




Office of the City Manager

ACTION CALENDAR
June 3, 2014
(Continued from May 20, 2014)

To: Honorable Mayor and Members of the City Council
From:  Christine Daniel, City Manager
Submitted by: William Rogers, Deputy City Manager
Subject: Ballot Measures Nov. 2014: Discussion and Possible Action

RECOMMENDATION

Provide direction to the City Manager regarding language for possible ballot measures on the November 2014 Ballot.

FISCAL IMPACTS OF RECOMMENDATION

The cost of placing a measure on the ballot varies depending on the total number of measures on the ballot. The following graphic shows the costs associated with past elections.

ELECTION COSTS, INCLUDING NUMBER OF MEASURES AND CANDIDATES					
	Nov. 2006	Nov. 2008	Jun-10	Nov. 2010	Nov. 2012**
Total Cost*	\$272,580.89	\$224,575.61	\$191,732.46	\$164,815.65	\$367,884.11
No. of Measures	6	7	1	3	10
No. of Candidates	23	25	0	31	26

* Excludes RCV-specific costs (RCV costs are candidate specific only)

**The high number of measures on the 2012 election required an additional ballot card

CURRENT SITUATION AND ITS EFFECTS

At its May 6 meeting, Council was presented with the results of the April community survey. Based on the results of that survey and the previous survey, Council directed staff to prepare ballot question language for three measures: (1) a general tax on distributors of sugar-sweetened beverages of \$0.01 cent per ounce; (2) a 16 percent increase to the existing Parks Tax; and (3) a Mello Roos Community Facilities District (CFD) with a maximum of \$25 million in capital funding and an operations and maintenance tax that would generate \$2 million annually. The actions necessary to create the CFD are addressed in a separate report on this same Agenda. Below is draft ballot question language for each of the three measures noted above. Staff will return with final ballot language for the Council's approval at the June 24, 2014 meeting in order to meet the necessary deadlines for the November 2014 election.

1: Tax on distributors of Sugar Sweetened Beverages.

Shall the City of Berkeley impose a general tax of 1 cent per ounce on sugar-sweetened beverages distributed in the City, payable by distributors with annual gross receipts over \$100,000?

2. Increase in the existing Parks Tax.

Shall the special tax supporting parks, playgrounds, pools, City trees and landscaping maintenance and capital improvements be amended to increase the per square foot tax rate from \$0.XXX to \$0.XXX and change the annual inflation adjustment?

3. Community Facilities District for Parks

Shall City of Berkeley Community Facilities District No. X: incur bonded indebtedness not exceeding \$25,000,000 to renovate facilities in parks Citywide, including pools, fields, courts, tot lots, recreation centers, dog use areas, and pathways; levy a special tax at a rate not exceeding \$0.0XXX per square foot of building area to finance that indebtedness and not exceeding \$0.0XXX, indexed for inflation, to support parks, pools and playground operations; and establish an annual District appropriations limit of \$X,000,000?

BACKGROUND

Over the past few years, revenues have not kept pace with increasing costs of operations. In response, Council and staff have implemented significant cost cutting measures while making every effort to minimize cuts to services important to Berkeley residents. These strategies included increasing operational efficiencies and reducing staffing within the City organization each year over the last six years. The cumulative effect of these reductions is the elimination of over 200 full time equivalent (FTE) positions throughout the City. An additional consequence of declining revenues and increased costs has been deferred maintenance on much of the City's capital infrastructure. One area the City Council has discussed for funding support via ballot has been the City's Parks, which are funded by a special tax that was most recently approved by voters in 1997. Consistent with the larger City budget, current revenues of this special tax are not keeping pace with the increasing costs of Parks operations, and do not provide sufficient revenue for maintenance of capital infrastructure.

Since its February 11, 2014 meeting, Council has been discussing possible revenue measures for the November 4, 2014 ballot. Council conducted a community survey in March to test support for several measures. They included: a commercial vacancy tax; a residential vacancy tax; a business license tax increase on multiunit residential buildings (which was tested as both a general and a special tax); an increase to the Parks Tax of 10% and 16%; four variations of a sugar-sweetened beverage tax; and two Mello Roos

CFDs tested with bonds of \$25 million and \$40 million, respectively, and \$2 million annually for operations.

At its April 1, 2014 meeting, Council decided to conduct a second community survey and further test a smaller number of potential taxes: the commercial vacancy tax; a special and general tax of \$0.01 per ounce on distributors of sugar-sweetened beverages; a 16% increase of the existing Parks Tax; and a Mello Roos CFD with a \$15 million bond for capital needs and \$1 million annually for operations. Support of respondents for each measure was tested further with additional information. The results of that survey were presented to the Council on May 6, 2014.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

Council may want to provide further direction on ballot language prior to July 1, when ballot language and resolutions must be finalized for the November 2014 ballot.

ALTERNATIVE ACTIONS CONSIDERED

Budget shortfalls could be addressed by additional, recurring expenditure reductions. These would have an impact on City facilities and service delivery.

CONTACT PERSON

Matthai Chakko, Assistant to the City Manager, 981-7008

Attachments:

- 1: General Election Calendar
- 2: Status of November 2014 Berkeley Ballot Measures

CITY OF BERKELEY - GENERAL ELECTION CALENDAR

Attachment 1

November 4, 2014

Offices to be Elected: Auditor; City Council Districts 1, 4, 7, 8; Rent Board (5 seats); School Board (3 seats)

<u>DAYS PRIOR TO ELECTION</u>	<u>DATE</u>	<u>ACTION TAKEN</u>
180	May 8, 2014	Suggested Last Day to file petitions for initiative or charter amendment ballot measure. Petitions received after this date will be accepted, but may not be on the November ballot.
158 103	May 30, 2014 July 24, 2014	Signature In-Lieu of Filing Fee Period - Candidates may collect signatures to offset the \$150 filing fee. Charter Art. III, Sec. 6.5
113 88	July 14, 2014 August 8, 2014	FILING PERIOD - CANDIDATE NOMINATION PAPERS EC 10220 et seq., Charter Art. III, Sec. 6.5
90	August 6, 2014	Independent Expenditure Disclosure Period Begins (\$1,000 or more)
90	August 6, 2014	Late Contribution Disclosure Period Begins (\$1,000 or more)
88	August 8, 2014	Deadline to deliver resolution calling ballot measure election to Registrar and request election consolidation. Tax Rate Statement due for bonds. EC 12001, 10002, 1405, 9241; EC 9400-9401
87 83	August 9, 2014 August 13, 2014	Extended candidate filing period. Filing is extended if an incumbent eligible for re-election does not file by 5pm on Aug 8. Incumbents are not eligible to file during the extended period. EC 10225
81	August 15, 2014	Last day to file primary arguments - Deadline is 12:00pm. EC 9280-9287
74	August 22, 2014	Last day to file rebuttal arguments - Deadline is 12:00pm. Impartial Analysis due. EC 9280-9287
74 63	August 22, 2014 September 2, 2014	Public review period for ballot arguments and Impartial Analysis. EC 9295
57 14	September 8, 2014 October 21, 2014	Filing Period for Write in Candidates. EC 8601
40 21	September 25, 2014 October 14, 2014	Voter Information & Sample Ballot Pamphlet mailing period. EC §13303-04, 13306
29 7	October 6, 2014 October 28, 2014	Period to obtain Vote-by-Mail Ballots. After October 28, VBM ballots may be obtained at the Registrar's office. EC §3001
29	October 6, 2014	First Pre-Election Campaign Statement due. GC §84200.7
15	October 20, 2014	Last Day to Register to Vote. EC §§2102, 2107
12	October 23, 2014	Second Pre-Election Campaign Statement due. GC §84200.7
0	November 4, 2014	Election Day - EC §1000; Charter Art. III, Section 4
28	December 2, 2014	Last day for County to certify election results to city. EC §15372
35	December 9, 2014	Council to adopt and certify election results. EC §9217, 10262-10263; Charter Art. III, Sec. 10
	January 31, 2015	Semi-Annual Campaign Statement due. GC 84200

STATUS OF NOVEMBER 2014 BERKELEY BALLOT MEASURES

Table 1. Initiatives in Process				
Measure	Request for Title/Summary Filed	Notice of Intent Filed	Title and Summary Received by Proponent	In Circulation
Flexible Work Time	X	X	X	X
Partial Ban on Pesticides	X	X	X	X
West Berkeley Heights	X	X	X	X
Affordable Housing Funding	X	X	X	X
Tax on Market Rate Rents	X	X	X	X
Redistricting Commission Charter Amendment	X	X	X	
Downtown Community Benefits	X	X	X	X

Table 2. Measures Approved for Ballot by City Council	
Measure	Date
Charter Amendment – Recall	2/11/2014
Redistricting Referendum	3/11/2014

