Results of Community Poll and Next Steps Toward Consideration of Sales Tax Ballot Measure

Atascadero City Council

Date April 22, 2014

History of Road Funding

- Roads Programs
- Comprehensive Financial Strategies
- Strategic Planning
- Current
  - Budget
  - Chamber Request
  - Strategic Planning
  - February Roads Report

Why Roads?

- **Road Total = 169 miles**

  (Equal to Atascadero to LAX as crow flies!)

- **City Maintained = 139 miles**
  - Arterial & Collector Roads = 62 miles
  - Local Roads = 77 miles

- **Non-City Maintained = 30 miles**

What's Needed??

"**Good**" = Seal Coat

"**Fair**" = Crack Fill + Micro-surface

"**Poor**" = Fabric + Overlay

"**Failed**" = Reconstruction

Pavement Maintenance Costs

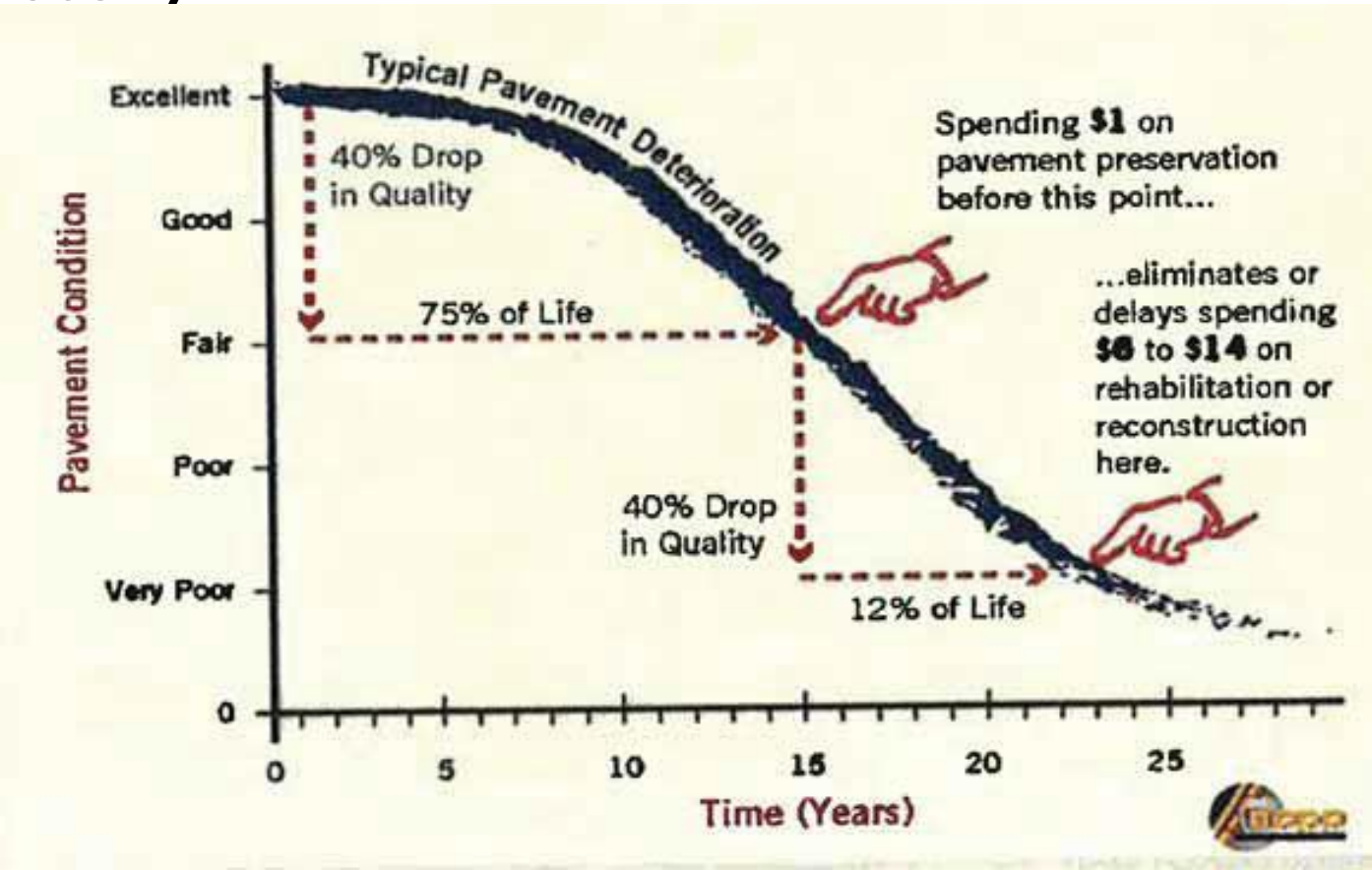
- Micro-Surface: $ 0.45/sf
  (El Camino Real 2013)
- Cape Seal (Chip-seal with top coat): $ 1.75/sf
  (San Andres Ave 2011, Templeton 2012)
- Thin Overlay: $ 4.10/sf
  (San Fernando Road 2013)
- Heavy Overlay: $ 7.50/sf
  (Santa Rosa Road 2012)
- Reconstruction: $ 12.00/sf

What Would it Cost? (All Roads)

- Micro-Surface
  - $ 8,500,000 ($1.4M/yr every 6-years)
- Cape Seal
  - $33,000,000 ($4.1M/yr every 8-years)
- Thin Overlay
  - $77,000,000 ($5.1M/yr every 15-years)
- Heavy Overlay / Partial Reconstruct
  - $246,000,000 ($8.2M/yr every 30-years)

Roads

- History
  -
  -



Sales Tax

SLO COUNTY	CURRENT SALES TAX
Arroyo Grande	8%
Atascadero	7.5%
Grover Beach	8%
Morro Bay	8%
Paso Robles	8%
Pismo Beach	8%
San Luis Obispo	8%

Tax Measure

- 1/2 Cent Sales Tax Measure
- Equivalent to $5 per $1,000 in taxable sales
- $1.7 million - $2.0 million annually

City of Atascadero

Voter Survey About A Possible Sales Tax Measure

JD Franz Research, Inc.

Jennifer D. Franz, Ph.D.

INTRODUCTION

- Telephone survey of 402 high-propensity voters that was commissioned by the City of Atascadero and conducted by JD Franz Research of Sacramento
- Sample size of 433 when data are weighted
- Interviews conducted between March 13 and March 19, 2014
- Primary purpose was to determine the extent to which those most likely to vote would support a proposed increase in the Atascadero sales tax rate

SURVEY METHODS

Instrument Design

- Survey instrument designed by the President of JD Franz Research in consultation with the City Council, the City Manager, and other key City staff
- After multiple revisions, pretest conducted among a random sample of respondents selected in the same manner as the survey sample would be selected
- No changes indicated by pretest

Sample Selection

- Survey sample acquired from Statewide Information Systems in Sacramento, a long-established provider
- Sample included all registered Atascadero voters who had voted in at least four of the past six elections

Data Collection

- Interviewing conducted from the centralized, CATI-equipped, and fully monitored facility at Davis Research in Calabasas
- Calling only during the evening hours and on weekends
- Up to four attempts to reach each potential respondent

Interviewing Results

- With 402 completed interviews, the margin of error for the survey at the 95 percent confidence level is ± 4.9 percent
- If 433 interviews are used, the margin of error is ± 4.7 percent
- The cooperation rate for the survey was 62 percent

Data Coding, Tabulation, and Analysis

- Coding of closed-ended questions was accomplished by the interviewers
- Coding of the open-ended questions was undertaken by a senior researcher, who developed and applied codebooks for each question
- Weights applied for gender and age, which are strongly related to the key survey question and which were noticeably different from population parameters
- Data tabulated and analyzed in SPSS

FINDINGS

RATINGS OF THE QUALITY OF LIFE IN ATASCADERO

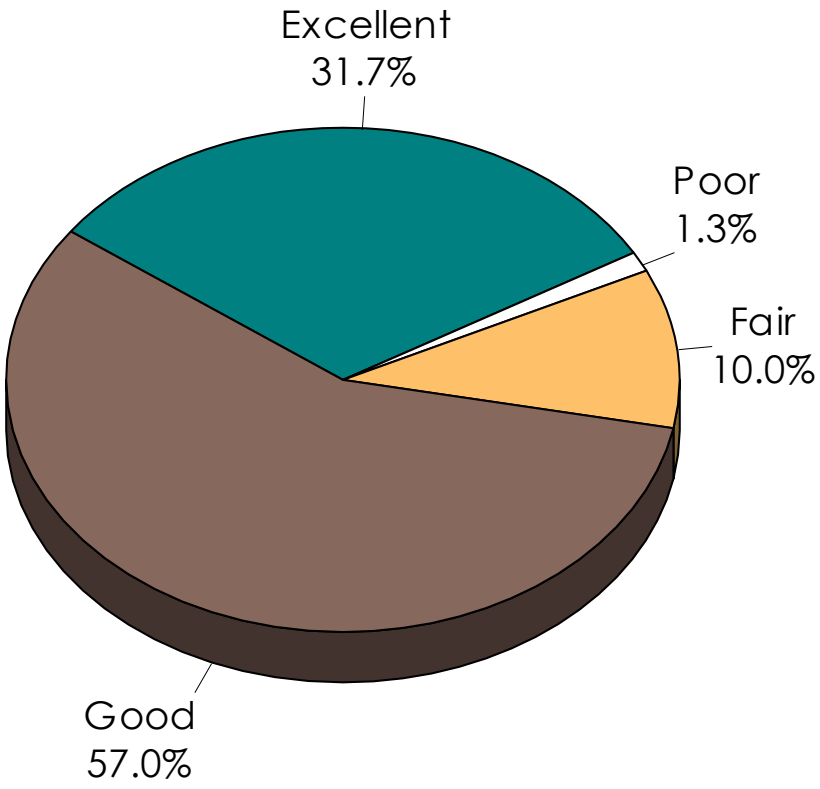


Figure 1

CHANGES IN THE QUALITY OF LIFE OVER THE PAST YEAR

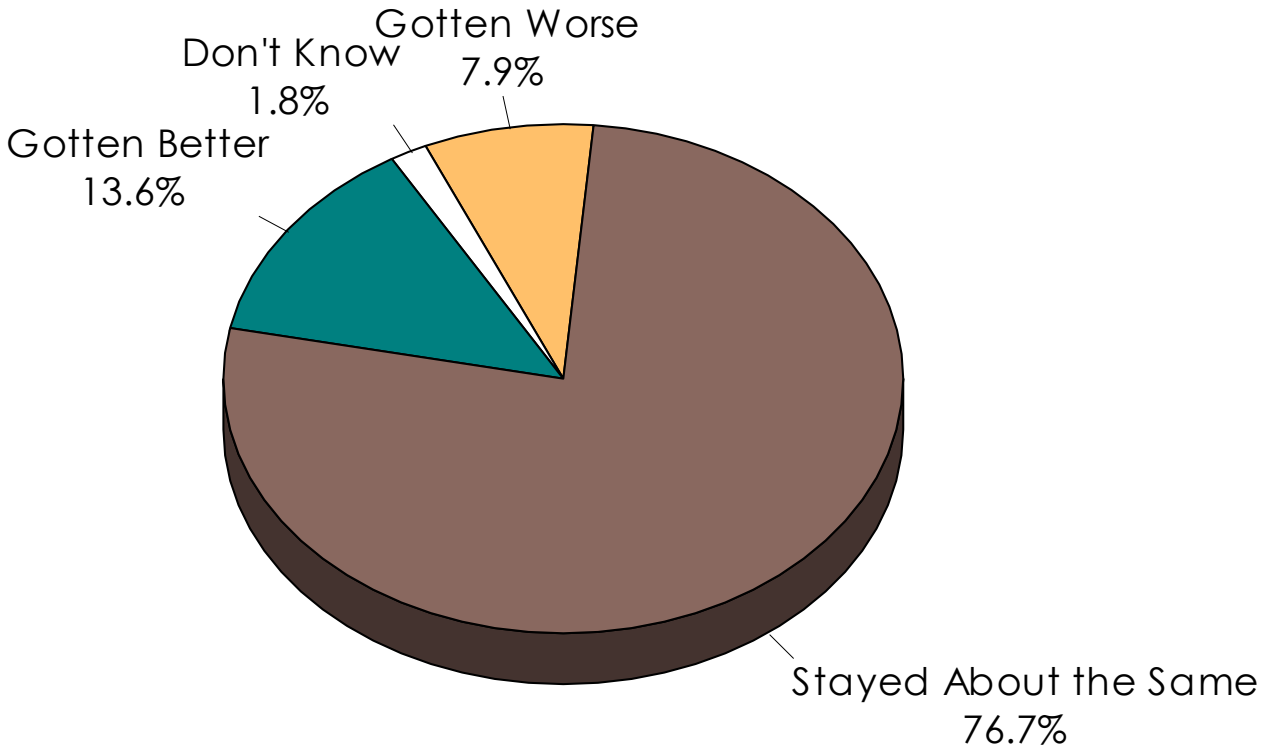


Figure 2

RATINGS OF THE JOB THE CITY DOES IN MANAGING CITY AFFAIRS AND SERVICES

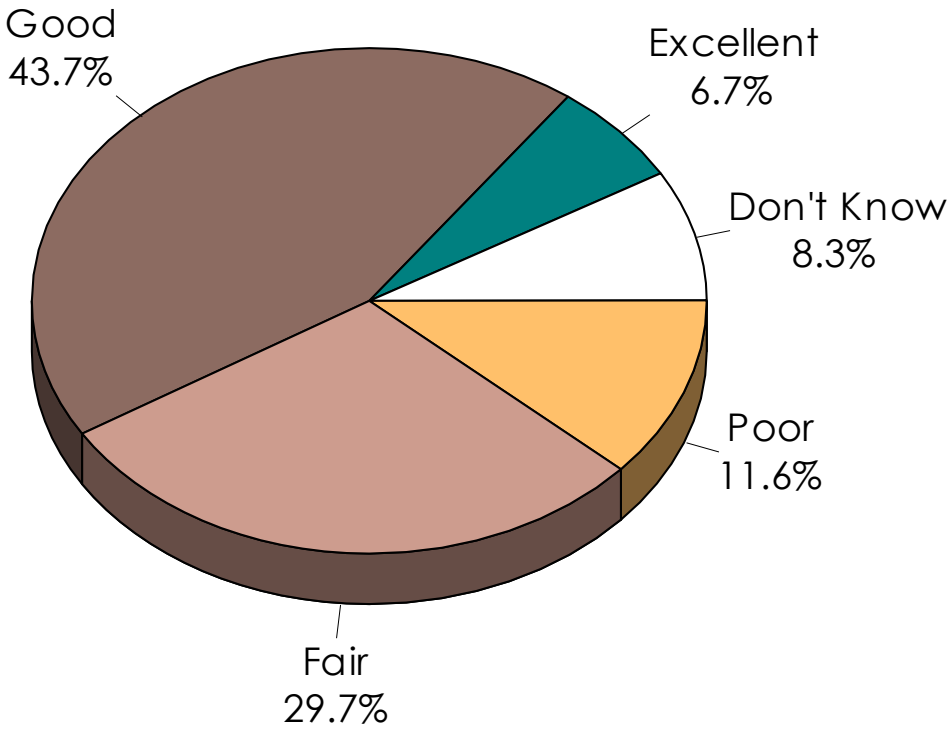


Figure 3

ASSESSMENTS OF THE LEVEL OF CITY TAXES AND FEES

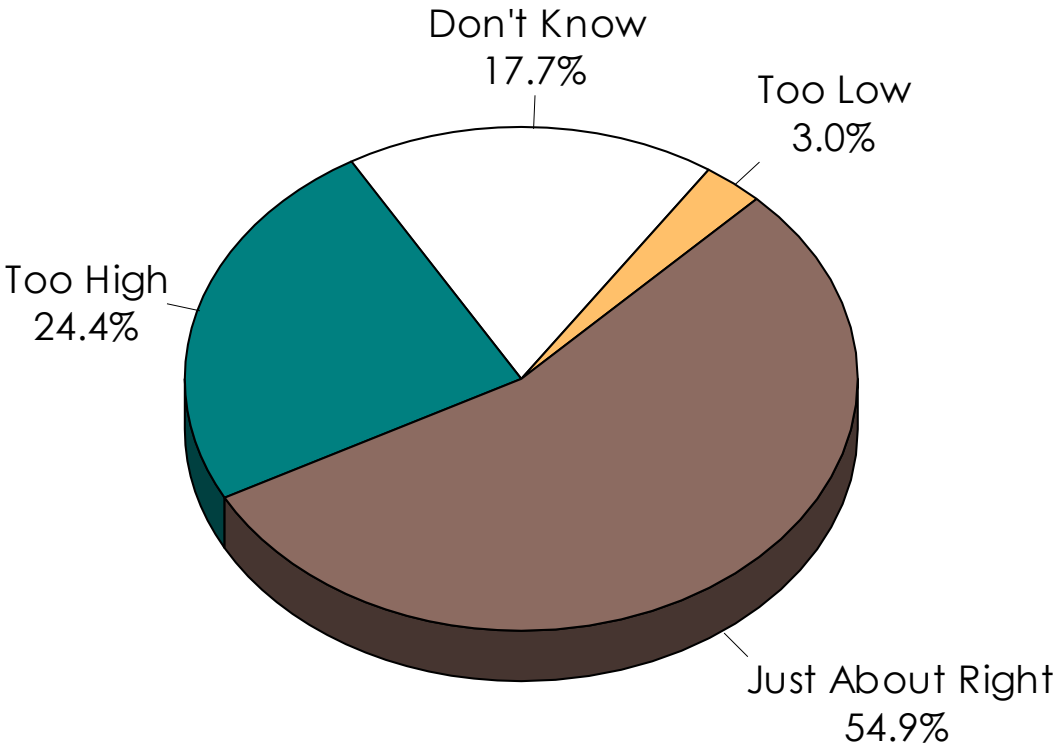


Figure 4

UNDERSTANDING OF THE SALES TAX RATE IN ATASCADERO

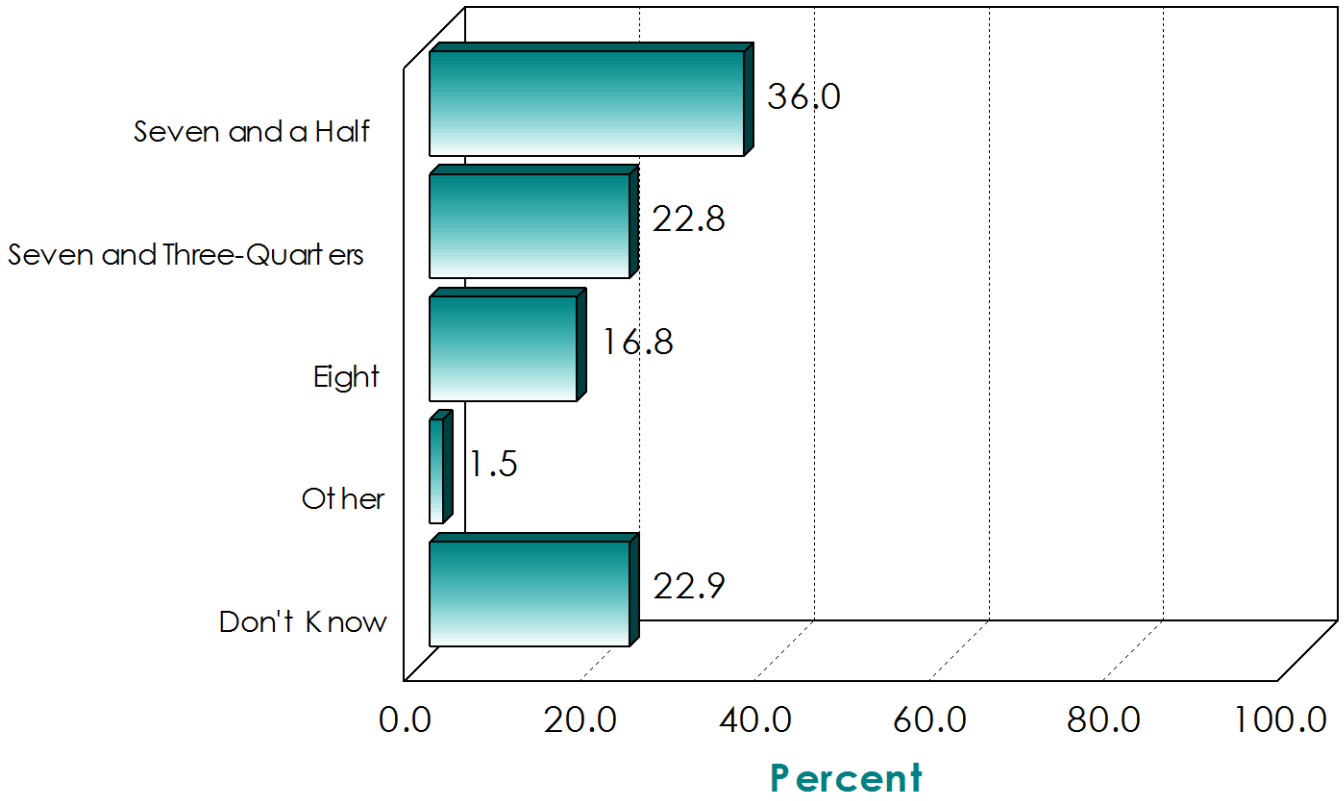


Figure 5

AWARENESS THAT THE SALES TAX RATE IN ATASCADERO IS LOWER THAN THE RATE IN OTHER AREA CITIES

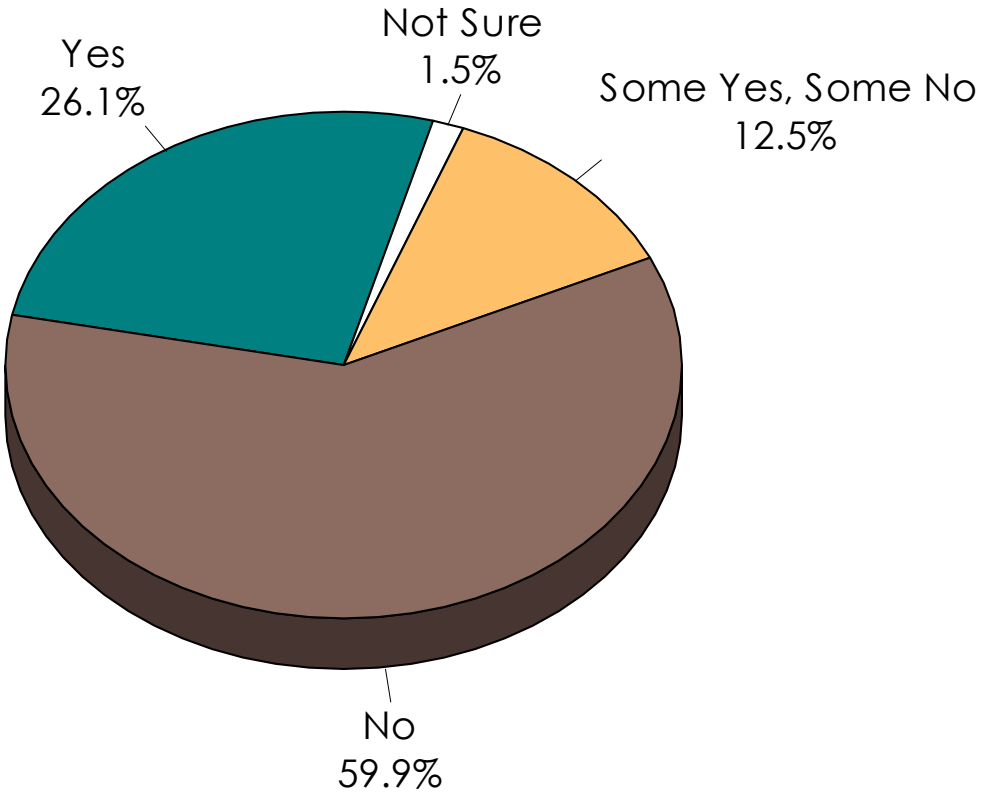


Figure 6

LEVELS OF SUPPORT FOR THE PROPOSED SALES TAX INCREASE

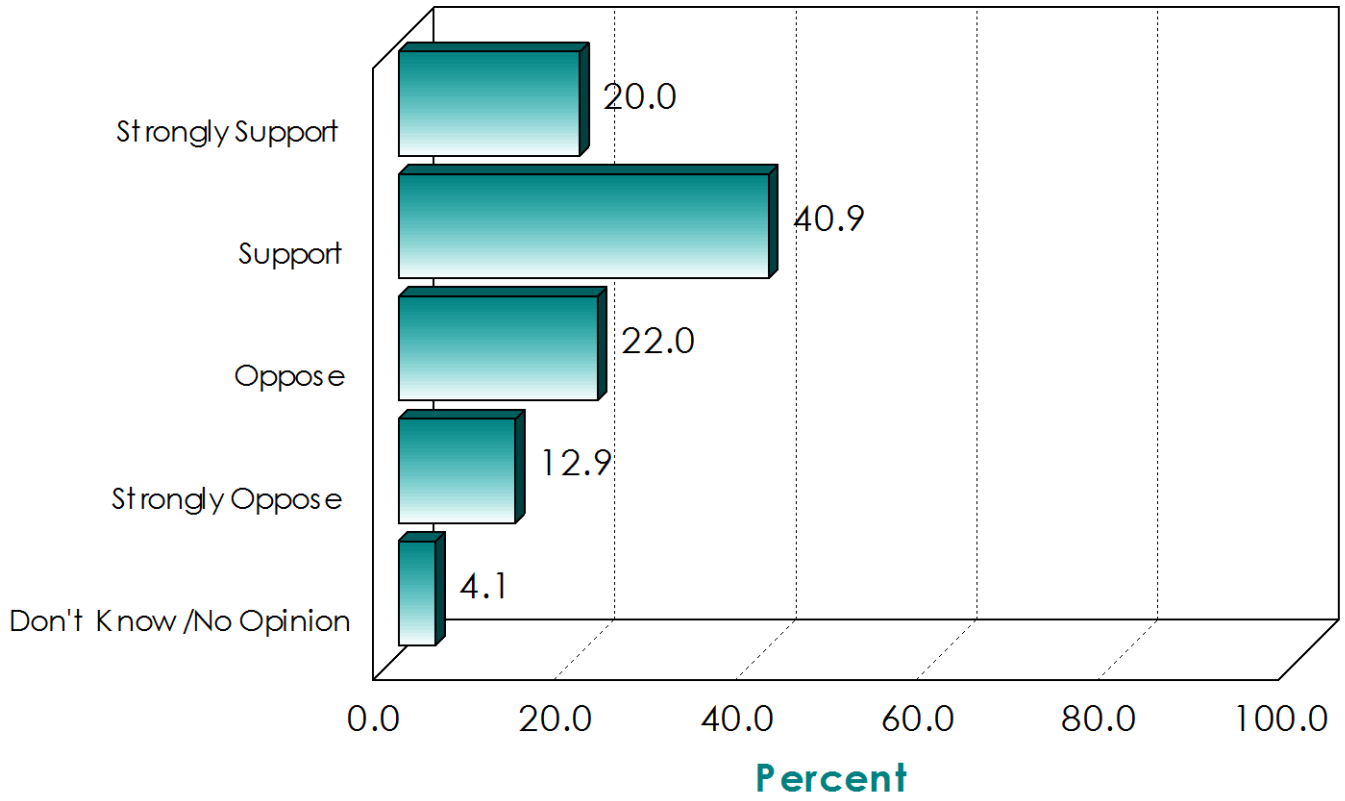


Figure 7

Table 1

REASONS FOR SUPPORTING THE PROPOSAL
Top Six Reasons

	Frequency	Percent
We Need Improvements On Our Streets/I Think Our City Needs Improvements On Our Roads/I Want The Streets Improved/The Roads Are In Need Of Repair	121	45.7
I Understand That It Takes Money To Make Improvements/In Order To Operate A City, You Need To Spend Money/Nothing Comes For Free	40	15.0
We Need To Keep Improving Our Infrastructure	31	11.7
We Need To Maintain Our Infrastructure	28	10.6
There's A Need For Everything You've Mentioned/For The Reasons You Have Mentioned	26	9.9
Compared To Local Cities, We Have Lower Tax Rates/If Every Other City Has This Standard Tax, Why Should Our Tax Rate Be Any Less?	19	7.0

EFFECT OF SELECTED SITUATIONS ON SUPPORT FOR THE PROPOSAL

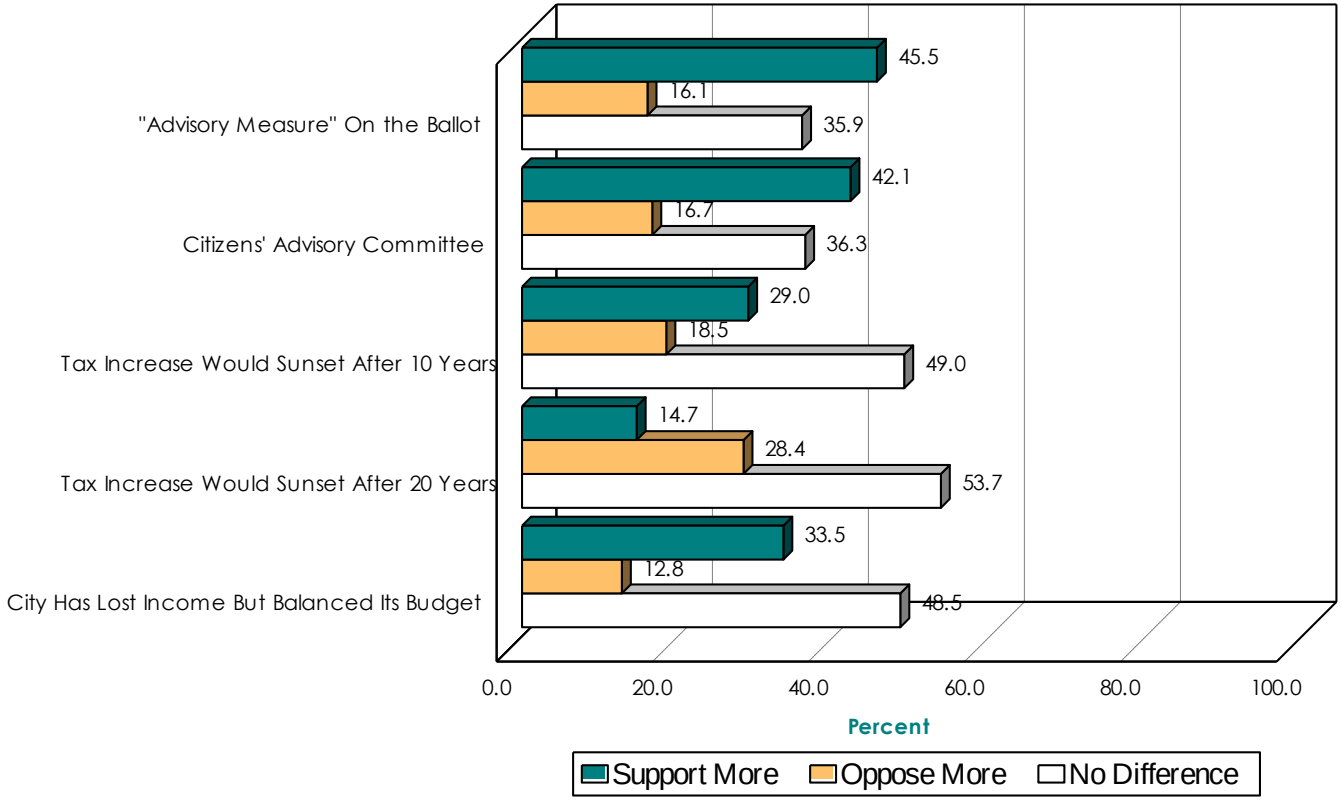


Figure 8

EFFECT OF SELECTED SITUATIONS ON SUPPORT FOR THE PROPOSAL: AMONG OPPONENTS

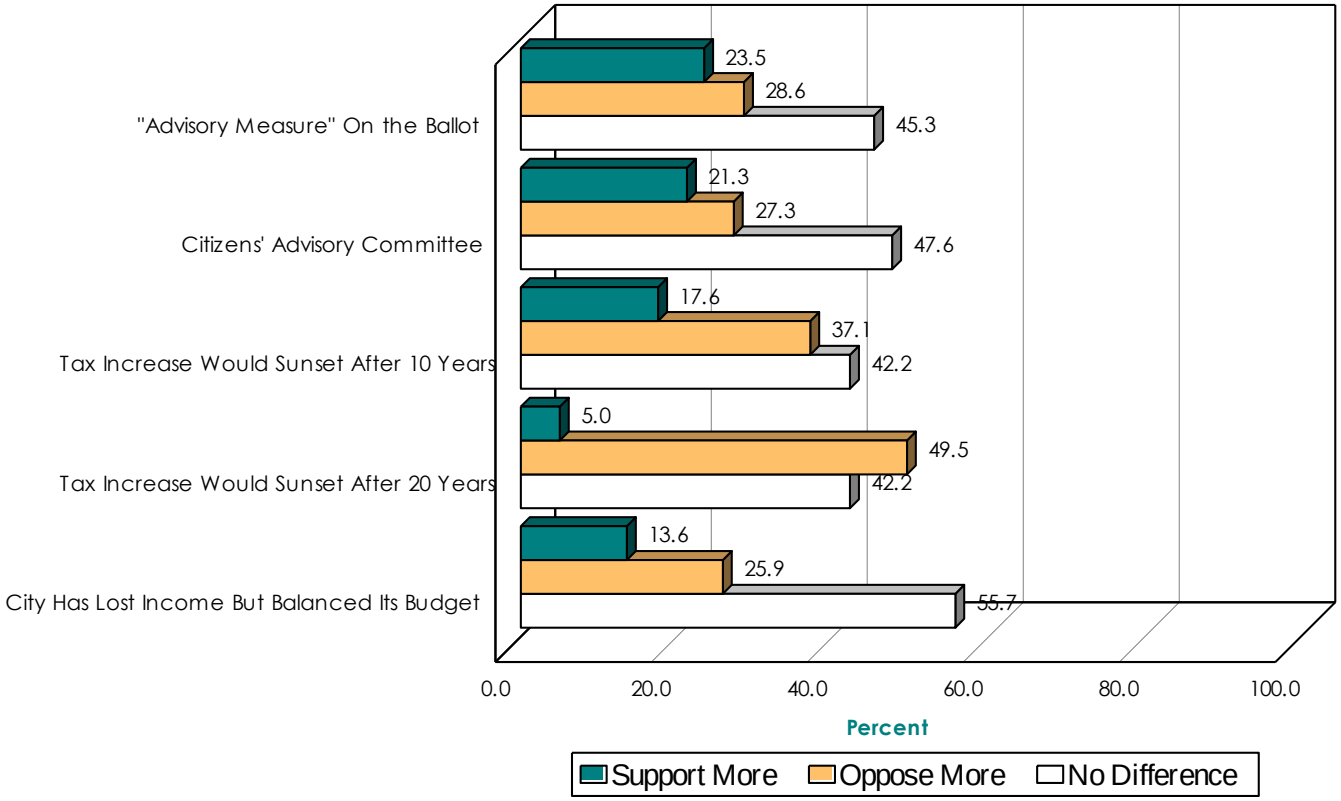


Figure 9

ANTICIPATED EFFECT OF THE ATASCADERO UNIFIED SCHOOL DISTRICT BALLOT MEASURE ON VOTING BEHAVIOR

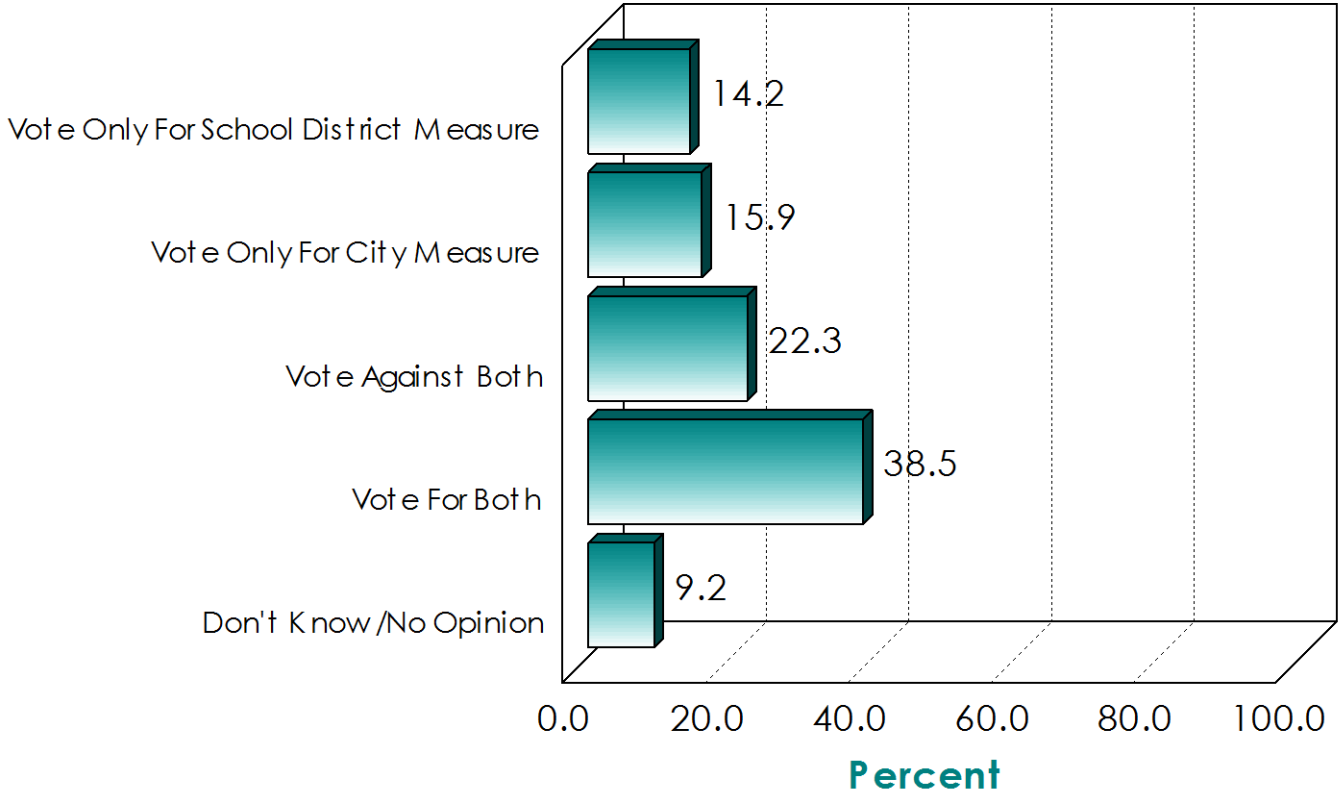


Figure 11

EFFECT OF SELECTED USES OF THE INCREASE ON SUPPORT FOR THE PROPOSAL

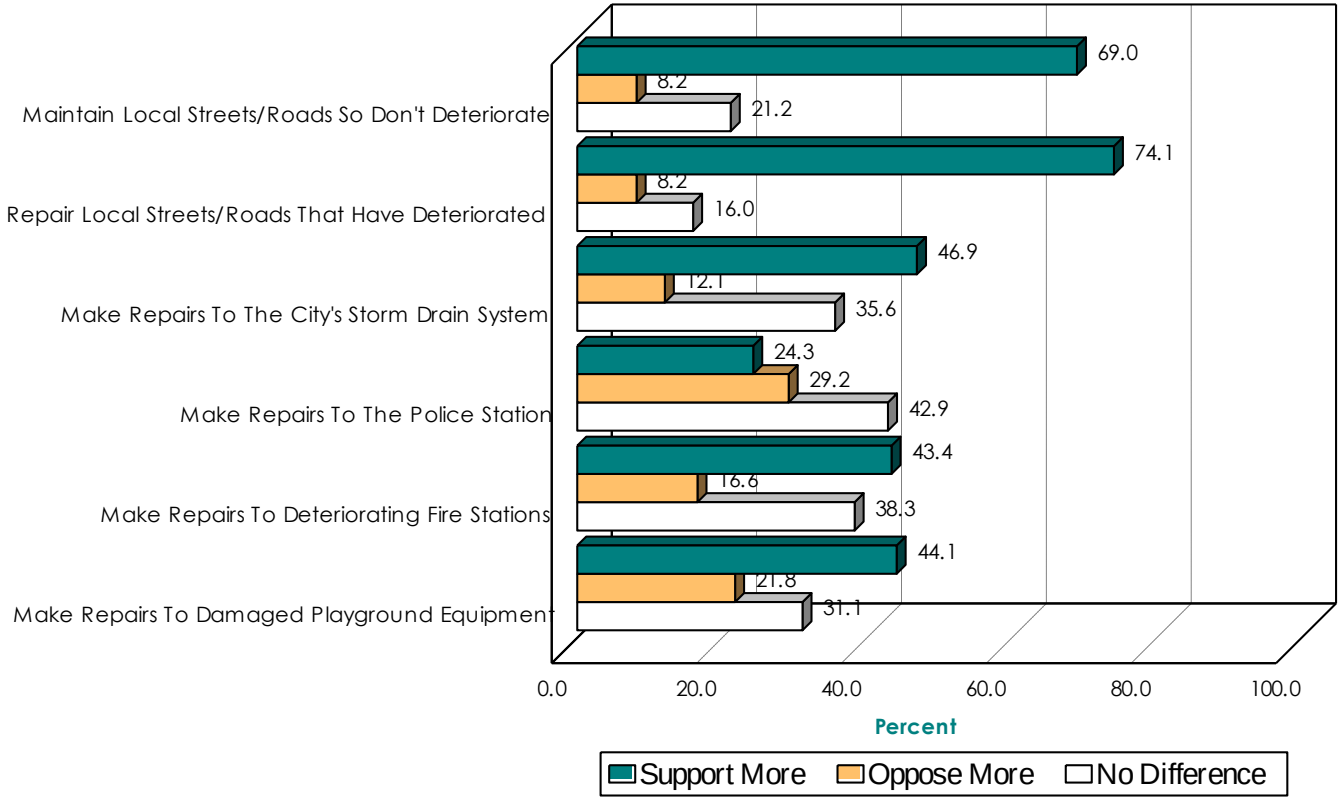


Figure 12

EFFECT OF SELECTED USES OF THE INCREASE ON SUPPORT FOR THE PROPOSAL: AMONG OPPONENTS

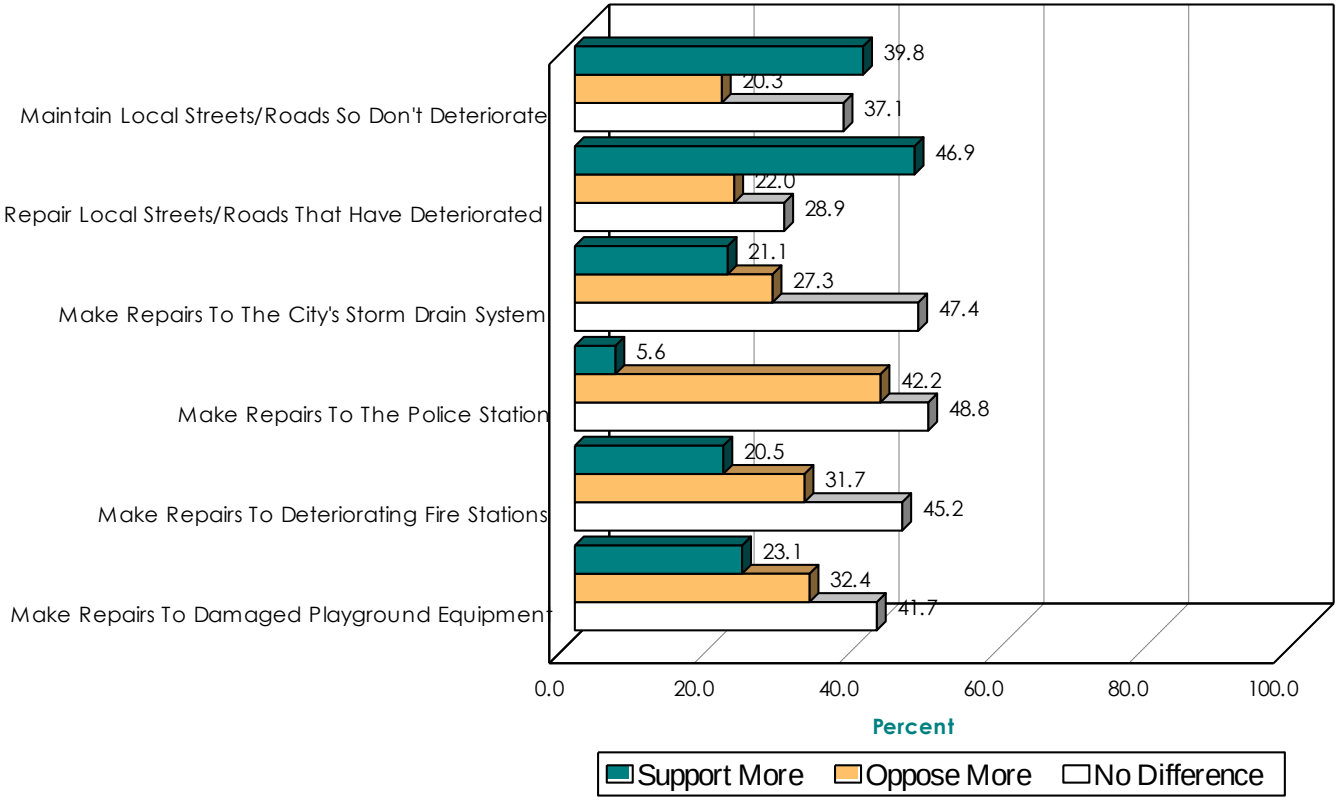


Figure 13

GENDER

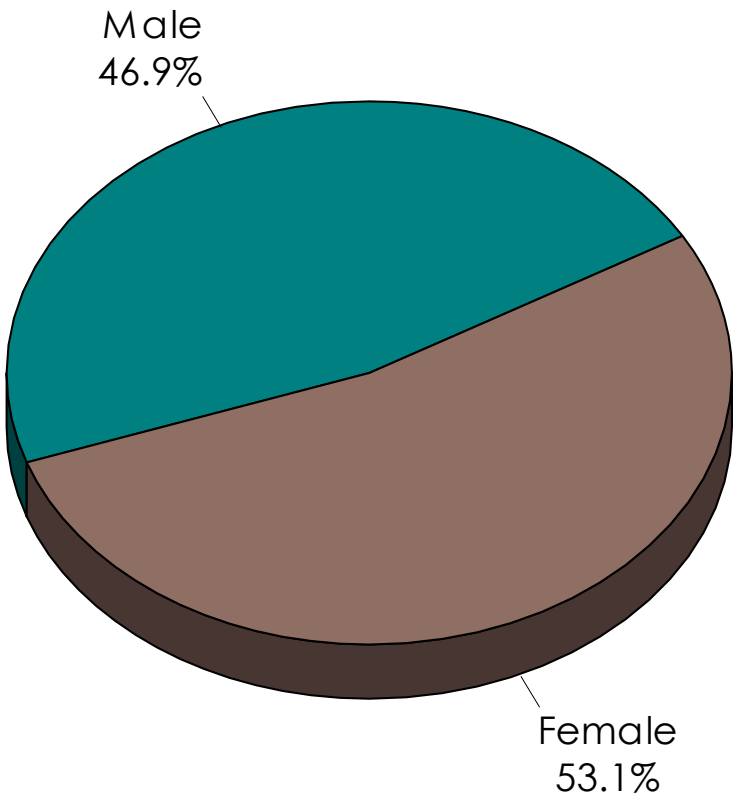


Figure 14

Table 3

LENGTH OF TIME RESPONDENTS HAVE LIVED IN ATASCADERO

	Frequency	Percent
Less Than a Year	6	1.4
1 to 5 Years	45	10.5
6 to 10 Years	60	13.9
11 to 20 Years	121	27.9
21 to 30 Years	93	21.4
31 to 40 Years	54	12.4
More Than 40 Years	48	11.1
Not Sure/Refused	6	1.4

Table 4

EDUCATION

	Frequency	Percent
Less Than High School	8	1.9
High School Graduate	46	10.6
Vocational/Trade Certificate	9	2.0
Some College	100	23.2
Two-Year Degree	58	13.5
Four-Year Degree Or Higher	207	47.7
Refused	5	1.1

Table 5

AGE

	Frequency	Percent
18 to 29	28	6.5
30 to 39	39	8.9
40 to 49	50	11.6
50 to 64	165	38.0
65 or Older	133	30.6
Refused	19	4.3

Table 6

TELEPHONE USE

	Frequency	Percent
Cell Phone Only Or Mostly	151	35.0
Blend Of Cell Phone and Landline	151	34.9
Landline Only Or Mostly	126	29.1
Don't Know/Can't Say	1	.2
Refused	3	.8

Table 7

VOTER REGISTRATION STATUS

	Frequency	Percent
Democrat	150	34.7
Republican	202	46.6
American Independent	6	1.4
Libertarian	2	.4
Green	2	.5
No Party Preference	71	16.4

Table 8

VOTING BEHAVIOR IN THE PAST SIX ELECTIONS

	Frequency	Percent
Voted In Six	249	57.4
Voted In Five	77	17.8
Voted In Four	53	12.2
Primary Voter	55	12.7

CONCLUSIONS AND RECOMMENDATIONS

Ballot Measure Support

- It would appear that the City of Atascadero's proposed sales tax increase is on quite solid footing
- Overall support totals about six in ten (61 percent), well above the needed majority
- Possible caveat is that this level of support represents a smaller group of strong supporters (20 percent) and a larger group of supporters (41 percent)
- Effective opposition might be able to alter the opinions of some members of the latter group

School District Measure

- Another challenge is competing Atascadero Unified School District bond reauthorization measure on the same ballot
- With the dual ballot measure scenario, research shows that only somewhat over half of voters (54 percent) would vote for the City's measure
- Still a majority, but a much less generous one
- Suggests a need to be proactive

Key Messages

- Research also clearly identifies messages that supporters should be able to marshal to attract voters to their cause:
  - Strong support for increased maintenance and repair of local streets and roads
  - Advisory measure identifying these as the primary uses of the additional revenue and citizens' advisory committee to oversee the expenditure of the additional funds appear likely to attract more support
  - Some evidence that an equity or comparability argument about tax rates in Atascadero versus those in other area cities might have an effect

Summary

- Solid level of support for a proposed tax increase absent the school district measure
- Somewhat less commanding lead with the education measure also on the ballot
- Research identifies arguments in support of the City's proposed measure that should be effective in maintaining and increasing support

Next Steps

- Council cannot impose a sales tax.
- Council can place a measure on the ballot to allow voters to decide
- Council is not voting to place a sales tax measure on the ballot tonight.

Next Steps

- Direct staff to come back with proposed ballot measure language for Council to consider in June
- Give staff some direction on the language
- Staff to do community outreach:
  - Public input prior to June consideration
  - Public education and question answering

General vs. Special Sales Tax

- General Sales Tax
  - Requires 50%+ vote to pass
  - Protections can be put in place to ensure funds are used for voter designated purposes
  - Does not legally restricts funds
- Special Sales Tax
  - Requires 2/3+ vote to pass
  - Legally restricts the funds

Advisory Measure

- Clear directive from voters on where money should be spent
- Not legally binding, but clear direction
- Roads or Roads and Other Infrastructure

Citizens Advisory Committee

- Increases assurances that money will spent where voters directed money to be spent
- Check and balance on where money is spent:
  - Budgeting
  - Reporting of where funds are spent

Questions?

Recommendations

- Direct staff to prepare a resolution and ordinance for City Council consideration at the June 24, 2014 meeting to place a ½ cent local sales tax override measure on the November 2014 ballot; and,

- Direct staff to draft the resolution to include establishment of a Citizen's Advisory Committee; and,

Recommendations

- Direct staff to draft the resolution to include an advisory measure with language directing that the funds from the ½ local sales tax override would be used:

  A. Primarily for the purpose of repairing and maintaining the City's roadways

  - OR

  B. Primarily for the purpose of repairing and maintaining the City's roadways, with remaining funds to be used for the repair and maintenance of other City infrastructure such as parks facilities, storm drains and zoo facilities.