

**CITY OF FOLSOM
MEASURE E**

E Shall the measure to enact a 1/2 percent transaction and use tax (sales tax) for 10 years, providing approximately \$8.4 million annually for general governmental purposes such as capital improvement projects for transportation and traffic improvements, parks, trails, and bike paths; promote economic development, fire, paramedic, police emergency response and crime prevention programs; and expand parks, recreation, senior, library, education, arts, cultural and historical programs, requiring independent audits, with funds remaining in Folsom, be adopted?

IMPARTIAL ANALYSIS OF MEASURE E

Prepared by the Folsom City Attorney

The City Council of the City of Folsom has placed Measure E on the November 6, 2018 ballot. Measure E is a ballot measure that, if approved by a majority of the voters voting on the issue, would amend the Folsom Municipal Code to enact a one-half percent (0.50%) transactions and use tax (sales tax) for a period of 10 years.

The Measure is a "general" tax, which means the City of Folsom may use the tax revenues for all general governmental purposes, including, but not limited to capital improvement projects for transportation and traffic improvements, parks, trails, and bike paths; promote economic development, fire, paramedic, police emergency response and crime prevention programs; and expand parks, recreation, senior, library, education, arts, cultural and historical programs. If approved, Measure E would require independent annual financial audit and yearly reports of the tax revenues and expenditures to the City Council.

Currently, the cumulative tax rate on retail sales in Folsom is 7.75% of the purchase price. The tax revenue is allocated among the State, Sacramento County, the City of Folsom, and other public agencies. Folsom's share is 1.0% of the purchase price. Measure E would increase the cumulative tax rate in Folsom to 8.25%, and Folsom's share would increase from 1.0% to 1.5%. The proposed tax would be administered by the State, in the same manner that sales tax is currently administered, in order to reduce the cost of collecting the tax and to minimize the burden of record-keeping upon retailers subject to the tax. Collection of the tax would begin on April 1, 2019, and would automatically terminate in 10 years unless extended by the voters in a future election. Staff estimates that the Measure would initially generate approximately \$8.4 million per year. All proceeds from the tax would stay locally in the City.

The tax revenue can be spent for "unrestricted general revenue purposes".

A "yes" vote is a vote in favor of authorizing the proposed sales tax for a period of 10 years. A "no" vote is a vote against authorizing the proposed sales tax. To pass, this Measure must obtain at least 50% plus one of those votes cast on the Measure as "yes" votes.

This Measure was placed on the ballot by a vote of the City Council.

The above statement is an impartial analysis of Measure E. If you desire a copy of the Measure, please call the elections official's office at (916) 461-6035 and a copy will be mailed at no cost to you. The full text of Measure E can also be found on the City's website at: www.folsom.ca.us

Steven Wang, City Attorney
City of Folsom

Per Election Code 9280: "The above statement is an impartial analysis of the measure. If you desire a copy of the measure, please visit the City of Folsom webpage at www.folsom.ca.us or call the city clerk's office at 916-461-6035 and a copy will be mailed at no cost to you."

ARGUMENT IN FAVOR OF MEASURE E

A "Yes" vote on Measure E is a vote to invest in the City of Folsom. A ½ percent sales tax increase over the next 10 years ensures the continued enhancement of our City and in turn, the quality of life for our residents.

It is not by accident that Folsom has been listed among the top 100 safest cities in America, the 17th best place to live in the nation, the 5th best place to live in California, and the No. 1 place in California to raise a family. The civic leaders, local businesses, and residents of Folsom have a commitment to continuous improvement of our city. A "Yes" vote on Measure E will provide local funding to continue the investment in all of the qualities that make Folsom a desirable place to live.

The estimated \$8.4 million generated annually by Measure E will remain entirely in Folsom. Revenue from this tax will be

subject to independent audits to ensure accountability and transparency and to ensure funds to be used as promised. A 10 year sunset, conservative city fiscal management with projected balanced budgets help assure keeping this funding separate as an investment supplement.

This funding will be used for projects and grants that improve the quality of life for our residents; improvements and initiatives could include transportation, traffic, parks, trails, and bike paths; emergency response and crime prevention; redevelopment and economic development; and expansion of parks, recreation, senior, library, education, arts, cultural and historical programs. Annually, citizens will have the opportunity to identify which projects and programs will be funded. Not pensions and administrative salaries.

Measure E is a dedicated win for the residents of Folsom. Vote "Yes" to keep our City in the ranks of one of the best places to live!

s/Andy Morin
Folsom City Council Member

s/Will Kempton
Folsom Parks & Recreation Commission

s/Brian Wallace
Folsom Arts & Cultural Commissioner

s/Paul D. Romero
Folsom Parks & Recreation Commission

s/Ernie Sheldon
Folsom Vice Mayor

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE E

We love Folsom and support the idea of investing in our community. But let's call this sales tax what it really is - a "trust us" tax.

There is absolutely nothing in the ballot language to guarantee that the revenue generated by this tax increase will be spent on infrastructure, improvements, or enhancements to our city. The language actually says the measure is needed "to provide funding for general governmental purposes, which are funded by the City's General Fund".

"General governmental purposes" could include salary increases, health insurance premiums, pension payments, etc. There is nothing in the language to prevent this.

The argument in favor states that citizens will have the opportunity to annually identify which projects and programs are funded. The reality is funding decisions will be made by future City Councils and will depend on a number of factors including the state of the economy.

Before Folsom residents volunteer to give up more of their hard-earned money, we need our city leaders to identify exactly how that money will be spent. This measure doesn't do that. Vote "NO" on Measure E.

s/Kerri M Howell
Council Member

s/Sarah Aquino
School Board Member

ARGUMENT AGAINST MEASURE E

Folsom residents have a right to know how their tax dollars will be spent. Unfortunately, this measure proposes a "general" sales tax increase. The money raised by this tax increase would go directly into the City's general fund, to be used for any purpose.

There are no guarantees that the money generated from this tax increase will be used to fund needed improvements to our city such as transportation infrastructure, parks, or public safety.

Across California, local governments are scrambling to raise enough revenue to meet the billions of dollars in pension obligations that have been promised to public employees. Folsom is not immune to this crisis and it's possible that the money from this sales tax increase could be diverted to fund pensions rather than other priorities.

Voters should reject this measure and insist that the city go back to the drawing board to craft a new, more transparent measure that specifies how this increase in sales tax revenue would be spent. This measure doesn't do that. Vote no on Measure E.

s/Kerri M Howell
Folsom City Council

s/Sarah Aquino
School Board Member

REBUTTAL TO ARGUMENT AGAINST MEASURE E

We know that there are concerns about a "general" sales tax increase in Folsom and whether or not this new revenue will be spent on important capital improvements over the ten-year life of the tax. However, we believe this increased capacity to invest in parks, trails, transportation infrastructure, community facilities, public safety, services and programs outweigh those concerns.

Cities throughout the region and across the country have been successful in making significant enhancements to their communities with the funds generated by a minimal increase in their local sales tax.

Transparency, audits, and council accountability will ensure funds are distributed across a wide range of projects, programs and services that will benefit everyone in Folsom. Residents and businesses will be encouraged to participate in determining how Folsom invests these tax dollars.

Measure E is NOT a "smoke screen" to address budget shortfalls, pay staff salaries, or cover pensions. Measure E is about boosting pride in our community, providing opportunities for citizen engagement and improving the quality of life for Folsom residents.

Despite political rhetoric, the City of Folsom has exhibited exemplary fiscal responsibility. The city's track record as it relates to spending and budget management should speak volumes and instill confidence in Folsom residents that the revenue from Measure E will indeed be reinvested in our community. It will be up to us as Folsom residents to keep pressure on future city councils to ensure the new revenue remains dedicated to the purposes which have been laid out by our current elected leaders.

s/Steve Miklos
Mayor City of Folsom

s/David Benevento
Park & Recreation Commission

s/Andy Morin
Folsom City Council Member

s/Jennifer Lane
Folsom Planning Commissioner

s/Earnest L. Sheldon
Vice Mayor of Folsom