measure G Revenues and Uses
For the year ended June 30, 2020

REVENUES:

Measure G revenues	\$ 2,558,612
Total Measure G revenues	2,558,612

USES:

Operations and maintenance:	
Street, sidewalk and storm drain	79,167
Public safety program	765,828
Recreation program	264,464
Park and landscape program	69,372
Public building program	77,285
Capital improvements and equipment:	
Street, sidewalk and storm drain	884,747
Public safety program	150,936
Park and landscape program	250,000
Public building program	4,063
State administrative fees	12,750
Total Measure G uses	\$ 2,558,612

Voter Pamphlet

As Approved June 2014



VOTER'S PAMPHLET

MEASURES, ANALYSES AND ARGUMENTS

(whichever is applicable to your ballot)

Arguments in support of, or in opposition to, the proposed laws are the opinions of the authors.

CITY OF COTATI MEASURE G

G **Cotati Essential City Services Measure.** To maintain Cotati as a viable, independent, financially stable City, address State takeaways, prevent potential Police Department elimination/permanent service cuts, and maintain law enforcement staffing levels and other City services, including domestic violence response, street paving, and pothole repair, shall the City of Cotati extend its existing Measure A sales tax and set the rate at 1¢ for nine years, with independent citizens' oversight, annual audits, and no money for Sacramento?

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE G

The City Council of the City of Cotati placed Measure G on the ballot to ask the City's voters to approve a temporary one percent (1%) transactions and use tax. The proposed tax would add a penny to the price of an item that costs a dollar. Prior to placing Measure G on the ballot, the City Council unanimously declared the existence of an emergency in the City.

The ordinance proposed by Measure G contains findings that, as a result of factors largely outside of its control—such as the slow recovery from the recession, increased expenses, and the continued taking of City revenues by the State—and despite having taken steps to reduce its operational costs, the City is experiencing an existing and immediate funding crisis. The ordinance further finds that, absent additional General Fund revenue, the City Council will consider reducing police and other essential services, including the possible elimination of the City's Police Department. The ordinance finds that as a result, a fiscal emergency exists within the City.

Because Measure G would not limit the use of tax revenue, it is a "general tax," not a "special tax" that restricts the funds to specific purposes. Therefore, the City may use the funds for any legitimate governmental purpose. Among the examples of general services to be funded by the measure, as described in the ballot question, are maintaining the City's Police Department, including staffing levels, domestic violence response services, street paving, and pothole repair.

The proposed tax would terminate automatically after nine years, unless extended by the voters.

Measure G would require an independent auditor to provide an accounting of the revenue received as a result of the proposed tax and expenditures of the revenue in the City's audited financial statements. The auditor must present a report to the City Council regarding the use of tax proceeds. The report must be a public record.

Technically, the existing "sales tax" is a combination of "sales and use tax" and "transactions and use tax." With some exceptions, both are levied on the sale or use of tangible personal property sold at retail. Retailers collect the tax at the time of sale and remit the funds to the State Board of Equalization, which administers the tax.

In 2010, Cotati voters approved Measure A, increasing the sales tax rate from 8.25% to 8.75% for five years. Measure G would replace the Measure A tax and set the sales tax rate at 9.25% for nine years. If Measure G is not approved, the current rate will continue until July 2015 and then become 8.25%. Revenue from Measure G would go to the City's general fund and be available to support the full range of municipal services.

A "Yes" vote is a vote to approve a one-cent sales tax for nine years, with annual review by independent auditors. A "No" vote is a vote against the tax. Measure G would be approved if it received a simple majority of "Yes" votes.

s/ Robin Donoghue, City Attorney
City of Cotati

ARGUMENT IN FAVOR OF MEASURE G

Vote Yes on G to maintain Cotati's status as a viable, independent City and prevent the elimination of our local Police Department!

Yes on G protects our City from the Sacramento money grabs that have resulted in hundreds of thousands of dollars being taken from Cotati's City budget.

Yes on G maintains guaranteed local funding for the vital public safety and community services you expect and rely on, with money that cannot be taken by Sacramento or Washington.

Yes on G ensures your tax dollars are spent locally to keep Cotati financially stable.

Yes on G is not a new tax. It simply continues existing, voter-approved funding at the one cent sales tax rate—ensuring that out-of-towners who use our local services pay their fair share. A majority of Cotati's sales tax is paid by out-of-town shoppers coming to local destinations like Lowe's.

Measure G is not a property tax or a tax on Cotati homeowners, and it does not apply to food purchased as groceries or prescription medication.

Over the last several years, the City has reduced staffing by 28%, frozen wages for over 6 years, reduced employee benefits, and reduced its overall general fund budget by 11%. Cotati has made every cut possible and we need Measure G to maintain current service levels and prevent more severe and potentially permanent service cuts.

Yes on G includes fiscal accountability provisions. Residents will have access to public expenditure reports, and annual independent audits continue to ensure City officials use voter-approved tax dollars as promised.

Join police officers, local business owners, and community leaders in voting Yes on G to protect and maintain Cotati's public safety and community services. For official information about Measure G, visit www.cotaticity.org

COTATI CITY COUNCIL
s/ John A. Dell'Osso, Mayor

s/ Matthew Stapleton
Police Officer, Cotati resident

COTATI CHAMBER OF COMMERCE
s/ Jami Brady, President

s/ Prudence K. Draper
60-Year Resident and Taxpayer

s/ Moose Jamal
Local Business Owner

NO ARGUMENT WAS SUBMITTED AGAINST MEASURE G



VOTER'S PAMPHLET
MEASURES, ANALYSES AND ARGUMENTS

(whichever is applicable to your ballot)

Arguments in support of, or in opposition to, the proposed laws are the opinions of the authors.

FULL TEXT OF MEASURE G

AN ORDINANCE OF THE VOTERS OF THE CITY OF COTATI AMENDING CHAPTER 3.05 OF THE MUNICIPAL CODE TO EXTEND AND INCREASE A TRANSACTIONS AND USE TAX ADMINISTERED BY THE STATE BOARD OF EQUALIZATION

BE IT ORDAINED BY THE VOTERS OF THE CITY OF COTATI:

SECTION 1. FINDINGS. The voters of the City of Cotati hereby find and declare as follows:

- a. Cotati voters adopted Measure A in 2010, which imposed a transactions and use ("sales") tax of .05% and which sunsets in 2015.
- b. Measure A has provided the City with a guaranteed source of local funding for local City services that cannot be taken by the state and has helped maintain the financial viability of the City. Since voters enacted Measure A, the City has maintained a full-service Police Department, with the ability to prevent and investigate property, domestic violence and other types of crime.
- c. External costs beyond the City's control have increased faster than the City's revenue sources, including Measure A, and the State has continued to raid the City's coffers, taking \$2.3 million from the City, including \$600,000 from the general fund.
- d. The City is experiencing an existing and immediate funding crisis, which is the result of factors largely outside of its control, including national economic trends, rapid increases in the cost of employee retirement and health insurance benefits, decreases in revenue from existing taxes and fees, increases in charges by the County of Sonoma, and unpredictable State takeaways of local revenue.
- e. The City has taken significant steps to reduce its operational costs. It has reduced staffing by 28%, reduced employee benefits and reduced its overall general fund budget by 11% while inflation has increased 20%.
- f. The City has used its available General Fund balance to bridge the structural budget deficit, meaning it has used all available financial resources and will have none available to maintain services.
- g. Because of changes in State law, particularly the approval of Propositions 62 and 218, the City has very few means available for increasing General Fund revenue.
- h. Absent an extension and enhancement of the funds provided by Measure A, the City Council would have no choice other than to implement severe reductions in City services and potential elimination of the Police Department. Just extending Measure A would be inadequate to address the returned emergency that faced the City in 2010. The Measure must be expanded for nine years at one cent to protect our local, high-quality services and ensure our Police Department has the resources it needs to keep Cotati safe.
- i. Without further action, the revenue measure will expire in 2015, resulting in the loss of over \$900,000 of funding for essential City services.
- j. Unless Measure A funds are enhanced and extended, public facilities and property will not be properly maintained, public safety standards will degrade, crime and violence will increase, the community will not have adequate and safe recreational opportunities, businesses and families will be discouraged from moving to or remaining in Cotati, and the health, safety, and welfare of the residents of Cotati will be endangered.
- k. Because of that threat to the public health, safety, and welfare, The City Council, at its Regular meeting on February 11, 2014 unanimously adopted Resolution No. 2014-04, declaring that an emergency exists in the City, as the term "emergency" is used in Article XIII, section 2(b) of the California Constitution. The City must immediately address that emergency by ensuring that the City has the resources necessary to preserve the public health, safety, and welfare.

- l. The identified emergency necessitates that the City Council submit a tax measure to the voters of Cotati at the June 3, 2014 election, even though such an election would not be consolidated with a general election for a member of the Council.
- m. Article XIII, section 2(b) of the California Constitution permits the City, in emergency situations unanimously declared by the Council, to seek voter approval for a general tax at an election that is not consolidated with an election for a member of the Council.

SECTION 2. AMENDMENT OF CODE. "Chapter 3.05 Transactions and Use Tax" of the Cotati Municipal Code is hereby amended to read as follows:

Section 3.05.010. TITLE. This ordinance shall be known as the City of Cotati Transactions and Use Tax Ordinance. The City of Cotati hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

Section 3.05.020. OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below. The operative date is anticipated to be October 1, 2014.

Section 3.05.030. PURPOSE. This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

- A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.
- B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
- C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.
- D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

Section 3.05.040. CONTRACT WITH STATE. Prior to the operative date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

Section 3.05.050. TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 1% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

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(whichever is applicable to your ballot)

Arguments in support of, or in opposition to, the proposed laws are the opinions of the authors.

FULL TEXT OF MEASURE G, CONT.

Section 3.05.060. PLACE OF SALE. For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

Section 3.05.070. USE TAX RATE. An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of 1% of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

Section 3.05.080. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

Section 3.05.090. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefore. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

Section 3.05.100. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

Section 3.05.110. EXEMPTIONS AND EXCLUSIONS.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California

or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

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(whichever is applicable to your ballot)

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FULL TEXT OF MEASURE G, CONT.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Section 3.05.120. **AMENDMENTS.** All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

The foregoing amendments shall not require voter approval.

The following amendments to this ordinance must be approved by the voters of the City of Cotati: increasing the tax rate or revising the methodology for calculating the tax such that a tax increase would result; imposing the tax on transactions and uses not previously subject to the tax (unless such amendment occurs automatically by operation of the preceding paragraph); or extending the tax beyond the ninth anniversary of the operative date. The City Council may otherwise amend this ordinance without submitting the amendment to the voters for approval.

Section 3.05.130. **ENJOINING COLLECTION FORBIDDEN.** No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Section 3.05.140. **ANNUAL AUDIT AND PUBLIC REPORT.** Annually the City Council retains an independent auditor to conduct an audit of and provide audited financial statements for all of the City's financial activities. The auditor shall include an accounting of the revenue received from the tax and expenditures thereof in the audited financial statements. The auditor's report shall be presented to the Council and made available to the public. Additionally, the Director of Administrative Services shall annually prepare and present to the Council and the public a report in conjunction with the audit that reviews the status and performance of the programs and services funded wholly or partially with proceeds of the tax.

Section 3.05.150. **TERMINATION DATE.** The authority to levy the tax imposed by this ordinance shall expire on the ninth anniversary of the operative date, unless extended by a majority vote of the voters of the City.

SECTION 3. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

SECTION 4. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately.

SECTION 5. PUBLICATION. The Clerk of the City of Cotati is hereby directed to cause the following summary of the ordinance to be published by one (1) insertion in The Community Voice, a newspaper of general circulation, circulated in the City of Cotati:

Contingent upon majority voter approval, this ordinance adopts a one cent (1%) transactions and use tax on the sale or consumption of tangible personal property within the City of Cotati. The tax shall terminate automatically upon the ninth anniversary of the State beginning to collect it, unless extended by the voters.



City Council Resolution Establishing the Measure G Citizens Oversight Committee As Adopted September 2015



RESOLUTION NO. 2015 - 64

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COTATI ESTABLISHING
THE MEASURE G CITIZEN OVERSIGHT COMMITTEE**

WHEREAS, On June 3, 2014, Cotati voters approved Measure G, the Cotati Essential Services Measure, which extended the City's existing Measure A sales tax and set the rate at one cent for nine years, with annual audits and independent citizens' oversight of Measure G revenue and expenses; and

WHEREAS, the City Council desires to establish the Measure G Citizens' Oversight Committee ("Committee") and institute the Committee's appointment process and responsibilities so that the appropriate oversight of Measure G revenue and expenditure is provided; and

WHEREAS, the City Council desires that the Committee membership is established as follows:

1. Shall be residents of the City of Cotati, and
2. Shall be appointed and shall serve in accordance with the process for Planning Commissioners as outlined in Cotati Municipal Code Sections 2.16.015 (Appointment process) and 2.16.020 (Terms); and
3. Shall not be current City of Cotati employees or vendors of the City; and
4. If past employees or vendors of the City, may be eligible to serve on the Committee, provided that no conflicts of interest exist; and
5. May concurrently serve as Planning Commissioners and/or Design Review Committee members; and
6. Position is a volunteer, non-paid position; and

WHEREAS, the City Council further desires that the Committee's responsibilities include:

1. To serve in an advisory-only capacity to the City Council; and
2. To provide oversight of the revenues and expenses pertaining to the portion of the sales tax generated by Measure G in the prior fiscal year; and
3. To review the annual independent financial audit of the City performed by an independent auditor on sections pertaining to the revenue and expenses related to the portion of the sales tax generated by Measure G; and
4. Providing Council with an annual written report, as approved by a majority of the Committee members; and
5. Additional reports to Council may be provided to Council at the Committee's and/or Council's discretion, as approved by a majority of the committee members. All reports must be in provided in writing concurrent with the annual report, pursuant to the

- oversight committee duties, and agendized pursuant to the Brown Act; and
6. Providing input to City staff on community education on fiscal issues and outreach pursuant to the oversight committee duties; and

WHEREAS, the City Council further desires that Committee roles and responsibilities shall not include the following:

1. Oversight or review of the Enterprise and other funds generated independent of Measure G; and
2. Decision-making on spending priorities; and

WHEREAS, the City Council further desires that the Committee shall meet at Cotati City Hall on an annual basis, no later than two (2) months following the prior fiscal year audit being accepted by the City Council. Additional meetings may be scheduled by the Committee at its discretion. Meetings are subject to, and shall be noticed and conducted in accordance with, the Ralph M. Brown Act, California Government Code Section 54950 et seq.; and

WHEREAS, the City Council further desires that the Committee shall continue to meet until the final reporting period following the sunset of Measure G.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Cotati as follows:

Section 1. The above Recitals are true and correct and are incorporated herein by reference.

Section 2. The Committee is hereby established.

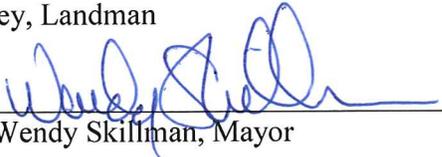
IT IS HEREBY CERTIFIED that the foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Cotati held on the 8th day of September, 2015 by the following vote, to wit:

RESULT: ADOPTED [UNANIMOUS]

MOVER: Mark Landman, Council Member

SECONDER: John A. Dell'Osso, Council Member

AYES: Skillman, Moore, Dell'Osso, Harvey, Landman

Approved: 
Wendy Skillman, Mayor

Attest: 
Tamara Taylor, CMC
City Clerk

Approved as to form:

Robin Donoghue, City Attorney