



RESOLUTION
Extension of Existing
City of Newark
UTILITY USERS TAX





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Extension of Existing
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UTILITY USERS TAX





Recommended Actions

1. Place the UUT on the November ballot
2. Request certain election services from the Alameda County Registrar of Voters
3. Provide a procedure for submittal of ballot arguments and rebuttals
4. Direct City Attorney to author impartial analysis



History of UUT

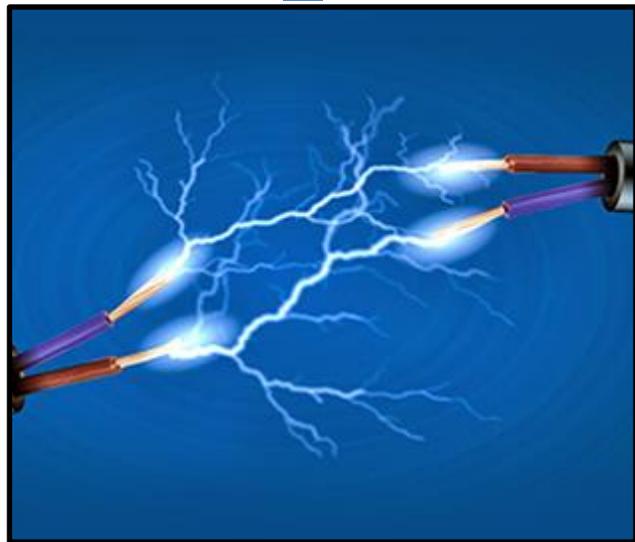




Background **Utility Users Tax**

November 2010

Voters approved Measure U – 3.5% Utility Users Tax (UUT)



Electricity



Natural Gas



Telecommunications



Cable Television
Not Satellite/Internet



Background **Utility Users Tax**



Included Exemptions for

Low Income
Residents (enrolled
in “PG&E CARE
Program”)

Senior Citizens 70
years of age and
over



Background **Utility Users Tax**



Early 2011

In response to anticipated increased City revenues as a result of the voters passing Measure U.

- City Council adopted a **Budget Restoration Plan**



Background **Utility Users Tax**

Budget Restoration Plan

Reopened
the Senior
Center

Added 2
Police
Officers
(Detective
and SRO)

Reinstated
Neighborhood
Watch
Program

Increased
landscape
maintenance
and street
sweeping



Background **Utility Users Tax**

Budget Restoration Plan

Reopened
the Senior
Center

Added 2
Police
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landscape
maintenance
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sweeping



Background **Utility Users Tax**

In 2014

Council held budget work-sessions to review budget projections

Indicated Without Extension

Anticipated revenue growth would not keep up with projected expenditures.

Programs and services would have to be reduced or eliminated to balance budgets.



Background **Utility Users Tax**

In 2014

Council placed **Measure Y** on the ballot

Indicated Without Extension

Anticipated revenue growth would not keep up with projected expenditures.

ended U
through
ber 31,

Programs and services would have to be reduced or eliminated to balance budgets.



Background **Utility Users Tax**



2014

Measure Y

- Overwhelmingly approved by voters

Measure Y		
Result	Votes	%
Yes	5,655	74.99%
No	1,886	25.01%

2020-2022 Biennial Budget – COVID-19 Pandemic





2020-2022 Biennial Budget COVID-19 Pandemic

February 13, 2020

Council

- Began 2020-2022 Biennial Budget development process
- Held a work session

Measure Y		
Result	Votes	%
Yes	5,655	74.99%
No	1,886	25.01%



2020-2022 Biennial Budget COVID-19 Pandemic

FOUR PERMUTATIONS

1

**Baseline
Forecast**

With the UUT
(assumed steady
and slow growth)

2

**Baseline
Forecast**

Without the
UUT

3

**Economic
Downturn**

With the UUT

4

**Economic
Downturn**

Without the
UUT



2020-2022 Biennial Budget COVID-19 Pandemic

FOUR PERMUTATIONS

1

Baseline

2

Baseline

3

Economic

4

Economic

UUT IS NECESSARY

and slow growth)

**ORDER OF THE HEALTH OFFICER
OF THE COUNTY OF ALAMEDA DIRECTING
ALL INDIVIDUALS LIVING IN THE COUNTY TO SHELTER AT THEIR
PLACE OF RESIDENCE EXCEPT THAT THEY MAY LEAVE TO
PROVIDE OR RECEIVE CERTAIN ESSENTIAL SERVICES OR
ENGAGE IN CERTAIN ESSENTIAL ACTIVITIES AND WORK FOR
ESSENTIAL BUSINESSES AND GOVERNMENTAL SERVICES;
EXEMPTING INDIVIDUALS EXPERIENCING HOMELESSNESS FROM
THE SHELTER IN PLACE ORDER BUT URGING THEM TO FIND
SHELTER AND GOVERNMENT AGENCIES TO PROVIDE IT;
DIRECTING ALL BUSINESSES AND GOVERNMENTAL AGENCIES TO
CEASE NON-ESSENTIAL OPERATIONS AT PHYSICAL LOCATIONS IN
THE COUNTY; PROHIBITING ALL NON-ESSENTIAL GATHERINGS
OF ANY NUMBER OF INDIVIDUALS; AND ORDERING CESSATION OF
ALL NON-ESSENTIAL TRAVEL**

DATE OF ORDER: MARCH 16, 2020

Please read this Order carefully. Violation of or failure to comply with this Order is a misdemeanor punishable by fine, imprisonment, or both. (California Health and Safety Code § 120295, *et seq.*)

UNDER THE AUTHORITY OF CALIFORNIA HEALTH AND SAFETY CODE SECTIONS 101040, 101085, AND 120175, THE HEALTH OFFICER OF THE COUNTY OF ALAMEDA (“HEALTH OFFICER”) ORDERS:

1. The intent of this Order is to ensure that the maximum number of people self-isolate in their places of residence to the maximum extent feasible, while enabling essential services to continue, to slow the spread of COVID-19 to the maximum extent possible. When people need to leave their places of residence, whether to obtain or perform vital services, or to otherwise facilitate authorized activities necessary for continuity of social and commercial life, they should at all times reasonably possible comply with Social Distancing Requirements as defined in Section 10 below. All provisions of this Order should be interpreted to effectuate this intent. Failure to comply with any of the provisions of this Order constitutes an imminent threat to public health.

Residents to stay home

19 Multiple businesses
ic required to shut down
completely

declare emergencies
Some businesses are
now able to operate and
some are not

Extended duration of SIP
is unknown



Comprehensive Analysis Impacts - SIP

April 23, 2020
Staff presented Council

Comprehensive analysis outlining impacts of SIP on the City's revenue streams.

Reduced

Sales Tax

Reduced

Transient
Occupancy Tax
"Hotel Tax"

Reduced

Charges for
services



2020-2022 Biennial Budget COVID-19 Pandemic

Reductions include

1	2	3	4
Not funding	Elimination of	Reduction in	Labor
Resulted in \$6.3 million in reductions from the 2019-2020 adjusted budget.			
			negotiated general salary increase due July 1, 2020



2020-2022 Biennial Budget COVID-19 Pandemic

Despite measures

Resulted in **\$6.3 million** in reductions from the 2019-2020 adjusted budget.

2020-2022 Biennial Budget was balanced by using reserves.



Impacts to services

Reduced park landscaping.

Decreased pot-hole repairs and roadside cleanups.

Slower plan review times.

Delayed engineering services.

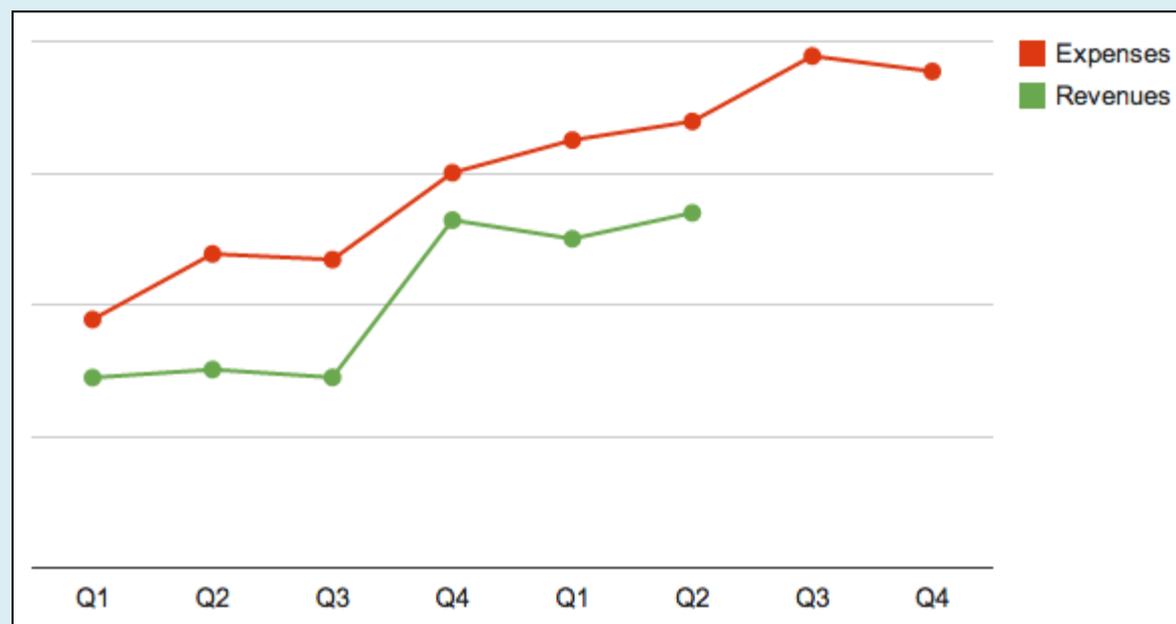
Suspension of childcare services and most recreation programs.

Elimination of additional Sunday Library hours.



Discussion **Despite conservative budget balancing measures**

Revenue Growth Projection



Revenue growth not projected to keep up with expenditures.

Revenue Sources SIP Orders Caused



Particularly Sales Tax, Transient Occupancy Tax, charges for services.



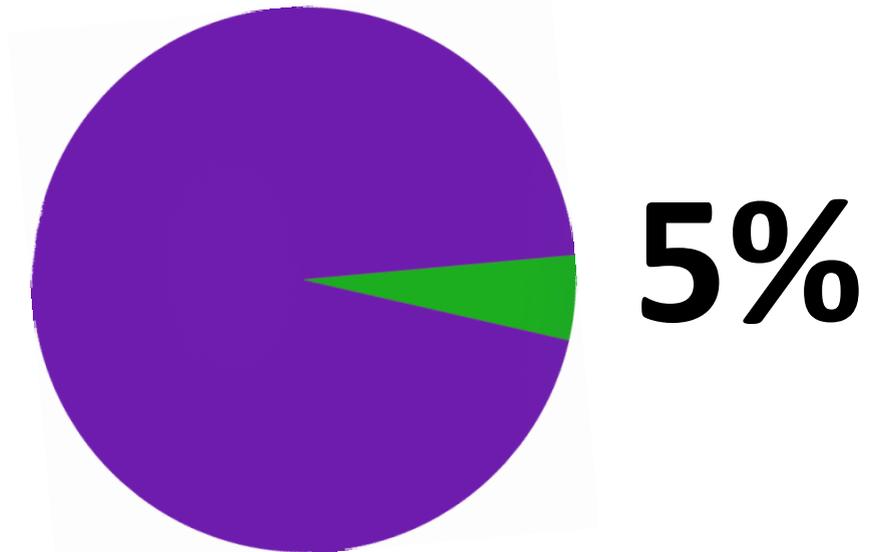
Discussion **Utility Users Tax**

UUT Generates

 **2.75 million**
per year

Locally-controlled funding

UUT - Revenues



Supports critical
programs & services



Discussion **Utility Users Tax**

Including

Public Safety
Staffing

Park
Landscaping &
Maintenance

Street Repairs

Community
Preservation

School Crossing
Guards



Discussion **Utility Users Tax**



If UUT is not authorized

Council will need to revisit the 2020-2022 Biennial Budget

- Address significant structural budget deficit by considering further budget reduction measures.

Public Opinion Research





Public Opinion Research

Council directed staff to facilitate
PUBLIC OPINION RESEARCH

Evaluate possible public interest for an extension of the existing UUT.

[Start Survey ▶](#)





Public Opinion Research

Godbe Research

Independent public outreach firm

- Prepare and conduct public opinion sampling and evaluation.





Public Opinion Research

Survey results indicate
Community support for a
9-year extension of the UUT
at the current rate.





Public Opinion Research

Support is tied to

Maintaining existing critical services and current exemptions for:

- Seniors 70 years of age or older
- Low-income residents





Public Opinion Research

Results also indicate

Majority of those polled have a favorable opinion of the job the City of Newark is doing

- Providing City services
- Managing taxpayer dollars





Summary of Election Actions

Place a proposed UUT Extension Ordinance on the ballot for the November 3, 2020 General Election.
Staff has prepared a resolution

RESOLUTION NO. XXXX

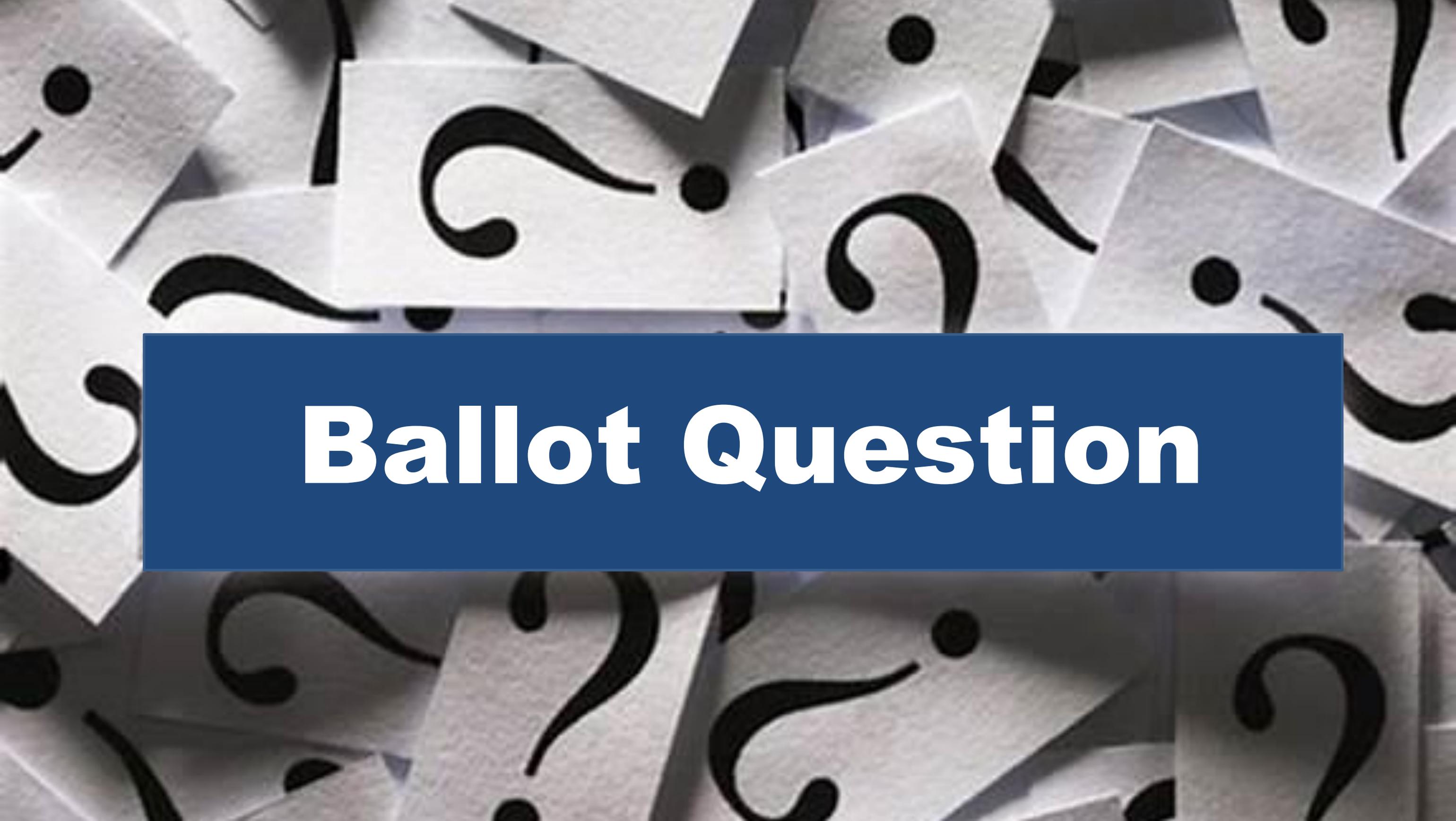
RESOLUTION PROPOSING THE PLACEMENT OF THE UTILITY USERS TAX (UUT) EXTENSION ORDINANCE ON THE BALLOT FOR THE NOVEMBER 3, 2020 GENERAL ELECTION.

Calls on election placing the UUT extension on the November ballot for voter consideration.

Requests the services of the Alameda County Registrar of Voters to place the UUT extension on the November ballot.

Provides the procedure for the submittal of ballot arguments and rebuttals.

Directs the City Attorney to prepare and submit an impartial analysis.



Ballot Question



Ballot Question

CALIFORNIA
BALLOT PAMPHLET



- State Elections Code requires the ballot measure to be printed in the form of a:

<input type="checkbox"/>	YES
<input type="checkbox"/>	NO

- No more than 75 words



Ballot Question

CALIFORNIA
BALLOT PAMPHLET

“To maintain critical City services, including 911 emergency response/fire protection/public safety; streets/pothole repair; parks/recreation; neighborhood police patrols, crime prevention, drug/gang prevention programs, and other city services; shall the measure extending the City of Newark’s existing voter-approved utility users tax 9 years at the current 3.25% rate, providing \$2,750.000 annually, exempting seniors and low-income residents, requiring audits, with no increase in tax rate and no money for Sacramento, be adopted?”

Ballot Arguments





Ballot Arguments

State Elections Code

Allows Council to

Determine its interest in authoring an argument in favor of the ballot measure.

Arguments

No more than 300 words each for and against the ballot measure can be included.

Submission

Arguments must be submitted to the City Clerk by 4:00 p.m. on August 6, 2020.



Rebuttal Arguments **State Elections Code**

Allows Council to

Determine its interest in authoring an argument in favor of the ballot measure.

Arguments

No more than 300 words each for and against the ballot measure can be included.

Submission

Arguments must be submitted to the City Clerk by 4:00 p.m. on August 6, 2020.



Ballot & Rebuttal Arguments **State Law Provides**

Allows Council to	Rebuttals	Submission
<p>Determine its interest in allowing rebuttals.</p>	<p>No more than 250 words must be submitted to the City Clerk.</p>	<p>Rebuttals must be submitted to the City Clerk by 4:00 p.m. on August 17, 2020.</p>



Ballot & Rebuttal Arguments

Options

City Council

Has options regarding the preparation of ballot arguments and rebuttals.

Signing

Mayor signing on behalf of the Council.

OR

Approving

The entire Council approving arguments and rebuttals in compliance with the Brown Act.



Ballot & Rebuttal Arguments

In 2010 & 2014

City Council authorized the Mayor to prepare and submit the argument and rebuttal for the UUT.

Staff Recommends		
City Council repeat same process used in: 2010 – Measure U & 2014 – Measure Y		Authorize Mayor to prepare/submit the argument with other community members.



Summary

Staff Recommends

City Council adopt a resolution submitting a proposed ordinance on the November 3, 2020 ballot for voter consideration extending the existing UUT for a period of (9) years.





Summary

UUT Ordinance

Exemption

Other governmental bodies.

Low-income residents (enrolled in the “PG&E CARE Program”).

Seniors age 70 and over.



Summary **Ballot Preparation**

City Attorney

The City Attorney will be directed to prepare the impartial analysis of the measure.

Mayor

The Mayor will be designated to prepare and submit a ballot argument and rebuttal for the measure.



Summary of Proposed Resolution

1. Call an election placing the UUT extension on the November 3, 2020 ballot.
2. Requesting Alameda County Registrar of Voters to place the UUT extension on the ballot.
3. Authorizing Mayor to prepare and submit arguments.
4. Directing City Attorney to prepare impartial analysis of the measure.



QUESTIONS?

