

**REPORT TO MAYOR AND CITY COUNCIL****TO: HONORABLE MAYOR AND CITY COUNCIL**

DATE: July 29, 2014

**SUBJECT: EXTENSION OF 2010 LOCAL REVENUE MEASURE (“MEASURE Q”)****Report in Brief**

Measure Q, the existing half-cent local use and transactions (sales) tax measure passed by voters in 2010, has helped the City to stay solvent, maintain essential services and rebuild reserve funds during one of the worst economic times in the City’s history. The Great Recession resulted in a significant reduction of the City’s General Fund revenues. In response, the City cut staffing by 25%, reduced community programs and services, suspended capital projects, and partnered with employees to achieve significant wage and benefit concessions.

Measure Q is set to expire. Without Measure Q revenues, the City will be forced to make at least \$4 million in additional permanent budget reductions, which will further reduce community programs and services. Even with these permanent reductions, the 10-year forecast projects the use of \$16 million of reserves to balance the annual budget over the next ten years. During the budget adoption process, a number of members of the public asked the City Council to consider placing an extension of Measure Q on the November 2014 ballot, so that voters could decide if they desired to continue to pay the same taxes they currently pay in order to preserve vital city services.

The purpose of this staff report is to present to the City Council the necessary information for placing the measure before the voters.

**Background**

The Great Recession had a devastating effect on the City’s General Fund, dramatically reducing sales and property tax revenues. In response, the City took decisive action; some of the many necessary reductions included cutting its workforce by 25%, reducing programs and service levels in all departments, closing police field offices, suspending capital projects to repair streets and roadways, reducing maintenance of parks and playgrounds, and partnering with employees to achieve personnel cost savings through pay

freezes, furloughs, and benefit reductions. Even after the reductions were made, a sizeable structural budget deficit remained.

In 2010, to prevent further reductions in services to residents, Concord’s voters passed Measure Q, a half-cent sales/use tax that has helped the City stay solvent, maintain services and begin rebuilding its reserve funds during one of the worst economic times in the City’s history. Measure Q has helped maintain the community’s quality of life and kept Concord a safe place to live, work and raise a family, supporting 9-1-1 services, gang prevention services, neighborhood police patrols, pothole repairs, park and recreation programs, and youth and senior services. However, Measure Q is set to expire.

The lingering effects of the Great Recession, the slow economic recovery and State takeaways are continuing to hamper the City’s ability to provide essential city services. In 2011, the State of California eliminated redevelopment agencies statewide, including the Concord Redevelopment Agency, dealing an additional blow to the City’s recovery. From a broader perspective, the State has taken more than \$78 million from the City in the last two decades.

Earlier this year, the City Council held a workshop to confirm and refine the Council’s Priority Focus Areas for Fiscal Year 2014-15. One of the five priority focus areas is “Long Term Financial Stability.” The Council continues to work towards this goal by carefully considering how best to balance annual budgets over each of the next 10 years while preserving a prudent amount in its reserve fund to meet unexpected needs.

Because Measure Q is set to expire, the 10-Year Financial Forecast that was presented to the Council at the May 13 Budget Workshop identified the need to make an additional \$4 million in service reductions beginning in FY 2016-17, in order to retain balanced annual budgets over each of the next 10 years and a 15 percent General Fund reserve over the entire 10-Year Forecast. The 10-Year Financial Forecast also demonstrates that additional service reductions will be necessary for the City to meaningfully address the City’s deferred infrastructure maintenance needs, such as street and road repair, which would require approximately \$7.4 million in additional funding per year. More details on this subject are provided under the “Discussion” section of this report.

At the June 24 Budget Hearing, the City Council asked staff to bring forward a report that would allow the Council to consider putting a measure to extend Measure Q before the voters in November 2014.

**Discussion**

The adopted Fiscal Year 2014-15 annual budget demonstrates the continued success of Measure Q which has provided a local revenue source that cannot be taken by the State of California, rebuilt City reserves and preserved vital city services such as:

- 9-1-1 emergency response
- Neighborhood police patrols
- Gang prevention programs
- Crime investigation service
- Road maintenance and pothole repair
- Traffic signal upkeep
- City parks and playground maintenance
- Youth sports and recreation programs
- Senior services and the Senior Center

In evaluating whether the Council wants to provide the voters the opportunity to decide if they prefer to keep paying the same sales tax they are currently paying or face additional service reductions, it is important to evaluate three topics:

- First, has the City been using Measure Q revenue as intended by the voters when they passed the measure in 2010?
- Second, what happens to vital city services if Measure Q expires?
- Third, what happens to vital city services if Measure Q is extended?

Each of these topics is discussed below.

**A. Has the City been using Measure Q revenue as intended by the voters when they passed the measure in 2010?**

The Measure Q Citizens’ Oversight Committee was formed when Measure Q was passed in 2010. The committee is responsible for reviewing the annual auditor’s report and draft budget, and making findings to the City Council on whether the past use and proposed future use of Measure Q tax revenue is consistent with the community’s priorities. Each year, since its inception, the committee’s findings have confirmed the appropriate use of Measure Q funds. The Citizens’ Oversight Committee and mandatory audits will continue if Measure Q is extended.

Below are the Measure Q Citizens’ Oversight Committee findings for 2014. In Parts III and IV, the Committee expresses its concern about the expiration of Measure Q.

*1. Does the FY 2012-13 Annual Audit reflect that the Measure Q tax was collected and appropriately spent?*

At its February 26, 2014 meeting, the Committee determined that the presentation of the Measure Q Use and Transaction Tax in the financial statements reflect the collection of the tax appropriately.

The Committee finds that usage of Measure Q tax revenue (\$10.6 million) was clearly tracked in the annual audit. Further the Committee finds that \$5.4 million of Measure Q tax revenue went to

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maintain city services, and the remaining \$5.2 million went into the City’s reserve fund. Consequently, the Measure Q Committee concludes that the tax was collected and appropriately utilized.

2. *Does the City’s proposed General Fund Budget for Fiscal Year 2014-15 protect the City’s core services?*

The proposed budget estimates the collection of \$11.6 million in Measure Q revenue during the 2014-15 fiscal year and continues the City’s practice, which is supported by this Committee, to use a portion of the annual Measure Q revenue to fund City operations, while also allocating a portion to strengthen reserves. Of the projected Measure Q revenues for FY 2014-15, \$8.0 million will be used to maintain the City’s services, including public safety, parks and recreation, infrastructure maintenance, and internal operations. In addition, the remaining \$3.6 million is allocated to reserves. Because Measure Q revenues are available, no significant cuts to services are being proposed in the FY 2014-15 budget; therefore, all core services are being protected.

Consequently, the Committee finds that the use of Measure Q revenue in the FY 2014-15 budget protects the City’s core services.

3. *Does the City’s proposed General Fund Budget for Fiscal Year 2014-15 rebuild the City’s reserves?*

The Committee finds that the proposed General Fund budget for FY 2014-15 rebuilds the City’s reserves. The City expects a total of \$11.6 million in Measure Q revenue in FY 2014-15. Of this amount, \$3.6 million will be placed in reserves to help stabilize the City’s budget in future years. The total Measure Q reserve at the end of FY 2014-15 is projected to be \$12.3 million; this reserve, when combined with the City’s 15% General Fund reserve, results in a total City Reserve of unallocated funds of \$22.6 million or 28% of the budget.

Further, the proposed 10-year financial forecast illustrates that Measure Q has been successful in continuing to rebuild reserves. However, the Committee is concerned that the City’s annual spending continues to exceed its annual recurring revenues. While Measure Q has and continues to cover the shortfall, Measure Q is set to expire in March 2016 and the City must take future actions to stabilize the budget.

4. *Does the City’s proposed General Fund Budget for Fiscal Year 2014-15 make progress toward resolving the City’s structural budget deficit within the next ten years?*

The Committee finds that, while the proposed General Fund budget provides for a status quo level of service, the expenditure budget grows by \$2.3 million and the City’s reliance on Measure Q revenue increases by approximately \$1.8 million to maintain service levels. In total, the proposed budget uses approximately 70% of the projected FY 2014-15 Measure Q revenue to fund operations, with the remaining amount allocated to the Measure Q reserve.

The Committee is concerned that, although the City is experiencing some revenue growth as the economic recovery continues, the recovery has been slow and the City will continue to rely on

Measure Q revenue and reserves. Unless significant actions are taken, the Committee is also concerned that the expiration of Measure Q in March 2016 will once again cause the City to rely on the use of reserves to fund on-going operations – depleting the City’s reserve levels over the long-term.

In anticipation of Measure Q expiring, the 10-year financial forecast includes unidentified budget cuts in the amount of \$4.0 million to be phased in beginning in FY 2015-16. However, even with \$4.0 million in budget cuts, projected revenues without Measure Q are not sufficient to address deferred infrastructure needs and other liabilities.

The Committee recognizes that significant work has been done over the last 12 months to transparently identify the magnitude of the unfunded liabilities and infrastructure maintenance challenges that face the City. Further, the Committee finds that the 10-year financial forecast includes costs for unfunded liabilities and infrastructure needs – something that was omitted from prior forecasts and highlighted by this Committee.

The Committee concurs that it makes sense to minimize service reductions while Measure Q is being collected from taxpayers to preserve City services; however, the Committee also recognizes the significance of the challenges and urges the City Council and City management to develop a clear roadmap to stabilize the General Fund budget.

**B. What happens to vital city services if Measure Q expires?**

At the June 3 and 24 budget hearings, the City Council heard information about what additional service reductions would be necessary to resolve the City’s remaining fiscal stability challenge. It should be noted that with reductions in other departments and the use of Measure Q revenue since 2011, the Council has been successful over the last eight years in buffering the community from significant impacts to police services, which are the Concord community’s highest priority service area. Unfortunately, without Measure Q, Council will no longer be able to insulate the community from cuts to public safety and quality of life services.

The General Fund 10-Year Forecast, adopted by the City Council on June 24 as part of the Fiscal Year 2014-15 General Fund Budget, illustrates that in order to maintain a balanced annual budget, the City will need to make \$4 million in permanent budgetary reductions and use \$16 million of reserves to balance the annual budget when Measure Q expires.

Staff has not identified the specific cuts that would be recommended to Council in the future because each proposal requires more in-depth study and conversation with the community and Council. Rather, staff’s goal was to identify the areas in which future service reductions would likely occur using factors as to whether a program is mandated, a necessary function or an optional function. The first seven bullets in the list below represent optional functions, the last represents a necessary function that could be further reduced.

The list below of possible service reductions—and the descriptions of the impacts that would result—make it abundantly clear that there are no easy answers ahead unless current revenue levels can be sustained.

### **Areas of Likely Future Service Reductions if Measure Q Expires**

#### **Reductions in Police Services:**

- Reduction or elimination of “special assignments” (other than patrol) which might include Community Policing, the Violence Suppression Unit, or the Traffic Unit—Impact: Depending upon the specific reductions, there would be less resourced allocated to the needs of local schools, the safety of Concord’s downtown, the arrest and prosecution of criminals, homelessness, and/or traffic enforcement. Overall public safety would decrease, customer service levels would decrease and response time for patrol calls would increase due to higher workloads.
- Reduction or elimination of Code Enforcement activities—Impact: Reduction or elimination of Code Enforcement activities will increase public safety issues and unresolved neighborhood disputes, such as nuisance conditions resulting from delinquent properties, and erode the quality of life in Concord.
- Closure of the Community Services Desk—Impact: Residents will experience increased response call times because sworn officers will no longer be able to engage in proactive patrol due to the need to take reports now handled by Community Service Officers. Customer service would be reduced.
- Closure of the City’s Jail—Impact: Public safety would decrease, customer service levels would drop and response time for patrol calls would increase. Patrol officers would have less time available to respond to calls because all prisoners would need to be processed at the Martinez Detention facility—each intake would take an officer off the street from between 2 to 4 hours.

#### **Reductions in Other Service Areas:**

- Further Reduce Service Levels for Roadway /Median/ Tree/Park/Open Space/ and Facilities—Impact: Street and roads, which have already begun to decline due to lack of funding for proactive maintenance, would continue to deteriorate. Parks, planted areas and community facilities would become less attractive without consistent maintenance and care. This would reduce the quality of life within the community resulting in increased deferred maintenance costs, less private economic investment in the City, decreased public safety and lower community satisfaction.
- Further Reduce or Eliminate Economic Development Activities—Impact: Less or no support to business retention, recruitment and expansion and downtown events. This would weaken the economic vibrancy of the community and decrease the quality of life in the community.

- Close a Community Center and Further Reduce or Eliminate Certain Recreation Programs—Impact: Classes and rentals that currently occur at the center would be moved or eliminated. The range and variety of recreational programming would decrease reducing quality of life.
- Further Decreased Staffing in the Internal Services Departments (Human Resources, Finance, Information Technology, City Attorney’s Office, Council/City Manager’s Office)—Impact: Customer service and satisfaction levels would decrease because necessary and mandated services would take longer to complete and non-mandated services would be eliminated or dramatically reduced.

The General Fund 10-Year Forecast also illustrates that the City will not be able to allocate additional money to address its infrastructure backlog. The total cost of these items is approximately \$7.4 million annually; the future costs will be higher if repairs are delayed. In addition, the current infrastructure backlog costs do not include the maintenance backlog for the City’s park system. An assessment on the level of deferred maintenance for the park system is currently in process and the results are expected during the 2014-15 fiscal year.

**C. What happens to vital city services if Measure Q is extended?**

By law, all funds from a continuation of Measure Q must stay in Concord to maintain local services. No funds can be taken by Sacramento. Continuation of the existing half-cent local use and transactions (sales) tax would have a significant positive impact on service delivery. The most immediate impact would be the continuation of funding for the vital city services that Measure Q has supported since 2011. These include services such as:

- 9-1-1 emergency response
- Neighborhood police patrols
- Gang prevention programs
- Crime investigation service
- Road maintenance and pothole repair
- Traffic signal upkeep
- City parks and playground maintenance
- Youth sports and recreation programs
- Senior services and the Senior Center

In financial terms, continuing the existing local sales tax measure is projected to provide \$12 million annually to the General Fund. This would eliminate the need to reduce services by \$4 million, provide funds to address a portion of the City’s backlog in infrastructure projects, especially streets and roads,

and provide the City the ability to retain its reserve levels at or near the City Council’s goal of 30 percent. This infusion of revenue would help the City provide essential services until the economy fully recovers. In addition, there would be no increase in the sales tax rate currently paid.

***Deferred Maintenance and Infrastructure Backlog Addressed:*** One of the unfortunate consequences the City suffered due to the fiscal impacts of the Great Recession was the deferral of capital improvement projects and reduced annual maintenance on City facilities. As a result, the backlog that existed at the beginning of the recession was exacerbated. The total cost to address the City’s infrastructure backlog is approximately \$7.4 million annually; the future costs will be higher if repairs are delayed. It is estimated that continuation of the existing local sales tax measure could provide \$4 million to \$8 million annually to address currently unfunded needs. Continuation of the measure would allow the City to make progress towards the City’s infrastructure maintenance needs during the length of time the measure was extended, while retaining current service and program levels to the community.

While the specific improvement projects would need to be prioritized and authorized by the City Council, examples of the types of community needs that could be addressed include:

- Increased pothole and roadway maintenance
- Increased maintenance of recreation facilities, such as the Senior Center, Willow Pass Community Center and Concord Community Pool, and other City facilities
- Increased tree, median, and landscape maintenance
- Upgrade infrastructure that supports recreation activities (e.g. ball fields, playgrounds, fencing, tennis courts, and facility lighting)
- Provide funds for the City’s local match for grants from State and federal agencies to leverage additional monies for infrastructure improvements

### **Public Outreach**

A significant public outreach effort has been conducted over the last several months to educate residents about the City’s fiscal challenges. A letter was sent to approximately 250 community leaders in late May. Staff conducted several Community Budget Update presentations to business and service organizations. A mailer, entitled “Update: Concord’s Fiscal and Service Delivery Challenges” was distributed on July 1. A two-page Budget Update section was included in the City’s Annual Report in the Fall City News & Activity Guide. Monthly Budget Update Briefs have been included in the City eNewsletter. A page entitled “Fiscal Challenges and Service Priorities” has been added to the City’s website and includes links to pertinent documents and presentations pertaining to the City’s fiscal challenges. The Measure Q Oversight Committee held two public meetings to review the budget. The Council held one public study session and two public meetings on the budget as well.

**Community Support for An Extension of Measure Q:** As part of the Community Priorities Survey that was completed earlier this year, residents were asked if they would vote to extend Measure Q to protect vital city services. Seventy-seven percent (77%) of those surveyed were supportive. Strong community support for an extension demonstrates that residents are satisfied with the job the City has done in responsibly managing Measure Q revenues and that the community trusts the City leaders to continue using Measure Q funds to support City services of highest priority to the community.

### **Proposed Ballot Question**

Attached to this staff report is the proposed Ordinance that would be put before the voters. The ballot question reads as follows:

#### **City of Concord Essential Services Measure**

To continue funding that cannot be taken by the State to protect/maintain Concord's city services, including 911 response, police officers, gang prevention, crime investigation, neighborhood police patrols, city street/pothole repair, senior/youth programs, other city services, shall the City of Concord extend the existing voter-approved ½ cent sales tax for 9 years only, without increasing the current tax rate, including annual audits, independent citizens oversight, and no money for Sacramento?

As stated in the Ordinance, if this measure is approved by the voters, the Citizens Oversight Committee would continue to independently monitor the use of the revenue.

### **Ballot Placement Process**

The following steps will need to be taken in order to place a continuation of the existing half-cent local use and transactions (sales) tax (Measure Q) on the ballot:

- |                         |   |
|-------------------------|---|
| <b>July 29, 2014</b>    | City Council passes resolution, formally placing the measure on the November 2014 ballot. |
| <b>August 8, 2014</b>   | Deadline to submit ballot measure to County Clerk .                                       |
| <b>August 15, 2014</b>  | Primary arguments must be filed with County Clerk through the City offices.               |
| <b>August 22, 2014</b>  | Rebutting arguments must be filed with County Clerk through the City offices.             |
| <b>November 4, 2014</b> | Election.   |

### **Fiscal Impact**

While the final cost of placing an extension of Measure Q on the November ballot will depend upon many factors, staff estimates that the cost will be \$60,000-\$70,000. The FY 2014-15 adopted budget can absorb this cost.

**Public Notification of this Meeting**

The City Council meeting date was announced in a mailer to all residents and posted on the City’s website. The meeting agenda was also posted in accordance with legal requirements.

**Recommendation for Action**

Staff recommends that the City Council approve Resolution No. 14-62 placing on the November 2014 ballot a measure to extend Measure Q, the one-half cent local sales tax (transactions and use tax) measure approved by voters in 2010, for 9 years.

  
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Attachment 1 – Resolution No. 14-62 (with Ordinance attached)

**BEFORE THE CITY COUNCIL OF THE CITY OF CONCORD  
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA**

**A Resolution Calling for and Giving Notice of a  
November 4, 2014 Election on a Proposed Ballot  
Measure to Extend the Existing, Voter-Approved  
Funding with No Increase in the Rate Currently Paid  
by Residents Through Voter Approval of a One-Half  
of One Percent (0.5%) Transactions And Use (Sales)  
Tax For 9 Years to Fund General Municipal Services,  
and Establishing the Policies and Procedures for Such  
an Election and Requesting That the County of  
Contra Costa Conduct Such an Election**

**Resolution No. 14-62**

**WHEREAS**, by law, all funds from a Measure Q Continuation Measure must stay in Concord to maintain local services and no funds can be taken by Sacramento; and

**WHEREAS**, the Measure Q Continuation Measure requires independent Citizens' Oversight, mandatory financial audits, and yearly reports to the community to ensure the funds are spent as promised; and

**WHEREAS**, if this Continuation is adopted, there is no increase in the tax Concord residents currently pay; and

**WHEREAS**, if the Measure is approved, police patrols and gang prevention services, park and recreation programs, and street and pothole repair efforts will be maintained; and

**WHEREAS**, continued funding from this Measure will maintain after-school programs, anti-gang activities, and recreation programs that keep youth and teens off the streets, out of trouble and away from drugs and gangs; and

**WHEREAS**, the City wishes to continue to address service priorities that the public has identified as being important to them, such as 911 emergency response times, neighborhood police patrols, police officers, gang prevention and crime investigation services, city street and pothole repair, senior services and nutrition programs, and youth and teen programs; and

**WHEREAS**, in November 2010, the voters of Concord adopted a local revenue measure ("Measure Q"), to mitigate cuts to local services caused by State takeaways and the Great Recession; and

//

1           **WHEREAS**, Measure Q established a general transactions and use tax (“sales tax”) of one-  
2 half of one percent (as authorized by Revenue and Taxation Code section 7285.9), which is codified at  
3 Chapter 3, Article V, Sections 3.15.360 through 3.15.500 of the Concord Municipal Code; and

4           **WHEREAS**, although the revenues raised by Measure Q have helped the City stay solvent  
5 during the period since it was adopted, Measure Q is scheduled to expire; and

6           **WHEREAS**, the City’s 10-Year Financial Forecast estimates that if Measure Q expires,  
7 commencing in Fiscal Year 2016-17, \$4 million in annual budget reductions will be required to  
8 address the decline in City revenues currently received from Measure Q, which in turn will require the  
9 City to make severe cuts to the services it currently provides, adversely affecting public safety  
10 services including 9-1-1 emergency response times, police officers, gang prevention and crime  
11 investigation services, and neighborhood police patrols, along with other City services, such as road  
12 maintenance, youth sports and recreation programs, city parks and playgrounds, and senior services  
13 and the Senior Center; and

14           **WHEREAS**, the extension of the sales tax initially authorized under Measure Q would ensure  
15 fiscal accountability by requiring independent citizens oversight, mandatory financial audits, and  
16 yearly reports to the community; and

17           **WHEREAS**, at its July 29, 2014 meeting, the City Council adopted a budget for FY 2014-15  
18 that recognized the need for maintaining the revenue currently provided by Measure Q to continue and  
19 preserve the level of services desired by residents of the City; and

20           **WHEREAS**, at a public hearing on July 29, 2014, the Council considered placing a measure  
21 on the ballot for the November 4, 2014 General Election seek voter approval of an extension of the  
22 existing general transactions and use tax (“sales tax”) initially authorized by Concord voters as  
23 Measure Q, extending that sales tax for a period of an additional 9 years, with no increase in the sales  
24 tax that residents currently pay; and

25           **WHEREAS**, after that hearing, the City Council concluded that all of the information  
26 presented indicated that, to obtain the revenue necessary to maintain and preserve service levels, the  
27 Council should, at the November 4, 2014 General Election, ask the voters of the City to approve a 9  
28 year extension of the current one-half of one percent (.05%) local transactions and use tax initially

1 authorized under Measure Q, the revenue from which could be used to support general municipal  
2 services and could not be taken away by the State; and

3 **WHEREAS**, on the basis of the foregoing, the City Council determined that it was appropriate  
4 to place a measure before the voters at the November 4, 2014 general election regarding the extension  
5 the current general transactions and use (sales) tax initially authorized by Measure Q; and

6 **WHEREAS**, the tax, if approved, would continue to be imposed on the sale of tangible  
7 personal property and the storage, use, or other consumption of such property. The tax rate would  
8 continue to be one-half of one percent (0.5%) (a half cent for each dollar) of the sales price of the  
9 property. The tax revenue would be continue to be collected by the State Board of Equalization and  
10 remitted to the City. The tax extension would be in effect for 9 years, and would then expire  
11 automatically. The tax shall be approved if the measure receives at least a simple majority of  
12 affirmative votes; and

13 **WHEREAS**, the Concord City Council is authorized by California Elections Code Section  
14 9222 to place measures before the voters; and

15 **WHEREAS**, Elections Code Sections 9281 through 9287 set forth the procedures for primary  
16 arguments in favor of and in opposition to any City measure and for rebuttal arguments; and

17 **WHEREAS**, on May 27, 2014, the City Council adopted Resolution No. 14-31, calling for the  
18 City's General Municipal Election to be held on the same day as and consolidated with the Statewide  
19 Election to be held on November 4, 2014. It is desirable that the election called by this Resolution be  
20 consolidated with the General Municipal Election and Statewide Election, and that within the City, the  
21 precincts, polling places and election officers of the two elections be the same, and that the Election  
22 Division of the County of Contra Costa canvass the returns of the General Election and that the  
23 election be held in all respects as if there were only one election.

24 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CONCORD DOES**  
25 **RESOLVE AS FOLLOWS:**

26 **Section 1.** The foregoing recitals are true and correct and are hereby incorporated by  
27 reference.

28 **Section 2.** Pursuant to California Constitution Article XIIC, Section 2; Government Code

1 Section 53724; and Elections Code Section 9222, the City Council of the City of Concord hereby calls  
 2 an election at which it shall submit to the qualified voters of the City, a measure that, if approved,  
 3 would adopt a temporary general transactions and use tax, as authorized by Revenue and Taxation  
 4 Code section 7285.9. This measure shall be designated by letter by the Contra Costa County Elections  
 5 Department. Pursuant to Election Code Section 10400 *et seq.*, the election for this measure shall be  
 6 consolidated with the General Municipal Election to be conducted on November 4, 2014.

7 **Section 3.** The question to be presented to the voters shall be as follows:

<p>8</p> <p>9</p> <p>10 <b>City of Concord Essential Services Measure</b></p> <p>11 To continue funding that cannot be taken by the State to</p> <p>12 protect/maintain Concord's city services, including 911</p> <p>13 response, police officers, gang prevention, crime</p> <p>14 investigation, neighborhood police patrols, city street/pothole</p> <p>15 repair, senior/youth programs, other city services, shall the</p> <p>16 City of Concord extend the existing voter-approved ½ cent</p> <p>17 sales tax for 9 years only, without increasing the current tax</p> <p>18 rate, including annual audits, independent citizens oversight,</p> <p>19 and no money for Sacramento?</p> <p>20</p>	<p>YES</p>	
	<p>NO</p>	

21

22 This question requires the approval of a majority of qualified electors casting votes.

23 **Section 4.** The ordinance authorizing the general tax to be approved by the voters pursuant to  
 24 Sections 2 and 3 of this Resolution is as set forth in Exhibit A hereto. The City Council hereby  
 25 approves the ordinance, the form thereof, and its submission to the voters of the City at the November  
 26 4, 2014 election, as required by Revenue and Taxation Code section 7285.9. The Board of Supervisors  
 27 of the County of Contra Costa is requested to order the County Clerk to set forth in the voter  
 28 information portion of all sample ballots to be mailed to the qualified electors of the City the full text

1 of the Ordinance and to mail with the sample ballots to the electors printed copies of the full text of  
2 the Ordinance, together with the primary arguments and rebuttal arguments (if any) for and against the  
3 measure, and to provide absent voter ballots for the election for use by qualified electors of the City  
4 who are entitled thereto in the manner provided by law. The Ordinance specifies that the rate of the  
5 transactions tax shall be one-half of one percent (0.5%) of the gross receipts of any retailer from the  
6 sale of all tangible personal property sold at retail in the City; it specifies that the rate of the use tax  
7 shall be one-half of one percent (0.5%) of the sales price of tangible personal property stored, used or  
8 otherwise consumed in the City, and that the tax shall be in effect for a total of 14 years, taking into  
9 account the initial five year term of Measure Q, and the proposed 9 year extension. The State Board of  
10 Equalization shall collect the tax from retailers subject to the tax and remit the funds to the City.

11 **Section 5.** The City Clerk is authorized, instructed and directed to work with the County  
12 Elections Division as needed in order to properly and lawfully conduct the election. The ballots to be  
13 used in the election shall be in form and content as required by law. The County Elections Division is  
14 authorized to canvass the returns of the general municipal election. In all particulars not recited in this  
15 Resolution, the election shall be held and conducted as provided by law for holding municipal  
16 elections.

17 **Section 6.** The Board of Supervisors is requested to instruct the County Elections Division to  
18 provide such services as may be necessary for the holding of the consolidated election. The election  
19 shall be held in all respects as if there were only one election. The City of Concord recognizes that the  
20 County will incur additional costs because of this consolidation and agrees to reimburse the County  
21 for those costs. The City Manager is hereby authorized and directed to expend the necessary funds to  
22 pay for the City's cost of placing the measure on the election ballot.

23 **Section 7.** The polls for the election shall be open at 7:00 a.m. on the day of the election and  
24 shall remain open continuously from that time until 8:00 p.m. that same day, when the polls shall be  
25 closed, except as provided in Section 14401 of the Elections Code of the State of California. The  
26 notice of the time and place of holding the election is hereby given, and the City Clerk is authorized to  
27 give further notice of the election, as required by law.

1           **Section 8.**

2           (a)     The last day for submission of primary arguments for or against the measure shall be  
3 by 5:00 p.m. on August 20, 2014.

4           (b)     The last day for submission of rebuttal arguments for or against the measure shall be by  
5 5:00 p.m. on August 25, 2014.

6           (c)     Primary arguments shall not exceed three hundred (300) words and shall be signed by  
7 not more than five persons.

8           (d)     Rebuttal arguments shall not exceed two hundred fifty (250) words and shall be signed  
9 by not more than five persons; those persons may be different persons than the persons who signed the  
10 primary arguments.

11          (e)     Pursuant to California Elections Code Section 9280, the City Council hereby directs  
12 the City Clerk to transmit a certified copy of the measure to the City Attorney. The City Attorney  
13 shall prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the  
14 effect of the measure on the existing law and the operation of the measure, and transmit the impartial  
15 analysis to the Elections Division by August 15, 2014.

16          (f)     Pursuant to California Elections Code Section 9285, when the City Clerk has selected  
17 the arguments for and against the measure, which will be printed and distributed to the voters, the City  
18 Clerk shall send copies of the argument in favor of the measure to the authors of the argument against,  
19 and copies of the argument against to the authors of the argument in favor. Rebuttal arguments shall  
20 be printed in the same manner as the primary arguments. Each rebuttal argument shall immediately  
21 follow the primary argument, which it seeks to rebut.

22          **Section 9.** The City Clerk is directed to file certified copies of this Resolution with the Board  
23 of Supervisors and the County Clerk of the County of Contra Costa, together with the attached ballot  
24 measure.

25          **Section 10.** The jurisdictional boundaries of the City of Concord have not changed since the  
26 last general municipal election.

27          **Section 11.** The approval of this Resolution is exempt from the California Environmental  
28 Quality Act (Public Resources Code §§ 21000 *et seq.*, “CEQA,” and 14 Cal. Code Reg. §§ 15000 *et*

1 *seq.*, “CEQA Guidelines”). The transactions and use tax to be submitted to the voters is a general tax  
2 that can be used for any legitimate governmental purpose; to issue it is not a commitment to any  
3 particular action. As such, under CEQA Guidelines section 15378(b)(4), the tax is not a project  
4 within the meaning of CEQA because it creates a government funding mechanism that does not  
5 involve any commitment to any specific project that may result in a potentially significant physical  
6 impact on the environment. If revenue from the tax were used for a purpose that would have either  
7 such effect, the city would undertake the required CEQA review for that particular project. Therefore,  
8 under CEQA Guidelines section 15060 review under CEQA is not required.

9 **Section 12.** This Resolution shall become effective immediately upon its passage and  
10 adoption.

11 **PASSED AND ADOPTED** by the City Council of the City of Concord on July 29, 2014, by  
12 the following vote:

- 13 **AYES:** Councilmembers -  
14 **NOES:** Councilmembers -  
15 **ABSTAIN:** Councilmembers -  
16 **ABSENT:** Councilmembers -

17  
18 **I HEREBY CERTIFY** that the foregoing Resolution No. 14-62 was duly and regularly  
19 adopted at a regular joint meeting of the City Council on July 29, 2014.

20  
21 \_\_\_\_\_  
22 Mary Rae Lehman, CMC  
23 City Clerk

24 **APPROVED AS TO FORM:**

25 \_\_\_\_\_  
26 Mark S. Coon  
27 City Attorney

28 Exhibit A – Ordinance 14-8

**ORDINANCE NO. 14-8**

**AN ORDINANCE AMENDING CONCORD MUNICIPAL CODE TITLE 3 (REVENUE AND FINANCE) CHAPTER 3.15 (TAXATION), ARTICLE V (TRANSACTIONS AND USE TAX) BY EXTENDING AN EXISTING VOTER-APPROVED TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION**

**WHEREAS**, by law, all funds from a Measure Q Continuation Measure must stay in Concord to maintain local services and no funds can be taken by Sacramento; and

**WHEREAS**, the Measure Q Continuation Measure requires independent Citizens’ Oversight, mandatory financial audits, and yearly reports to the community to ensure the funds are spent as promised; and

**WHEREAS**, if this Continuation is adopted, there is no increase in the sales tax Concord residents currently pay; and

**WHEREAS**, if the Measure is approved, police patrols and gang prevention services, park and recreation programs, and street and pothole repair efforts will be maintained; and

**WHEREAS**, continued funding from this Measure will maintain after-school programs, anti-gang activities, and recreation programs that keep youth and teens off the streets, out of trouble and away from drugs and gangs; and

**WHEREAS**, the City wishes to continue to address service priorities that the public has identified as being important to them, such as 911 emergency response times, neighborhood police patrols, police officers, gang prevention and crime investigation services, city street and pothole repair, senior services and nutrition programs, and youth and teen programs; and

**WHEREAS**, in November 2010, the voters of Concord adopted a local revenue measure (“Measure Q”), to mitigate cuts to local services caused by State takeaways and the Great Recession; and

**WHEREAS**, Measure Q established a general transactions and use tax (“sales tax”) of one-half of one percent (0.5%), which is codified at Title 3 (Revenue and Finance), Chapter 3.15 (Taxation) Article V (Transactions and Use Tax), Sections 3.15.360 through 3.15.500 of the Concord Municipal Code; and

1           **WHEREAS**, the revenues raised by Measure Q have helped the City stay solvent during the  
2 period since it was adopted; however, Measure Q is scheduled to expire; and

3           **WHEREAS**, the City's 10-Year Financial Forecast estimates that if Measure Q expires,  
4 commencing in Fiscal Year 2016-17, \$4 million in annual budget reductions will be required to  
5 address the decline in City revenues currently received from Measure Q, which in turn will require the  
6 City to make severe cuts to the services it currently provides, adversely affecting public safety  
7 services including 9-1-1 emergency response times, police officers, gang prevention and crime  
8 investigation services, and neighborhood police patrols, along with other City services, such as road  
9 maintenance, youth sports and recreation programs, city parks and playgrounds, and senior services  
10 and the Senior Center; and

11           **WHEREAS**, all funds from a local revenue measure must stay in Concord to maintain local  
12 services and cannot be taken by the State; and

13           **WHEREAS**, a local revenue measure ensures fiscal accountability by requiring independent  
14 citizens oversight, mandatory financial audits, and yearly reports to the community; and

15           **WHEREAS**, at its June 3, 2014 meeting, the City Council adopted a budget for FY 2014-15  
16 that recognized the need for additional revenue to maintain and preserve the level of services desired  
17 by residents of the City; and

18           **WHEREAS**, at a public hearing on July 29, 2014, the Council considered placing a measure  
19 on the ballot for the November 4, 2014 General Election seek voter approval of an extension of  
20 Measure Q; and

21           **WHEREAS**, after that hearing, the City Council concluded that all of the information  
22 presented indicated that, to maintain the revenue necessary to preserve existing service levels, the  
23 Council should ask the voters of the City to approve a 9-year extension of Measure Q, continuing the  
24 current assessment of a local transactions and use tax, the revenue from which could be used to  
25 support general municipal services; and

26           **WHEREAS**, on the basis of the foregoing, the City Council, by adopting Resolution 14-62,  
27 determined that it was appropriate to place a measure before the voters at the November 4, 2014  
28

1 general election regarding a 9 year extension of the general transactions and use (sales) tax originally  
2 authorized by Measure Q; and

3 **WHEREAS**, the tax, if approved, would continue to be imposed on the sale of tangible  
4 personal property and the storage, use, or other consumption of such property. The tax rate would  
5 continue to be one-half of one percent (0.5%) (a half cent for each dollar) of the sales price of the  
6 property. The tax revenue would continue to be collected by the State Board of Equalization and  
7 remitted to the City. The tax extension would be in effect for 9 years, and would then expire  
8 automatically. The tax shall be approved if the measure receives at least a simple majority of  
9 affirmative votes (50% plus 1 vote).

10 **THE CITY COUNCIL OF THE CITY OF CONCORD RECOGNIZES THE DESIRE**  
11 **OF THE PEOPLE OF THE CITY OF CONCORD AND DOES ORDAIN AS FOLLOWS:**

12 **Section 1.** The People of Concord find that all Recitals are true and correct and are  
13 incorporated herein by reference.

14 **Section 2.** Concord Municipal Code Title 3 (Revenue and Finance) Chapter 3.15 (Taxation)  
15 Article V (Transactions and Use Tax), is hereby amended by the italicized language:

16 **3.15.360 Title.**

17 This ordinance shall be known as the Concord Transactions and Use Tax Ordinance. The City  
18 of Concord hereinafter shall be called "City." This ordinance shall be applicable in the  
19 incorporated territory of the City.

20 **3.15.370 Operative date.**

21 "Operative Date" means the first day of the first calendar quarter commencing more than 110  
22 days after the adoption of this ordinance.

23 **3.15.380 Purpose.**

24 This ordinance is adopted to achieve the following, among other purposes, and directs that the  
25 provisions hereof be interpreted in order to accomplish those purposes:

- 26 (a) To impose a retail transactions and use tax in accordance with the provisions of pt. 1.6  
27 (commencing with § 7251) of div. 2 of the Revenue and Taxation Code and § 7285.9 of pt. 1.7  
28 of div. 2 which authorizes the City to adopt this tax ordinance which shall be operative if a

1 majority of the electors voting on the measure vote to approve the imposition of the tax at an  
2 election called for that purpose.

3 (b) To adopt a retail transactions and use tax ordinance that incorporates provisions identical to  
4 those of the Sales and Use Tax Law of the State of California insofar as those provisions are  
5 not inconsistent with the requirements and limitations contained in pt. 1.6 of div. 2 of the  
6 Revenue and Taxation Code.

7 (c) To adopt a retail transactions and use tax ordinance that imposes a tax and provides a  
8 measure therefore that can be administered and collected by the State Board of Equalization in  
9 a manner that adapts itself as fully as practicable to, and requires the least possible deviation  
10 from, the existing statutory and administrative procedures followed by the State Board of  
11 Equalization in administering and collecting the California State Sales and Use Taxes.

12 (d) To adopt a retail transactions and use tax ordinance that can be administered in a manner  
13 that will be, to the greatest degree possible, consistent with the provisions of pt. 1.6 of div. 2 of  
14 the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes,  
15 and at the same time, minimize the burden of record keeping upon persons subject to taxation  
16 under the provisions of this ordinance.

17 **3.15.390 Contract with State.**

18 Prior to the operative date, the City shall contract with the State Board of Equalization to  
19 perform all functions incident to the administration and operation of this transactions and use  
20 tax ordinance; provided, that if the City shall not have contracted with the State Board of  
21 Equalization prior to the operative date, it shall nevertheless so contract and in such a case the  
22 operative date shall be the first day of the first calendar quarter following the execution of such  
23 a contract.

24 **3.15.400 Transactions tax rate.**

25 For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all  
26 retailers in the incorporated territory of the City at the rate of one-half of one percent (0.5%) of  
27 the gross receipts of any retailer from the sale of all tangible personal property sold at retail in  
28 said territory on and after the operative date of this ordinance.

1           **3.15.410 Place of sale.**

2           For the purposes of this ordinance, all retail sales are consummated at the place of business of  
3           the retailer unless the tangible personal property sold is delivered by the retailer or his agent to  
4           an out-of-state destination or to a common carrier for delivery to an out-of-state destination.

5           The gross receipts from such sales shall include delivery charges, when such charges are  
6           subject to the state sales and use tax, regardless of the place to which delivery is made. In the  
7           event a retailer has no permanent place of business in the State or has more than one place of  
8           business, the place or places at which the retail sales are consummated shall be determined  
9           under rules and regulations to be prescribed and adopted by the State Board of Equalization.

10           **3.15.420 Use tax rate.**

11           An excise tax is hereby imposed on the storage, use or other consumption in the City of  
12           tangible personal property purchased from any retailer on and after the operative date of this  
13           ordinance for storage, use or other consumption in said territory at the rate of one-half of one  
14           percent (0.5%) of the sales price of the property. The sales price shall include delivery charges  
15           when such charges are subject to state sales or use tax regardless of the place to which delivery  
16           is made.

17           **3.15.430 Adoption of provisions of State law.**

18           Except as otherwise provided in this ordinance and except insofar as they are inconsistent with  
19           the provisions of pt. 1.6 of div. 2 of the Revenue and Taxation Code, all of the provisions of pt.  
20           1 (commencing with § 6001) of div. 2 of the Revenue and Taxation Code are hereby adopted  
21           and made a part of this ordinance as though fully set forth herein.

22           **3.15.440 Limitations on adoption of State law and collection of use taxes.**

23           In adopting the provisions of pt. 1 of div. 2 of the Revenue and Taxation Code:

24           (a) Wherever the State of California is named or referred to as the taxing agency, the name of  
25           this City shall be substituted thereof. However, the substitution shall not be made when:

- 26                     (1) The word "State" is used as a part of the title of the State Controller, State  
27                     Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the  
28                     Constitution of the State of California

1 (2) The result of that substitution would require action to be taken by or against this  
2 City or any agency, officer, or employee thereof rather than by or against the State  
3 Board of Equalization, in performing the functions incident to the administration or  
4 operation of this Ordinance.

5 (3) In those sections, including, but not necessarily limited to sections referring to the  
6 exterior boundaries of the State of California, where the result of the substitution would  
7 be to:

8 a. Provide an exemption from this tax with respect to certain sales, storage, use  
9 or other consumption of tangible personal property which would not otherwise  
10 be exempt from this tax while such sales, storage, use or other consumption  
11 remain subject to tax by the State under the provisions of pt. 1 of div. 2 of the  
12 Revenue and Taxation Code, or;

13 b. Impose this tax with respect to certain sales, storage, use or other  
14 consumption of tangible personal property which would not be subject to tax by  
15 the state under the said provision of that code.

16 (4) In §§ 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or  
17 6828 of the Revenue and Taxation Code.

18 (b) The word “City” shall be substituted for the word “State” in the phrase “retailer engaged in  
19 business in this State” in § 6203 and in the definition of that phrase in § 6203.

20 **3.15.450 Permit not required.**

21 If a seller’s permit has been issued to a retailer under § 6067 of the Revenue and Taxation  
22 Code, an additional transactor’s permit shall not be required by this ordinance.

23 **3.15.460 Exemptions and exclusions.**

24 (a) There shall be excluded from the measure of the transactions tax and the use tax the amount  
25 of any sales tax or use tax imposed by the State of California or by any city, city and county, or  
26 county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of  
27 any state-administered transactions or use tax.  
28

1 (b) There are exempted from the computation of the amount of transactions tax the gross  
2 receipts from:

3 (1) Sales of tangible personal property, other than fuel or petroleum products, to  
4 operators of aircraft to be used or consumed principally outside the county in which the  
5 sale is made and directly and exclusively in the use of such aircraft as common carriers  
6 of persons or property under the authority of the laws of this State, the United States, or  
7 any foreign government.

8 (2) Sales of property to be used outside the City which is shipped to a point outside the  
9 City, pursuant to the contract of sale, by delivery to such point by the retailer or his  
10 agent, or by delivery by the retailer to a carrier for shipment to a consignee at such  
11 point. For the purposes of this paragraph, delivery to a point outside the City shall be  
12 satisfied:

13 a. With respect to vehicles (other than commercial vehicles) subject to registration  
14 pursuant to Chapter 1.05 (commencing with Section 4000) of Division 3 of the  
15 Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public  
16 Utilities Code, and undocumented vessels registered under Division 3.5  
17 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-  
18 City address and by a declaration under penalty of perjury, signed by the buyer,  
19 stating that such address is, in fact, his or her principal place of residence; and

20 b. With respect to commercial vehicles, by registration to a place of business out-of-  
21 City and declaration under penalty of perjury, signed by the buyer, that the vehicle  
22 will be operated from that address.

23 (3) The sale of tangible personal property if the seller is obligated to furnish the  
24 property for a fixed price pursuant to a contract entered into prior to the operative date  
25 of this ordinance.

26 (4) A lease of tangible personal property which is a continuing sale of such property,  
27 for any period of time for which the lessor is obligated to lease the property for an  
28 amount fixed by the lease prior to the operative date of this ordinance.

1 (5) For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of  
2 tangible personal property shall be deemed not to be obligated pursuant to a contract or  
3 lease for any period of time for which any party to the contract or lease has the  
4 unconditional right to terminate the contract or lease upon notice, whether or not such  
5 right is exercised.

6 (c) There are exempted from the use tax imposed by this ordinance, the storage, use or other  
7 consumption in this City of tangible personal property:

8 (1) The gross receipts from the sale of which have been subject to a transactions tax  
9 under any state-administered transactions and use tax ordinance.

10 (2) Other than fuel or petroleum products purchased by operators of aircraft and used or  
11 consumed by such operators directly and exclusively in the use of such aircraft as common  
12 carriers of persons or property for hire or compensation under a certificate of public  
13 convenience and necessity issued pursuant to the laws of this State, the United States, or any  
14 foreign government. This exemption is in addition to the exemptions provided in §§ 6366 and  
15 6366.1 of the Revenue and Taxation Code of the State of California.

16 (3) If the purchaser is obligated to purchase the property for a fixed price pursuant to a  
17 contract entered into prior to the operative date of this ordinance.

18 (4) If the possession of, or the exercise of any right or power over, the tangible personal  
19 property arises under a lease which is a continuing purchase of such property for any period of  
20 time for which the lessee is obligated to lease the property for an amount fixed by a lease prior  
21 to the operative date of this ordinance.

22 (5) For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other  
23 consumption, or possession of, or exercise of any right or power over, tangible personal  
24 property shall be deemed not to be obligated pursuant to a contract or lease for any period of  
25 time for which any party to the contract or lease has the unconditional right to terminate the  
26 contract or lease upon notice, whether or not such right is exercised.

27 (6) Except as provided in subparagraph (7), a retailer engaged in business in the City  
28 shall not be required to collect use tax from the purchaser of tangible personal property, unless

1 the retailer ships or delivers the property into the City or participates within the City in making  
2 the sale of the property, including, but not limited to, soliciting or receiving the order, either  
3 directly or indirectly, at a place of business of the retailer in the City or through any  
4 representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority  
5 of the retailer.

6 (7) "A retailer engaged in business in the City" shall also include any retailer of any of  
7 the following: vehicles subject to registration pursuant to Chapter 1.05 (commencing with  
8 Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section  
9 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5  
10 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect  
11 use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an  
12 address in the City.

13 (d) Any person subject to use tax under this ordinance may credit against that tax any  
14 transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer  
15 liable for a transactions tax pursuant to pt. 1.6 of div. 2 of the Revenue and Taxation Code with  
16 respect to the sale to the person of the property the storage, use or other consumption of which  
17 is subject to the use tax.

18 **3.15.470 Amendments.**

19 All amendments subsequent to the effective date of this ordinance to pt. 1 of div. 2 of the  
20 Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with  
21 pt. 1.6 and pt. 1.7 of div. 2 of the Revenue and Taxation Code, and all amendments to pt. 1.6  
22 and pt. 1.7 of div. 2 of the Revenue and Taxation Code, shall automatically become a part of  
23 this ordinance, provided however, that no such amendment shall operate so as to affect the rate  
24 of tax imposed by this ordinance.

25 **3.15.480 Enjoining collection forbidden.**

26 No injunction or writ of mandate or other legal or equitable process shall issue in any suit,  
27 action or proceeding in any court against the State or the City, or against any officer of the  
28

1 State or the City, to prevent or enjoin the collection under this ordinance, or pt. 1.6 of div. 2 of  
2 the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

3 **3.15.490 Annual audit; citizens' oversight.**

4 By no later than December 31st of each year after the operative date, the city's independent  
5 auditors shall complete a report reviewing the collection, management and expenditure of  
6 revenue from the tax levied by this Article. Additionally, there shall be a committee consisting  
7 of no fewer than five members of the public to review and report on the receipt of revenue and  
8 expenditure of funds from the tax authorized by this Article. The committee members shall be  
9 either Concord residents or representatives of Concord businesses. Prior to the operative date,  
10 the City Council shall adopt a resolution establishing the composition of the committee, setting  
11 the terms of office of the committee members, and defining the scope of the committee's  
12 responsibilities, which at a minimum shall include reviewing the annual auditor's report and  
13 making recommendations to the City Council for use of the tax revenue. The committee's  
14 report and recommendations shall be completed by a date to allow for it to be considered as  
15 part of the annual budget process. The committee's report and recommendations shall be a  
16 matter of public record and shall be considered by the City Council at a public meeting. Also  
17 prior to the operative date, the City Council shall appoint at least a quorum of the members of  
18 the committee; and the Council shall complete the appointment of members of the committee  
19 by the end of fiscal year 2011.

20 **3.15.500 Termination date.**

21 The authority to levy the tax imposed by this ordinance shall expire on the *fourteenth*  
22 anniversary of the last day of the calendar quarter preceding the operative date, *unless*  
23 *terminated earlier by a unanimous vote of the City Council.*

24 **Section 3.** The findings for this ordinance in compliance with the California Environmental  
25 Quality Act ("CEQA") are the same as those set forth in the City's Resolution No. 14-31 calling for an  
26 election on this Ordinance. The CEQA findings in Resolution No. 14-31 are incorporated herein by  
27 reference.

28 **Section 4.** If any provision of this ordinance or the application thereof to any person or

1 circumstance is held invalid, it shall be severable and the remainder of the ordinance and the  
2 application of such provision to other persons or circumstances shall not be affected thereby.

3 **Section 5.** This Ordinance relates to the levying and collecting of the City transactions and use  
4 taxes. The City Council, by a two-thirds vote of the Council by adopting Resolution 2014-62,  
5 approved submission of this Ordinance to the voters at an election to be held on November 4, 2014.  
6 Upon approval by a majority of the voters of the city, and upon adoption of a resolution declaring the  
7 election results, the Mayor shall hereby be authorized to attest to the adoption of this Ordinance by the  
8 voters of the City by signing where indicated below.

9  
10  
11 \_\_\_\_\_  
12 Timothy S. Grayson  
Mayor

13 ATTEST:

14  
15 \_\_\_\_\_  
16 Mary Rae Lehman  
City Clerk

17 (Seal)

18  
19 **APPROVED AS TO FORM:**

20  
21 \_\_\_\_\_  
22 Mark S. Coon  
City Attorney

23 Ordinance No. 14-8 was submitted to the People of the City of Concord at the November 4,  
24 2014, general municipal election. It was approved by the following vote of the People:

25 **YES:**

26 **NO:**

1 Ordinance No. 14-8 was thereby adopted by of the voters at the November 4, 2014, election  
2 and took effect immediately. A resolution declaring the results of the election was adopted at a regular  
3 joint meeting of the City Council held on [month, day, year], by the following vote:

4 **AYES:** Councilmembers -

5 **NOES:** Councilmembers -

6 **ABSTAIN:** Councilmembers -

7 **ABSENT:** Councilmembers -

8 **I HEREBY CERTIFY** that the foregoing is a true and correct copy of an ordinance duly and  
9 regularly adopted by the People of the City of Concord, California.

10  
11 \_\_\_\_\_  
12 Mary Rae Lehman, CMC  
13 City Clerk  
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