

RESOLUTION NO. 2016-05-24-1602

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STOCKTON, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 8, 2016

WHEREAS, the City Council desires to hold a general municipal election on November 8, 2016 (the “Election”); and

WHEREAS, the City Council desires to submit to the voters at the Election an ordinance imposing a special transactions and use tax (the “Ordinance”); and

WHEREAS, the Ordinance imposes a special tax (“Tax”), the revenues from which are to be used to fund local library and recreation programs.

BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF STOCKTON, CALIFORNIA, AS FOLLOWS:

SECTION 1. Pursuant to the Sections 700 and 702 of the Stockton City Charter and the California Elections Code, there is hereby called a general election to be held on November 8, 2016 in the City of Stockton for the purpose of submitting to voters a 0.25% special transactions and use tax to fund local library and recreation programs.

SECTION 2. The City Council hereby orders the following question to be submitted to the voters at the municipal election called for Tuesday, November 8, 2016:

Shall the Ordinance ___ to enhance Stockton’s library and recreation services, including safe after-school and summer programs for children and teens, homework centers, children’s story times, increased public computer access/wireless connectivity, and enhanced evening and weekend hours at libraries and recreation centers, funded by a 1/4-cent transaction and use (sales) tax, generating \$9 million annually for 16 years, with all funds staying local and expenditures subject to an annual audit be adopted?	YES	
	NO	

This question requires the approval of two-thirds of those casting votes and the referenced Ordinance is attached hereto as Exhibit 1 and incorporated in this Resolution by this reference.

SECTION 3. The City Attorney of the City of Stockton is hereby authorized and directed to prepare an impartial analysis of the measure pursuant to Elections Code section 9280 by such deadline as the City Clerk may establish, and the City Clerk is authorized, instructed, and directed to give further or additional notice of the election in time, form, and manner as required by law.

SECTION 4. The City Council hereby declares its intent to consolidate the Election with the General Election to be held on November 8, 2016, and requests that the San Joaquin County Board of Supervisors add this Ordinance to that ballot as set forth herein. The City Council acknowledges that the consolidated election shall be held and conducted in the manner prescribed in Elections Code sections 10400 et seq.

SECTION 5. The City Clerk is hereby authorized to use the services of the San Joaquin County Registrar to conduct the Election. The City of Stockton agrees to reimburse the County of San Joaquin for the City's share of the County's costs of the election.

SECTION 6. The City Clerk is hereby authorized and directed to take all steps necessary to place the Measure on the ballot, to cause it to be printed, and to procure and furnish (or cause to be procured and furnished) any and all official ballot notices, printed materials, and all other supplies that may be necessary to prepare for and conduct the election. A copy of the Ordinance shall be made available to any voter upon request.

SECTION 7. The City Clerk is directed to file a certified copy of this resolution with the Board of Supervisors of San Joaquin County and the Registrar of Voters of San Joaquin County no later than 88 days prior to November 8, 2016.

SECTION 8. The City Manager is hereby authorized and directed to appropriate the necessary funds to pay for the City of Stockton's cost of placing the Measure on the election ballot and to execute any necessary agreements with the County of San Joaquin for that election.

SECTION 9. The deadline for the filing of arguments for or against the measure shall be August 19, 2016, for direct arguments, and August 29, 2016, for rebuttal arguments.

SECTION 10. In all particulars not recited in this Resolution, the Election shall be held and conducted as provided by applicable law.

SECTION 11. Notice of the time and place of holding the Election is hereby given and the City Clerk is authorized, instructed, and directed to sign and publish notice as required by law.

PASSED AND ADOPTED by a two-thirds vote of all members of the City Council of the City of Stockton as required by Revenue & Taxation Code section 7285.91, subdivision (a), on

May 24, 2016, by the following vote:

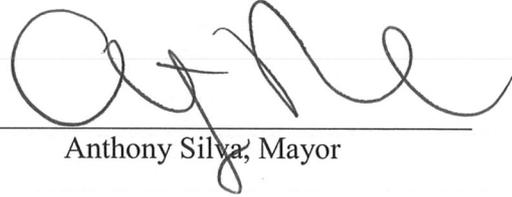
AYES: Michael Blower, Christina Fugazi, Elbert Holman, Susan Lofthus,

NOES: Anthony Silva, Michael Tubbs, Dan Wright

N/A

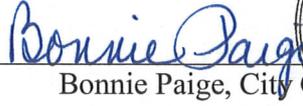
ABSENT:

N/A



Anthony Silva, Mayor

Attest:



Bonnie Paige, City Clerk



ORDINANCE NO. 2016-05-24-1602

AN ORDINANCE OF THE CITY OF STOCKTON ENACTING A SPECIAL LIBRARY AND RECREATION TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION, UPON ADOPTION BY THE VOTERS

The people of the City of Stockton do ordain as follows:

Section 1. Title. This ordinance shall be known as the City of Stockton Special Library and Recreation Transactions and Use Tax Ordinance.

Section 2. Definitions. The following words and phrases shall be defined as set forth in this Ordinance, except that any term or phrase not defined in this Ordinance shall have the same meaning as that term or phrase is defined in the California Revenue and Taxation Code, Division 2, Parts 1.6 and 1.7:

- A. "City" means the City of Stockton.
- B. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance by vote of the electorate on November 5, 2013.
- C. "Ordinance" means the City of Stockton Special Library and Recreation Transactions and Use Tax Ordinance.
- D. "State" means the State of California.

Section 3. Purpose. This Ordinance is adopted to achieve the following among other purposes, and the Ordinance shall be interpreted liberally in order to accomplish all of its lawful purposes:

- A. To impose a retail transactions and use tax to be applied throughout the entire territory of the City to the fullest extent permitted by law and in accordance with the provisions of Part 1.6 (commencing with section 7251) of Division 2 of the Revenue and Taxation Code and section 7285.91 of Part 1.7 of Division 2, which authorizes the City to adopt this Ordinance if 2/3 of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.
- B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
- C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and

administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

- D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes and, at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this Ordinance.
- E. To provide transactions and use tax revenue to the City to be used for local library and recreation funding.

Section 4. Contract with the State. Prior to the Operative Date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this Ordinance; provided, that if the City shall not have contracted with the State Board of Equalization prior to the Operative Date, it shall nevertheless so contract and in such a case the Operative Date shall be the first day of the first calendar quarter following the execution of such a contract.

Section 5. Transactions Tax Rate. For the privilege of selling tangible personal property at retail, a special transactions tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 0.25% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail within the territory of the City on and after the Operative Date of this Ordinance.

Section 6. Place of Sale. For the purposes of this Ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

Section 7. Use Tax Rate. An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the Operative Date of this Ordinance for storage, use or other consumption in the territory of the City at the rate of 0.25% of the sales price of the property. The sales price shall include delivery charges when such charges are subject to State sales or use tax regardless of the place to which delivery is made.

Section 8. Adoption of Provisions of State Law. Except as otherwise provided in this Ordinance, and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted, incorporated, and made a part of this Ordinance as though fully set forth herein.

Section 9. Limitations on Adoption of State Law and Collection of Use Taxes. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

- A. Wherever the State is named or referred to as the taxing agency, the name of the City shall be substituted. However, this substitution shall not be made when:
 - 1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;
 - 2. The result of the substitution would require action to be taken by or against the City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.
 - 3. In those sections, including, but not necessarily limited to, sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
 - a. Provide an exemption from the tax in this Ordinance with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from the tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code; or
 - b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the same provision of that code.
 - 4. In sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.
- B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in section 6203 and in the definition of that phrase in section 6203.

Section 10. Permit Not Required. If a seller's permit has been issued to a retailer under section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this Ordinance.

Section 11. Exemptions and Exclusions.

- A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

- B. There are exempted from the computation of the amount of transactions tax the gross receipts from:
1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government;
 2. Sales of property to be used outside the City, which is shipped to a point outside the City pursuant to the contract of sale by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:
 - a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
 - b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
 3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Ordinance.
 4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of this Ordinance.
 5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
- C. There are exempted from the use tax imposed by this Ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance;
 2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California;
 3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Ordinance;
 4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the Operative Date of this Ordinance.
 5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
 6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.
 7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.
- D. Any person subject to use tax under this Ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district

imposing, or retailer liable for, a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Section 12. Amendments. All amendments subsequent to the Effective Date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become adopted and part of this Ordinance; provided, however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance. The City Council or the City's voters may amend this Ordinance to comply with applicable law or as may be otherwise necessary to further the Ordinance's stated purposes. However, as required by Article XIII C of the California Constitution, no amendment to this Ordinance may increase the rates of the taxes authorized by this Ordinance unless such amendment is submitted to and approved by the voters.

Section 13. Prohibition on Enjoining Collection. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected under this Ordinance.

Section 14. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 15. Effective Date. This Ordinance relates to the levying and collecting of City transactions and use taxes and shall take effect immediately. However, no tax imposed by this Ordinance shall be effective unless that tax has been approved by the voters of the City as required by section 2(d) of Article XIII C of the California Constitution and applicable law.

Section 16. Precedence over Other Provisions in the Municipal Code. Any provision of the Stockton Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistency and no further, is hereby repealed or modified to the extent necessary to effect the provisions of this Ordinance.

Section 17. Citizen Oversight. A seven-member Citizens' Advisory Committee will be created and shall meet annually to review the expenditure of revenues generated by the tax imposed by this Ordinance and to make recommendations to the City Council regarding those expenditures. Members of the Committee will be appointed to two-year terms by the City Council. Committee members may simultaneously serve on other City committees or commissions. The Friends of the Stockton Library, Library and Literacy Foundation of San Joaquin, Stockton Parks and Recreation Commission and the Stockton Parks and Recreation Foundation shall each have the opportunity to

recommend candidates for the Committee to the City Council. In no event may the Committee include more than two (2) members of each of the aforementioned groups.

Section 18. Audit and Review. The proceeds of the tax imposed by this Ordinance, as well as the expenditure thereof, shall be audited annually by an independent accounting firm. The City Council shall discuss the results of such audit at a meeting of the City Council that is open to the public. The report of such audit shall be posted on the City's website.

Section 19. Maintenance of Effort.

- A. The City shall not use the proceeds of this tax to replace general fund revenues used for local library and recreation services. Following passage of this Ordinance, absent a condition of economic downturn, the City shall commit general fund revenue to local library and recreation services in an amount no less than the amount committed for the 2014/2015 fiscal year. For purposes of this requirement alone, a reduction in general fund revenue budgeted for local library and recreation services below the 2014/2015 fiscal year level in response to an economic downturn shall be acceptable so long as the reduction in a given year is proportional to the reduction in City general fund revenues.
- B. Notwithstanding any other provision of this Ordinance, the City may reduce its general fund commitment to the golf program at any time, but the City may not use the proceeds of this tax to back-fill for any such reduction.

Section 20. Sunset of Tax. The taxes imposed by this Ordinance shall remain effective until the soonest to occur of (i) the voters repeal this Ordinance; or (ii) sixteen (16) years from the date the taxes imposed by this Ordinance are first collected. The taxes imposed by this Ordinance may be renewed prior to the sunset period by 2/3 of the electors voting in an election.

Section 21. Execution. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance upon certification by the City Council of the results of the election approving this Ordinance.

PASSED AND ADOPTED by the City Council of the City of Stockton, on

May 24, 2016, by the following vote:

AYES: Anthony Silva, Christina Fugazi, Michael Blower, Elb

NOES: Elbert Holman, Susan Lofthus, Michael Tubbs, Dan Wright

ABSENT:



Anthony Silva, Mayor

Attest:



Bonnie Paige, City Clerk



I hereby certify that this Ordinance was APPROVED by the voters of the City of Stockton, State of California, at a general election held on November 8, 2016 and by the City Council of the City of Stockton at a regular meeting of the Council held on November ____, 2016.

Anthony Silva, Mayor

Attest:

Bonnie Paige, City Clerk



City of Stockton

Legislation Text

File #: 16-2695, **Version:** 1

ADOPT RESOLUTION PLACING A FUNDING PROPOSAL FOR CITY OF STOCKTON LIBRARY AND RECREATION SERVICES ON THE NOVEMBER 8, 2016 BALLOT

RECOMMENDATION

Adopt a resolution submitting to the City of Stockton qualified voters a ballot measure seeking voter approval of a special transactions and use sales tax of one-quarter cent for 16 years, for the provision of library and recreation services; requesting the San Joaquin County Board of Supervisors to direct the County Registrar of Voters to conduct the election, which shall be consolidated with the general municipal election on November 8, 2016; directing the City Attorney to prepare an impartial analysis of the measure; authorizing arguments and the filing of rebuttal arguments for or against the measure; authorizing the City Manager to appropriate the funds necessary to pay the cost of placing the measure on the election ballot; and directing the City Clerk to take steps necessary to place the measure on the ballot and to cause the measure or ordinance to be printed.

Summary

An ad hoc volunteer citizens group formed in 2014 with the purpose of making residents aware of the inadequate level of library services in Stockton. As a result of the Great Recession and municipal bankruptcy, the Community Services Department suffered a 50% loss in full-time staff. Library and recreation services were significantly reduced, resulting in reduced library and community center hours, loss of programs for youth, reductions in materials budgets, and the closure of library and recreation facilities. With no immediate prospect of additional revenues from traditional sources, the ad hoc group considered the feasibility of a voter-approved measure to raise revenues for library and recreation services where all funds stay local and can't be taken by the State.

It is clear that the community values a reliable, fiscally accountable, ongoing source of locally-controlled funding for the following community library and recreational priorities:

- Providing a safe place for after-school programs for children and teens
- Providing literacy programs
- Enhancing evening and weekend hours at libraries and recreation centers
- Supporting children's story times and sports programs
- Supporting cultural programs and classes such as arts and crafts, music and dance

At the request of the ad hoc citizens group, City staff provided information and draft ordinance language in the event such a measure was presented to the voters.

The previously reviewed and approved ballot language reads:

“Shall the Ordinance _____ enhance Stockton’s library and recreation services, including safe after-school and summer programs for children and teens, homework centers, children’s story times, increased public computer access/wireless connectivity, and enhanced evening and weekend hours at libraries and recreation centers, funded by a 1/4-cent transaction and use (sales) tax, generating \$9 million annually for 16 years, with all funds staying local and expenditures subject to an annual audit be adopted?”

Staff is presenting a recommendation on behalf of the citizen group Strong Libraries=Strong Communities, requesting the City Council to place the proposed measure before voters on the November 8, 2016 ballot.

If approved the measure will go into effect, per California State Board of Equalization policy, on April 1, 2017. The measure will sunset on April 1, 2033. Revenues from the measure will be placed in a separate City fund in order to ensure that they are spent according to the ordinance and expenditure goals outlining fund uses as identified in this staff report.

A seven-member Citizens’ Advisory Committee will be created to meet annually and review the expenditure of measure revenues and to make recommendations to the City Council regarding those expenditures. Members of the Committee will be appointed to two year terms by the City Council. Committee members may simultaneously serve on other City committees or commissions. The Friends of the Stockton Library, Library and Literacy Foundation of San Joaquin, Stockton Parks and Recreation Commission and the Stockton Parks and Recreation Foundation shall each have the opportunity to recommend candidates for the Committee to the City Council. In no event may the Committee include more than two (2) members of each of the aforementioned groups.

The City will not use the proceeds of the measure to replace general fund revenues used for local library and recreation services. Following passage of this ordinance, absent a condition of economic downturn, the City agrees to commit general fund revenue to local library and recreation services in an amount not less than the amount committed for the 2014/2015 fiscal year. In the event of an economic downturn, a reduction in general fund revenue for local library and recreation services may be considered but only one that is proportional to the reduction in City general fund revenues and is based on the 2014/2015 fiscal year level of support.

In addition, expenditures from the fund will be audited annually by an independent accounting firm, the results discussed at a City Council meeting, and posted on the City website.

DISCUSSION

Background

The impact of the Great Recession and subsequent municipal bankruptcy has taken a heavy toll on City services, particularly library and recreation services. This includes a 48% reduction in Library open hours, the closure of a library branch, a 20% reduction in open hours at Community Centers

and the closure of two municipal pools providing recreation and after-school programs to children. Full-time staff that support the operations and provide services was also reduced by 50% throughout the Community Services Department.

Even prior to these difficulties, there was, and continues to be a lack of library and recreation facilities to meet the needs of our residents. The City is unable to provide consistent and adequate programs for youth, and continues to lag behind other Cities. For example, data from the California State Library shows that the Stockton San Joaquin County Library System spends only \$15 per resident on library services compared to the State average of \$50 per resident. Total library square footage per capita also lags behind, with only 0.25 square feet per resident compared to the State average of 0.72.

The Recreation Division is in a similar position. According to the Trust for Public Land ParkScore rankings, Stockton ranks 64 out of the 75 largest metropolitan areas in the United States for its parks and recreation services. Stockton also has 0.4 community centers per 20,000 residents, 50% below the national average of 0.84. A comparison of spending per capita with other cities in Northern California for both library and recreation illustrates where Stockton falls:

City	Per Capita Library Spending	Per Capita Parks and Recreation Spending
Oakland	\$61	\$143
Sacramento	\$24	\$146
San Francisco	\$130	\$229
San Jose	\$35	\$127
Stockton	\$15	\$33

Source: California State Library, Trust for Public Land, City of Stockton Operating Budget

With the City's exit from bankruptcy in 2016 and the implementation of a Long Range Financial Plan to keep the City on track in meeting financial obligations, a solid foundation has been laid for the future. However, even with this groundwork in place, demand for City services continues to outpace the resources available to provide them. A growing population, lack of public facilities, low literacy rates, high obesity rates, public safety concerns and overall poor outcomes for many segments of the Stockton community will remain challenges for the foreseeable future.

Given these challenges, an ad hoc volunteer citizens group, Strong Libraries=Strong Communities, formed in 2014 to raise awareness of the need for library services and to advocate for more funding.

Current California law allows local municipalities to levy transaction and use sales taxes for specific purposes provided they meet certain qualifications. These include that the tax be levied in multiples of .125 per cent, that it is approved by 2/3 of qualified voters voting in the election, that it only be used for the purposes specified in the measure and that the tax conforms to the Transactions and Use Tax Law. The law prohibits the total municipal sales tax from exceeding 10%. The City of Stockton sales tax rate is currently 9%. If this ballot measure were approved, the City's sales tax rate would increase to 9.25%.

This report presents a recommendation to place a local funding measure before the voters on

November 8, 2016. Its purpose will be to provide resources specifically dedicated to improving library and recreation services within the City of Stockton. The recommended action will give voters an opportunity to consider approving revenues necessary for the City to adequately meet citizen needs and provide a level of service that can result in significant economic, social, and public safety benefits. Chief among these are the ability to offer longer hours on weekends and evenings at libraries and community centers, restore service to the Fair Oaks Library, giving young people a safe place to gather and programs to help them succeed and stay on track. Educational and recreational programs such as literacy, homework centers, and after-school athletics would also be increased to strengthen the social fabric of the City and result in a more educated and well-served community. The City would be able to invest in new facilities, especially in areas where services are currently lacking. The expenditure goals outlining uses for the funds are identified in the staff report that follows under the section entitled "Library and Recreation Local Funding Expenditure Plan." If the measure is approved, staff will return to the City Council and present a detailed forecast and estimates for executing the current goals for measure revenues.

The alternative is that services will remain at their current level, with little opportunity to meet the pent up demand that has increased as development has occurred and services reduced.

Significant research from both the academic and government sectors also indicates a strong correlation between library and recreation services and reduced crime.

For example, the Centers for Disease Control Division of Violence Prevention has published a study identifying several strategies that have proven successful in improving lives of at-risk youth. These specifically discuss both library and recreation services as part of a multi-pronged community approach that includes the following:

- Build children’s and adolescents’ skills and competencies to choose nonviolent, safe behaviors.
- Build and maintain positive relationships between young people and caring adults in their community.
- Improve and sustain a safe physical environment in communities and create spaces to strengthen social relationships.
- Build viable and stable communities by promoting economic opportunities and growth.
- Facilitate the social cohesion and collective efficacy of the community.

Source: Preventing Youth Violence: Opportunities for Action. U.S. Centers for Disease Control and Prevention, 2014

Ballot Measure Timeline

City Council approval of ballot measure	May 24, 2016
San Joaquin County Consideration	On or before August 9, 2016
Election date	November 8, 2016

Timeline for Implementation if Approved

Effective date of Ordinance	November 9, 2016
Operative Date of new tax rate	April 1, 2017
First quarterly payment received by the City	September 2017

Summary of Key Provisions of the Measure

- ¼ cent Sales tax, beginning April 1, 2017 approved by 2/3 of qualified voters.
- Generating an estimated \$9 million per year.
- In effect for 16 years, sunseting on April 1, 2033.
- Establishing of a seven-member Citizen Oversight committee appointed by the City Council.
- Requires annual independent audit of the fund with results discussed at a City Council meeting and made available for public review.
- City maintenance of effort commensurate with the 2014/2015 level of General Fund support for library and recreation services.

Library and Recreation Local Funding Expenditure Plan

Proceeds from this local funding measure will be deposited into the City Treasury in a special fund entitled "Library and Recreation Special Measure Fund." The revenues collected will be used only to supplement existing revenue collected for Library and Recreation services and shall not be used to supplant existing funding.

Monies deposited into the Fund, together with any interest that accrues will be used exclusively for library and recreation purposes, including preserving and expanding existing library and recreation programs; re-opening and upgrading facilities, services, and collections; and extending services to the unserved and under-served areas of the City. Expenditures are intended to provide the residents of Stockton with vital, quality educational and recreational services comparable to those operated in other communities.

Priorities for which the revenues from the measure will be expended include:

- Enhancing evening and weekend hours at all City libraries and community centers, and keeping them open at least six days per week.
- Opening Fair Oaks Library at least six days per week.
- There will be increased programming for youth at Libraries and Community Centers such as children's storytimes, Science Technology Engineering and Math (STEM) education, literacy programs, Library after-school programs for children and teens, athletics, and arts programs.
- Establish two additional multi-purpose community facilities in North Stockton with both library

and recreation services.

- Up to three existing facilities will be upgraded to include multipurpose Library/Community Centers.
- One additional regional sports complex will be established to provide enhanced recreation and after-school programs for kids.
- Funding will be made available for upgrades and improvements to Community Services facilities providing tutoring, recreation and after-school programs, among others.
- A 20% reserve will be established, consistent with the City's reserve policy to insure fiscal stability.

FINANCIAL SUMMARY

Placing this measure on the ballot will require an estimated expenditure of \$60,000. If approved, the measure will raise approximately \$9 million dollars per year for 16 years. The City would also agree to a maintenance of effort commensurate with the level of General Fund support for library and recreation services budgeted in fiscal year 2014/2015. A reduction in general fund revenue budgeted for local library and recreation services below the 2014/15 level in response to an economic downturn will be allowable so long as the reduction in a given year is proportional to the reduction in City general fund revenues. Revenues would be collected beginning April 1, 2017. The first quarterly payment, estimated at \$2.25 million will be received by the City in September 2017.