

VOTER'S PAMPHLET

MEASURES, ANALYSES AND ARGUMENTS

(whichever is applicable to your ballot)

Arguments in support of, or in opposition to, the proposed laws are the opinions of the authors.

E Shall the City of Watsonville repeal Subdivision (b)(2) of Section 1122 of Article XI of the Charter of the City of Watsonville requiring a property tax to be collected for the purpose of paying the City's obligations to the public employees' retirement?

FULL TEXT OF BALLOT MEASURE E

PROPOSED AMENDMENTS TO THE CHARTER OF THE CITY OF WATSONVILLE SPECIAL MUNICIPAL CHARTER AMENDMENT ELECTION JUNE 6, 2006

The Council of the City of Watsonville hereby submits to the registered and qualified electors of the City for their adoption or rejection, the following proposals to amend the Charter of the City of Watsonville:

"Subdivision (b)(2) of Section 1122 of Article XI of the Charter of the City of Watsonville is hereby repealed."

IMPARTIAL ANALYSIS BY CITY ATTORNEY MEASURE E

On August 14, 1948, the Board of Aldermen adopted an ordinance setting an election that, among other things, asked Watsonville voters whether the City Charter should be amended to allow the Board of Aldermen to establish a retirement system for City employees.

On January 10, 1949, Watsonville voters voted to change the City Charter by setting up a City employee retirement system.

On September 6, 1949, the Board of Aldermen, pursuant to the January 10, 1949, Charter amendment levied its first retirement tax. They directed that retirement tax proceeds would be deposited into the City's General Fund. Beginning July 1, 1950, the Board of Aldermen annually levied a real estate property tax. This continued until the voters adopted a new Charter in February 1960.

Watsonville voters adopted a new Charter by election on February 16, 1960. Section 1006 of the 1960 Charter renewed and required the City's participation in the State Employees' Retirement System and prohibited the City from ending the City retirement system without voter approval. Subdivision (b) of Section 1122 of the 1960 Charter again required that the City annually levy and collect a real estate property tax adequate to pay the City's obligations to the City employee retirement system for that year. Beginning July 1, 1960, the City Council has annually levied a real estate property tax. The retirement provisions in the 1960 Charter have remained the same since 1960.

The money received from the retirement tax is collected and placed into the City's general bank account called the General Fund. The City then pays the City employees' retirement obligations for that year.

This measure, if approved by more than 50% of those voting on it, would repeal subdivision (b) of Section 1122 of the 1960 Charter and prohibit the City from collecting a retirement tax on real estate inside the City to pay the retirement obligation. No real estate property tax would be collected to pay the City's retirement obligations. Instead, the City would pay its retirement obligations from general operating funds. This would reduce the amount of money available to pay for general government services, dollar for dollar. Because no replacement for the retirement tax is proposed, the City would have to find a way to increase revenues or reduce expenses to the General Fund, dollar for dollar to balance the City budget. The common revenue sources are taxes and fees. The expenses to the General Fund are primarily the personnel of the various City departments which in alphabetical order are: City Attorney, City Clerk, City Manager, Community Development (Building and Planning), Fire Department, Finance Department, Library, Parks and Recreation, Personnel, Police and Public Works.

s/ Alan J. Smith
City Attorney

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ARGUMENT IN FAVOR OF MEASURE E

(Repeal of Pension Property Tax)

Measure E is about more than just pensions. It's about fairness as well. Any resident who wants to build up a pension has to follow a plan to do it. Part of their paycheck is deducted and placed in a retirement investment with the employer also contributing an equal amount.

Watsonville City employees get to bypass this. The City pays for the amount that is supposed to come from the employee's paycheck. Where does the City get the money to pay for this? From homeowners and retirees, that's who!

This means that city residents have to pay for two pensions, one for themselves and one for the city employees. Should the city's employees pay their fair share? Yes, of course they should...just like we do.

There is not a single city in Santa Cruz or Monterey County that charges its residents for such a tax. In fact, the City repeatedly increased this tax without ever getting voter approval as the law requires. This is your chance to reclaim the vote of the people.

Retirement plans for government employees are supposed to be paid for through a City's General Fund and that is how it should be done. Passing this measure will return the City to a fair and even-handed method of paying these costs.

By voting YES, you will save all that money to use for your children's education and pay for your own retirement. This amount of money will be saved every single year and, for the first time, will remain right here in our own community.

Support fairness and save for your own retirement, Vote YES on E.

s/ Jan Kowalkowski
Circulator of Petition

s/ Ann M. Soldo
Former Mayor of Watsonville

s/ O'Brien Riordan
Educator

s/ Margaret Ann Cordoza
Circulator of Petition

s/ Steve Vargas
Concerned Parent

ARGUMENT AGAINST MEASURE E

SAVE OUR CITY – VOTE NO ON E. Watsonville residents can't afford to lose essential services. No cuts to public safety programs like paramedics, firefighters, and police. No cuts to neighborhood traffic control and to street maintenance. No cuts to recreation programs and City facilities that benefit all of us – from kids to seniors.

FACT: Measure E would take away 10% of the City's General Fund – \$3.5 million. The General Fund pays for essential programs like public safety, street maintenance, parks and recreation, and community services. City residents can't afford to lose these services.

FACT: The property tax is legitimate. It was first approved by voters and made part of the City's Charter in 1949. The property tax has been a basic part of the City's Finances for over 50 years.

FACT: City finances are well managed. Watsonville has won fiscal management awards for over a decade.

FACT: The City is lean and efficient. It provides a wide range of services at almost half the cost per capita than surrounding communities.

FACT: If Measure E passes, valuable City services will be reduced or eliminated entirely since the retirement obligation is contractual and the City will still have to fund it. The following will be affected:

- Senior Center
- Paramedic/Fire Response
- Police Response
- Elimination of police officers
- Reduction of firefighters
- Closure of Fire Station
- Youth and Adult Recreation Programs
- Pothole and street repair
- Closure of Recreation Centers
- Gang-prevention
- Meals on Wheels and other social services

Preserving these services is essential to the safety and future of our City.

Surrounding cities have closed libraries, cut recreation and reduced Police and Fire. They now face much greater problems, including huge gang related violence. Let's work to avoid the same tragedy in our community.

SAVE OUR CITY! **VOTE NO ON MEASURE E**

Watsonville United
s/ William L. Neighbors, Co-Chair
s/ Tila Guerrero, Co-Chair

s/ Tony Campos
4th District County Supervisor

s/ Terry Medina
Watsonville Police Chief

s/ Rhea DeHart
Retired Educator