November 2, 2004 General Election

Total Yes Votes: 744 51.6% Total No Votes: 698 48.4%

CITY OF FARMERSVILLE

(required to pass: majority of votes cast) **Measure V**

City of Farmersville Revenue Measure Part 2. Shall Farmersville voters enact a 4% utility user's tax with independent 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 V

The City of Farmersville Revenue Measure, Part 2, approves the enactment of a 4.0% utility user tax ("UUT") within the City of Farmersville. The UUT is a new tax upon the use of phone, electric and natural gas services by residents and businesses within the City. Elderly citizens receiving supplemental social security benefits would be exempt from the UUT. In addition, the City is required to undertake an independent annual audit of the UUT.

The Farmersville Revenue Measure, Part 2, limits the amount of the UUT to 4.0%. The City Council can reduce the rate from time-to-time, but can never increase the rate above 4.0% without approval of the electorate.

The revenues from the UUT 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.

The UUT is expected to generate approximately \$223,500 per year to pay for City services, and would assist the City with replacing general

fund revenues lost in previous years due, in part, to significant Statelevel funding cuts to local government.

If the Farmersville Revenue Measure, Part 2, is defeated, the City would be required to decrease general fund expenses for the 2004-2005 fiscal year in the anticipated amount of \$111,750, and following years, in the anticipated amount of \$223,500. These reductions would adversely impact City programs including fire, police, and park maintenance; and may result in the elimination of approximately 4 police officer positions within the City.

A "Yes" vote on the Farmersville Revenue Measure, Part 2, will approve enactment of a 4.0% UUT within the City to replace lost general fund revenues. A "No" vote will prevent the enactment of the UUT.

Michael L. Farley City Attorney

The above statement is an impartial analysis of the Farmersville Revenue Measure, Part 2. 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 V

The City of Farmersville is currently one of only two cities in Tulare County that does not have a Utility User Tax. The only other city is Visalia, which has a much greater sales tax base than any other city in Tulare County. For all the other cities in Tulare County, the Utility User Tax has become a stable source of revenues to fund the vital services the community uses everyday, including police, fire, streets, and other services.

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 growing population of the City of Farmersville, we strongly encourage you to vote YES on Farmersville Revenue Measure V, Part 2. The following are some important points to consider:

- Approving Farmersville Revenue Measure V, Part 2, will impose a 4% tax on electricity, telephone, and natural gas costs to provide essential services to the community – services we all need like police, fire, streets and other services.
- Senior Citizen Residents 62 (or older) who are receiving supplemental social security benefits are eligible for an exemption from the tax.
- 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 4 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 V, PART 2.

s/ Eric C. Swansen City Manager

NO ARGUMENT AGAINST THIS MEASURE WAS SUBMITTED