



Local Ballot Measure: U

Measure U

City of Sebastopol

Measure Question

Simple Majority Needed to Pass

Sebastopol Public Safety, Roads, City Services Measure: To maintain Sebastopol's City services such as 911 emergency medical/police/fire response, wildfire/emergency preparedness, maintenance of streets/roads, parks/trails, library, youth and senior services, retaining/attracting local businesses; and for general government use, shall the measure establishing a ½-cent sales tax generating approximately \$1,520,000 annually, terminating after 12 years, requiring audits, public spending disclosure, all funds used locally, be adopted?

What Your Vote Means

YES	NO
A "Yes" vote is a vote to approve a one-half percent (0.5%) sales tax in Sebastopol.	A "No" vote is a vote against the tax.

For and Against Measure U

FOR	AGAINST
Stephen Zollman Sebastopol Vice Mayor Sandra Maurer Sebastopol City Councilmember Craig Litwin Former Mayor and Councilmember Diana Gardner Rich Sebastopol Mayor Neysa Hinton Sebastopol City Councilmember	Kate Haug Sebastopol Resident/Democratic Voter



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City Attorney's Impartial Analysis of Measure U

The City Council of the City of Sebastopol has placed Measure U on the ballot to ask the City's voters to approve a one-half percent (0.5%) local transactions and use (sales) tax. If approved, the tax would add \$0.50 to the price of an item that costs \$100.

Effective October 1, 2024, the tax on retail sales in Sebastopol is 9.75% of the purchase price. The City directly receives 1.75% of that amount. The remainder goes to the State, Sonoma County, the Sonoma County Transportation Authority, and SMART.

Measure U would authorize a 0.50% transactions and use tax, which would increase the total sales tax rate in Sebastopol to 10.25% (subject to the adoption of other countywide taxes). According to the Council Resolution placing Measure U on the ballot and report prepared by City staff, the tax would provide approximately \$1.52 million annually for the City's general fund, which could be used for services such as: 911 emergency medical/police/fire response, wildfire/emergency preparedness, maintenance of streets/roads, parks/trails, library, youth and senior services, and retaining/attracting local businesses. Because Measure U does not limit the use of tax revenue, it is a "general tax," not a "special tax" that restricts the funds to specific purposes. Therefore, the City may use the funds for any legitimate governmental purpose.

If approved, the tax would remain in effect for 12 years. The Measure requires the City's independent auditors to prepare a publicly available report annually on the collection, management, and expenditure of revenue from the tax.

Like other sales tax, retailers collect the tax at the time of sale and remit the funds to the California Department of Tax and Fee Administration, which administers the tax. The proposed tax would be collected at the same time and in the same manner as existing sales taxes.

The City is authorized to enact the proposed sales tax pursuant to Revenue and Taxation Code sections 7251.1 and 7285.9, as well as Revenue and Taxation Code section 7292.8. The Measure specifies that if it is determined that the City is only authorized by state law to enact a ¼ cent sales tax, then the Measure would only enact a ¼ cent sales tax.

A "Yes" vote is a vote to approve a one-half percent (0.5%) sales tax in Sebastopol. A "No" vote is a vote against the tax. Measure U will pass if it receives a simple majority of "Yes" votes.

The above statement is an impartial analysis of Measure U. If you desire a copy of the Ordinance or Measure, please call the City Clerk at (707) 823-1153, and a copy will be mailed at no cost to you.

DATED: August 12, 2024

s/ Alex J. Mog
City Attorney

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Arguments and rebuttals are the opinions of the authors. They are printed exactly as submitted, including errors.

Argument in Favor of Measure U	Rebuttal to Argument in Favor of Measure U
<p>Sebastopol's financial stability and quality of life is at risk, which is why all five members of your City Council are asking for your vote to approve a half-cent sales tax increase. This new revenue measure is needed to fund public safety, emergency preparedness, roads, infrastructure, parks, our library, our pool, and overall City operations. Sebastopol has faced mounting budgetary challenges over the years, with an unsustainable reliance on one-time funds. We have done our best to "live within our means," eliminating programs and deferring maintenance. Despite these efforts, our town faces a future of stagnant revenues and increasing expenses. This year's shortfall is \$700,000. Without this sales tax increase, the projected deficit climbs to \$2 million or more annually, with City reserves depleted within 3 years. This new local revenue source can change that trajectory. It will add only 50 cents to each \$100 purchase (groceries and prescription medications are exempt), and will be paid by all who shop in Sebastopol, including those who live here and those who visit. The measure will contribute \$1.5M annually to fund 10% of City services. It will be included in the City's annual audits so residents can see these funds being put to work, and it has a "sunset clause" ending the tax in 12 years. It stays here in Sebastopol, for Sebastopol. The County and the State cannot claim it. Combined with the City's continued revenue improvement efforts and vigilance on the expense side, this new sales tax is the solution needed to stop Sebastopol's financial decline. We must firm up our finances to secure the municipal services we expect and to ensure the quality of life we want. Your "yes" vote for Measure U is a vote for Sebastopol. Please vote yes on Measure U!</p> <p>s/ Stephen Zollman Sebastopol Vice Mayor</p> <p>s/ Sandra Maurer Sebastopol City Councilmember</p> <p>s/ Craig Litwin Former Mayor and Councilmember</p> <p>s/ Diana Gardner Rich Sebastopol Mayor</p> <p>s/ Neysa Hinton Sebastopol City Councilmember</p>	<p>Higher sales tax means higher prices. In the last year, water, food and PGE bills sky-rocketed, making Sebastopol very expensive for businesses and residents. Sebastopol doesn't need another price hike. Vote no on this tax increase.</p> <p>Sales tax works when businesses thrive. Increasing sales volume in Sebastopol's existing businesses 20% would generate over \$900,000 per year - a win/win for businesses and Sebastopol's citizens.</p> <p>Sales in local businesses have declined 3 years in a row. If sales keep falling, City revenues keep falling.</p> <p>If sales keep falling and businesses keep closing, increasing sales tax fails to solve Sebastopol's financial problems.</p> <p>Sebastopol's financial problems need long-term, sustainable solutions which support local businesses.</p> <p>Ask Council to be a partner to Sebastopol's businesses. Ask Council to work with property owners to rent their vacant storefronts. Ask Council to capture revenue from 116 and 12 traffic.</p> <p>Ask Council to do their job and revive Sebastopol's economy - the only long-term solution.</p> <p>Sebastopol's financial crisis is due to terrible financial decisions made by past city councils. Previous councils failed to fund fire, police, parks, and roads, even though it was their duty to support these critical City services. Previous Councils created a fiscal crisis and left residents with crumbling roads and failing infrastructure.</p> <p>This tax measure has no guarantees. Future councils can make the same bad decisions, leaving citizens with high prices, bad roads, deteriorating parks and understaffed public safety departments.</p> <p>Increased sales tax makes prices higher without solving the problem.</p> <p>Vote no.</p> <p>s/ Kate Haug Sebastopol Resident/Democratic Voter</p>



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Argument Against Measure U	Rebuttal to Argument Against Measure U
<p>Sales tax is easy on City Council and hard on everyone else.</p> <p>Sales tax is generated when people shop at businesses and eat at restaurants within City Limits. Sebastopol business owners do the work; the citizens and City get the revenue.</p> <p>Increasing sales tax raises prices for everyone. High sales tax makes shopping and eating out more expensive for everyone. Vote no.</p> <p>Sales tax is a regressive tax that disproportionately impacts low-income people and people on fixed incomes like seniors and people with disabilities.</p> <p>If a half-cent sales tax passes, Sebastopol will have the highest sales tax in Sonoma County. Sebastopol will have California's legal maximum at 10.25%.</p> <p>Council hiked water rates without a vote; vote no on this price hike.</p> <p>Increasing sales tax allows Council to take more money from people's paychecks, disability and social security checks without addressing Sebastopol's root problems.</p> <p>Keep your money in your pocket, vote no.</p> <p>For long-term, financial stability, Sebastopol needs to fill its commercial spaces and support its local businesses.</p> <p>Retail sales in Sebastopol decreased three years in a row. Why?</p> <p>Sebastopol's commercial vacancy rate is over 22%. Why?</p> <p>Sebastopol gets all the traffic from 116 and 12 without the revenue. Why?</p> <p>Council's job is to find out why commercial vacancy is so high, why sales are down and what is needed to attract new businesses.</p> <p>If Council doesn't address the root problems - lagging sales and high commercial vacancy rates - Sebastopol will still have economic problems and be stuck with Sonoma County's highest sales tax.</p> <p>Council wants a quick fix; Sebastopol needs sustainable solutions.</p> <p>Tell Council, "Don't tax the poor, support Sebastopol's stores."</p> <p>Vote No.</p> <p>s/ Kate Haug Sebastopol Resident/Democratic Voter</p>	<p>Vote yes on Measure U. The half-cent tax is essential for Sebastopol. It's part of a larger strategy to achieve fiscal stability for a more vibrant community, including our unique downtown.</p> <p>This strategy has other cost-effective elements, including additional infrastructure financing, developments that enhance Sebastopol's character, and a reassessment of City contracts.</p> <p>We understand the root causes of our town's struggles. We value local businesses. Councilmembers are business owners and have served in business leadership positions.</p> <p>The Council has funded a Community Development Director whose responsibilities include economic development and business support. This follows years of funding allocations towards these goals.</p> <p>If there were a better path to achieving fiscal stability and a vibrant future, this Council would have chosen it. Councilmembers, the City Manager, and Staff are committed to long term financial success, efficiency, and to transparency.</p> <p>Reminders: This tax will raise revenue from shoppers who live outside our city limits and use City services. Groceries and prescription medicines are not taxed. A half cent is 50 cents on a \$100 purchase. It will bring Sebastopol \$1,500,000 annually. City audits will include the tax, and it will terminate in 12 years.</p> <p>We're in this together, councilmembers, residents, and business owners. We pay the same sales taxes and face the same rates for water, sewer, and other services.</p> <p>This sales tax is essential to create the fiscal stability needed to provide quality services for our town, and to achieve a bright future for Sebastopol.</p> <p>Vote yes on Measure U!</p> <p>s/ Sarah Glade Gurney Former CouncilMember and Mayor</p> <p>s/ Gregory Dow Beale Business Owner and Father</p> <p>s/ Una I.M. Glass Former Councilmember and Mayor</p> <p>s/ Patrick Slayter Former Mayor, Councilmember, Business Owner</p>