

CITY OF PERRIS

MINUTES: Work Session of the City Council,
Redevelopment Agency, Perris Public
Finance Authority & Perris Public
Utilities Authority
Date of Meeting: 09 March 2004
Time of Meeting: 5:00 p.m.
Place of Meeting: City Council Chambers

1. CALL TO ORDER:

The Honorable Mayor Busch called the Work Session of the City Council, Redevelopment Agency, Perris Public Finance Authority and Perris Public Utilities Authority Meeting to order.

5:35 p.m. Called to Order

2. ROLL CALL:

Council Members Present: Landers, Motte, Rogers and Busch. Councilmember Yarbrough arrived at 5:45 p.m.

Councilmembers present.

Staff Members Present: City Manager Apodaca, City Attorney Dunn, Community Development Director Gutierrez, Interim Finance Director Fructuoso, City Engineer Motlagh, Fire Chief Williams and City Clerk Rey.

Staff Members Present.

3. WORK SESSION:

- A. Discussion regarding a Citywide Public Safety Parcel Tax to augment the existing North Perris Public Safety Community Facilities District.

Introduced by: Eric Dunn, City Attorney

City Attorney Dunn introduced Lynn Gruber from Muni-Financial to present the subject.

City Attorney Dunn introduced Lynn Gruber from Muni-Financial to present the subject.

Ms. Gruber explained that the increased growth of the City was negatively affecting response times for Police and Fire services and that Community Facilities District 2001-3 (North Perris Public Safety) had agreed to place a tax or assessment before the voters. This Special Tax would provide a dedicated funding source for these services. The methodology used would be a parcel tax based on land use and some considerations would be a possible survey of voters, determining funding requirements and a community outreach. According to the timeline a special election would be held on November 2 and finalization of the Fire and Police Protection Program would be based on the election results.

Ms. Gruber explained the need for the Special Tax to provide a dedicated funding source for Police and Fire services.

PUBLIC COMMENT: None

No Public Comment

CITY COUNCIL QUESTIONS AND COMMENTS:

Councilmember Yarbrough asked if there would be any provisions to do sample polling while the City was going through this process.

Councilmember Yarbrough asked if there would be any sample polling.

Ms. Gruber responded that that was one of the considerations the City would need to determine. A special tax would need to pass by a 2/3 vote. In order for it to be successful, you would need to know what the market would bear.

Ms. Gruber responded that that was one of the considerations the City would need to determine.

Mayor Busch asked if the parcel fee was known at this time.

Mayor Busch asked if the parcel fee was known.

Ms. Gruber explained that this was the initial stage of the analysis and it was not known at this point.

Ms. Gruber explained that it was not known at this point.

Councilmember Landers inquired as to whom would be doing the promoting. He believed that the only chance the City had of the tax passing was if there was something in it for the voters. He also believed that the City should do the whole package, not just fire. He thought the tax would pass if it was labeled a Public Safety Tax and stated that the people needed to realize that it would cost money to get better service.

Councilmember Landers inquired about the promotional aspects and stated that the people needed to realize that it would take money to get better service.

Ms. Gruber answered that that had not been decided and that was another consideration for the City. Muni-Financial was not specifically a public outreach firm but could help the City with a lot of the information. A survey would provide the City with what the people are looking for in their service level and what they would be willing to support.

Ms. Gruber answered that this was another consideration for the City.

Councilmember Rogers inquired if the \$1.1M for the new station would encompass all the operational costs as well.

Councilmember Rogers inquired about the \$1.1M for the new station.

City Attorney Dunn responded that it only covered the operational and maintenance costs and did not include capital costs.

City Attorney Dunn responded that it covered the operational and maintenance costs.

Mayor Busch inquired if the City had the funds to build the station and if the location of the station would be an issue to the voters.

Mayor Busch inquired about funds and the location of the station being an issue.

City Manager Apodaca responded that Redevelopment funds had been allocated for the construction.

City Manager Apodaca responded that Redevelopment funds had been allocated.

Ms. Gruber stated that the location may muddy the waters but that a general question regarding the location could be asked on the survey.

Ms. Gruber stated that a general question about the location could be asked on a survey.

City Manager Apodaca stated that the City had agreed to a site and that one consideration had been the location of the other station within the fire department's plan of operation.

City Manager Apodaca stated that the City had agreed to a site.

Chief Williams explained that the tentative location was based on a lot of factors. The department had maps to indicate why this would be a good place and another area would not be as good. This location would allow the fire department to respond to most areas within a five-minute time frame.

Chief Williams explained why the location was chosen.

Mayor Busch inquired if the survey would indicate that all factors had been considered as to the location of the station and what Muni-Financial's experience was in getting these taxes passed. He also stated that what the City called the tax was as important as the tax itself.

Mayor Busch inquired about the survey and Muni-Financial's experience in getting these taxes passed.

Ms. Gruber stated that the survey would explain why the location for the station had been chosen and that she did not know the success rate that Muni-Financial had percentage wise but that it was probably 50% or more.

Ms. Gruber stated the success rate was probably 50% or more.

City Attorney Dunn stated that the options the City could consider could include a utility tax or a parcel tax. He explained that this was just a program that the City had agreed to pursue and that the tax doesn't have to pass in order to proceed with the North Perris CFD.

City Attorney Dunn explained that the tax does not have to pass in order to proceed with the North Perris CFD.

Councilmember Landers recalled that the City had had a utility tax on the ballot years ago and that it had been defeated.

Councilmember Landers recalled that a previous utility tax had been defeated.

Ms. Gruber commented that the advantages of having a special tax was that the City could outline exactly what was funded with the tax and would have to abide by that.

Ms. Gruber commented that a special tax would outline exactly what was funded with the tax.

Councilmember Yarbrough thought most people would support the tax if they understood what it was for and asked what went wrong in the other municipality that the tax did not pass.

Councilmember Yarbrough asked why the tax did not pass in another municipality.

City Attorney Dunn explained that it did not pass in the other municipality because the level was too high and stated that the City should try to find out what level of tax would pass and still provide the resources. A survey would go a long way in showing this.

City Attorney Dunn explained that the City needed to do a survey to find out what level of tax would pass.

Mayor Busch asked if the tax the City was assessing in North Perris would have to be commensurate with the special tax.

Mayor Busch asked if the City tax would have to be commensurate with that.

City Attorney Dunn explained that it would not and that the people who were paying that tax would be offset by whatever passed on the special tax.

City Attorney Dunn explained that the tax would be offset.

Mayor Busch asked if the calculations shown by Muni-Financial took that into consideration.

Mayor Busch asked if Muni-Financial calculations took that into consideration.

Ms. Gruber responded that the calculations showed what the CFD would generate. Muni-Financial had not gone through the rate analysis and did not show any revenue generation on the City-Wide

Ms. Gruber stated that the calculations showed what the CFD would generate.

Special Tax.

Mayor Busch inquired how many voters and property owners this would affect and if there could be more registered voters than property owners.

Mayor Busch asked how many voters and property owners the tax would affect.

Ms. Gruber responded that there are about 10,000 parcels within the City and about 4400 are designated as residential. However, not all of them were developed and she did not know the number of registered voters in the City. Usually the number of parcels was about the same as the registered voters, so there were probably around 10,000 registered voters.

Ms. Gruber responded that the number of parcels was usually about the same as the number of registered voters.

Councilmember Landers inquired if property owners who owned ½ acre would have to pay the same amount of tax as a property owner who owned 10 acres and stated that it would be unfair if that was the case. He also asked what percentage of votes it would take to pass a Public Safety Tax.

Councilmember Landers inquired about the amount of tax paid by property owners and the percentage of votes it would take to pass a Public Safety Tax.

Ms. Gruber replied that that had not been determined what each landowner would pay and that it would take 2/3 vote to pass the tax.

Ms. Gruber replied that it would take 2/3 vote.

City Attorney Dunn explained that a general tax would take 50% plus 1 but that a special tax would take 2/3 vote.

City Attorney Dunn explained that because this was a special tax, it would take 2/3 vote.

Councilmember Yarbrough inquired about the amount of the contract with Muni-Financial.

Councilmember Yarbrough inquired about the amount of Muni-Financial's contract.

Ms. Gruber replied that if the City was going to do the survey and marketing, it would probably be around \$50,000.

Ms. Gruber replied that it would probably be around \$50,000.

Councilmember Rogers inquired as to the price of the tax analysis and if this would give the City the level of parcel tax so the Council would be able to make a more informed decision.

Councilmember Rogers asked if the tax analysis would help the City make a more informed decision regarding the level of parcel tax.

City Attorney Dunn responded that the price was undetermined and depended on how strongly the City wanted to get behind it. Muni-Financial would probably bring three different tax levels with revenue projections at those levels and the City could select based on a balance of the revenue vs. the likelihood that it would pass.

City Attorney Dunn responded that the price was undetermined and that Muni-Financial would bring different tax levels to help Council make a decision.

Councilmember Rogers asked if the operational costs would be more than the 1.1 M the City was guaranteed.

Councilmember Rogers asked about operational costs.

Ms. Gruber responded that the revenue analysis that Muni-Financial did was at the 04-05 Special Tax Rate. The CFD tax rate would increase by 2% per year.

Ms. Gruber responded that the CFD tax rate increased by 2% per year.

City Attorney Dunn explained that the CFD had boundaries on paper but that fire trucks would go outside those boundaries and would be serving outside the area. They would also serve areas inside the CFD circle that are not in the CFD but since the CFD is a Special Tax Community Facilities District the 1.1 M goes to fund

City Attorney Dunn explained that the fire trucks would be going outside the CFD boundaries.

services in the CFD, so to the extent that the fire station is serving outside the area that needs to come from the parcel tax or other general fund sources regardless if the tax passed or not. If the \$1.1 M cost is added to \$1.1 M. revenue, it would have to be adjusted because the station is serving outside the district.

City Manager Apodaca asked if the City should wait for preliminary information before deciding how aggressive the marketing campaign should be.

City Manager Apodaca asked if the City should wait for preliminary information before making a decision.

Councilmember Rogers would like to see the tax analysis before looking at the marketing component.

Councilmember Rogers would like to see the tax analysis first.

Ms. Gruber agreed to return with three levels of taxation with the methodologies for the Council's review.

Ms. Gruber agreed to return with information for the Council's review.

4. ADJOURNMENT:

By unanimous consent the Joint City Council, Redevelopment Agency, PPFA and PPUA Meeting was adjourned at 6:00 p.m.

6:00 p.m. Work Session of the City Council, RDA, PPFA & PPUA Adjourned

Respectfully Submitted,

Margaret Rey, City Clerk