

UTILITY USERS TAX (UUT)

FREQUENTLY ASKED QUESTIONS

WHAT IS PINOLE'S FISCAL SITUATION?

The Bay Area economy has been improving since the Great Recession, during which the Pinole community was very hard hit. However, in recent years, Sacramento lawmakers have raided local City revenues, which continues to have a negative impact on all cities budgets. Now economists are predicting a new economic downturn in 2019 or 2020.

The prior economic downturn led to significant staffing cuts and expense reductions to our community services, including:

- Police and Fire Staffing Reductions
- Near elimination of Code Enforcement Activities
- Closure of Fire Station 74 (Pinole Valley)
- Elimination of Police Multifamily Crime Free Housing Program
- Reduction in the Maintenance of City Roads, Parks, Streetlights, Sidewalks, and Storm Drains.
- Reduction in Recreation Programs

Between fiscal years 2008/09 and 2018/19 the City has implemented budget cuts resulting in reduction of 37 staff positions (25%), closure of Fire Station 74, significant reductions to employee benefit costs, and less service hours at City Hall. We are one of the very few cities in the state with a pension sharing formula —currently Safety employees pay 24.659% and non-Safety employees pay 20.547% of their salaries for their pension.

Despite these actions, Pinole may be facing the loss of \$2 million per year if community funding through our existing, voter-approved Utility Users Tax (UUT) is not renewed.

WHAT IS THE UUT?

The UUT is an existing, Pinole voter-approved tax on certain utility bills. Since 1998, residents of Pinole have paid a UUT on electricity, gas, and telephone. Like many other California cities, Pinole uses this local funding source for community services such as public safety, 9-1-1 services, fire protection, and maintenance of City roads, parks, streetlights, and sidewalks.

HOW MUCH IS THE TAX?

The tax is currently, and would continue to be, 8% of the charges made to the utility user by the service supplier. The average daily tax for all of these utilities for a Pinole household is estimated to be about fifty cents (\$0.50).

IS THIS A NEW TAX?

No. Pinole voters established the UUT in 1998 and extended it in 2004 & 2012. Renewal of the UUT will not generate any new money for the City. It just maintains the existing funding previously approved by voters.

HOW DOES THE UUT CONTRIBUTE TO PINOLE'S CITY BUDGET?

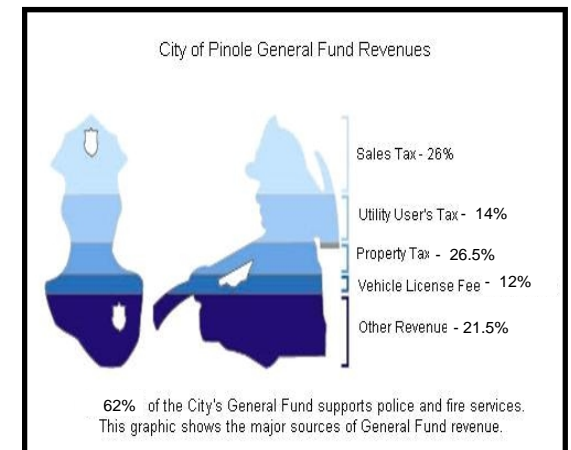
First and foremost, it stays local in Pinole. Every dollar paid by our residents for UUT goes directly to the City of Pinole. Funds generated by this funding source cannot be seized by the State. The UUT generates approximately **\$2 million** in local funding per year, or approximately 14% of the City's General Fund budget. It is the City's **3rd largest** General Fund Revenue source, behind property and sales taxes.

HOW DID PINOLE'S UUT FIRST GET ESTABLISHED?

In November of 1998, the voters of Pinole adopted the UUT to provide locally-controlled funding for community services such as police, fire protection, and the maintenance of City roads, streetlights, and sidewalks. The UUT measure was renewed by Pinole voters in November 2004 & 2012. The voters of Pinole have an opportunity this November to consider whether to renew the UUT, without a sunset date so it remains in effect until voters remove it.

DOES EVERYONE PAY THE UUT?

Exemptions from the UUT are provided to low-income households, recipients of veterans/survivors pension benefits and recipients of certain governmental aid.



In addition, 100% of Measure S 2006 & a portion of Measure S 2014 are used for Police and Fire services.

CAN THE CITY CONTINUE TO PROVIDE A FULL RANGE OF SERVICES WITHOUT THIS FUNDING?

No. Loss of this local revenue source would affect the City's ability to provide services to the community, such as maintaining vital public safety services, Police patrols, and rapid 9-1-1 response. Police and Fire protection comprise more than 62% of Pinole's budget and the loss of any funding, including the UUT, would affect our community's public safety.

If the Council were forced to eliminate \$2 million from the budget service levels will be drastically impacted in Police, Public Works, Recreation (Sr Center, Youth Center, Swim Center), Pinole Community TV, Parks Maintenance, and more.

IF RENEWED, HOW DO WE KNOW THAT FUNDS WILL CONTINUE TO BE SPENT RESPONSIBLY?

The entire City Budget is independently audited. All City revenues including funds from the UUT are reported on and discussed at a public meeting. In addition, information is available on the City's website.

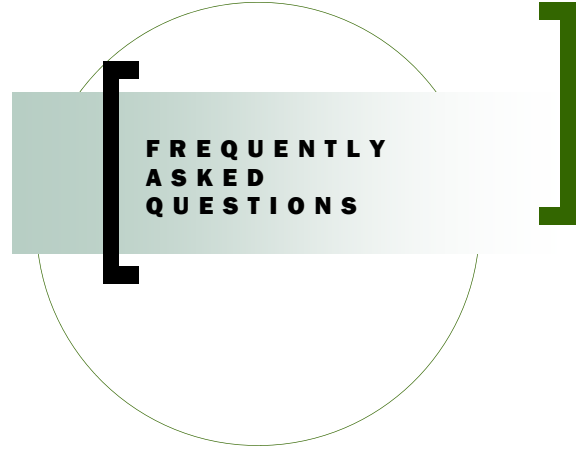
HOW CAN I GET MORE INFORMATION ON PINOLE'S UUT AND THE CITY'S BUDGET AND FISCAL SITUATION?

By visiting the City's website at www.ci.pinole.ca.us or by calling City Manager Michelle Fitzer at (510) 724-8933.



*****ECRWSEDDM*****

**Pinole Resident
Pinole, CA 94564**



**UTILITY
USERS
TAX (UUT)

M E A S U R E C**

REGISTER TO VOTE

October 22
Last day to register to vote

November 6
Election Day

**Get the facts -
be an informed, educated voter.**

CITY OF PINOLE

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