

Fact Sheet Utility Users Tax – Measure "UUT" Municipal Election April 8, 2014

Updated February 2014

This information is provided to answer questions that have been asked about the City's Utility Users Tax (UUT) measure on the April 8, 2014 municipal ballot. There is a significant amount of information on the following pages, but if your question isn't answered, please contact the City's Administrative Services Department at City Hall, (626) 355-7135. This fact sheet will be updated as necessary.

What is "Measure UUT"?

Measure UUT is an item on the April 8, 2014, municipal ballot, for residents to vote on. If approved by the voters, residents will continue to pay the 10% tax that they are already paying on certain utility bills. Revenues received from the UUT will provide funding to keep City services at the current level.

What is a Utility User Tax or UUT?

A Utility Users Tax (UUT) is a tax on certain utility bills. A UUT may be imposed by a city or county on the consumption of utility services.

Sierra Madre has had a UUT since 1993. Today, Sierra Madre residents and businesses pay a 10% UUT on electricity, gas, telephone (including cell phone and long distance), trash (sanitation/solid waste) and cable television; water and sewer are taxed at a 9% rate.

What is the current Utility User Tax rate?

The current voter approved law allows the UUT rate to be set at no greater than 12%. However, the tax is currently collected at a 10% rate (9% for water and sewer) because the City Council has taken action to impose a rate lower than the voter approved rate.

What does the current law (ordinance) provide?

In April 2008, the voters approved an increase in the UUT by approving *Measure U*. The Ordinance allowed for an increase from the base amount of 6% to 8% in July 2008, to 10% in July 2009 and to 12% in July 2010. However, the Ordinance permits the City Council to establish a lower than maximum rate – an action the City Council has taken since 2010. (The rate collected is currently 10%.)

The current Ordinance provides for a 12% UUT rate until June 30, 2014. On July 1, 2014 the UUT will decrease to 10%, then 8% on July 1, 2015 and 6% on July 1, 2016. This step-down or decrease is referred to as the "sunset" clause. (*Reference: Ordinance Section 3.36.180*) In 2008, *Measure U* also expanded the base (types) of taxable utilities by adding sewer, cable, and trash; and it modernized the communication utility. The utilities which are subject to the tax will not change under *Measure UUT*.

What does the proposed Measure UUT provide?

If approved by the voters, *Measure UUT* will extend the current 10% rate of the City's Utility Users Tax on all utilities except water and sewer. The UUT for water and sewer would be lowered to 7% initially, then dropping to 6% on July 1, 2015.

Measure UUT has a sunset clause, meaning the UUT rate for all utilities except water and sewer will decrease to 8% on July 1, 2022 and to 6% on July 1, 2024, unless voters approve a future extension by ballot measure. The water and sewer tax proposed by **Measure UUT** would actually decrease to 6% several years earlier, on July 1, 2015. Like the existing Ordinance, **Measure UUT** permits the City Council to impose a lesser UUT rate, continues the low income exemption, and continues the Citizen Oversight Committee.

What does each percentage of the UUT amount to in dollars?

Each 1% UUT rate is equal to approximately \$265,000, so a 4% reduction (10% down to 6%) equals approximately \$1 million dollars in reduced funding to the City. If *Measure UUT* is not approved by the voters, the current 10% UUT sunsets to 6% on July 1, 2016, resulting in a loss of approximately \$1 million to the City. This million dollar loss would be in addition to the \$1.3 million in General Fund reductions that has already occurred over the past two years. This additional \$1 million loss will result in further reductions to City services, or changes to City services, such as contracting for Police and Paramedic services, or eliminating other General Fund services such as Recreation and Library services - the entire General Fund budget for the Library and Recreation combined is approximately equal to \$1 million. (The General Fund budget for the Library is \$811,304, and the General Fund budget for Recreation is \$256,561.)

How does the Utility User Tax support City services?

The UUT is a General Fund revenue source which funds general City services such as Police, Fire, Paramedics, Recreation and the Library. In FY 2012-2013, at the 10% tax rate, the UUT provided \$2.5 million in revenue (31% of total General Fund Revenues). In this same year, the City spent \$4.78 million on public safety services (Police, Fire, and Paramedics).

Because of the increased UUT in 2008, the Police Officers were provided salary increases of 9% in 2008; 8% in 2009; and 7% in 2010; no other city employees were given these salary increases. (Even with the increase in Police Officer salaries, our Police Officers are still one of the lowest paid in the San Gabriel Valley.) Without the continuation of the current 10% collected UUT rate, there will be insufficient funding to continue to pay the current salaries of the City's Police Officers and continue to provide all other current city services (such as recreation, senior services, paramedics and Library services.)

Additionally, because of the increased UUT, the City was able to continue to fund the \$500,000 in unfunded Paramedic program costs. Prior to 2007, the City did not have advanced life support, i.e. a paramedic program. In 2007, a paramedic program was implemented, but there wasn't adequate funding identified to maintain the program after 2009. (The program was initially funded from the sale of an unused Fire Station in the Canyon area of Sierra Madre, but these were one-time proceeds of the sale, and the funds were exhausted in 2009.)

Measure UUT will continue the current amount of revenue the City receives from the Utility Users Tax, and without this continued revenue, the City will not be able to maintain all of the currently provided City services. Service level reductions and changes will need to be made so that the City's General Fund budget can remain "balanced." In total approximately \$1 million in reductions will be necessary by July 2016. The actual service reductions and changes will ultimately be decided upon by the City Council. Possible options include contracting a portion, or all Public Safety services to an outside agency; eliminating or significantly reducing other non-Public Safety services; such as Library services, recreational, planning, or senior services.

How will a "yes" vote on Measure UUT affect Sierra Madre's Utility User Tax?

 The revenue from the approval of *Measure UUT* will allow for City services to remain at the current level.

- The taxes imposed by *Measure UUT* will extend the existing 10% UUT on all utilities (except for water and sewer, which will be reduced to 7% on July 1, 2014 and 6% on July 1, 2015).
- If *Measure UUT* passes, the maximum collection rate for all utilities except water and sewer will be 10% through June 30, 2022; decreasing to 8% on July 1, 2022, and to 6% on July 1, 2024, unless extended by a new measure approved by the voters;
- For water and sewer, the maximum UUT collection rate will be 7% on July 1, 2014, and 6% on July 1, 2015;
- The City Council may set a lesser rate on or before August 1st of any year.

How will a "no" vote on Measure UUT affect the current Utility User Tax?

If *Measure UUT* is not approved, the current, voter approved maximum collection rate of 12% will remain in place through June 30, 2014 (per previous Council action, the current collected UUT rate is 10%). After June 30, 2014 the maximum voter approved collection rate will begin to "sunset" by diminishing 2% each June 30th, until it reaches the base rate of 6% (2016). This means 12% rate approved by the voters will diminish to 10% on July 1, 2014, diminish to 8% on July 1, 2015 and finally to 6% on July 1, 2016. (*Reference: Ordinance Section 3.36.180*) Each 2% reduction is approximately equal to \$530,000, which results in a total loss of approximately \$1,000,000 in two years. After July 1, 2016, the UUT rate would remain at 6% unless altered by voter approval. The loss of \$1,000,000 in UUT revenue will have significant impacts on the City's ability to meet its expenditures and will result in service reductions, in order to maintain a balanced budget.

What accountability do voters have?

Annually, the City Council appoints a five member citizen UUT Oversight Committee who, along with the Elected City Treasurer, reviews the use of the increased UUT revenues. Each of the Oversight Committees have all concurred that the voter's intent regarding the use of the increased UUT revenues was followed. The voter's intent was provided by the passage of *Measure UA* in 2008, an advisory measure which stated that the increased UUT revenues should be used for Public Safety services.

How much does the UUT cost the average household?

The amount actually paid by each household will vary depending upon the utilities used by the household. Based upon the sample residential utility usage shown below, a typical household will pay an average of \$9.22 more per month, or .31 cents more each day, for each 2%.

The chart below provides a quick summary.

The share below provides a quick summary.									
	Samp	le							
Utility	Mont	hly Bill		6% UUT		8% UUT		10% UUT	
Phone	\$	120	\$	7.20	\$	9.60	\$	12.00	
Electricity	\$	125	\$	7.50	\$	10.00	\$	12.50	
Natural Gas	\$	45	\$	2.70	\$	3.60	\$	4.50	
Water	\$	61	\$	3.66	\$	4.88	\$	6.10	
Sewer	\$	28	\$	1.68	\$	2.24	\$	2.80	
CATV	\$	56	\$	3.36	\$	4.48	\$	5.60	
Refuse	\$	26	\$	1.56	\$	2.08	\$	2.60	
Total	\$	461	\$	27.66	\$	36.88	\$	46.10	
Average change per household per 2% of UUT \$ 9.22						9.22			

What percentage of the UUT is paid to the City?

100% of the Utility Users Tax (UUT) collected on your utility bills is paid to the City; unlike property tax and sales tax where the City receives only a small portion of the total taxes paid.

Are Non-Profit and Religious Organizations exempt from paying the UUT?

No, they are required to pay the Utility User Tax on the taxed utility services they use.

Are low-income households exempt from the UUT? How do I apply for the exemption?

Yes, pursuant to the existing UUT Ordinance, households that qualify as very-low-income and low-income (using HUD income guidelines) are exempt from paying the Utility Users Tax (UUT). This section of the City Ordinance remains unchanged, regardless of a "Yes" or "No" vote on *Measure UUT*. (*Reference: Section 3.36.200 Exemptions*) Residents can submit an application for an annual exemption for low and very-low-income households at any time during the year. The City requires supporting documentation including proof of income to qualify households for the exemption.

What is the income limit to qualify for the UUT tax exemption?

The City will use the income limits as established for state and federal programs, <u>Department of Housing and Urban Development - Section 8 Housing Income Limits</u>. The income limits vary depending upon the size of the household. For example a single person household is considered low-income if the person's income does not exceed \$46,400, while the low-income limit for a family of four is \$66,250 (<u>2013-Income Guidelines</u>; Los Angeles County Community Development Commission, December 2012).

This section discusses the City's Budget and other general questions that have been asked.

Why does the City need the 10% current funding continued, and why can't the City just "tighten its belt"?

In 2007, a citizens' Ad-Hoc Finance Committee investigated this very question and concluded that there was no feasible way to generate enough money to provide raises to the Police Officers and to continue providing Paramedic Services by reducing City expenses -- without drastic impacts in City services. The Ad-Hoc Finance Committee recommended that the City Council place a revenue measure on the April 2008 ballot. The revenue measure was the current UUT which included modernizing the telephony section to include cell and wireless technology; adding sewer, cable and trash to the existing taxable utilities; and finally, increasing the collection rate from 6% to 12% over a three year period. Since 2008, the City's budget has reflected an increase in Police, Fire and Paramedic program expenditures (primarily for Public Safety staff salary and benefits) that exceeds the increase generated by current Utility User Tax.

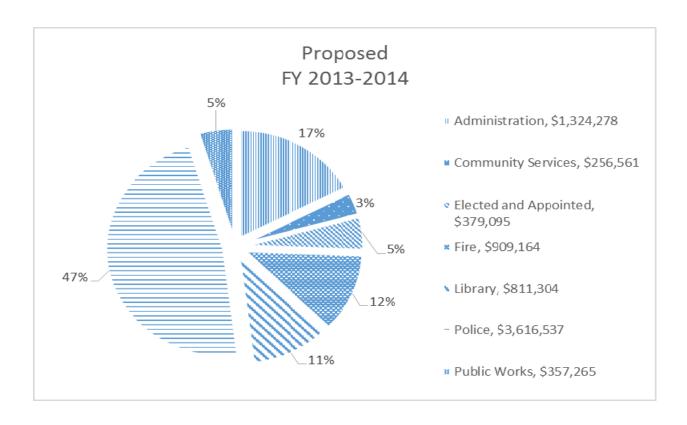
The City's Police employees were provided raises over a three year period (9% for sworn officers and 4% non-sworn officers in 2008; 8% for sworn officers and 3.5% for non-sworn officers in 2009; and 7% for sworn officers and 3% for non-sworn officers in 2010); these raises cannot "just be rescinded". Surveys show that Sierra Madre Police Officers continue to remain at the bottom of the pay scale for all San Gabriel Valley departments. These costs being incurred today are funded through the increase in the UUT. The current staffing costs of the Police Department will remain a City obligation, even if the UUT rate sunsets to 6%.

In the City's 2011-2012 General Fund budget, City Council maintained the UUT tax collection rate at 10% (the maximum rate permissible is 12%), even though the City originally had a projected shortfall of over \$1,000,000. Staff recommended cuts in expenditures in excess of \$900,000 which included more than \$300,000 in Police department reductions and \$250,000 in Fire expenses. The remaining budget reductions came from reducing Public Works budget by contracting out Park Maintenance, reductions in recreation and library programming and reductions in City cost allocations (overhead).

Additionally during the 2011-2013 biennial budget, in December 2011, the California Supreme Court upheld AB 1X26 which dissolved all Community Redevelopment Agencies, including the City of Sierra Madre's Community Redevelopment Agency (CRA). This resulted in a decrease of \$1.3 million in incremental property tax income to the City that was used, partially, to staff positions that oversaw eligible projects funded with CRA monies within the former redevelopment project area, and for eligible public infrastructure and other projects. These type of projects ranged from replacement of broken playground equipment in Memorial Park (completed before the loss of the CRA) to repaying City parking lots (not completed) to installing a new water main at the east end of Sierra Madre Boulevard, and all associated overhead costs. When financial resources are reduced due to the economy and State takeaways, the City must respond by reducing services, which means reducing staff. At the start of Fiscal Year 2012-2013, the City experienced its first layoffs in a decade. Prior to Fiscal Year 2012-2013 staff attrition was used to reduce staffing. In total, since 2008, the City has reduced staffing by almost 10 fulltime equivalent employees. (There are currently 63 full-time employees.) This was accomplished through eliminating some services (including reducing City Hall's open-to-the-public hours to 11 am to 5:30 pm and contracting with Pasadena Humane Society to provide Dog Licensing), and out-sourcing some services (grounds maintenance, Building & Safety Services, and the operation of the municipal swimming pool.) The charts below show the current allocation of General Fund expenditures. (Note: Chart does not include the Paramedic Subsidy of \$500,000.)

General Fund Expenses by Department

Administration Personnel 118,616 124,379 Nonpersonnel 1,205,662 1,228,928 Administration Total 1,324,278 1,353,307 Community Services Personnel 237,106 252,383 Nonpersonnel 19,455 19,455 Community Services Total 256,561 271,838 Development Services Personnel 0 0 Nonpersonnel 0 0 0 Elected and Appointed Personnel 42,969 44,124 Nonpersonnel 336,126 291,126 Elected and Appointed Total 379,095 335,250 Fire Personnel 583,615 610,789 Nonpersonnel 233,549 234,982 Debt 92,000 92,000 Fire Total 909,164 937,771 Library Personnel 673,626 708,430 Nonpersonnel 137,678 138,680 Library Total Nonpersonnel 0 0		General Fund Empenses by E	Proposed	Proposed
Nonpersonnel 1,205,662 1,228,928 Administration Total 1,324,278 1,353,307 Community Services Personnel 237,106 252,383 Nonpersonnel 19,455 19,455 Community Services Total 256,561 271,838 Development Services Personnel 0 0 Nonpersonnel 0 0 0 Elected and Appointed Personnel 42,969 44,124 Nonpersonnel 336,126 291,126 Elected and Appointed Total 379,095 335,250 Fire Personnel 583,615 610,789 Nonpersonnel 233,549 234,982 Debt 92,000 92,000 Fire Total 909,164 937,771 Library Personnel 673,626 708,430 Library Total 811,304 847,110 Personnel Nonpersonnel 0 0 Personnel Nonpersonnel 0 0 Personnel 3,208,484	dept	object	FY 2013-2014	FY 2014-2015
Administration Total 1,324,278 1,353,307 Community Services Personnel 237,106 252,383 Nonpersonnel 19,455 19,455 Community Services Total 256,561 271,838 Development Services Personnel 0 0 Nonpersonnel 0 0 0 Elected and Appointed Personnel 42,969 44,124 Nonpersonnel 336,126 291,126 Elected and Appointed Total 379,095 335,250 Fire Personnel 583,615 610,789 Nonpersonnel 233,549 234,982 Debt 92,000 92,000 Fire Total 909,164 937,771 Library Personnel 673,626 708,430 Nonpersonnel 137,678 138,680 Library Total 811,304 847,110 Personnel Nonpersonnel 0 0 Personnel Total 0 0 Police Personnel 3,208,484	Administration	Personnel	118,616	·
Community Services Personnel 237,106 252,383 Nonpersonnel 19,455 19,455 Community Services Total 256,561 271,838 Development Services Personnel 0 0 Nonpersonnel 0 0 0 Elected and Appointed Personnel 42,969 44,124 Nonpersonnel 336,126 291,126 Elected and Appointed Total 379,095 335,250 Fire Personnel 583,615 610,789 Nonpersonnel 233,549 234,982 Debt 92,000 92,000 Fire Total 909,164 937,771 Library Personnel 673,626 708,430 Nonpersonnel 137,678 138,680 Library Total 811,304 847,110 Personnel Nonpersonnel 0 0 Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 80,616,537 3,858,153		Nonpersonnel	1,205,662	1,228,928
Nonpersonnel 19,455 19,455 271,838 256,561 271,838 256,561 271,838 256,561 271,838 256,561 271,838 256,561 271,838 256,561 271,838 256,561 271,838 256,561 271,838 256,561 271,838 256,561 271,838 256,561 260,561 2	Administration Total		1,324,278	1,353,307
Community Services Total Personnel 0 0 Development Services Personnel 0 0 Development Services Total 0 0 Elected and Appointed Personnel 42,969 44,124 Nonpersonnel 336,126 291,126 Elected and Appointed Total 379,095 335,250 Fire Personnel 583,615 610,789 Nonpersonnel 233,549 234,982 Debt 92,000 92,000 Fire Total 909,164 937,771 Library Personnel 673,626 708,430 Nonpersonnel 137,678 138,680 Library Total 811,304 847,110 Personnel Nonpersonnel 0 0 Personnel Total 0 0 Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365	Community Services	Personnel	237,106	252,383
Development Services Personnel 0 0 Development Services Total 0 0 Elected and Appointed Personnel 42,969 44,124 Nonpersonnel 336,126 291,126 Elected and Appointed Total 379,095 335,250 Fire Personnel 583,615 610,789 Nonpersonnel 233,549 234,982 Debt 92,000 92,000 Fire Total 909,164 937,771 Library Personnel 673,626 708,430 Nonpersonnel 137,678 138,680 Library Total 811,304 847,110 Personnel Nonpersonnel 0 0 Personnel Total 0 0 Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 <td></td> <td>Nonpersonnel</td> <td>19,455</td> <td>19,455</td>		Nonpersonnel	19,455	19,455
Nonpersonnel 0 0 Development Services Total 0 0 Elected and Appointed Personnel 42,969 44,124 Nonpersonnel 336,126 291,126 Elected and Appointed Total 379,095 335,250 Fire Personnel 583,615 610,789 Nonpersonnel 233,549 234,982 Debt 92,000 92,000 Fire Total 909,164 937,771 Library Personnel 673,626 708,430 Nonpersonnel 137,678 138,680 Library Total 811,304 847,110 Personnel Nonpersonnel 0 0 Personnel Total 0 0 Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Work	Community Services Total		256,561	271,838
Nonpersonnel 0 0 Development Services Total 0 0 Elected and Appointed Personnel 42,969 44,124 Nonpersonnel 336,126 291,126 Elected and Appointed Total 379,095 335,250 Fire Personnel 583,615 610,789 Nonpersonnel 233,549 234,982 Debt 92,000 92,000 Fire Total 909,164 937,771 Library Personnel 673,626 708,430 Nonpersonnel 137,678 138,680 Library Total 811,304 847,110 Personnel Nonpersonnel 0 0 Personnel Total 0 0 Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Work				
Development Services Total 0 0 Elected and Appointed Personnel 42,969 44,124 Nonpersonnel 336,126 291,126 Elected and Appointed Total 379,095 335,250 Fire Personnel 583,615 610,789 Nonpersonnel 233,549 234,982 Debt 92,000 92,000 Fire Total 909,164 937,771 Library Personnel 673,626 708,430 Nonpersonnel 137,678 138,680 Library Total 811,304 847,110 Personnel Nonpersonnel 0 0 Personnel Total 0 0 Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336	Development Services	Personnel	0	0
Elected and Appointed Personnel 42,969 44,124 Nonpersonnel 336,126 291,126 Elected and Appointed Total 379,095 335,250 Fire		Nonpersonnel	0	0
Nonpersonnel 336,126 291,126 Elected and Appointed Total 379,095 335,250 Fire Personnel 583,615 610,789 Nonpersonnel 233,549 234,982 Debt 92,000 92,000 Fire Total 909,164 937,771 Library Personnel 673,626 708,430 Nonpersonnel 137,678 138,680 Library Total 811,304 847,110 Personnel 0 0 Personnel Total 0 0 Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336	Development Services Total		0	0
Elected and Appointed Total 379,095 335,250 Fire Personnel 583,615 610,789 Nonpersonnel 233,549 234,982 Debt 92,000 92,000 Fire Total 909,164 937,771 Library Personnel 673,626 708,430 Nonpersonnel 137,678 138,680 Library Total 811,304 847,110 Personnel 0 0 Personnel Total 0 0 Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336	Elected and Appointed	Personnel	42,969	44,124
Fire Personnel 583,615 610,789 Nonpersonnel 233,549 234,982 Debt 92,000 92,000 Fire Total 909,164 937,771 Library Personnel 673,626 708,430 Nonpersonnel 137,678 138,680 Library Total 811,304 847,110 Personnel Nonpersonnel 0 0 Personnel Total 0 0 Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336		Nonpersonnel	336,126	291,126
Nonpersonnel 233,549 234,982 Debt 92,000 92,000 Fire Total 909,164 937,771 Library Personnel 673,626 708,430 Nonpersonnel 137,678 138,680 Library Total 811,304 847,110 Personnel 0 0 Personnel Total 0 0 Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336	Elected and Appointed Total		379,095	335,250
Debt 92,000 92,000 Fire Total 909,164 937,771 Library Personnel 673,626 708,430 Nonpersonnel 137,678 138,680 Library Total 811,304 847,110 Personnel Nonpersonnel 0 0 Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336	Fire	Personnel	583,615	610,789
Fire Total 909,164 937,771 Library Personnel 673,626 708,430 Nonpersonnel 137,678 138,680 Library Total 811,304 847,110 Personnel Nonpersonnel 0 0 Personnel Total 0 0 0 Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336		Nonpersonnel	233,549	234,982
Library Personnel 673,626 708,430 Nonpersonnel 137,678 138,680 Library Total 811,304 847,110 Personnel 0 0 Personnel Total 0 0 Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336		Debt	92,000	92,000
Nonpersonnel 137,678 138,680 Library Total 811,304 847,110 Personnel 0 0 Personnel Total 0 0 Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336	Fire Total		909,164	937,771
Library Total 811,304 847,110 Personnel Nonpersonnel 0 0 Personnel Total 0 0 0 Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336	Library	Personnel	673,626	708,430
Personnel Nonpersonnel 0 0 Personnel Total 0 0 Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336		Nonpersonnel	137,678	138,680
Personnel Total 0 0 Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336	Library Total		811,304	847,110
Police Personnel 3,208,484 3,421,315 Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336	Personnel	Nonpersonnel	0	0
Nonpersonnel 408,053 436,838 Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336	Personnel Total		0	0
Police Total 3,616,537 3,858,153 Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336	Police	Personnel	3,208,484	3,421,315
Public Works Personnel 186,365 201,366 Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336		Nonpersonnel	408,053	436,838
Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336	Police Total		3,616,537	3,858,153
Nonpersonnel 170,900 174,970 Public Works Total 357,265 376,336	Public Works	Personnel		
Public Works Total 357,265 376,336		Nonpersonnel		·
	Public Works Total	·		



How does the increase in UUT compare to the increase in Public Safety?

The total UUT collected for Fiscal Year 2007-2008 serves as the "base year" for UUT revenues and Public Safety expenditures. In Fiscal Year 2007-2008, the City collected \$1,167,061 in UUT revenues; in that same year the City spent \$3,035,002 on Public Safety. In Fiscal Year 2012-2013 the City collected \$2,522,994 in UUT revenues — an increase of \$1,355,933 from Fiscal Year 2007-2008. The Public Safety expenditures for Fiscal Year 2012-2013 were \$4,780,286 — an increase of \$1,745,284. Therefore, the City spent all the increased UUT revenues on Public Safety, plus an additional \$389,351 of General Fund revenues. Each year, the independent UUT Oversight Committee has verified that the increases in Public Safety were equal to or greater than the increase in UUT revenues.

How is the public assured that City funds are spent appropriately?

The City of Sierra Madre completes an annual audit of its financial records. The annual audit is conducted by an independent, professional CPA firm. Annually, the audit firm prepares an "Independent Auditor's Report". The City's audits are available on the City's website http://www.cityofsierramadre.com/financial-reports. Additionally, the audit is made available to the UUT Oversight Committee. Regarding the expenditure of UUT funds, each of the UUT Oversight Committees since 2008 have concurred that the voter's intent was adhered to with respect to the City's use of the UUT increase for public safety purposes. These reports are available at City Hall and online for public viewing.

What is the difference between Unrestricted and Restricted funds?

The UUT tax is General Fund revenue. Unrestricted funds (also called General Funds) are the only funds that the City Council has complete authority to allocate for any governmental service or program the City provides. Unrestricted funds are used to pay for general city services such as public safety services (including the salaries of Police Officers), library services, and recreational services. By contrast, restricted funds are designated to pay for specific city services or projects and cannot be used for any other purpose. For example Water enterprise funds must be used for the Water Department and

cannot be used to pay for Library staff salaries, and grant funds can only be used to pay for the specific projects approved by the granting agency.

A water and sewer rate increase was recently approved, won't that help the City General Fund?

No, because water and sewer funds can only be used for Water and Sewer related purposes, and cannot be used to fund general City services, such as police, paramedics, library or recreation services. Additionally, If Measure UUT is approved by the voters, the UUT rates for water and sewer will be lower (*Measure UUT* allows for a maximum collection rate on water and sewer of 7% on July 1, 2014, and to 6% on July 1, 2015) so as maintain the same approximate level of revenue collection prior to the water and sewer rate increases.

Questions?

If you have any questions, or would like additional information, please contact the Administrative Services Department at (626) 355-7135, or visit the City's website at www.cityofsierramadre.com.