

Impartial Analysis Prepared By The City Attorney

Ballot Measure ____ proposes to amend the Huntington Beach City Charter by repealing Section 607(b)(2) thereof, which authorizes a tax sufficient to meet the City's obligations to the state retirement system.

Section 404 of the City Charter requires the City "to participate in a retirement system." To meet this requirement, the City has contracted with the California Public Employees' Retirement System (PERS) to provide an employee retirement system.

Since at least 1966, Charter Section 607(b)(2) has authorized the City to levy a property tax sufficient to meet the City's retirement obligations. However, the amount of tax the City may levy is limited by other laws.

Proposition 13 limits the tax to only pay for the City's retirement obligations that existed in 1978. Consequently, the tax may not pay for any enhancements the City has made to the employee retirement system after 1978. Also, Revenue & Taxation Code Section 96.31(a)(4) limits the City to levying a retirement tax of no more than \$49 per \$100,000 of assessed value to pay for its retirement system.

The City has levied a tax less than these amounts. For fiscal year 2011-12, the actual tax levy was \$15 per \$100,000 of assessed value, which equals \$45 for a home with a \$300,000 assessed value.

This measure would repeal the City's duty and authority to levy this tax to pay the City's obligations under its contract with PERS, and thereby eliminate the revenue raised by this tax as a funding source for the city's contractual obligations to the state retirement system. The City's general fund would remain liable to continue to pay the City's obligations under its contract with PERS to fund the retirement system. Because the City's general fund is the source for most municipal operations, including public safety and infrastructure maintenance services, repeal of the tax would consequently reduce the amount of City funds available to pay for such municipal services.

A "yes" vote would repeal the tax. A "no" vote would leave the tax in place. A majority of "yes" votes is required to repeal the tax.

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Argument In Favor of Measure _____

Huntington Beach is unique in so many ways. It is why we all live here.

We have the longest coastline in Orange County.

We are the only Orange County city to have a World Champion Little League team.

We host the U.S. Open of Surfing.

And we are the only Orange County City that requires property owners to pay an extra tax to subsidize some City Hall employees' retirements.

You read that right.

For years, every property owner has been paying an extra property tax to cover the cost of some City Hall employees' retirements.

Go look at your tax bill, it is right there in black and white: "Huntington Beach City Employee Retirement."

And since 2002, the City Council has raised this tax five times, raising it by 115%.

Every other Orange County city makes their employees pay their own fair share of their retirement.

We are the only city that forces taxpayers to pay extra, so that City Hall employees don't have to.

That's what Measure __ is all about.

Partnering with Mayor Don Hansen, we set out to stand up for Huntington Beach taxpayers and eliminate this tax.

If these City Hall employees were paying their fair share, more money would be available to pay for more Policemen, more Firefighters. More would be available to keep our City beautiful by cleaning and protecting our costal shores and wetlands.

But instead, we taxpayers are being forced to have our taxes used to subsidize the retirements for City Hall employees. That's just wrong.

The Orange County Register recently wrote "Huntington Beach voters would do themselves a favor by ending this tax."

By voting YES on Measure __, Huntington Beach will no longer be the only Orange County City that forces taxpayers to pay an extra property tax to subsidize the retirements of City Hall employees.

YES on Measure __.

www.stoptheHBtax.com



Frank Morrell
Huntington Beach Taxpayer

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Argument Against Measure _____

This line item, \$6.25 a month for a home with an assessed value of \$500,000 , generates \$4.2 million dollars a year for the City of Huntington Beach.

If this measure passes, the City will lose these funds, but will still be contractually required to pay for the benefits. **If passed, each year the general fund will lose \$4.2 million dollars.**

The city has made \$29.5 million dollars in cuts over the last three years, and our services are stretched woefully thin.

If passed, there will be serious repercussions for Huntington Beach residents. The city will be forced to make more cuts including:

- **Eliminate Five Police Officers**
- **Eliminate the Crime Scene Investigation Unit**
- **Eliminate the Urban Search and Rescue Program**
- **Eliminate Fire Department Hazmat Response**
- **Closing Two Branch Libraries**
- **Reduction of Hours at the Central Library**
- **Closing the Huntington Beach Art Center**
- **45% Reduction in Park Maintenance**

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These are real consequences, and will go into effect immediately if passed.

We agree it is imperative that the City continues to negotiate reductions in employee pension benefits, and that city employees pay their fair share of pension costs. Our employees will be paying the full share of their pension costs in the next two years.

However, this poorly written measure will severely limit the City's ability to fund its current and ongoing pension obligations.

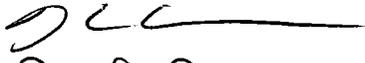
When your house is being burglarized, is on fire, or you're having a heart attack you want fast response. **This measure will increase response time of our police and fire departments.**

Our public services enhance our property values. This measure threatens the wonderful quality of life we have in Huntington Beach.

Please Vote NO on this ill-conceived charter amendment.

For more information visit <http://www.SaveOurHB.com>

Connie Boardman
Keith Bohm
Joe Shaw

Connie Boardman



Councilwoman City of Huntington Beach
City Councilman, City of Huntington Beach
City Councilman Huntington Beach