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Sent: Tuesday, May 21, 2024 10:42 PM

To: info <info@cityofcalabasas.com>

Subject: City Council meeting 5-22-24 – agenda item #9 – Public Comments

Mayor Weintraub and City Councilmembers,

With regard to the proposed sales tax increase, please consider the following comments:

The Staff Report states the following with regard to Sales Tax:

“Sales Tax is the most sensitive to the economy and this current year it is decreasing from the prior two years. This year’s estimate is revised significantly downward to \$7.5 million and staff is projecting it to increase next year to \$7.8 million.”

In addition, it is stated:

“Unfortunately, sales tax revenues have declined over the last four quarters and it is difficult to determine where that will level off.”

“It is important to note that the projected shortfall does not include public safety and emergency preparedness initiatives, needed repairs and improvements at City parks and recreational facilities, infrastructure and capital projects associated with the City’s streets, sidewalks, and medians, and other operational needs identified by the various City departments.”

In the City of Calabasas Budget Priority Issues Survey presented by FM3 Research it offers these facts:

“Among all likely voters, only about one-third perceive the City of Calabasas has at least some need for additional funds; however, less than 10 percent said “great need.”

In the Hypothetical Ballot Title slide, it has this text describing the ballot measure:

“Shall the measure funding City of Calabasas’ services such as maintaining 911 response; increasing public safety protection, neighbor patrols; helping preventing property crimes/thefts/burglaries; protecting open space/natural areas; addressing homelessness; repairing streets/potholes; preparing for/responding to wildfires; maintaining parks; and for general government use by establishing a 3/4¢ sales tax providing approximately \$4,000,000 annually until ended by voters; requiring audits, public spending disclosure, funds locally controlled, be adopted?”

I agree that public safety issues, such as crime prevention and emergency preparedness for wildfires, are a top priority for Calabasas residents.

The Staff Report notes “that the projected shortfall does not include public safety and emergency preparedness initiatives”.

This is good news because the residents will benefit, however, if it isn't included in the shortfall, is there a "great need" for additional funds from an increased sales tax? The survey says less than 10 percent see it that way.

I understand that the point of this proposed ballot measure is to allow the residents to have a say in the matter.

There is no information supporting the contention that such a sales tax will provide "approximately \$4,000,000 annually".

To the contrary, the Staff report contends "it is difficult to determine where that will level off" with regard to the decline in sales tax revenue in the past four quarters. However, it also states that, "staff is projecting it to increase next year to \$7.8 million".

If residents are asked to pay more sales tax, they want to know how likely it will be to produce the results anticipated.

One of the unanswered questions is "how likely would residents be to continue to patronize local businesses if they had to pay a higher sales tax rate than in the neighboring cities? There is very little that is so unique to Calabasas retail that it can't be found close by.

If there's a drop in the number of customers, there's a drop in sales tax revenue.

Another question is "what financial burden does this put on Calabasas retailers to adjust their systems for the collection of the higher sales tax rate?"

In general, Californians are already paying more money for food and gas. Specifically, Calabasas residents are either paying thousands more annually for home insurance or have lost their home insurance.

Residents on fixed incomes will not absorb a sales tax increase easily. It puts a burden on residents who don't have mobility to go elsewhere in a position where they have no choice but to pay more sales tax.

This is not the time to ask residents to pay more.

I urge the City Council to not proceed with any proposed sales tax at this time.

Thank you for your consideration of the above in your discussion.

Joe Chilco
Calabasas resident
(address on file)