

# Sebastopol Measure U



# What are Our City's Services?



**Fire Department**



**Police Department**



**Housing/Community  
Development**



**Streets & Roads**



**Water &  
Wastewater**



**City Facilities  
(Parks, Trails, Senior Center, etc.)**



## Police:

- 37% increase in calls from 2022 to 2023
- 911 calls: once every three hours

## Fire:

- 30% increase in 10 years; 4 calls/day

Emergency Preparedness: Wildfires now have a 'season'

## Infrastructure: Getting old

- Streets, Parks
- Senior Center, Community Center, Library, etc.
- Stormwater



## The City's Budget

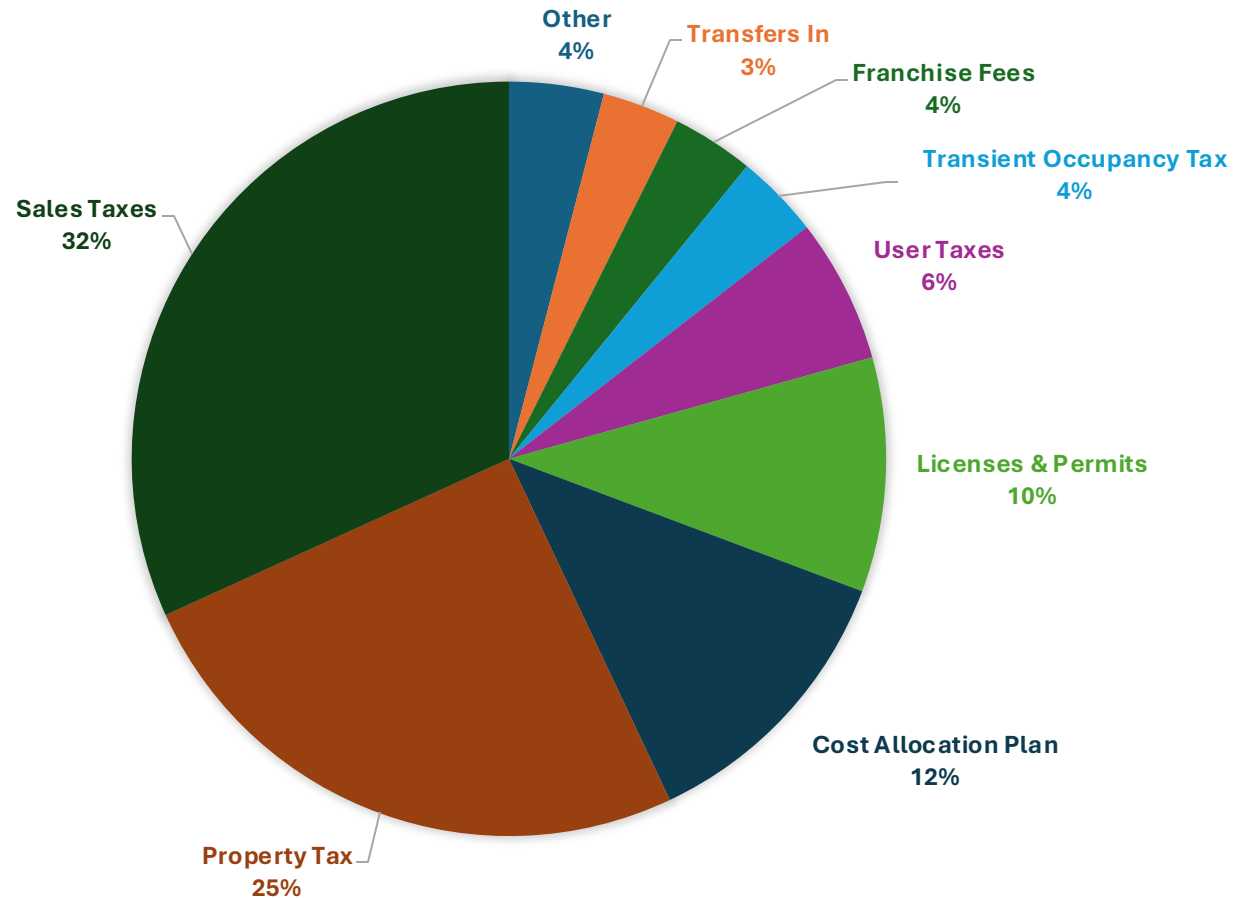
\$15 million in expenditures

- \$700K deficit projected this year
- Extensive use of one-time funds

Without major changes to reduce costs and/or add revenue, deficit will grow to \$2 million annually



# What are the City's Key Revenue Sources?

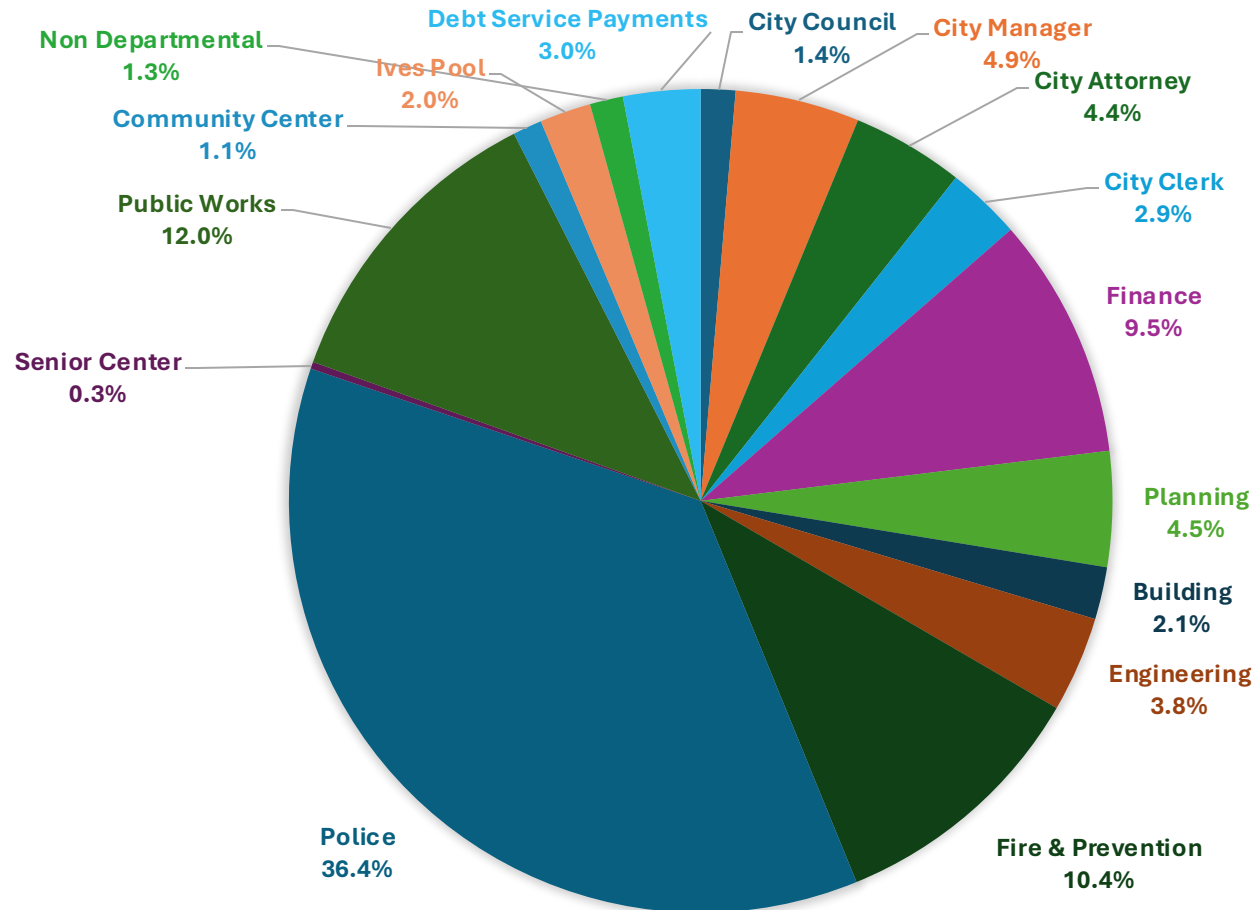


Sales and Property Taxes  
= 57% of the General  
Fund.

**What is missing?**



# How are Revenues Spent?



**Public Safety Comprises 47% of General Fund Spending, followed by Public Works at 12%. Mostly on people/staff**



## Budget Outlook

Challenging: Requires substantial changes to reduce costs and/or add revenue.

The current year budget as projected will reduce the City's available reserves to \$2.9 million. This is 19% reserve level.

No more revenue means City reserves could go to zero by the end of 2026.

But . . . We're not standing still



## We Have a Multi-prong Strategy

### **Exploring Enhanced Infrastructure Financing District**

Would generate new revenue without raising taxes on residents.

### **Economic Development**

- Streamlining the application process for new businesses.
- Supporting new hotels – for TOT & sales taxes & customers for businesses.
- Expanding our efforts.

### **Securing Grants**

Nearly \$5 million secured in recent years.



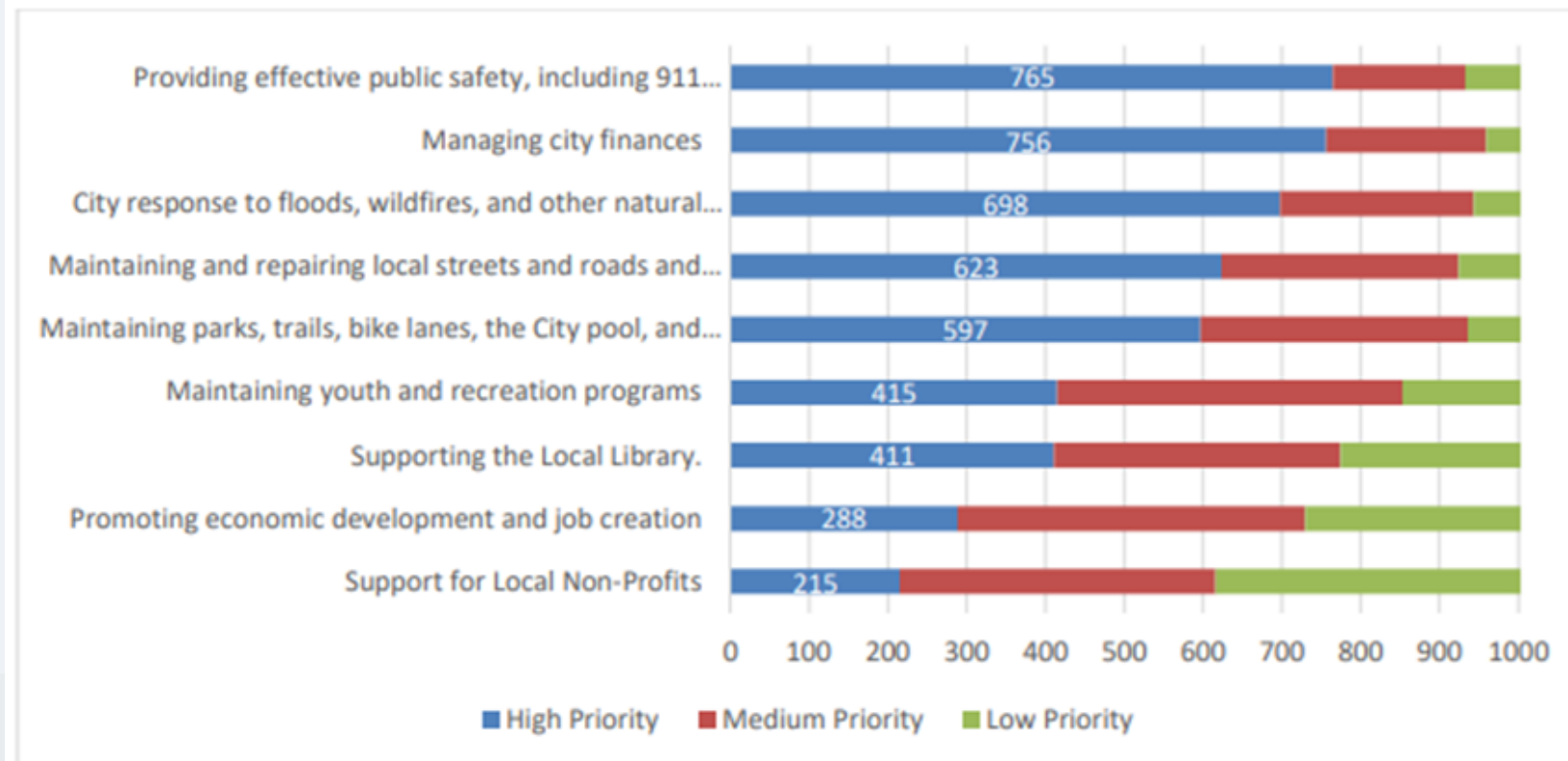
# What Have We Been Doing?

## Fiscal Responsibility

- Cuts across departments, holding vacancies open, cutting contracts and reducing services.
- Reduced support to non-profits.
- Reduced maintenance of aging infrastructure.
- Consolidating/Reorganizing Fire Services.
- Combining Departments to increase efficiency
- Set \$3 million aside to address pension spike
- Setting funds aside for infrastructure

# Community Feedback

In April and May of this year, the City asked for the community to share its feedback on priorities for the City of Sebastopol. The City received over 1,000 responses.



## Measure U

Measure U is a half-cent (0.5%) sales tax to maintain city services. 100% of revenue would stay in Sebastopol.

On September 17, the Council adopted spending priorities for Measure U Funds, beginning in Fiscal Year 25-26:

- 40% (~\$600K) for maintaining and repairing City roads, streets, drainage, and parks
- Retain existing levels of staff in the Police Department and provide sufficient funding as part of the reorganization of the Fire Department with Gold Ridge
- Remaining funding to be allocated by the Council for purposes listed in the ballot measure approved by the voters

## Measure U Ballot Language

**Voters will be presented with the following question regarding Measure U:**

“Sebastopol Public Safety, Roads, City Services Measure: To maintain Sebastopol’s City services such as 911 emergency medical/police/fire response, wildfire/emergency preparedness, maintenance of streets/roads, parks/trails, library, youth and senior services, retaining/attracting local businesses; and for general government use, shall the measure establishing a ½-cent sales tax generating approximately \$1,520,000 annually, terminating after 12 years, requiring audits, public spending disclosure, all funds used locally, be adopted?”

# Current Sales Tax Rate

**Current Sales Tax Rate: 9.75%**



\*Rates reflect passage of Measure H in March 2024

\*\*1.75% for Sonoma Countywide includes funds for the Sonoma County Library, Sonoma Country Transportation Authority, and SMART



# New Sales Tax Rate

Potential New Sales Tax Rate if Measure U Passes: 10.25%



\*Rates reflect passage of Measure H in March 2024

## Other Aspects of Measure U

- Audited annually
- Expires in 12 years
- The following are exempt from the tax:
  - Most groceries
  - Prescriptions and many medical supplies
  - Rent
  - Items Bought with CalFresh Assistance Benefits
  - Services
  - Utilities



Will Visitors Pay the Sales Tax?

**Yes. Visitors and tourists who make taxable purchases in Sebastopol will pay the Sales Tax.**





# How would an additional ½ cent sales tax affect residents' costs?

## \$13 Laundry Detergent



SALES TAX  
Before: \$1.26  
After: \$1.33  
**7 cent increase**

## \$20 T Shirt



SALES TAX  
Before: \$1.95  
After: \$2.05  
**10 Cent Increase**

## \$130 Sneakers



SALES TAX  
Before: \$12.68  
After: \$13.33  
**65 cent increase**



## Recap

Measure U is estimated to generate ~\$1.5 million annually for Sebastopol.

This is a locally-controlled general tax.

All revenue would be kept local. By law it could not be taken by the State or transferred to another agency.

City voters can vote Yes or No on Measure U on the November 2024 ballot.

## What if Measure U Doesn't Pass?

No influx of ~\$1.5M in sales tax revenues anticipated from Measure U.

Unless another source of \$1.5M is found, the choices will be:

- To use whatever reserves are left, and/or
- To reduce/cut City programs and services

Current projections: Reserves will be gone in about three years.

## What if Measure U Doesn't Pass?

### Examples of potential reductions:

- More reductions in funding for maintenance of streets, parks, and Pool.
- Leave officer & dispatcher positions vacant, affecting public safety.
- Put on hold improvements to natural disaster response.
- Leave public works position vacant, affecting maintenance of public spaces and facilities.

## What if Measure U Does Pass?

\$1.5M added annually for essential City expenses and fiscal stability:

1. To maintain Sebastopol's City services such as 911 emergency medical/police/fire response, and wildfire/emergency preparedness.
2. For maintenance of streets/roads,
3. For maintenance of parks/trails, library, youth and senior services,
4. For retaining/attracting local businesses; and for
5. General government use.



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**Questions?**

**For the Full FAQ, visit**  
[www.cityofsebastopol.gov/MeasureU](http://www.cityofsebastopol.gov/MeasureU)

