



UTILITY USERS' TAX FACT SHEET

For more information, visit www.cityofsierrmadre.com/uut

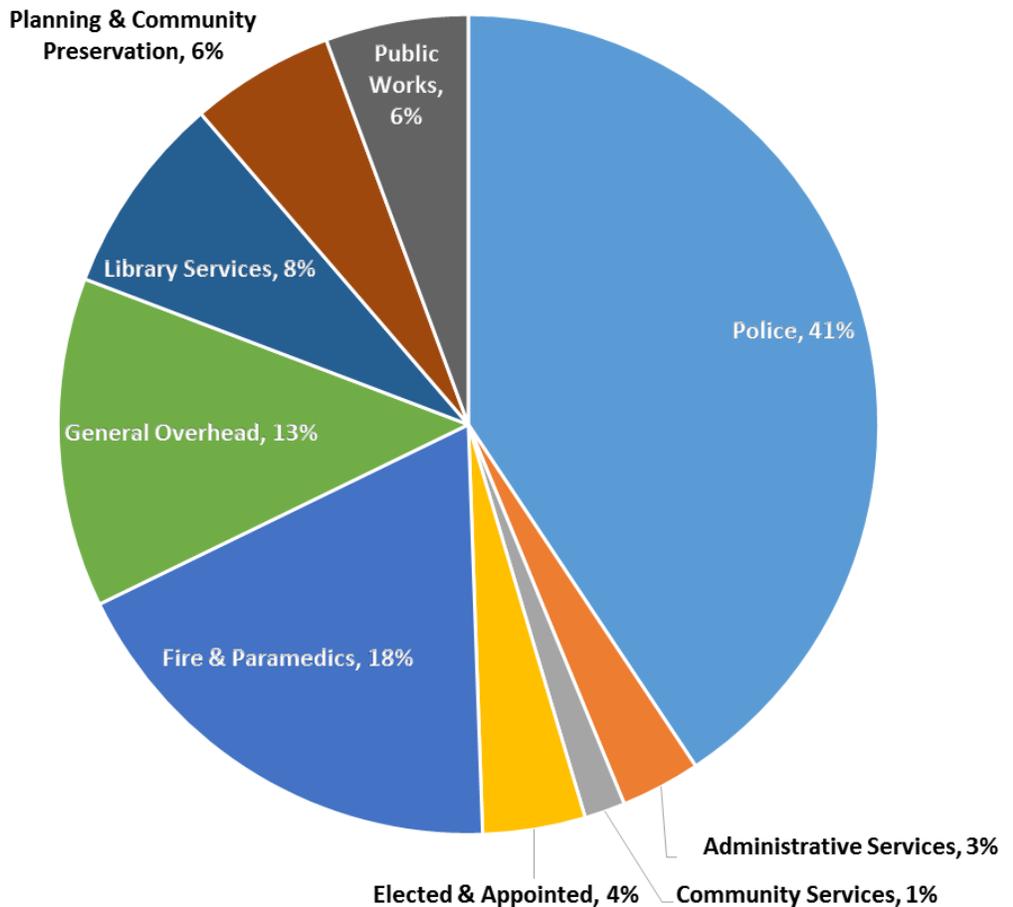
The Basic Facts:

- The current UUT rate is 8%
- Measure UUT on the April 12th ballot proposes to increase the UUT to 10%
- If 50% + 1 of voters vote "yes" on Measure UUT, it will increase the UUT to 10% on July 1, 2016
- If Measure UUT fails, the UUT rate will go to 6% July 1, 2016

A 6% UUT rate will require the City Council to balance the budget by making \$1M in reductions to services funded by the General Fund including:

- Outsourcing Police, Fire and/or Paramedics; and/or
- Reducing Library and/or City Hall public hours.

The UUT funds 22% of the General Fund which pays for the following services:



How Much Does the UUT Cost?

Utility	Sample Monthly Bill	6% UUT	8% UUT	10% UUT
Phone	\$120	\$7.20	\$9.60	\$12.00
Electricity	\$150	\$9.00	\$12.00	\$15.00
Natural Gas	\$45	\$2.70	\$3.60	\$4.50
Water	\$61	\$3.66	\$4.88	\$6.10
Sewer	\$30	\$1.80	\$2.40	\$3.00
CATV	\$56	\$3.36	\$4.48	\$5.60
Refuse	\$27	\$1.62	\$2.16	\$2.70
Total	\$489	\$29.34	\$39.12	\$48.90

Average change per household per 2% of UUT = 9.78

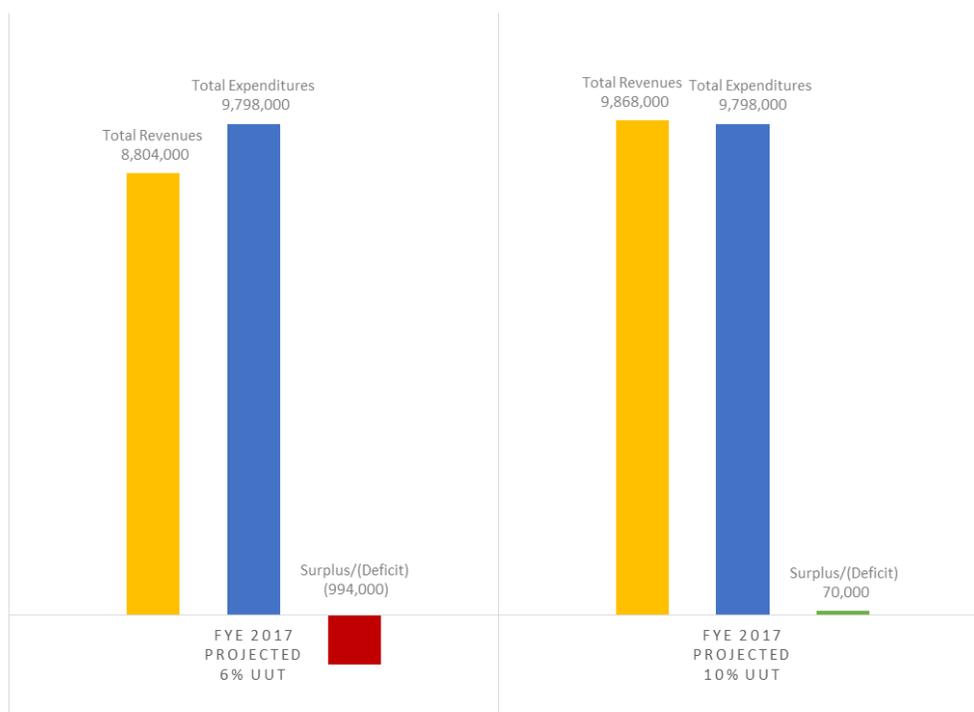
Based upon the sample residential utility usage shown here, a typical household will pay an average of **\$9.78** more per month, or .33 cents more each day, for each 2%.

Cutting Costs

The City Council recognizes that the citizens of Sierra Madre demand the most value for their tax dollars and have implemented cost-cutting initiatives since 2010, cutting approximately \$2,000,000 in General Fund expenditures. These reductions include: contracting park and landscaping maintenance services; outsourcing the Youth Activity Center operations; outsourcing the Aquatics Center Operations; reductions in police overtime and specialized assignments; reductions in supplies; reduced staff in Community Services, Library, Police, and Public Works; and reduced employee benefits.

Cost Drivers

Cost drivers include regular consumer price increases for things like electricity, gas, and the cost of supplies ranging from paper to asphalt. Mandated employee health insurance, retirement benefits, and workers compensation continue to increase. State and federal mandates such as sick leave for all part-time employees, additional public safety reporting and recording requirements, and environmental regulations such as storm water runoff, result in increasing costs. The decline in available volunteer fire engineers, captains, and battalion chiefs means the City must increase Fire Department personnel costs in order to provide fire protection services.



Under existing law, the City's UUT will reduce to 6% on July 1, 2016. With this decrease in revenue, the City is projecting almost a \$1 million deficit in the General Fund for Fiscal Year 2016-2017. If Measure UUT passes on April 12, 2016, the UUT will increase to 10% on July 1, 2016. This increase in revenue is projected to balance the General Fund budget with a small surplus.

How the UUT's Percentage Impacts the General Fund

- With the current 8% UUT, the City is relying on its reserves in order to balance the current year's budget. The current year's deficit is \$530,000 and is expected to increase to \$994,000 in the next fiscal year. Continually using reserves to balance the budget is not sustainable.
- A 6% UUT will require the City Council to cut the current General Fund by 11%, (another million dollars) on top of the \$2 million cuts made in the past 5 years.
- A 10% UUT will stabilize the current service levels for a few years while the City Council continues to explore ways to achieve long term financial stability.

Budget Workshop: Saturday, March 5, 2016

Election Day: Tuesday, April 12, 2016