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Report from City Council Ad Hoc Committee on Community Priorities and Potential Revenue Measure

In November 2010, San Leandro voters authorized Measure Z, a 0.25% general transactions and use tax (i.e. a quarter-cent local sales tax), the proceeds of which have been dedicated to maintaining the provision of local government services in San Leandro. This measure included a seven-year sunset provision that is set to expire in March, 2018.

Although the broader regional economy as well as the City's general fund budget has improved since the adoption of this measure in 2010, the City of San Leandro continues to face many financial and operational challenges in the years ahead. While Measure Z revenues support current service levels, these funds do not sufficiently address a growing backlog of unfunded public safety, infrastructure, and other program and service needs.

On November 18, 2013, the City Council appointed an *Ad Hoc Committee on Community Priorities and Potential Revenue Measures* in order to further explore the above issues and to guide the work of consultants who were retained by the City to explore the viability of extending Measure Z. This ad hoc committee included Mayor Cassidy, Council Member Prola and Council Member Reed. On December 2, 2013, Council also authorized contracts with the Lew Edwards Group and Godbe Research in order to develop and execute a public opinion survey designed to gauge community service priorities as well as the potential viability of extending Measure Z. The Ad Hoc Committee subsequently met on December 19, 2013 in order to provide direction to staff and the consultants regarding the contents and scope of the survey. The results of this survey were subsequently presented to the Council during the February 1, 2014 planning session.

Survey results indicated community support was highest for the following programs and services:

- Maintaining 9-1-1 emergency response times
- Maintaining neighborhood patrol officers
- Maintaining library programs for children, adults & families

- Enhancing anti-gang and law enforcement efforts
- Maintaining fire prevention services
- Maintaining school police officers & crossing guards
- Repairing potholes/cracks, maintaining residential streets
- Maintaining investigation & gang suppression officers

Since that time, City staff worked with the consultants to distribute several other electronic and mailed surveys to a broad cross-section of community residents in order to collect additional public input on the specific City programs and services that are of highest importance to the community. Staff is currently in the process of collecting and analyzing this survey information.

The Ad Hoc Committee met again on May 27th in order to discuss additional efforts designed to gather public input regarding a potential revenue measure. Items that were discussed included additional outreach to the community, such as informational mailers, social media efforts, and presentations before various community groups. The committee also reviewed the City's financial projections, draft ballot language, potential spending priorities, and other ballot measures that are planned for the November 2014 ballot in neighboring communities. A summary of these other measures is provided in Table A, below. Lastly, the Ad Hoc Committee also discussed the duration of any potential measure. At this time, the Ad Hoc Committee is tentatively recommending the City Council consider a 30-year measure.

Table A

Potential revenue measures under discussion in neighboring communities in 2014 (excludes school district measures)

<u>Jurisdiction:</u>	<u>Measure Considered</u>	<u>Duration</u>
Hayward*	½ cent sales tax expansion	20 years
Union City	½ cent sales tax extension	TBD
Newark	3.5 % utility user tax extension	TBD
Alameda County Healthcare*	½ cent sales tax extension	20 years
Alameda County Transportation	½ cent expansion/extension	30 years

*The City of Hayward's (Measure C) general purpose sales tax expansion and the Alameda County Healthcare Safety Net Reauthorization (Measure AA) were both authorized by voters during the June 3, 2014 election.

Per the direction of the Ad Hoc Committee, staff is preparing draft ballot language that will be brought forward for Council consideration at the July 7, 2014 regular City Council meeting. The Council also will soon receive an update from the Measure Z Citizens Oversight Committee regarding their annual audit of the usage of existing Measure Z funds.

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