



IMPORTANT FACTS

Measure Y – Temporary Half-Cent Sales Tax

Culver City is in a financial state of urgency and is using reserve funds to maintain operational costs. The City Council has placed Measure Y on the ballot to address this crisis and to avoid significant cuts to essential services, in order to maintain quality of life.

Q: What caused this problem? Is this unique to Culver City?

A: Despite the City's best efforts, since the 2008 recession, Culver City has lost \$4.5 million in state funding, an additional \$6 million in local revenues, and \$40 million annually through Sacramento's elimination of local redevelopment agencies, leaving the City unable to fund essential public services at the levels necessary to meet current and future needs. Additionally, at a time when revenues were declining, the City was experiencing an increase in expenses beyond its control. This situation is not unique to Culver City. Cities throughout California have also been forced to address similar emergencies by tightening their belts and asking their communities for support.

Q: How has the elimination of redevelopment agencies affected the city?

A: In 1971, the City established a local redevelopment agency (RDA), which operated in the City for forty years, helping the City improve the local community by eliminating blight and encouraging economic development. The RDA assisted Culver City in achieving the highest potential use for property in the City through rehabilitation, construction, infrastructure improvements, and strategic business growth. However, at the beginning of this year, the State Legislature effectively eliminated redevelopment agencies throughout the State, resulting in devastating impacts on the City's finances. Through the elimination of the local RDA, the City lost nearly \$4.2 million in annual revenues to fund general services including police, code enforcement, and graffiti removal.

Q: What has the City done to address this problem?

A: The City Council, in partnership with the city's employee bargaining groups, has taken unprecedented steps to reduce costs while maintaining important local services. City leaders have proactively collaborated with City workers to negotiate new contracts, which have reduced the City's financial burden from the rising cost of public employee pensions and retiree medical benefits. The City has also reduced its workforce by 18% and annual operating expenditures by nearly \$10 million. However, the City's general fund still has a structural deficit of \$8 million per year.

Q: How will these challenges be addressed?

A: The City Council is asking voters in Culver City to consider enacting a temporary local sales tax of one-half cent, which would automatically expire after 10 years, in order to provide funding for essential local services like 911 emergency response and police and fire protection. If approved by a majority of voters, the ballot measure would raise much needed revenue and allow the City to retain essential public services at current levels.

Q: What will Measure Y cost the community?

A: Measure Y is a half-cent sales tax increase. For example, shoppers in Culver City would pay an additional 5 cents on a \$10.00 purchase to fund essential City services. Prescription medicine and food purchases would be exempt from the sales tax.

Q: How will Measure Y benefit the whole community?

A: Measure Y funds may be used to:

- Provide funding to maintain high-quality police and public safety services
- Ensure reliable 911 emergency response times
- Support programming for parks and seniors
- Provide funds for street repairs, improving traffic flow and reducing congestion
- Maintain the high level of services that are currently provided to residents

Q: How can we be sure that funds generated by Measure Y will be spent responsibly?

A: If approved by voters, the temporary half-cent sales tax would automatically expire after ten years, and the funds would be subject to an independent audit, ensuring full accountability and transparency. Additionally, every penny of revenue from Measure Y is legally required to stay local and can't be taken by Sacramento. These fiscal safeguards will ensure funds are used efficiently, effectively, and as presented to the community.

Q: What will happen if Measure Y doesn't pass?

A: Without the revenue the sales tax measure would provide, the City will not be able to continue to provide the same level of service it provides today. Without additional revenue, the City's emergency reserves would be exhausted and further significant cutbacks to essential services such as 911 emergency and paramedic response, police and fire protection, programming for parks, recreation and seniors, as well as fixing streets and potholes would become unavoidable.

Q: When will the measure be on the ballot?

A: Measure Y will be considered by voters on November 6, 2012 as part of the Presidential Election. Measure Y will be near the bottom of the ballot, so voters should review their ballot carefully.

Q: How can I find out more information?

A: If you would like to find out more about Measure Y and the City's efforts to address budget concerns, please visit our website at www.culvercity.org.