

City of Exeter Agenda Item Transmittal

Meeting Date: July 22, 2020

Agenda Item Number: C1

Wording for Agenda: Receive presentation of the results from the community survey conducted by FM3 Research per Council direction to staff on May 19, 2020; and provide any comments and direction to staff on how to proceed with the proposed revenue measure.

Submitting Department: Administration
Contact Name: Adam Ennis
Phone Number: (559) 592-4539
Email: adam@exetercityhall.com

Department Recommendation:

Staff recommends that the Council receive presentation of the results from the community survey conducted by FM3 Research per Council direction to staff on May 19, 2020. Provide any comments and direction to staff on how to proceed with the proposed revenue measure.

Summary:

On May 19, 2020, the 2020 Proposed Revenue Measure Advisory Committee (PRMAC) presented their findings and recommendations to the City Council regarding the proposed revenue measure. A table representing the committee's findings and recommendations for the revenue measure details was developed and is attached as Exhibit A. After discussion, Council gave staff direction and authorization to contract with FM3 Research to conduct a community survey to determine the resident's desires regarding the potential revenue measure being placed on the November 2020 ballot. The scope of work for the community survey is attached as Exhibit B.

Through June 2020 staff completed execution of a contract with FM3 Research and provided information to FM3 Research for development of a draft survey and ballot language. After a couple of reviews and discussions between FM3 Research and City staff the survey language was finalized. Surveying of the residents began online in the last week of June and continued by phone into the first two weeks of July. The results of the survey were then prepared for presentation to the Council as part of this agenda item.

Upon receiving, evaluating and discussing the survey results, direction will be needed from Council on their desires regarding the revenue measure. There are three primary options available:

- 1.) Prepare the revenue measure for placement on the November 2020 ballot by returning to Council on July 28, 2020 for final consideration of and potential adoption of a resolution approving final ballot language, presenting the Ordinance that would be established by approval of the voters and authorization to consolidate the Revenue Measure with the November 2020 General Election,

OR

- 2.) Prepare to place the revenue measure on a future ballot with staff returning to Council at a future date with a revised development plan and schedule,

OR

- 3.) Discontinue development of a revenue measure.

For action by:

☒ City Council

Regular Session:

☐ Work Session
☐ Consent Calendar
☒ Regular Item
☐ Public Hearing

Review:

**City Administrator
(Initials Required)**



To ballot a revenue measure on the November 2020 election, the Council would have to adopt the above referenced resolution no later than the July 28, 2020 Council meeting to meet the Tulare County Elections Office submittal deadline of August 7, 2020. Including the ballot measure with Council elections in November 2020 would cost approximately an additional \$1,200. Council should confirm the details of the measure such as type of revenue measure, amount of measure and level of oversight as part of this agenda item so staff can prepare the required resolution for potential Council adoption on July 28, 2020.

Other options for placing a revenue measure on an election vary. A general revenue measure, which has been primarily discussed by the Council and the PRMAC, can only be placed on a general election along with City Council elections. This means that a general revenue measure would have to be placed on a November election in an even numbered year. If a general revenue measure is not placed on the November 2020 election the next opportunity would be November 2022. A special revenue measure could have more options for timing of placement on an election, but the cost would be significantly higher, somewhere between about \$15,000 and \$35,000 depending on the timing and type of election, based on current estimates. As previously discussed with Council, a special revenue measure also has more restrictions to consider and requires a higher level of approval by the voters

During the development process the Council can decide at each stage whether to continue with the revenue measure or discontinue pursuit of the measure. If the revenue measure is placed on the ballot and passes staff would begin developing a budget and Capital Improvement Programs (CIP) based on the additional revenue for Council approval. The City would also have to complete California Department of Tax and Fee Administration Agreements. Measure revenue would begin being received in about 6 months after passage of the measure and ongoing Revenue Measure oversight, auditing and reporting of revenues/expenditures on a regular basis would also begin. If a revenue measure is passed it is recommended to add the revenue from the measure in a budget amendment at the first mid-year or mid-cycle budget review after revenue measure passage. These reviews occur approximately every six months and should allow time for adoption of an amendment prior to receiving the revenue. If necessary, a budget amendment can be presented for Council approval at any time of Council's choosing.

If pursuit of the revenue measure is discontinued or a ballot measure fails, staff will review future anticipated revenue and costs versus services. Per City Financial Policy, staff would then bring options to the Council for balancing budgets by reducing and/or eliminating costs and/or services such as Recreation, Code Enforcement and Police to cover deferred needs that must be addressed. Based on Council direction staff would develop a balanced budget in future years that meets deferred needs for review and approval.

Background:

On December 10, 2019, Council approved a process and schedule for development of a proposed revenue measure based on placement on the November 2020 election. At the January 28, 2020 meeting, Council established the 2020 Proposed Revenue Measure Advisory Committee (PRMAC) along with committee rules and procedures. The PRMAC was established to review information regarding potential details of a proposed revenue measure and provide findings and recommendations to the Council. The Council formed the PRMAC with a group of seven members; Patricia Thompson (Co-Chairperson), Ted Macaulay (Co-Chairperson), Wes Grim, Alicia Handley, Bob Dickie, Jr., Sandy Blankenship and Jim Tyler.

The PRMAC reviewed staff presentations similar to those presented to Council, with some additional background information. The group received the presentations, asked questions and had discussions at their meetings every Wednesday night beginning February 5, 2020 through March 4, 2020. On March 11, 2020 the PRMAC met and discussed their findings and developed their recommendations for the Council regarding proposed revenue measure details. Due to the COVID-19 pandemic, Council discussion with the PRMAC was postponed to May 19,

2020 to allow time for a clearer vision forward and to continue to meet deadlines for potential placement on the November 2020 election.

Fiscal Impact: The fiscal impact of the proposed Revenue Measure will be developed as the details of the measure are finalized by the Council. Including the ballot measure with Council elections on the November 2020 ballot would cost approximately an additional \$1,200. A special revenue measure could have more options for timing of placement on an election, but the cost would be significantly higher, somewhere between about \$15,000 and \$35,000 depending on the timing and type of election, based on current estimates

Prior Council/Board Actions: Various previous Council discussions and direction on developing the proposed Revenue Measure and staff presentations on City needs that could be funded by a revenue measure.

February through May of 2020 - Review and development of findings and recommendations by the 2020 PRMAC.

Attachments: **Exhibit A** - Table of PRMAC Revenue Measure Detail Recommendations

Exhibit B – Community Survey Proposal from FM3 Research

Recommended motion to be made by Council/Board: I move to provide direction to staff to:

- 1.) Prepare the revenue measure for placement on the November 2020 ballot by returning to Council on July 28, 2020 for final consideration of and potential adoption of a resolution approving final ballot language, presenting the Ordinance that would be established by approval of the voters and authorization to consolidate the Revenue Measure with the November 2020 General Election, OR
- 2.) Prepare to place the revenue measure on a future ballot, OR
- 3.) Discontinue development of a revenue measure.

CITY OF EXETER

PROPOSED REVENUE MEASURE ADVISORY COMMITTEE



Yes	No
X, X, X, X, X, X, X, X	

1.) Is there a need for a measure? (check one)

General	Specific	Other
X, X, X, X, X, X, X, X		

2.) If pursued, what type of measure? (check one)

.5% (\$450,000)	1% (\$900,000)	Other
	X, X, X, X, X	X 1.25, x - 1.25

3.) If pursued, how much should it be for? (check one)

4.) What are the top priorities for a proposed measure? (fill in all that apply)

	Top Priority	Mid Priority	Low Priority	No Priority	Approximate % or \$ range
Public Safety	X, X, X, X, X, X, X, X				36.5, 40, 33, 40, 40, 30, 40
Parks and Recreation	X	X, X, X, X	X, X		7, 5, 5.5, 7, 3, 5, 5
Code Enforcement	X, X, X	X, X, X, X			7.5, 10, 8.3, 6, 7, 7.5, 5
Streets	X, X, X, X, X, X, X, X				44, 40, 38.9, 38, 38, 38
Facilities	X, X	X, X, X, X	X		5, 5, 6.1, 4, 5, 9.5
Fire	X, X, X, X	X, X			5, 7, 7.7, 10

Yes	No	Specific Recommendations?
		Annual Review - Oversight; Only if the CC feels like it adds to the chance of the measure passing. (Financials are audited) (x2). How specifically does the City plan to educate and promote revenue to the citizens. How will I know what the funds will be used for and that they will be used on those items. Public documents and audit. No oversight necessary. Build confidence in the community and provide feedback.
X, X, X, X	X	

5.) If passed, should there be future additional committee oversight beyond City Council? (check one)

Additional Comments:

Highly encourage the hiring of an economic development staff member; or add these duties to an existing job title. A 2% increase in growth would add about \$60,000 in tax revenue annually. Currently, with 1% growth, I do not feel it is sustainable, so we need to invest money to grow the tax base. (x2)



OPINION
RESEARCH
& STRATEGY

TO City of Exeter

FROM Dr. Richard Bernard
FM3 Research

RE: Scope of Work for 2020 City of Exeter Issues Survey

DATE February 6, 2020

Fairbank, Maslin, Maullin, Metz & Associates (FM3) is pleased to submit this short scope of work to conduct research assessing community attitudes in the City of Exeter.

PROPOSED RESEARCH SPECIFICATIONS AND ESTIMATED COSTS

Methodology	Dual-mode survey, conducted online and via phone (landline and cell phone)
Contact Method	Telephone calls + Email invitations + Text message invitations
Questionnaire	20 minutes
Types of Questions	• Assessing residents' perceptions of the City's direction; • Determining residents' awareness of the City's need for additional funds to provide essential City services; • Gauging residents' priorities for funding to maintain and/or improve City services and infrastructure; and • Identifying residents' reasons why they might support or oppose additional funding for the maintenance and/or improvement of City services and infrastructure.
Sample	200 City of Exeter registered voters, with an approximate subsample of 142 voters likely to vote in the November 2020 General Election. If FM3 is able to complete additional interviews, the firm will include them in the final results at no cost. If FM3 obtains a sample of less than 200, it will reduce the cost of the survey accordingly.
Margin of Sampling Error	± 6.9 percent in 95 out of 100 cases for a sample of 200 interviews ± 8.2 percent in 95 out of 100 cases for a sample of 142 interviews
Language	English and Spanish

Deliverables Following the completion of the survey, we will provide:

- A final questionnaire
- A complete analysis of survey results
- Online presentation to staff and/or City Councilmembers of the survey results

Costs FM3 is prepared to conduct the proposed research for **\$28,250**. This price is comprehensive, and includes all costs for questionnaire design, translation, sample acquisition, programming, email and texting invitations, survey hosting, telephone interviewing in English and Spanish, data entry and analysis, and reporting. If the City would like an in-person presentation, FM3 would be happy to bill travel at cost, if incurred.

FM3 can begin the research immediately. Depending on the responsiveness of the City to various inquiries during the questionnaire development process, the survey could be drafted and fielded with results available within 5-6 weeks. We look forward to working with you on this research; if you have any questions or if there is any further information we can provide, please do not hesitate to contact us. Thank you for your consideration and you may reach us as follows:

Dr. Richard Bernard, Partner
Fairbank, Maslin, Maullin, Metz & Associates (FM3)
12100 Wilshire Boulevard, Suite 350
Los Angeles, CA 90025
(310) 828-1183 (Office)
Bernard@FM3Research.com