

## Details

**File #:** 2016-2620  
**Type:** Regular Agenda Item  
**Body:** [City Council](#)  
**On agenda:** 3/1/2016  
**Title:** Receive Report on Results from a City of Alameda Survey Conducted in December 2015 and Provide Direction on a November 2016 Ballot Measure. (City Manager 2110).  
**Attachments:** 1. [Survey Results Memo from Fairbank, Maslin, Maulin & Associates](#), 2. [Presentation](#)

## Text

Receive Report on Results from a City of Alameda Survey Conducted in December 2015 and Provide Direction on a November 2016 Ballot Measure. (City Manager 2110).

To: Honorable Mayor and Members of the City Council

From: Elizabeth D. Warmerdam, Interim City Manager

Re: Receive Report on Results from a City of Alameda Survey Conducted in December 2015 and Provide Direction on a November 2016 Ballot Measure

**BACKGROUND**

On October 20, 2015, the City Council provided direction to staff to conduct a survey to determine the feasibility of various revenue ballot measures.

The City retained Fairbank, Maslin, Maullin & Associates (FM3), a well-regarded opinion research and public policy analysis firm, to conduct a survey on quality of life issues, department performance measures, and the feasibility of three potential revenue measures. FM3 also conducted a City of Alameda survey in 2008 that polled residents on revenue measure opportunities and quality of life issues. The city-wide survey conducted December 2015 poll utilized some of the same quality of life questions to provide longitudinal comparisons.

In 2014, the City Council approved performance measures, specific to each City Department. These are objective tools, which are used to evaluate the quality and efficiency of the work of each Department. Some measures require a city-wide poll to capture the required data, and were therefore incorporated into the survey.

During the City's budget workshops held in spring 2015, the City Council and staff discussed the City's long-term fiscal health and ways to ensure the City's budget is structurally balanced. In the short term, because of an improved economy and in particular the sale of new homes, the City has seen a significant surplus based on one-time events. However, we know that there are more fundamental issues related to the overall increase in the cost of living in the Bay Area, the Public Employees Retirement System (PERS) smoothing effect, and the increase in the cost of Health Care that are impacting our ability to stay ahead of the fiscal curve.

In addition to these challenges, staff identified in the Fiscal Year (FY) 2015-2017 Capital Improvement Program (CIP) Budget areas of concern including deferred maintenance of aging buildings and infrastructure. This includes a backlog of approximately \$10.5 million for 7,000 sidewalk repairs, between \$10-20 million for deferred maintenance on City-owned buildings and close to \$45 million for storm drain improvements mandated by the San Francisco Bay Area Regional Water Quality Control Board. In addition to this backlog, the City is in the process of building two new highly anticipated park facilities (Jean Sweeney Open Space and Estuary Park) neither of which have a dedicated secured funding stream for on-going maintenance.

In an effort to address these issues, staff suggested exploring potential ballot measures that could assist the City in meeting these demands.

**DISCUSSION**

The overarching goal of the polling was to determine if the voters of Alameda were willing to tax themselves for City services, and if so, which of these services were most important. From December 9 - 14, 2015, FM3 completed a survey that included 600 telephone interviews, both cell phones and home phone lines, with registered City of Alameda voters likely to participate in the November 2016 election. This survey assessed their view of issues in Alameda; city department performance measures; and three potential ballot measures. These included:

- A ½ cent general purpose sales tax measure, which has a simple majority threshold;
- A Utility Users Tax modernization, which does not increase the tax rate but expands the telecommunication services to cover current and anticipated services, and also has a simple majority threshold; and
- A \$25 annual parcel tax to fund maintenance of city parks. Since this is a tax measure that identifies a specific purpose, it requires a two-thirds voter approval.

A strong majority of residents expressed satisfaction with the direction of the overall city and their own neighborhoods. California's drought and the cost of housing were identified as the highest concerns. Alamedans are generally satisfied with City services, particularly with public safety and parks. The performance measures tested included parks, library, fire and police services, and all were rated as excellent or good by the majority of voters (all rating higher than 75 percent). The quality of street maintenance did not rate as high with only 56 percent of the respondents rating it excellent/good and 46 percent rating it fair/poor.

The survey found that 63 percent of voters appeared willing to support a ½ cent general purpose sales tax measure. Survey respondents heard a number of arguments both in favor and against a sales tax measure, which overall had a minimal impact on support with 61 percent supporting the measure and 35 percent not in support.

The Utility Users Tax modernization measure initially had a large number of undecided respondents. This type of measure requires significant education of voters since many are unfamiliar with the topic. Initially, after hearing a hypothetical 75-word ballot question, only 52 percent of voters were likely to

vote yes with 23 percent undecided. After hearing arguments for and in opposition of the measure, plus additional educational information describing the Utility Users Tax and how this measure would address the impact of new technologies and capture associated revenue, support increased to 64 percent.

A park maintenance annual \$25 parcel tax was measured with just under half (49 percent) willing to vote yes. Since this measure is dedicated to fund a specific use, it requires two-thirds majority, so the voter willingness on this issue falls quite short.

The survey also compared the June election to the November election for both the sales tax and utility users tax modernization measures with negligible differences.

Overall, the sales tax measure is viable at 62 percent and requires less voter education. However, Alameda has reach its statutory cap of 9.5 percent. To increase it by a ½ cent for a total of 10 percent, requires a State bill authorizing the increase. An urgency measure, requiring a two-thirds super majority of the state legislature, is necessary if it is to be heard and signed this legislative session in time to place a sales tax measure on the November 2016 ballot. Given the current political make-up of the State legislature, this is highly unlikely. However, the City could still pursue legislation to increase its sales tax by 0.5 percent for a future ballot measure. A State bill to increase the City of Alameda's total sales tax normally requires a simple majority vote if there is no urgency attached. A local legislator needs to author the bill to introduce in 2017, and if it passes, the bill would be in effect January 1, 2018. If this legislation passed, it would not mandate or automatically require the City to increase its sales tax, but rather, would allow the City to consider a ½ cent sales tax revenue measure for future elections such as in 2018 or 2020. A ½ cent sales tax measure would raise approximately \$3.5 million for the city's General Fund.

The Utility Users Tax modernization appears viable with 64 percent of voters willing to support it, but requires a significant amount of public education. This measure would raise \$1.6 million for the City's General Fund. Staff recommends pursuing the Utility Users Tax modernization in November 2016, which will likely have high voter turnout, due to the presidential election.

### **Next Steps**

The next steps are to begin community engagement, update the City Council on the public education process, and then final adoption of the ballot measure language. Specifically, in May 2016, Council will receive a report on the progress of the stakeholder outreach and community engagement; and a draft resolution of the ballot measure language. In June 2016, Council will vote on placing the measure on the November 2016 ballot and on the final ballot measure language.

Should Council direct staff to pursue the UUT modernization ballot measure, then community engagement would begin quickly, given the significant public education required. This will include two to three informational mailers sent to all residents in the spring and summer. It will also include direct door-to-door resident contact; speaking with numerous Alameda organizations; online surveys; social media and website. The total cost for informational outreach is expected not to exceed \$65,000 with the majority of the cost allocated for printed materials.

### **FINANCIAL IMPACT**

The cost of a community outreach and education consultant is not to exceed \$48,000. Education and communication materials are estimated to cost up to \$65,000. The FY 2015-2017 General Fund budget anticipated appropriations for these services and no further budget authorization is required at this time.

A Utility Users Tax Modernization ballot measure estimated revenue to the City's General Fund is \$1.6 million.

### **MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE**

This action is in conformance with the Alameda Municipal Code and all policy documents.

### **ENVIRONMENTAL REVIEW**

This activity is not a project and is exempt from the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA Guidelines, because it involves governmental fiscal activities (receiving survey results and providing direction on a ballot measure), which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

### **RECOMMENDATION**

Receive Report on Results from a City of Alameda Survey Conducted in December 2015 and Provide Direction on a November 2016 Ballot Measure

Respectfully submitted,  
Amy Wooldridge, Interim Assistant City Manager

Financial Impact section reviewed,  
Elena Adair, Finance Director

### **Exhibit:**

1. Survey Results Memo from Fairbank, Maslin, Maulin & Associates