VOTER INFORMATION PAMPHLET

TUESDAY, FEBRUARY 5, 2008

Containing

INFORMATION ABOUT
CANDIDATE / OFFICE HOLDER STATEMENTS

Pursuant to the provisions of Sections 13307 and 13312 of the Elections Code

This pamphlet may not contain statements for all candidates; however, a complete list of candidates appears on the Sample Ballot. Each candidate's statement is volunteered by the candidate and is printed as submitted. Each statement is printed at the expense of the candidate unless otherwise determined by the governing body.

INFORMATION ABOUT MEASURES

Arguments in favor of or against the proposed measures are the opinions of the authors.

This booklet contains all the Candidate / Office Holder Statements and Measures for this election. To determine the districts that you are eligible to vote, please refer to your Ballot when received.

If you would like to receive this information in Spanish please call (925) 335-7800; if you have already requested voting information in Spanish, the information will be mailed to you automatically.

TABLE OF CONTENTS

CANDIDATE / OFFICE HOLDER STATEMENTS

CITIES

City of Pinole……..5

MEASURES

CITIES

City of El Cerrito, Measure A……17
City of Richmond, Measure B……..41

VOTER INFORMATION PAMPHLET

TUESDAY, FEBRUARY 5, 2008

CITY OF PINOLE

CANDIDATE / OFFICE HOLDER STATEMENTS
RECALL GROUNDS AND ANSWERS

Grounds for the recall and answer of the officer are the opinions of the authors

Pursuant to the provisions of Sections 13307 and 13312 of the Elections Code

This pamphlet may not contain statements for all candidates; however, a complete list of candidates appears on the Sample Ballot. Each candidate's statement is volunteered by the candidate and is printed as submitted. Each statement is printed at the expense of the candidate unless otherwise determined by the governing body.

If you would like to receive this information in Spanish please call (925) 335-7800. If you have already requested voting information in Spanish, the information will be mailed to you automatically.

Si desea recibir esta información en español, por favor llame al (925) 335-7800. Si ya solicitó información para votar en español, ésta será enviada automáticamente por correo.

TABLE OF CONTENTS

VACANT SEAT

CANDIDATE STATEMENTS

Debbie Long 7
Ivette Ricco 8

RECALL FOR MARIA ALEGRIA

The statement of reasons for the recall 9
The answer to the statement of reasons for the recall 9

CANDIDATE / OFFICE HOLDER STATEMENTS

Steve Denlis 10
Maria Alegria 11
Roy V. Swearingen 12

RECALL FOR STEPHEN TILTON

The statement of reasons for the recall 13
The answer to the statement of reasons for the recall 13

CANDIDATE / OFFICE HOLDER STATEMENTS

Virginia Fujita 14
StephenTilton 15

CANDIDATE STATEMENT
CITY OF PINOLE, VACANT SEAT
COUNCILMEMBER - TERM EXPIRES 11/2010

My name is: Debbie Long
My age is: 55
My occupation is: Health Care Management and Administration
Education and Qualifications:

Do you agree Pinole City government is troubled and in need of change?

With looming budget deficiencies, outstanding and uncollected revenues, high staff turnover, unfilled City management positions, poorly documented contracts and transactions; change is needed.

As a fiscal conservative and a 20 year resident of Pinole, I will work with the citizens, council members and staff to enact effective change through leadership, transparent government and strict accountability.

A partial list of my qualifications and background as a 14 year City volunteer are: Planning Commission 1996 to present; Pinole Assisted Living Center Board member since 2001; Design Review Board 1994-1996; Municipal Task Force, Blue Ribbon Committee and City Hall Advisory Committee.

I have been married 37 years and as a parent of 3 children, I volunteered as a 10 year board member for Pinole-Hercules Little League, PTA auditor and president.

My educational background includes an Associates of Arts degree in Small Business Management and Marketing. I am employed in health care management and administration. This practical hands-on experience gives me a solid foundation for meeting deadlines and managing staff.

With my experience and your vote and support, we can put Pinole back on the right track!

CANDIDATE STATEMENT
CITY OF PINOLE, VACANT SEAT
COUNCILMEMBER - TERM EXPIRES 11/2010

My name is: Ivette Ricco
My age is: 62
My occupation is: Businesswoman
Education and Qualifications:

I am running for the Pinole City Council because I feel that I can lead Pinole into the future incorporating the lessons of the past.

I have been a home owner and resident of Pinole for 36 years. I am a citizen's citizen.

I am a businesswoman whose professional career spanned a period of over 25 years in the finance and collections industry as National Director of Student Loan Collections, Operations Manager and Vice President of Operations. I have the management, financial and community service background to make positive and constructive changes.

I served the community while holding the position of Executive Director of the Pinole Chamber of Commerce for five and a half years. In 2003 I was honored as Pinole's Woman of the Year. I have been a member of the Design Review Board since 2005.

I support our business community and believe that their well being and success is the key to Pinole's future.

A vote for me is a vote to restore pride and confidence.

I respectfully ask for your support and thank you for your vote.

RECALL FOR MARIA ALEGRIA
THE STATEMENT OF REASONS FOR THE RECALL

The grounds for the recall are as follows:

You have acted with arrogant impunity against the majority will of the people and city staff with callous disregard of us and your orchestrated personal-vendetta-style termination of our competent City Manager. In addition, you have placed the well-being of our citizens in dire jeopardy by removing the Fire Chief from his desperately needed command position on the cusp of fire season to have him fill in due to your negligent termination of our City Manager.

We find your continuing personal relationship with Gary Wong / Pear Street Bistro suspect. Considering his behavior in the Redevelopment loan scandal, your relationship with him is an insult to our citizens.

We find your public behavior inappropriate, and your multiple violations of the city's Code of Ethics, that you signed on 2/06/2007, specifically #9 which states: "We shall always consider how our official actions and personal behavior might be interpreted by the public" and #8 which states: "We shall exercise our authority and prestige for the benefits of the City of Pinole and all members of the community and never for personal or private advantage" to be a mockery.

THE ANSWER TO THE STATEMENT OF REASONS FOR THE RECALL

The answer of the officer sought to be recalled is as follows:

June 12, 2007

Dear Pinole Citizens:

Unfortunately, the politics of the personal have reached our Pinole. Our city has been strong and vibrant, because civic leaders have tried to base decisions on what's best for our community – not personal agendas. But this recall is an attempt to change our city's tradition of open public discourse, and is designed to intimidate those of us unwilling to place political alliances above the public good.

I refuse to be intimidated by personal threats, and political attacks intended to silence my voice, and stifle productive public debate.

I'm proud to have the support of local families, police officers, dispatchers, firefighters, educators, and those voters who elected council representatives dedicated to making good and honest decisions – no matter how difficult those decisions may be.

Sincerely,

Mayor Maria Alegria

CANDIDATE STATEMENT
CITY OF PINOLE, RECALL FOR MARIA ALEGRIA
COUNCILMEMBER - TERM EXPIRES 11/2008

My name is: Steve Denlis
My age is: 41
My occupation is: Machine Shop Owner
Education and Qualifications:

If the residents of Pinole decide for the recall, then I offer to serve.

I was raised in Tara Hills, attended Pinole Jr. High, and graduated from Pinole Valley High School in 1984. I have been married for 14 years. My spouse and I have lived in El Sobrante, Tara Hills, and have been in our current Pinole Valley home for 4 years.

For the past 9 years, I have been the owner of Mean Machine in Oakland. We make mechanical components for other businesses, having customers in the oil and gas, environmental, semiconductor, and medical fields.

My spouse and I currently own residential and commercial property, and I have experience in leasing both to others.

If elected, I will ask for an accounting of all properties involving Pinole city funds. I believe that delinquent leases should be evicted, and delinquent mortgages should be foreclosed. I will lend my voice to these ends.

There are many exciting improvements currently under way in our city, but it appears that too many risks have been taken with our tax dollars. We need to be fiscally responsible, so that our local services continue to be among the best in the bay area.

OFFICE HOLDER STATEMENT
CITY OF PINOLE, RECALL FOR MARIA ALEGRIA
COUNCILMEMBER - TERM EXPIRES 11/2008

My name is: Maria Alegria
My age is:
My occupation is: Councilwoman
Education and Qualifications:

Dear Pinole Citizens:

The politics of the personal have reached Pinole. Because I refused to be intimidated by political threats, a small group of recall organizers have circulated lies and falsehoods about me. It's shocking and disappointing to have that type of politics in our Pinole.

Our community has been strong because civic leaders have tried to base decisions on what's best for our community, not personal agendas. But this recall is an attempt to intimidate those of us unwilling to put political alliances above good public policy.

It wasn't surprising to have people who signed the recall petition say they were lied to about the true nature of the recall.

It wasn't surprising to learn that the grounds, which fueled the recall effort, were lies and misrepresentations clearly designed to deceive the voters of Pinole.

And it certainly wasn't surprising to see how some people are willing to say anything to gain political power.

Fortunately community leaders, firefighters, law enforcement officers, business owners, and teachers are willing to stand up to oppose the recall. They understand the need for good public policy decisions based on facts rather than politics and intimidation.

Please vote no on the recall.

CANDIDATE STATEMENT
CITY OF PINOLE, RECALL FOR MARIA ALEGRIA
COUNCILMEMBER - TERM EXPIRES 11/2008

My name is: Roy V. Swearingen
My age is:
My occupation is: Construction Defect Consultant
Education and Qualifications:

I am running for the office of Council-member of the City of Pinole. I am a concerned citizen and former council-member and would like to be involved in solving the current issues facing our community.
I am married and have 2 grown children and 3 grandchildren. I have operated a construction business for over 30 years and have a background in administration and finance. I have been active in community organizations such as the Pinole Rotary Club, The Pinole Chamber of Commerce, The West Contra Costa Police Activities League and Pinole Jaycees. I was a member of the Pinole City Council from 1986 through 1990 serving as Mayor in 1989-90.

I am currently semi-retired and doing part time construction defect consultant work for my own consulting company.

I am looking forward to serving you on the Pinole City Council.

Thank you for your support and vote.

Roy V. Swearingen

RECALL FOR STEPHEN TILTON
THE STATEMENT OF REASONS FOR THE RECALL

The grounds for the recall are as follows:

We find your public behavior offensive, particularly your public statement of "The F'n city will get theirs and then some" (Hercules Farmer's Market 5/5/07). We do not want your name or your presence at official meetings, in our city or any other city, to become synonymous with the beliefs or behaviors of the good citizens of the City of Pinole.

You have acted with arrogant impunity against the majority will of the people and the city staff with your callous negligent disregard of the welfare of the city in the termination of our City Manager. In addition, you have placed the well-being of our citizens in dire jeopardy by removing the Fire Chief from his command position on the cusp of fire season to have him fill in as Interim City Manager.

We find your continuing personal relationship with Gary Wong / Pear Street Bistro suspect, particularly in light of the fact that you made public statements that the two of you were not "friends". Considering his behavior in the Redevelopment loan scandal, your behavior and lies insult our citizens.

THE ANSWER TO THE STATEMENT OF REASONS FOR THE RECALL

The answer of the officer sought to be recalled is as follows:

6/17/07

Citizens of Pinole,

In an attempt to recall me, a statement I never made was fabricated and attributed to me. I attended the Hercules Farmers' Market and spoke with a man who was heavily involved in Council Member Horton's recent campaign. Ironically, Horton's husband is the Treasurer of this recall campaign.

It is a smear campaign, filled with lies, mistruths and inaccuracies. I acknowledged to the public and in Contra Costa Times articles, that Gary Wong is a friend.

The city manager was not terminated! The contract was allowed to expire by a majority vote of the council. Numerous residents and city staff support the decision. I understand the citizens want answers; unfortunately the severance agreement forbids us to comment.

Chief Parrot was named Acting City Manager, serving a dual role, after a meeting of the entire council, not by a single vote. I would never place Pinole's public safety in danger. I ask the citizens to reject this malicious, politically motivated recall campaign.

Citizens expect us to make tough decisions and have the courage and conviction to stand by our decisions. Pinole is wise and knows this is intimidation, personal politics and vengeance.

Council Member Stephen Tilton

CANDIDATE STATEMENT
CITY OF PINOLE, RECALL FOR STEPHEN TILTON
COUNCILMEMBER - TERM EXPIRES 11/2010

My name is: Virginia Fujita
My age is:
My occupation is: Retired Personnel Specialist
Education and Qualifications:

I have lived in Pinole for almost 30 years. I am a retired city employee, wife, mother, and grandmother. I am of Japanese-American descent and am proud to be the first Asian-American to seek a seat on the Pinole City Council.

It's unfortunate that our great city is in its current political state. I am committed to working toward resolving our many issues and to restoring credibility, integrity, and citizens' faith in our city government.

I want to make sure that our city council is objective, with no special interests other than those of our citizens. I want to ensure that the people are served with respect, dignity, and with the highest level of decorum and professionalism.

I love Pinole. This is my home. I'm not a career politician; I am an average citizen, who knows what it means to work for a living. I will be honest and truthful, and will evaluate each issue that comes before the council on its own merits.

Council decisions that will be made in the next few years will have a long-term impact on our city. You can help determine our city's future. I would appreciate your vote.

OFFICE HOLDER STATEMENT
CITY OF PINOLE, RECALL FOR STEPHEN TILTON
COUNCILMEMBER - TERM EXPIRES 11/2010

My name is: Stephen Tilton
My age is: 39
My occupation is: Deputy Sheriff
Education and Qualifications:

Citizens of Pinole

I urge you to unite, rise up and reject the recall. This vendetta is based on personal politics, lies, innuendos and hurt feelings. Leaders don't allow these matters to consume their emotions and cloud their judgment, as Horton and Murray have. It is blatantly obvious to everyone that change was sorely needed at City Hall and tough decisions were overdue. Citizens made a statement and voted for change, when they elected me in November 2006. I am proud to serve Pinole and have the courage to stand by my decisions. Our experienced new city manager has already implemented policies and procedures, which should have been in place. He is discovering and halting all kinds of inappropriate business deals, which were moving forward and would have been detrimental to the financial well being of Pinole. Recall supporters described prior city government as okay, Pinole deserves better than okay. I trust the voters have listened to and examined the facts, which are emerging under Mr. Long. These indisputable facts are in his weekly reports. Vote no on the recall and reject those who are damaging Pinole with dirty politics. Pinole's bright future depends on the recall's defeat.

VOTER INFORMATION PAMPHLET

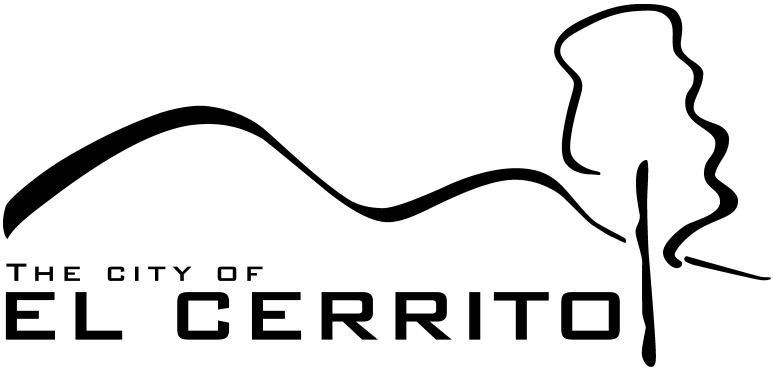
Containing

MEASURE A

CITY OF EL CERRITO

TUESDAY, FEBRUARY 5, 2008

Arguments in favor of or against the proposed measure are the opinions of the authors.



If you would like to receive this information in Spanish please call (925) 335-7800. If you have already requested voting information in Spanish, the information will be mailed to you automatically.

Si desea recibir esta información en español, por favor llame al (925) 335-7800. Si ya solicitó información para votar en español, ésta será enviada automáticamente por correo.

SALES TAX MEASURE A
CITY OF EL CERRITO

The El Cerrito Pothole Repair, Local Street Improvement and Maintenance Measure. To improve neighborhood streets; enhance road safety citywide by fixing potholes; maintaining, repairing and repaving streets; sealing cracks; improving handicap ramps, crosswalks, bicycle lanes; and maintaining road markings and signage, shall the City of El Cerrito incur debt to immediately begin and accelerate street improvements, paid by establishing a dedicated one-half cent sales tax used exclusively for street improvements, with citizens' oversight and independent audits of expenditures?

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF SALES TAX MEASURE A

Measure A, the El Cerrito Pothole Repair, Local Street Improvement and Maintenance Measure, would raise revenue to pay for street maintenance and improvements in the City of El Cerrito by authorizing a one-half percent transactions and use tax (commonly referred to as a "sales tax") within the City. The one-half percent tax would be paid in addition to current sales taxes. The new revenue measure has been approved by unanimous vote of the City Council; if approved by two-thirds of the voters, the tax would go into effect July 1, 2008.

Current State law permits cities to adopt additional sales and use taxes for special purposes. Measure A requires that the revenue raised be used only for the special purposes of "Street Maintenance and Improvements" as set forth in the Expenditure Plan that is a part of Measure A. Generally, "Street Maintenance and Improvements," for which Measure A funds could be spent by the City, include (a) repairs and other preparatory work necessary to prepare a street for resurfacing, including crack sealing, structural pavement repairs, leveling and rideability corrections, installation of curb ramps, and curb, gutter, and sidewalk repairs; (b) finish resurfacing, including installation of the final pavement surface and markings, pavement leveling, edge conform grinding, asphalt overlay, micropaving, slurry seal, and cape seal, and replacement and enhancement of pavement markings, striping, and signage; and (c) ongoing maintenance of the system in a manner to protect the City's street infrastructure; as well as related administrative costs. The City will annually prioritize the projects that the sales tax revenues will fund, to respond to the most significant maintenance and improvement needs.

In order to accelerate the schedule of street improvements, Measure A would also authorize the City to incur indebtedness in the form of bonds, notes, contractual obligations or other evidences of indebtedness to finance or refinance these costs. This indebtedness would be paid solely from the proceeds of the sales tax.

Measure A requires the City Council to appoint an independent Citizens Oversight Committee of five El Cerrito residents to monitor the expenditure of Measure A revenues and report to the People and the City Council. Members of the Oversight Committee cannot have conflicts of interest or benefit financially from Measure A revenues. The Measure also requires the City's independent auditors to complete and submit for public review an annual audit report. The audit report must review whether the sales tax revenues collected by the City are collected, managed and expended in accordance with the requirements of applicable law.

A "yes" vote on Measure A enacts the sales tax ordinance. It is estimated by the City's Finance Department that this measure will raise an additional $16.9 million in revenue for the City over a five-year period. A "no" vote will result in the tax not being adopted.

Alexander Abbe
City Attorney

ARGUMENT IN FAVOR OF SALES TAX MEASURE A

Repair and Maintain our El Cerrito Neighborhood Streets – **Vote YES on A!**

City and neighborhood streets are pitted with potholes and cracks. Maintaining the City's 68 miles of roads is important to El Cerrito's future. Repairing potholes and maintaining neighborhood streets are essential to our quality of life.

The El Cerrito Pothole Repair and Local Street Improvement and Maintenance Measure will allow the City to immediately begin and accelerate repair of residential streets.

YES on A to fix the streets now! This measure will repair and maintain neighborhood streets and keep repaired streets from deteriorating again.

YES on A for accountability!

The money raised by the measure will be placed in a restricted fund and can only be used for street related repair and maintenance.

An independent citizen's oversight committee will provide financial oversight of funds authorized by the Measure to ensure proper spending of taxpayer money.

YES on A to fix residential streets!

95% of the money will be spent to repair and maintain neighborhood streets.

The streets that are in the worst shape will be repaired first. Under the proposed expenditure plan, over half of the basic repairs will be done in the first year and an estimated 75 percent of the streets will be completed within four years.

YES on A to repair the streets now so that they do not deteriorate further.

YES on A to fully fund El Cerrito's long-range street maintenance program.

Measure A costs just 5 cents on every $10 of sales. Prescription medications and grocery food are exempt. Visitors to El Cerrito also pay – not just residents.

Vote YES on A – fix El Cerrito streets.

Letitia D. Moore, Mayor of El Cerrito
William C. Jones, Mayor Pro Tem
Janet Abelson, City Councilmember
El Cerrito Chamber of Commerce
by Blaine J. Davis, President
Ron Egherman, Owner, Marvin Gardens Real Estate

REBUTTAL TO ARGUMENT IN FAVOR OF SALES TAX MEASURE A

Street repair is necessary but Measure A is not. Measure A creates a gimmick that really enables the City to incur unstated levels of debt. Over half the basic street repairs can be done by simply reallocating $2.6 million from existing funds. Once streets are repaired, however, Measure A's half-cent sales tax will continue.

The question is reasonably asked, "Where will the Measure A money REALLY GO?" Streets? Or bond fees, interest and even more bureaucracy, administrative salaries and lucrative benefits? Recent history suggests an answer.

While our streets steadily deteriorated, over the last four years the City's administrative costs grew as much as 173% and non-safety staffing grew as much as 180%! This tendency to increase bureaucracy at the expense of infrastructure and essential safety services is especially evident where the City's own budget plans an 80% decrease for streets by 2011.

In November, voters should be offered a pay-as-you-go sales tax alternative with guarantees to keep streets repaired without incurring debt. A half-cent sales tax increase for the general fund could provide $1.2 million annual revenue that pays for street repairs not bonds and provides the $1 million needed for annual maintenance.

Such information is not provided in the sound bite "Argument For" which tries to politically sell something that the City's own numbers dispute. Reject Measure A until reasonably asked fund allocation questions are backed up with clear commitments, iron clad guarantees, and sunset clauses. Vote NO!

Larry Damon, Former Mayor
Kenneth A. (Ken) Berndt, Former Mayor

ARGUMENT AGAINST
SALES TAX MEASURE A

This "Pothole Measure" does NOT guarantee El Cerrito good quality streets. Instead, this Measure is nothing more than an immediate guarantee of record City debt and expanded City administrative payrolls. Keeping El Cerrito streets in good condition requires a Commitment that the City has been lacking. The "Pothole Measure" trades a half-cent sales tax for more debt cosigned by the El Cerrito taxpayer.

A "Yes" vote will merely increase City debt by $12 million. It's a "quick fix" that conveniently suggests improved streets for the next 10 years but Does Not Guarantee quality streets for El Cerrito residents. In the first two years the "Pothole Measure" could spend over $2 million of taxpayer money on financial administrative costs, interest and fee obligations resulting from the escalating indebtedness.

Instead of increased City debt, the City should effectively employ

Redevelopment funding and a pay-as-you-go plan. The Agency was established in 1970 to cure blight. The biggest blight in El Cerrito is the condition of its streets. The Agency does not budget money for capital improvements of its streets and curbs (including disabled access), which precludes the City from complying with Federal requirements.

The City has allowed our streets to fail by diverting maintenance funding to excessive administrative salaries. Before voting for any tax measure, we deserve a guarantee from our City that our streets will be maintained in good condition, bring curbs up to Federal standards, and demand that the Redevelopment Agency pay its fair share.

Vote "NO" and, instead, demand that your taxes be spent on investing in the future of El Cerrito. Demand a pay-as-you-go street improvement plan that will guarantee quality streets, reduce blight, and avoid diversion of funds to escalating bureaucracy and excessive administrative staffing, salaries and benefits.

Ken Berndt, Former Mayor
Larry Damon, Former Mayor

REBUTTAL TO ARGUMENT AGAINST SALES TAX MEASURE A

The opponent's argument is wrong. Don't be misled.

FACT: Every dime generated can only be spent on El Cerrito street repair and maintenance programs. ALL funds will be deposited into a **separate, restricted Pothole Repair and Street Improvement and Maintenance Services Fund.**

FACT: Without Measure A, El Cerrito doesn't have adequate dedicated funding to make significant repairs to neighborhood streets in poor condition, or maintain roads in good condition. In the next five years El Cerrito's average street rating will drop from fair to poor if neighborhood roads are not maintained. **It is important to fix the streets now so that they don't deteriorate further.**

FACT: El Cerrito is running as efficiently as possible, and making do with limited local resources. The City has spent available money to fix the streets, but it's not enough. Redevelopment Agency funds cannot be used to repair streets in residential neighborhoods. Doing a little each year will only make our streets more expensive to fix.

FACT: Measure A allows El Cerrito to **immediately begin and accelerate repair of neighborhood streets.**

FACT: Measure A costs just 5 cents on a $10 purchase—a small price to pay to **fix the streets now**. Measure A does NOT apply to purchases of grocery food or prescription medicine.

FACT: Measure A requires **strict fiscal accountability**, such as annual financial audits and an Independent Citizens' Oversight to ensure funds are spent as promised.

Measure A isn't about misleading voters, it's about fixing El Cerrito streets.

Vote Yes on Measure A.

Letitia D. Moore, Mayor of El Cerrito
Sandi Potter, El Cerrito City Councilmember
Janice L. Bridges, City Councilmember
Brad Joel Caftel, Chair, El Cerrito Financial Advisory Board
Howard Abelson, Former Mayor

FULL TEXT OF
SALES TAX MEASURE A

ORDINANCE NO. ____

AN ORDINANCE OF THE VOTERS OF THE CITY OF EL CERRITO AMENDING THE EL CERRITO MUNICIPAL CODE, IMPOSING A 1/2 CENT TRANSACTIONS AND USE TAX FOR THE REPAIR AND MAINTENANCE OF CITY STREETS TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION AND AUTHORIZING THE INCURRENCE BY THE CITY OF INDEBTEDNESS PAYABLE SOLELY FROM SUCH TAX.

THE PEOPLE OF THE CITY OF EL CERRITO DO HEREBY ORDAIN AS FOLLOWS:

SECTION 1. A new Chapter 4.60 is hereby added to Title 4 ("Revenue and Finance") of the El Cerrito Municipal Code, to read as follows:

"Chapter 4.60 Pothole Repair and Local Street Improvement and Maintenance Transactions and Use Tax

4.60.010. TITLE. This ordinance shall be known as the “El Cerrito Pothole Repair and Local Street Improvement and Maintenance” Transactions and Use Tax Ordinance. The City of El Cerrito hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

4.60.020. OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

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

A. To impose a retail transactions and use tax 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 tax ordinance which shall be operative if two-thirds 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 therefore 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.

4.60.040. CONTRACT WITH 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 transactions and use tax 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.

4.60.050. TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 0.50% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance. Such tax shall be in addition to any other transactions tax imposed by this Code or applicable State law.

4.60.060. 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.

4.60.070. 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 said territory at the rate of 0.50% 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. Such tax shall be in addition to any other use tax imposed by this Code or applicable State law.

4.60.080. 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 and made a part of this ordinance as though fully set forth herein.

4.60.090. 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 of California is named or referred to as the taxing agency, the name of this City shall be substituted therefore. However, the 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 that substitution would require action to be taken by or against this 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 this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this 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 said 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.

4.60.100. 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.

4.60.110. 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 of California 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.

4.60.120. AMENDMENTS.

A. 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 a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance unless any increase in the rate of this tax is first approved by 2/3 of the voters of the City of El Cerrito voting on such question.

B. Pursuant to California Elections Code Section 9217 or any successor statute, the City Council of the City of El Cerrito may amend or repeal this ordinance and any of its exhibits, provided that written notification is submitted to the State Board of Equalization 110 days prior to the operative date of the amendment or repeal, but not increase or extend the rate of tax imposed herein, or the indebtedness authorized hereunder, without the approval of 2/3 of the voters of the City of El Cerrito voting on such question.

4.60.130. ENJOINING COLLECTION FORBIDDEN. 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.

4.60.140. 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.

4.60.150. USE OF TAX PROCEEDS AND EXPENDITURE PLAN. (a) All proceeds of the tax levied and imposed hereunder shall be accounted for and paid into a special fund designated for use by the City of El Cerrito only for the Pothole Repair and Street Improvement and Maintenance Services set forth in the Expenditure Plan for the administration and expenditure of the tax proceeds, attached to this ordinance as Exhibit “1”. The Expenditure Plan may be amended from time to time by a majority vote of the City Council, so long as the funds are utilized for pothole repair and street improvement and maintenance services. For the purposes of this Part, "Pothole Repair and Street Improvement and Maintenance Services" means (1) all aspects of street repair and maintenance including repair, reconstruction and sealing of city streets; repair, maintenance and reconstruction of curbs and ramps adjacent to City streets; crosswalk and pedestrian improvements on or adjacent to City streets; other related services such as lane line, crosswalk and bicycle lane striping and other necessary pavement markings; and other such improvements as are deemed necessary by

the City Council for the benefit of the residents of the City; (2) No revenues collected pursuant to the tax levied hereby may be spent on department administrators' salaries, General Fund operating expenses in effect at the time this ordinance becomes effective, or projects not a part of the Expenditure Plan. It is the intent of the People that revenues collected hereunder shall supplement, rather than supplant, existing City expenditures for Street Repair and Maintenance.

(b) The City is hereby authorized to incur indebtedness in the form of bonds, notes, contractual obligations or other evidences of indebtedness authorized by law to finance or refinance costs described in subsection (a) above, and to pay any and all costs of issuing or incurring such indebtedness, to fund reserve funds, capitalized interest, costs of credit enhancement, costs of interest rate hedging arrangements or any other financing costs associated with such indebtedness. Such indebtedness shall be solely payable from, and may be secured by a pledge and lien on, the proceeds of the tax levied and imposed hereunder. Such indebtedness shall be limited in amount such that the annual debt service in each year is not in excess of 75% of the amount of tax proceeds projected by the City to be received in each year.

4.60.160. ANNUAL AUDIT.

By no later than December 31st of each year, the City's independent auditors shall complete a Streets Repair and Maintenance Tax Ordinance Compliance and Internal Control Audit Report. Such report shall review whether the Tax revenue is collected, managed and expended in accordance with this Chapter."

SECTION 2. Chapter 2.04 ("City Council") of Title 2 ("Administration") of the El Cerrito Municipal Code is hereby amended by adding a new Section 2.04.320, to read as follows:

2.04.320. CITIZENS' OVERSIGHT COMMITTEE.

A. Committee Established. There is hereby established in the City of El Cerrito a Citizens' Oversight Committee to monitor the expenditures of revenue collected pursuant to Chapter **4.60 (the "Pothole Repair and Local Street Improvement and Maintenance Transactions and Use Tax")** only and report to the People and the City Council. The title of this Committee shall be the "Street Repair and Maintenance Citizens' Oversight Committee" (hereinafter the "Citizens' Oversight Committee" or the "Committee").

B. Selection of Members.

1. Members of the Citizens' Oversight Committee shall be appointed by majority vote of the City Council. The Committee shall consist of five members. The Citizens' Oversight Committee members shall not be current City of El Cerrito employees, officials, contractors or vendors of the City. Past employees, officials or vendors shall be eligible to serve on the Committee, provided that such service would not be a violation of law, as determined by the City Attorney.
2. Of the members of the Committee first appointed, three shall be appointed for terms of four years and two for terms of three years. Their successors shall be appointed for terms of four years. No member may serve more than two consecutive four-year terms.
3. The City Council shall solicit Citizens' Oversight Committee members through an open application process that is promoted through the City's normal recruiting process. Any El Cerrito resident is eligible to apply for Committee membership, subject to the limitations specified above. All applications will be reviewed by the City Council, which will have the authority to make all final decisions on Committee representation, subject to these guidelines.

C. Purpose and Jurisdiction.

1. The Citizens' Oversight Committee shall review expenditures of revenue collected pursuant to this Chapter only to determine whether such funds are expended for the purposes specified in the then-current Street Repair and Maintenance Expenditure Plan, and issuing reports on their findings to the City Council and public at least annually. The Committee may also review the annual financial or performance audits performed by an independent auditor. The Committee shall confine its oversight specifically to revenues generated under Chapter 4.60. Revenue generated through other sources shall be outside the jurisdiction of the Street Repair and Maintenance Citizens' Oversight Committee.
2. In order to preserve the integrity and independence of the oversight process, Committee members will not play a formal role in contracting, project

management, or any other aspect of the Street Repair and Maintenance Measure funding.

3. The Committee is not charged with decision-making on spending priorities, schedules, project details, funding source decisions (e.g. leveraged funds, developer fees, etc.), financing plans, or tax rate assumptions. The Committee shall serve in an advisory-only role to the City Council. The Committee shall have no jurisdiction other than that delegated to it by the People pursuant to this Ordinance. The failure of the Committee to carry out any of its duties under this Section shall not affect the validity of any of the provisions of Chapter 4.60.
4. The City of El Cerrito City Manager or his designee shall provide any reasonable administrative or technical assistance required by the Committee to fulfill its responsibilities or publicize its findings.

D. Meetings. The Citizens' Oversight Committee shall meet semi-annually (or as otherwise provided for in approved or amended by-laws) with specific meeting dates to be determined by the Committee. Citizens' Oversight Committee meetings are subject to the requirements of the Ralph M. Brown Act (Government Code § 54950 et seq., as may be amended from time to time). Meetings must be noticed and open to the public. Additional meetings may be scheduled by the Committee as necessary. All Committee members shall attend a training and orientation session upon commencing their duties.

E. Attendance. Committee members are expected to attend all regular meetings.

F. Committee Operations. At the first meeting of each calendar year, the Citizens' Oversight Committee will select members to serve as Chair and Vice Chair of the Committee. A City staff person will be appointed by the City Manager or his designee to serve as Secretary. The Secretary will be responsible for preparing, posting and distributing agendas and taking minutes at each meeting. Approved minutes shall be made available to the public. Committee decisions, positions, findings and procedures shall require a simple majority of those Members voting.

G. Vacancies. In the event of removal, resignation, or death, the City Council shall appoint a person to fill the vacant seat.

H. Miscellaneous. With the exception of those items specifically addressed in this ordinance, the Committee may draft and adopt its own standard procedures and by-laws by majority vote. All Citizens' Oversight Committee procedures and by-laws remain subject to review and approval by the City Council. Citizens' Oversight Committee reports and audits are subject to review and approval of the City Council."

SECTION 3. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect 10 days following certification of the vote by the City Council.

SECTION 4. The City Clerk shall certify the passage of this ordinance; publish the same as required by applicable law, and forward a copy of the adopted ordinance to the Board of Equalization.

PASSED AND ADOPTED by the voters of El Cerrito at an election held February 5, 2008 by the following vote:

AYES:

NOES:

ATTEST:

_____
Cheryl Morse, City Clerk

APPROVED:

_____
Mayor of El Cerrito

EXHBIT 1
CITY OF EL CERRITO
POTHOLE REPAIR AND STREET IMPROVEMENT AND MAINTENANCE SERVICES

PAVEMENT EXPENDITURE PLAN

OF
ONE-HALF (1/2) CENT
TRANSACTIONS AND USE TAX REVENUE

The City of El Cerrito street system consists of approximately 68 miles of streets, the majority of which were constructed to the standards and conditions of the early to mid-20th century with many streets unable to meet today's traffic demands. The City's Pavement Condition Index (PCI), which was compiled by staff and its consulting engineers, illustrates that El Cerrito's streets have a very low average pavement condition rating (51 on a 100-point scale). Further analysis shows that the residential streets are in the worst condition of all categories with an average PCI of 38, while the neighborhood collectors and arterials are in better condition with PCIs of 68 and 80, respectively.

The needed improvements and maintenance on the City of El Cerrito street system far exceed the available revenues for these activities. While the City remains committed to continue efforts to obtain all possible Federal and State funding for street improvements, it is apparent that without the one-half (1/2) cent transactions and use tax revenue, the City will be unable to improve the street system to a level that will adequately serve the traveling public. This Pavement Expenditure Plan describes the specific projects for which the revenues from the tax will be expended, and satisfies the requirements of Section 7285.91(c) of the Revenue and Taxation Code.

The Expenditure Plan is a simple one, as it proposes to utilize the one-half cent transactions and use tax for street maintenance and improvement-related purposes, rather than specific capital improvement projects. The goal of this plan is to rapidly improve the City's street system to provide the traveling public with the best and most efficient road maintenance possible given the existing facilities and the available funds.

Annual Program of Maintenance and Improvement

The City shall prepare a "Maintenance and/or Improvement Program" that the tax revenues will fund. This Program will be a flexible document that responds to the most significant maintenance and improvement

needs as they are identified. It will be updated annually as part of the City's annual Capital Improvement Program budget, and available funds will be appropriated. It will follow recommendations and priorities established annually by the City Council and Citizens' Oversight Committee, and will itemize each year's particular capital projects and debt service payments. An annual independent audit will be performed by the City's external auditors that will include review of compliance with the requirement that all expenditures are related to street improvement, maintenance and associated debt service.

Accelerated Work Plan in First Five Years

The initial years will be devoted to the rehabilitation of the residential streets within the City of El Cerrito along with an effort to maintain the arterials in good condition. When possible, the City will utilize these funds as matching funds for Federal and State Grants related to street improvement and rehabilitation projects. In addition, approximately 15% of the transactions and use tax would be set aside to improve the non-vehicular mobility and accessibility (curb ramps, improved striping) and significant drainage problems associated with the City's street system.

The first five years of the Pavement Expenditure Plan include a significantly accelerated work plan. This is intended to bring the City's Street System average PCI up to or near 70. Most of the accelerated work will occur in the first four years, and the fifth year would be used to transition to an annual comprehensive ongoing maintenance program.

The work plan is broken into two categories:

1. Preparatory Work: The Preparatory Work will consist of repair and other activities as aimed at preparing a street for the final resurfacing work. This typically includes:
   - Crack sealing
   - Structural pavement repairs
   - Leveling and rideability corrections
   - Installation of curb ramps pursuant to the Americans with Disabilities Act
   - Curb, gutter, and sidewalk repair (as needed)
   - Temporary or restored pavement markings and striping

2. Finish Resurfacing: Finish Resurfacing will consist of installing the final pavement surface and pavement markings. Typical activities would be:
   - Leveling and rideability corrections
   - Edge conform grinding

- Asphalt overlay, micropaving, slurry seal, and cape seal
- Replacement and enhancement of pavement markings, striping and signage.

The table below demonstrates how the accelerated (shown as "XXX") work will be performed for the various work items, and also indicates where a normal level of work (shown as "X") would be performed. This also indicates the approximate annual monetary value of work in each construction season.

		2008	2009	2010	2011	2012
Preparation Work	***Curb Ramps***	XXX	XXX	X	X	X
	Crack Seal	XXX	XXX	XXX	X	X
	Structural Repairs	XXX	XXX	X	X	X
Finish Work	***Slurry / Cape Seal***		XXX	XXX	XXX	X
	Asphalt Overlay		XXX	XXX	XXX	X
	$16.9 million	**$2.6 M**	**$5.5 M**	**$4.5 M**	**$3.3 M**	**$1.0 M**

Subsequent Years

After completion of the accelerated work plan, the subsequent years will be devoted to ongoing maintenance of the system in a manner to protect the City's valuable street infrastructure. Maintenance priorities will be reviewed annually by the City Council and the Citizen Oversight Committee with funds for each year to be expended on the priority items first.

Annual Debt Services

The transactions and use tax revenues will also be used for the payment of interest and principal on obligations resulting from the issuance of bonds, notes, leases, and other indebtedness.

Administrative Costs

In addition to the above expenditures directly related to the goals of the transactions and use tax, the tax will be used for certain administrative costs.

1. Financial Administration Costs: Staff accounting, auditing, and financial activities and contract services that are necessary and reasonable for the City to carry out its responsibilities under the Revenue and Taxation Code.
2. Costs Related to Bonds or Other Indebtedness: Expenses in the sale or issuance of bonds and/or other forms of debt.
3. Project Management and Engineering Costs: Expenditures approved by the City Council that are necessary and reasonable for implementing the projects identified in the Maintenance and/or Improvement Program.
4. Mandatory Independent Annual Fiscal Audit: Expenditures related to the independent annual audit required by the ordinance, which ensures that the expenditure of funds is in accordance with this plan.

VOTER INFORMATION PAMPHLET

Containing

MEASURE B

CITY OF RICHMOND

TUESDAY, FEBRUARY 5, 2008

Arguments in favor of or against the proposed measure are the opinions of the authors.

City of
Richmond
California

If you would like to receive this information in Spanish please call (925) 335-7800. If you have already requested voting information in Spanish, the information will be mailed to you automatically.

Si desea recibir esta información en español, por favor llame al (925) 335-7800. Si ya solicitó información para votar en español, ésta será enviada automáticamente por correo.

TELECOMMUNICATIONS AND VIDEO USERS' TAX
MEASURE B
CITY OF RICHMOND

Shall an ordinance be adopted to reduce the rate of the City of Richmond's Telecommunications Users' Tax from 10% to 9.5%, and to revise the method for calculating and collecting the Telecommunications and Video Users' Tax to reflect technological advances and changes in state and federal law?

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF TELECOMMUNICATIONS AND VIDEO USERS' TAX MEASURE B

Measure B is a proposed City of Richmond ordinance that would replace the existing utility user's tax on telecommunication services (including telephone service) and video services (including cable television) with an updated communications tax. The measure would reduce the current tax rate on telecommunication services by 5%, while not changing the effective tax rate on video services.

The utility user's tax on telecommunications and video services has been in place since 1994, and is paid by customers on their telephone and cable television bills. Currently, the tax rate on telecommunication services is 10%, while the effective tax rate on video services is 5%. The revenues from this tax -- approximately $6.6 million in 2006-2007 (22% of the general fund revenue) -- are used within the City for general governmental purposes and programs. The ordinance is outdated due to significant advances in technology and changes in state and federal law, and the tax is not applied to telecommunication and video services and devices that have come into existence in more recent times.

The proposed ordinance would reduce the telecommunications tax rate from 10% to 9.5%, while maintaining the effective tax rate on video services at 5%. The proposed ordinance would update the existing ordinance to apply the tax to all types of communication and video services, unless precluded by federal statute. Currently, a federal statute precludes local taxation of internet services and broadband services providing access to the internet, including email. Further, the proposed ordinance would not apply to digital downloads such as music, games and ringtones.

Taxes imposed by other California cities that contain language similar to that in the City's existing ordinance have been the subject of legal controversy. Based on changes in federal law and regulations, those telecommunication providers have disagreed with the cities' application of the tax, and filed litigation against those cities. Adoption of the proposed ordinance would protect the City of Richmond from an adverse outcome in any such litigation.

Measure B would continue to provide for an annual verification by third party auditors that the tax has been properly collected and that all revenues have been properly expended.

The tax cannot be increased in the future without a vote of the people. The proposed ordinance has no effect on the existing utility user's tax applied to electrical, gas and water services.

A "yes" vote is in favor of adopting the updated communications tax ordinance summarized above. A "no" vote is against adopting the ordinance. A majority of "yes" votes is required for the ordinance to be enacted.

A copy of the full text of this ballot measure is available, free of charge, by telephoning the City Clerk's Office at (510) 620-6513 or at the City of Richmond's webpage: www.ci.richmond.ca.us

---

ARGUMENT IN FAVOR OF TELECOMMUNICATIONS AND VIDEO USERS' TAX MEASURE B

Measure B will replace Richmond's current telecommunications utility tax, cutting the tax rate for residents, and modernizing the law to insure that new communications technologies for businesses are included.

Measure B was placed on the ballot by the unanimous vote of the Richmond City Council.

Recent Federal regulatory decisions and court cases have created the risk that the utility tax laws of most cities, relating to telecommunications, could be declared invalid. This would endanger Richmond's recovery. So, like many other cities, Richmond is updating its utility tax statute, and we are providing residents with a tax cut as well.

Richmond has come a long way since the layoffs and service cuts caused by State tax grabs several years ago. But we still have a long way to go:

· police are down 50 officers,
· library hours have not been completely restored,
· fire department can't staff its ladder truck,
· our roads are full of potholes.

We're on the right track to continue our recovery, but not if we let a change in Federal law knock out our utility tax.

A NO vote on Measure B would eliminate the utility tax cuts, keep rates where they are, leave some businesses not paying their fair share on new communications technology, and would leave the present outdated law vulnerable to being completely eliminated by the Federal government, endangering Richmond's vital services.

A YES vote on Measure B would insure that we can continue to bring back vital services like police, firefighters, libraries, paramedics, street repaving, senior programs, parks, and youth recreation programs.

Citizens representing the rich diversity of Richmond endorse Measure B to insure that our recovery isn't derailed by the Federal Government.

To cut the utility tax rate and keep Richmond recovering, please vote YES on Measure B.

Jim Rogers, Councilmember, City of Richmond
Myrtle L. Braxton, Founder, Crime Prevention Program
Andre Hill, Vice President, Richmond Police Officers' Association
Ludmyrna "Myrna" Lopez, Councilmember, City of Richmond
Jim Russey, President, Richmond Firefighters

ARGUMENT AGAINST
TELECOMMUNICATIONS AND VIDEO USERS' TAX
MEASURE B

None filed.