

SMMUSD Emergency/Temporary Parcel Tax Feasibility Committee

September 30, 2009

Minutes

Attending:

Richard Bencivengo, Joel Brand, Neil Carrey, Brian Chase, Tim Cuneo, Shari Davis, Bill Dawson, Rochelle Fanali, Thelma Felstiner, Anthony Fuller, Karen Gardner, Bruce Gilbert, Don Girard, Craig Hamilton, Chris Harding, Ted Kahan, Rebecca Kennerly, Tom Larmore, Laurie Lieberman, Mike Matthews, Debbie Mulvaney, Nimish Patel, Paul Silvern, Ted Winterer, Denny Zane

Neil Carrey began the meeting at 7:15.

The minutes from the September 16, 2009 meeting were approved.

Polling Subcommittee Report:

Rochelle Fanali gave the polling subcommittee report. The executive committee received bids from two firms and chose the Goodwin-Simon firm for the polling contract. The contract includes a 600 person poll and two focus groups. The firm reduced its price somewhat after discussion with the subcommittee. The contract is only to learn about the viability of a parcel tax, not a bond measure. A significant portion of the \$50,000 allocated by the Board will be used for this polling and the focus groups, with the balance for as-needed election law legal advice and any unused amount to be applied to the Bond Measure.

Neil Carrey announced that his firm, Baker & Hostetler LLP, is donating \$10,000 in pro bono legal work for this effort.

Numbers Subcommittee Report

Paul Silvern gave the numbers subcommittee report. It will be crucial to develop a clear and compelling explanation of the projected budget deficit this year and in the next several years. The subcommittee will also be reviewing lists of potential budget reductions with District staff and how those reductions would impact students, employees and parents in the District. Members of the subcommittee will meet with CFO Jan Maez on October 9, 2009. The FOC is pursuing other revenue enhancement strategies, but none of them are likely to be operational in the next few years. There are several financial aspects of the parcel tax that need to be studied, including the amount of the tax, the duration of the tax and exemptions from the tax. The subcommittee prepared a spreadsheet of alternative parcel tax amounts, with and without a seniors exemption, and resulting revenue. Research was also conducted on the possible impacts of an exemption for households that receive Supplemental Security Income (SSI).

Legal/Language Subcommittee Report

Laurie Lieberman and Tom Larmore gave the Legal/Language Subcommittee Report. One of the key questions concerns exemptions. Measure R currently exempts seniors who qualify (age 65 and older who own the home in which they reside). There are two legal exemptions, age and income (SSI). SMMUSD has never had an exemption based on SSI. Such an exemption at first glance may not have a dramatic

negative impact on the funds received by the parcel tax. There are legal questions and even current lawsuits in other districts with more complicated tax formulas, but there is no question that a flat tax with a senior exemption for all seniors is a legal measure.

Timing Subcommittee Report

Rebecca Kennerly and Denny Zane gave the Timing Subcommittee Report. There are several potential election dates:

- June, 2010 (Primary Election)
- November, 2010 (General Election)
- Special Election at a date to be determined
- Special Election (Mail-In Only) at a date to be determined.

There is a great deal of interesting in a mail-in only election. South Pasadena recently held one successfully, where the yes percentage was 10% higher than the prediction of the pollsters. Another strategy is the "Focus on Yes" strategy. If SMMUSD wants the funds for the 2010-11 school year, a Spring, 2010 election is the best strategy. A number of complicated issues related to election consolidation, Board decisions relative to an election date, school calendar, the timing of resulting revenues to the District, among others, need to be studied further.

The Next Meeting will be on October 14 at 7:00 at the District Office Board Room.