

November 2, 2004 General Election

Total Yes Votes: 921 63.7%

Total No Votes: 524 36.3%

CITY OF FARMERSVILLE

(required to pass: majority of votes cast)

Measure U

City of Farmersville Revenue Measure Part 1. Shall Farmersville voters enact a one-half cent sales tax with independent annual audits, to partially ensure essential government functions, including police, fire and other general fund service will continue in the future, providing a supplement to existing general fund revenues?

IMPARTIAL ANALYSIS BY CITY ATTORNEY MEASURE U

The City of Farmersville Revenue Measure, Part 1, approves a one-half cent increase to the Transactions and Use Tax ("sales tax") within the City of Farmersville. The increase will result in local sales tax being raised from 7.25% to 7.75%. The tax would be collected at the same time and in the same manner as existing sales taxes.

The revenues from the increased sales tax are not designated for any specific purpose, and may be used for general City functions, such as police protection, fire services, and street and park maintenance and repairs. If approved by the voters, the sales tax will be adopted by ordinance to become effective no sooner than January 1, 2005.

The sales tax increase is expected to generate approximately \$175,000 per year, which would assist the City with replacing general fund revenues lost in previous years due, in part, to significant State-level funding cuts to local government.

If the Farmersville Revenue Measure, Part 1, is defeated, the City would be required to decrease general fund expenses for the 2004-2005 fiscal year in the anticipated amount of \$43,700, and following years, in the anticipated amount of \$175,000 annually. These reductions would adversely impact City programs including police, fire

and park maintenance; and may result in the elimination of approximately 3 police officer positions within the City.

A “Yes” vote on the Farmersville Revenue Measure, Part 1, will approve an increase in the local sales tax from its current rate of 7.25% to 7.75%. A “No” vote will maintain the City’s current 7.25% sales tax rate.

Michael L. Farley
City Attorney

The above statement is an impartial analysis of the Farmersville Revenue Measure, Part 1. If you desire a copy of the Measure, please call the City Clerk’s Office at: (559) 747-0458 and a copy will be mailed at no cost to you.

ARGUMENT IN FAVOR OF MEASURE U

The existing Transactions and Use Tax (“sales tax”) on taxable goods purchased within the City of Farmersville is 7.25%. A large portion of sales tax collected within Farmersville is allocated to the State of California. Of the 7.25% in sales tax collected, a small portion (3/4 of 1%) of local sales tax revenue returns to the City to be used towards the total cost of police, fire, parks, street repairs, and other vital services for its citizens.

To balance its own budget, California has recently required local governments to contribute more of their sales tax and other sources of revenue to the State; leaving less to fund vital City services. Having already cut non-essential services, Farmersville must either find additional revenue sources, or decrease police, fire and other essential general fund services to its citizens.

Because the passage of this measure is essential to maintaining necessary levels of essential services for the City of Farmersville, we strongly encourage you to vote YES on Farmersville Revenue

Measure U, Part 1. The following are some important points to consider:

- Approving Farmersville Revenue Measure U, Part 1, will increase local sales tax by only one-half of a cent on each dollar of sales taxable.
- A large portion of the funds raised by this measure would come from individuals who reside **outside** the City.
- The increased sales tax would not require businesses located within the City of Farmersville to increase prices.
- Adequate police and fire protection within the City enhances our community and increases property values.
- Without additional funds from this measure, Farmersville will be required to cut essential services; including the possible elimination of at least 3 police positions.

To preserve the quality of life which makes Farmersville a great place to live, we urge you to VOTE YES ON FARMERSVILLE REVENUE MEASURE U, PART 1.

s/ Eric C. Swansen
City Manager

NO ARGUMENT AGAINST THIS MEASURE WAS SUBMITTED