



CITY COUNCIL AGENDA REPORT



DEPARTMENT: City Manager

MEETING DATE: October 15, 2019

PREPARED BY: Lauren Vasquez, Interim Assistant City Manager
Brittany Mello, Assistant to the City Manager

AGENDA LOCATION: AR-1

TITLE: Resolution of the City Council of the City of Monrovia Endorsing Measure K, The Proposed City Transactions and Use Sales Tax Measure on the November 2019 Ballot, Resolution No. 2019-62

OBJECTIVE: To consider a resolution expressing the City Council's endorsement of Measure K *Keep Monrovia Revenue Local Sales and Use Tax* ballot measure being considered by voters at the Special Election on November 5, 2019

BACKGROUND: On June 4, 2019, the City Council called for a special election on November 5, 2019, for the voters to consider Measure K, a 0.75% increase in the City's local transactions and use tax, commonly known as sales tax. If approved, Measure K will provide additional local revenue for important City priorities, rather than potentially losing this local source of revenue to Los Angeles County or other regional agencies.

The City Council as a body may take an official position for or against Measure K. The City Council's position on Measure K will be part of the information available to voters, since community members frequently seek out the City Council's position on public issues. The City will not campaign for or against the measure, and will continue to present purely factual information regarding Measure K.

ANALYSIS: The City Council unanimously voted to submit Measure K to the voters for their consideration. In doing so, the City Council recognized the ongoing need to keep sales tax revenues in Monrovia for local purposes that benefit the community. There is a long-standing record of the majority of the sales tax funds paid by Monrovia residents now being used outside Monrovia for non-local purposes. Staff estimate that, on average, the City receives back about 10% of the sales tax collected in Monrovia.

Under existing State law, there is 0.75% capacity remaining before the sales tax limit is met, and there is a significant risk that LA County or other regional agencies will try to absorb this sales tax capacity in 2020 or soon thereafter.

The City Council determined that it would be fiscally prudent to put Measure K before the voters to consider whether to raise the local sales tax to the legal limit to keep these additional sales tax revenues in the City to help fund local priorities.

Should Measure K pass, the City Council has prepared for the accountability of how the new sales tax revenues are spent by creating a local Measure K Citizen Advisory Committee and beginning the draft of a future spending plan.

As the voters often look to the City Council to seek its opinion on key public issues, the City Council has the option to adopt a resolution to support or oppose Measure K.

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ENVIRONMENTAL IMPACT: None.

FISCAL IMPACT: Measure K is expected to generate approximately \$4.5 million annually in new general fund revenues for use locally in Monrovia.

OPTIONS: The following options are presented for the City Council's consideration:

1. Approve the resolution endorsing Measure K as outlined in Resolution No. 2019-62.
2. Adopt a resolution opposing Measure K.
3. Take no position on Measure K.
4. Request additional information from staff before taking action.

RECOMMENDATION: The City Council may choose to adopt a resolution in support or opposition of Measure K, or to take no position.

COUNCIL ACTION REQUIRED: If the City Council decides to endorse Measure K, the appropriate action would be a motion to adopt Resolution No. 2019-62.

RESOLUTION NO. 2019-62

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MONROVIA, CALIFORNIA, ENDORSING MEASURE K, THE
PROPOSED CITY TRANSACTIONS AND USE SALES TAX
MEASURE ON THE NOVEMBER 2019 BALLOT**

WHEREAS, the City of Monrovia has a proud tradition of high-quality local services and well-managed finances;

WHEREAS, people live, work, and play in Monrovia for its uniquely high quality of life, City services and public safety;

WHEREAS, in addition to taking money from the taxpayers of Monrovia, the State and Federal governments continue to increase unfunded mandates for the City to perform their delegated tasks;

WHEREAS, Los Angeles County and regional agencies have proposed and passed new sales tax measures that shift funds paid in Monrovia outside the City for other purposes without returning an equitable amount of revenue to the City;

WHEREAS, it is likely that Los Angeles County and/or regional entities will propose additional sales tax measures in the future that could shift more local revenue away from Monrovia for other purposes;

WHEREAS, because it is anticipated that the other regional entities will try to absorb these sales tax dollars in the future, the City Council considered it prudent to submit to the voters a measure to increase the City's local sales and use tax in order to retain additional local sales tax dollars for local purposes;

WHEREAS, revenue from Measure K could be used for important priorities in Monrovia, such as upgrading the Community Center and improving the City's budget reserves to improve the City's credit rating;

WHEREAS, revenue from Measure K could be used for the future maintenance of streets, sidewalks, and infrastructure improvements that have been completed through the Monrovia Renewal project;

WHEREAS revenue from Measure K would also provide funds for enhanced general City services, such as youth and senior programming, affordable housing, and public safety;

WHEREAS, revenue from Measure K will be spent entirely on local services that benefit our community, with no money diverted to Sacramento, Los Angeles County, or other regional entities, and all funds staying here in Monrovia; and

WHEREAS, the City Council is committed to implementing accountability measures, including a spending priority plan for Measure K funds, annual independent financial audits, and public review of expenditures by the Measure K Citizen Advisory Committee.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MONROVIA THAT:

Section 1. The City Council of the City of Monrovia endorses Measure K and supports voter approval of the proposed 0.75% local transactions and use sales tax measure as a critical way to raise revenue to protect and improve the quality of life in Monrovia. Measure K is a way to help keep local funds in Monrovia and ensure that everyone who benefits from excellent City services and enjoys all that Monrovia has to offer will share in the cost of keeping this City the great place that it is.

Section 2. The City Manager, or his designee, may provide a copy of this resolution to any person, upon request, as evidence of the City Council's support of Measure K.

Section 3. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED, AND ADOPTED this 15th day of October, 2019.

Tom Adams, Mayor

ATTEST:

Alice D. Atkins, MMC, City Clerk