

SMMUSD Emergency/Temporary Parcel Tax Feasibility Committee

October 14, 2009

Minutes

Attending:

Richard Bencivengo, Joel Brand, Neil Carrey, Brian Chase, Lori Crane, Tim Cuneo, Shari Davis, Bill Dawson, Rochelle Fanali, Thelma Felstiner, Anthony Fuller, Karen Gardner, Craig Hamilton, Ted Kahan, Rebecca Kennerly, Tom Larmore, Laurie Lieberman, Mike Matthews, Debbie Mulvaney, Nimish Patel, Paul Silvern, Elizabeth Gelfand Stearns, Bruce Sultan, Ted Winterer

Neil Carrey began the meeting at 7:05.

Minutes

Anthony Fuller requested that the draft minutes be amended with a statement in the numbers subcommittee report, as follows: “Anthony Fuller asked to know whether the District would be required to have a 1.5%, 3% or other reserve.” The amendment was accepted. The minutes from the September 16, 2009 meeting were approved with that amendment.

Report of the Polling Subcommittee:

Rochelle Fanali presented an update from the polling subcommittee. Work with the Goodwin-Simon firm continues. There are two focus groups that are planned and that will occur on October 19. There are still two open spots for Committee members who want to observe, and a DVD will be available to Committee Members and District staff. Mike Matthews will be providing a list of potential budget reductions that may occur without a parcel tax. These issues will be addressed in the focus groups. Paul Goodwin will come to the next Committee meeting to report on what has been learned and what the next steps will be. There were several questions about making sure that we can learn how renters will react to various proposals, and the need for outreach to the Rent Board to assess the likelihood that the parcel tax could be passed through to renters.

Report of the Numbers Subcommittee:

Paul Silvern presented an update from the numbers subcommittee. Paul provided a spreadsheet that showed parcel tax amounts in \$25 increments and the resulting net income to the district. Parcel tax revenue was shown with and without a senior exemption. There were several questions about tying the amount of the tax to district revenue from the state, but any such relationship would be very complex, probably too complex for a ballot to explain. Paul also provided a chart of parcel taxes on ballots since 2007.

After a substantial discussion, the committee recommended that the focus groups examine the \$225 and \$425 amounts per parcel, along with separate questions about including a seniors exemption. The revenue generated by a parcel tax around this lower value would have to be

matched by additional budget cuts of about \$4.5 million to reach the budget-balancing target of \$12 million identified by the District's Chief Financial Officer. A parcel tax around the higher value would generate a scale of revenue that would not require any additional budget cuts to meet the budget-balancing target.

Another suggestion was to have an eight-year term, then to reduce the tax by one third for years 6, 7 and 8. This would ease the District off of the tax. After further discussion, the Committee members indicated that a fixed, five-year term for the measure should be tested with the focus groups.

Report of the Legal/Language Subcommittee:

Tom Larmore updated the committee about the Alameda lawsuits, but there is no new significant information about them.

Report of the Timing Subcommittee:

Rebecca Kennerly presented the report from the timing subcommittee. She distributed copies of guidance obtained from an election law firm regarding the available dates for elections, and the schedule for action by the Board of Education that would be required to meet those dates. The guidance also noted that there would not be any requirement for consolidation with a regularly scheduled election, and therefore the District has the freedom to specify whatever date it desires. The guidance also noted that a special non-consolidated election for our district could cost as much as \$250,000, based on the costs incurred by other districts that held this kind of election recently. One of the intriguing options is to go on one of the "all-mailed ballots" elections on March 2, May 4 or August 31. May 4 is particularly attractive because it follows spring vacation and would produce at least partial-year revenue for FY 2010-11, but would still require significant effort to meet the required County timelines. The subcommittee will do additional research on whether these elections would have to be paid for by SMMUSD.

Ambassadors Program

Neil Carrey and Ted Winterer discussed the concept of an Ambassadors Program. In this concept, the committee would select "ambassadors" to visit with leaders from key groups, such as the Santa Monica Chamber of Commerce and various neighborhood organizations. The point would be to gather input that would be helpful in developing the surveys. Bruce Sultan, Bill Dawson and Ted Winterer will be ambassadors to several groups.

The next meeting will be on October 28, 2009.

The meeting was adjourned at 9:05 PM.