

# Election Day is November 3rd

# Measure L VOTER GUIDE



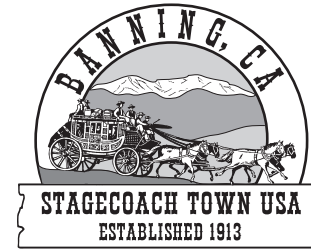
## STAY INFORMED!

This information is provided as a public service from the City of Banning.

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## Background on Measure L:



**THE CITY OF BANNING** is facing a serious budget crisis, which is continuing to force difficult budget decisions and tough choices. The City's major revenue sources have fallen dramatically due to the State budget crisis and ailing economy. City leaders have taken aggressive action to cut over \$5 million in city services from its \$18.8 million General Fund, including eliminating 30 full-time positions, establishing mandatory furloughs, reducing services and implementing strict cost controls.

Even with the severe cost-cutting actions taken earlier this year by City Council, Banning's General Fund structural deficit has now grown from \$827,000 to \$1.26 million because of monies taken away by the State as part of the Legislature-approved 2009-2010 State Budget.

To minimize **future** cuts to basic city services, the Banning City Council voted on July 28, 2009 to place **Measure L on the November 3rd ballot**. Measure L seeks authorization to raise needed revenue by increasing the City's existing Transient Occupancy Tax or TOT (also known as a hotel/motel tax) from 6% to 12%. If voters approve Measure L on November 3rd, only VISITORS renting a hotel or motel room in Banning (for less than 30 days) will be subject to paying the Measure L assessment. ALL Measure L funds must stay local to minimize future cuts to Banning city services. They cannot be taken away by the State.

### Measure L Ballot Statement:

To minimize future cuts and provide funding for essential city services including police, fire, 9-1-1 emergency response, graffiti removal, and maintaining streets and public areas, shall the City of Banning adopt an ordinance increasing its existing Transient Occupancy Tax (which is a hotel bed tax paid when overnight visitors rent a room) from 6% to 12%, with annual independent audits provided by code and all funds used to maintain city services in Banning?



## City Attorney's Official Impartial Analysis of Measure L

Measure L, if passed, would temporarily amend the Transient Occupancy Tax ("TOT") rate from its current 6 percent (6%) to 12 percent (12%). The TOT, established by the City of Banning in 1965, applies only to guests who stay at hotels and motels in the City for less than 30 days and has not been increased in over 40 years.

Your "yes" vote means that: (1) the TOT would be changed from 6 percent (6%) to 12 percent (12%) and; (2) that in 10 years the 12 percent (12%) TOT would terminate, resulting in the TOT rate reverting back to six percent (6%). Your "no" vote means that there would be no change to the current law, so the TOT rate would remain at six percent (6%).

TOT rates vary by city including, for example, Palm Springs - 11½%, Indian Wells - 9.25%, La Quinta - 10% and Anaheim - 15%. This measure would require that all TOT collected be allocated to the City's General Fund. The revenue would be used to fund general city services, including: fire, street maintenance, parks, recreation, senior services, and similar items. Currently, in Banning, the largest government expenditure from the General Fund is police services, which comprise 50% of the budget.

Measure L was placed before the voters of Banning after the City Council unanimously declared a fiscal emergency in the City based on the general economy and the State of California's own \$26 Billion deficit. In fact, the adopted State budget now relies upon borrowing \$1.8 Billion in property taxes from local governments, of which Banning's share is over \$400,000 and also takes over \$2 Billion from redevelopment agencies, of which Banning's share is almost \$1M.

The City Council of Banning has made a number of reductions to the City's budget and services for Fiscal Year 2009-2010 to reduce the General Fund Budget by \$5.043M, including: closing City offices on Fridays; reduced hours at the police station; furloughing employees (equivalent to a 5% pay reduction); layoffs or retirement of 30 employees; and other cost saving measures.

Since 2007-08 total City reserves have fallen from \$7.2M (40% of Budget) to \$2.1M (15% of Budget). The Finance Department estimates that the impact of the State Budget will increase the General Fund structural deficit to approximately \$1.26 million. The Finance Department estimates that the proposed increase in the TOT will generate between \$275,000 and \$300,000 in General Fund revenue annually for the City of Banning to help offset these impacts.

The Measure reserves the right of the Council to make other changes to the TOT ordinance not affecting the rate. Measure L requires approval from a majority of Banning voters to take effect.

**The above statement is an impartial analysis of Measure L. If you desire a copy of the ordinance or measure, please call the Banning City Clerk's Office at (951) 922-3102 and a copy will be mailed at no cost to you.**

# Questions and Answers About Measure L

### What is Measure L?

The City of Banning is facing a serious budget shortfall. Due to the State budget crisis and struggling economy, the City's major revenue sources—sales tax, property tax, and other vital funding—have fallen dramatically. Aggressive actions have been taken to cut \$5.043 million from the City's \$18.8 million General Fund budget, but even with the severe cost-cutting actions taken earlier this year, Banning's General Fund structural deficit has now grown from \$827,000 to \$1.26 million because of monies taken away by the State as part of the Legislature-approved 2009-2010 State Budget. Two choices remain: generate additional revenue or continue making more and deeper cuts to city services.

### What steps has the City of Banning ALREADY taken to deal with its budget problems?

The City has taken a number of steps to deal with the budget crisis including but not limited to:

- Closure of City offices on Fridays
- Mandatory furloughs to reduce salary costs
- Continued restrictions on the purchase of non-mission critical supplies and services
- Continued restriction on recruitment and hiring
- Working with all departments to eliminate all non-minimum staffing required overtime
- Elimination/freezing of approximately 30 General Fund positions
- Reduced public-access hours at the Banning Police Station.

### What will Measure L do?

If passed, Measure L will authorize the City of Banning to increase its existing Transient Occupancy Tax (hotel/motel tax also known as a TOT) from 6% to 12%. Measure L will NOT raise taxes for residents of Banning. A hotel/motel tax is paid only by VISITORS renting a room at a hotel or motel in the City of Banning for less than 30 days.

### What will Measure L fund?

Measure L will generate additional funding for general city services and help minimize future cuts to:

- Police, fire, and 9-1-1 emergency response
- Keeping public areas clean, well-maintained and graffiti-free
- Maintaining Banning streets and roads

### How much revenue will Measure L generate?

Measure L is projected to raise approximately \$275,000—\$300,000 annually in General Fund revenues. ALL funds generated by Measure L will stay in Banning to provide essential city services for Banning. None of this money can be taken away by the State or used for purposes other than Banning city services.

### How long has Banning had a Transient Occupancy Tax? How long will the new TOT last?

Banning's TOT was established by the City in 1965 and has not been increased in 44 years. Measure L INCLUDES A SUNSET. If voters approve Measure L, it will last 10 years only—future changes cannot be made without a vote of the people. After the 10-year sunset, if voters do not approve a renewal of Measure L, the City's TOT rate will revert back to the 6% rate established in 1965.

### How can we be sure that Measure L funds will be spent properly?

Measure L funds will be subject to City Council oversight and audited annually to ensure they are only used as voters intended. An open reporting process of Measure L funds will ensure transparency and accountability. Every dollar generated by Measure L must stay local to fund Banning city services. None of these funds can be taken by the State.

### What will happen if Measure L does not pass?

Measure L won't, by *itself*, fix all the City's fiscal challenges, but it will help generate revenues that can be used to minimize future cuts to police, fire, 911-paramedic, graffiti abatement and other services that keep our community clean and safe. The current economy is expected to get worse through 2009 and is not projected to start a significant upturn until well into 2010 or later. If Measure L is not approved, the City will have to make more and deeper cuts to city services (such as those listed above.)

### Who is eligible to vote on Measure L?

All registered voters within the City of Banning are eligible to vote on Measure L. The last day to register to vote in this election is October 19, 2009. Contact the Riverside County Registrar of Voters at (951) 486-7200 or [www.voteinfo.net](http://www.voteinfo.net) for more information. To pass, Measure L must receive a majority level of support (50% + 1) from those who vote on the measure in the November 3rd Election.