Results of Community Poll and Next Steps Toward Consideration of Sales Tax Ballot Measure

Atascadero City Council
Date April 22, 2014
History of Road Funding

- Roads Programs
- Comprehensive Financial Strategies
- Strategic Planning
- Current
  - Budget
  - Chamber Request
  - Strategic Planning
  - February Roads Report
Why Roads?

- **Road Total** = 169 miles
  
  (Equal to Atascadero to LAX as crow flies!)

- **City Maintained** = 139 miles
  - Arterial & Collector Roads = 62 miles
  - Local Roads = 77 miles

- **Non-City Maintained** = 30 miles
What’s Needed??

“**Good**” = Seal Coat

“**Fair**” = Crack Fill + Micro-surface

“**Poor**” = Fabric + Overlay

“**Failed**” = Reconstruction
Pavement Maintenance Costs

- **Micro-Surface:** $0.45/sf  
  (El Camino Real 2013)

- **Cape Seal (Chip-seal with top coat):** $1.75/sf  
  (San Andres Ave 2011, Templeton 2012)

- **Thin Overlay:** $4.10/sf  
  (San Fernando Road 2013)

- **Heavy Overlay:** $7.50/sf  
  (Santa Rosa Road 2012)

- **Reconstruction:** $12.00/sf
What Would it Cost? (All Roads)

- **Micro-Surface**
  - $8,500,000 ($1.4M/yr every 6-years)

- **Cape Seal**
  - $33,000,000 ($4.1M/yr every 8-years)

- **Thin Overlay**
  - $77,000,000 ($5.1M/yr every 15-years)

- **Heavy Overlay / Partial Reconstruct**
  - $246,000,000 ($8.2M/yr every 30-years)
Roads

- History
  - Roads Program
  - Comprehensive Financial Reporting

Diagram:
- Pavement Condition:
  - Excellent
  - Good
  - Fair
  - Poor
  - Very Poor

- Time (Years):

- Typical Pavement Deterioration:
  - 40% Drop in Quality
  - 75% of Life

- Spending $1 on pavement preservation before this point...
- Eliminates or delays spending $6 to $14 on rehabilitation or reconstruction here.

- 12% of Life
## Sales Tax

<table>
<thead>
<tr>
<th>SLO COUNTY</th>
<th>CURRENT SALES TAX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arroyo Grande</td>
<td>8%</td>
</tr>
<tr>
<td>Atascadero</td>
<td>7.5%</td>
</tr>
<tr>
<td>Grover Beach</td>
<td>8%</td>
</tr>
<tr>
<td>Morro Bay</td>
<td>8%</td>
</tr>
<tr>
<td>Paso Robles</td>
<td>8%</td>
</tr>
<tr>
<td>Pismo Beach</td>
<td>8%</td>
</tr>
<tr>
<td>San Luis Obispo</td>
<td>8%</td>
</tr>
</tbody>
</table>
Tax Measure

- 1/2 Cent Sales Tax Measure
- Equivalent to $5 per $1,000 in taxable sales
- $1.7 million - $2.0 million annually
City of Atascadero
Voter Survey About A Possible Sales Tax Measure
JD Franz Research, Inc.

Jennifer D. Franz, Ph.D.
INTRODUCTION
Telephone survey of 402 high-propensity voters that was commissioned by the City of Atascadero and conducted by JD Franz Research of Sacramento

Sample size of 433 when data are weighted

Interviews conducted between March 13 and March 19, 2014

Primary purpose was to determine the extent to which those most likely to vote would support a proposed increase in the Atascadero sales tax rate
SURVEY METHODS
Instrument Design

- Survey instrument designed by the President of JD Franz Research in consultation with the City Council, the City Manager, and other key City staff.

- After multiple revisions, pretest conducted among a random sample of respondents selected in the same manner as the survey sample would be selected.

- No changes indicated by pretest.
Sample Selection

- Survey sample acquired from Statewide Information Systems in Sacramento, a long-established provider

- Sample included all registered Atascadero voters who had voted in at least four of the past six elections
Data Collection

- Interviewing conducted from the centralized, CATI-equipped, and fully monitored facility at Davis Research in Calabasas
- Calling only during the evening hours and on weekends
- Up to four attempts to reach each potential respondent
Interviewing Results

- With 402 completed interviews, the margin of error for the survey at the 95 percent confidence level is ± 4.9 percent.
- If 433 interviews are used, the margin of error is ± 4.7 percent.
- The cooperation rate for the survey was 62 percent.
Data Coding, Tabulation, and Analysis

- Coding of closed-ended questions was accomplished by the interviewers.
- Coding of the open-ended questions was undertaken by a senior researcher, who developed and applied codebooks for each question.
- Weights applied for gender and age, which are strongly related to the key survey question and which were noticeably different from population parameters.
- Data tabulated and analyzed in SPSS.
RATINGS OF THE QUALITY OF LIFE IN ATASCADERO

Figure 1

Excellent
31.7%

Good
57.0%

Fair
10.0%

Poor
1.3%
CHANGES IN THE QUALITY OF LIFE OVER THE PAST YEAR

Figure 2

- Gotten Better: 13.6%
- Stayed About the Same: 76.7%
- Gotten Worse: 7.9%
- Don't Know: 1.8%

Figure 2
RATINGS OF THE JOB THE CITY DOES IN MANAGING CITY AFFAIRS AND SERVICES

- Excellent: 6.7%
- Good: 43.7%
- Fair: 29.7%
- Poor: 11.6%
- Don't Know: 8.3%

Figure 3
ASSESSMENTS OF THE LEVEL OF CITY TAXES AND FEES

Figure 4

- Too High: 24.4%
- Just About Right: 54.9%
- Too Low: 3.0%
- Don't Know: 17.7%
UNDERSTANDING OF THE SALES TAX RATE IN ATASCADERO

- Seven and a Half: 36.0%
- Seven and Three-Quarters: 22.8%
- Eight: 16.8%
- Other: 1.5%
- Don't Know: 22.9%

Figure 5
AWARENESS THAT THE SALES TAX RATE IN ATASCADERO IS LOWER THAN THE RATE IN OTHER AREA CITIES

- Yes: 26.1%
- No: 59.9%
- Some Yes, Some No: 12.5%
- Not Sure: 1.5%

Figure 6
LEVELS OF SUPPORT FOR THE PROPOSED SALES TAX INCREASE

- Strongly Support: 20.0%
- Support: 40.9%
- Oppose: 22.0%
- Strongly Oppose: 12.9%
- Don’t Know/No Opinion: 4.1%

Figure 7
<table>
<thead>
<tr>
<th>Reason</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>We Need Improvements On Our Streets/I Think Our City Needs Improvements On Our Roads/I Want The Streets Improved/The Roads Are In Need Of Repair</td>
<td>121</td>
<td>45.7</td>
</tr>
<tr>
<td>I Understand That It Takes Money To Make Improvements/In Order To Operate A City, You Need To Spend Money/Nothing Comes For Free</td>
<td>40</td>
<td>15.0</td>
</tr>
<tr>
<td>We Need To Keep Improving Our Infrastructure</td>
<td>31</td>
<td>11.7</td>
</tr>
<tr>
<td>We Need To Maintain Our Infrastructure</td>
<td>28</td>
<td>10.6</td>
</tr>
<tr>
<td>There’s A Need For Everything You’ve Mentioned/For The Reasons You’ve Mentioned</td>
<td>26</td>
<td>9.9</td>
</tr>
<tr>
<td>Compared To Local Cities, We Have Lower Tax Rates/If Every Other City Has This Standard Tax, Why Should Our Tax Rate Be Any Less?</td>
<td>19</td>
<td>7.0</td>
</tr>
</tbody>
</table>
EFFECT OF SELECTED SITUATIONS ON SUPPORT FOR THE PROPOSAL

Figure 8

"Advisory Measure" On the Ballot
Citizens' Advisory Committee
Tax Increase Would Sunset After 10 Years
Tax Increase Would Sunset After 20 Years
City Has Lost Income But Balanced Its Budget

Support More | Oppose More | No Difference

Percent

Figure 8
EFFECT OF SELECTED SITUATIONS ON SUPPORT FOR THE PROPOSAL:
AMONG OPPONENTS

Figure 9

- "Advisory Measure" On the Ballot: 23.5% Support More, 28.6% Oppose More, 45.3% No Difference
- Citizens' Advisory Committee: 21.3% Support More, 27.3% Oppose More, 47.6% No Difference
- Tax Increase Would Sunset After 10 Years: 17.6% Support More, 37.1% Oppose More, 42.2% No Difference
- Tax Increase Would Sunset After 20 Years: 5.0% Support More, 49.5% Oppose More, 42.2% No Difference
- City Has Lost Income But Balanced Its Budget: 13.6% Support More, 25.9% Oppose More, 55.7% No Difference

Figure 9
ANTICIPATED EFFECT OF THE ATASCADERO UNIFIED SCHOOL DISTRICT BALLOT MEASURE ON VOTING BEHAVIOR

- Vote Only For School District Measure: 14.2%
- Vote Only For City Measure: 15.9%
- Vote Against Both: 22.3%
- Vote For Both: 38.5%
- Don't Know/No Opinion: 9.2%

Figure 11
EFFECT OF SELECTED USES OF THE INCREASE ON SUPPORT FOR THE PROPOSAL

Figure 12
EFFECT OF SELECTED USES OF THE INCREASE ON SUPPORT FOR THE PROPOSAL: AMONG OPPONENTS

Figure 13
GENDER

Male
46.9%

Female
53.1%

Figure 14
<table>
<thead>
<tr>
<th>Length of Time</th>
<th>Frequency</th>
<th>Percent</th>
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<tbody>
<tr>
<td>Less Than a Year</td>
<td>6</td>
<td>1.4</td>
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<tr>
<td>1 to 5 Years</td>
<td>45</td>
<td>10.5</td>
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<tr>
<td>6 to 10 Years</td>
<td>60</td>
<td>13.9</td>
</tr>
<tr>
<td>11 to 20 Years</td>
<td>121</td>
<td>27.9</td>
</tr>
<tr>
<td>21 to 30 Years</td>
<td>93</td>
<td>21.4</td>
</tr>
<tr>
<td>31 to 40 Years</td>
<td>54</td>
<td>12.4</td>
</tr>
<tr>
<td>More Than 40 Years</td>
<td>48</td>
<td>11.1</td>
</tr>
<tr>
<td>Not Sure/Refused</td>
<td>6</td>
<td>1.4</td>
</tr>
<tr>
<td>Education Level</td>
<td>Frequency</td>
<td>Percent</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-----------</td>
<td>---------</td>
</tr>
<tr>
<td>Less Than High School</td>
<td>8</td>
<td>1.9</td>
</tr>
<tr>
<td>High School Graduate</td>
<td>46</td>
<td>10.6</td>
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<tr>
<td>Vocational/Trade Certificate</td>
<td>9</td>
<td>2.0</td>
</tr>
<tr>
<td>Some College</td>
<td>100</td>
<td>23.2</td>
</tr>
<tr>
<td>Two-Year Degree</td>
<td>58</td>
<td>13.5</td>
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<tr>
<td>Four-Year Degree Or Higher</td>
<td>207</td>
<td>47.7</td>
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<tr>
<td>Refused</td>
<td>5</td>
<td>1.1</td>
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### Table 5

**AGE**

<table>
<thead>
<tr>
<th>AGE</th>
<th>Frequency</th>
<th>Percent</th>
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<tbody>
<tr>
<td>18 to 29</td>
<td>28</td>
<td>6.5</td>
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<tr>
<td>30 to 39</td>
<td>39</td>
<td>8.9</td>
</tr>
<tr>
<td>40 to 49</td>
<td>50</td>
<td>11.6</td>
</tr>
<tr>
<td>50 to 64</td>
<td>165</td>
<td>38.0</td>
</tr>
<tr>
<td>65 or Older</td>
<td>133</td>
<td>30.6</td>
</tr>
<tr>
<td>Refused</td>
<td>19</td>
<td>4.3</td>
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### Table 6

**TELEPHONE USE**

<table>
<thead>
<tr>
<th>Type</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cell Phone Only Or Mostly</td>
<td>151</td>
<td>35.0</td>
</tr>
<tr>
<td>Blend Of Cell Phone and Landline</td>
<td>151</td>
<td>34.9</td>
</tr>
<tr>
<td>Landline Only Or Mostly</td>
<td>126</td>
<td>29.1</td>
</tr>
<tr>
<td>Don't Know/Can't Say</td>
<td>1</td>
<td>.2</td>
</tr>
<tr>
<td>Refused</td>
<td>3</td>
<td>.8</td>
</tr>
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### Table 7

<table>
<thead>
<tr>
<th>VOTER REGISTRATION STATUS</th>
<th>Frequency</th>
<th>Percent</th>
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</thead>
<tbody>
<tr>
<td>Democrat</td>
<td>150</td>
<td>34.7</td>
</tr>
<tr>
<td>Republican</td>
<td>202</td>
<td>46.6</td>
</tr>
<tr>
<td>American Independent</td>
<td>6</td>
<td>1.4</td>
</tr>
<tr>
<td>Libertarian</td>
<td>2</td>
<td>.4</td>
</tr>
<tr>
<td>Green</td>
<td>2</td>
<td>.5</td>
</tr>
<tr>
<td>No Party Preference</td>
<td>71</td>
<td>16.4</td>
</tr>
</tbody>
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### Table 8

<table>
<thead>
<tr>
<th>VOTING BEHAVIOR IN THE PAST SIX ELECTIONS</th>
<th>Frequency</th>
<th>Percent</th>
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</thead>
<tbody>
<tr>
<td>Voted In Six</td>
<td>249</td>
<td>57.4</td>
</tr>
<tr>
<td>Voted In Five</td>
<td>77</td>
<td>17.8</td>
</tr>
<tr>
<td>Voted In Four</td>
<td>53</td>
<td>12.2</td>
</tr>
<tr>
<td>Primary Voter</td>
<td>55</td>
<td>12.7</td>
</tr>
</tbody>
</table>
CONCLUSIONS AND RECOMMENDATIONS
Ballot Measure Support

- It would appear that the City of Atascadero’s proposed sales tax increase is on quite solid footing.
- Overall support totals about six in ten (61 percent), well above the needed majority.
- Possible caveat is that this level of support represents a smaller group of strong supporters (20 percent) and a larger group of supporters (41 percent).
- Effective opposition might be able to alter the opinions of some members of the latter group.
School District Measure

- Another challenge is competing Atascadero Unified School District bond reauthorization measure on the same ballot
- With the dual ballot measure scenario, research shows that only somewhat over half of voters (54 percent) would vote for the City’s measure
- Still a majority, but a much less generous one
- Suggests a need to be proactive
Key Messages

- Research also clearly identifies messages that supporters should be able to marshal to attract voters to their cause:
  - Strong support for increased maintenance and repair of local streets and roads
  - Advisory measure identifying these as the primary uses of the additional revenue and citizens’ advisory committee to oversee the expenditure of the additional funds appear likely to attract more support
  - Some evidence that an equity or comparability argument about tax rates in Atascadero versus those in other area cities might have an effect
Summary

- Solid level of support for a proposed tax increase absent the school district measure
- Somewhat less commanding lead with the education measure also on the ballot
- Research identifies arguments in support of the City’s proposed measure that should be effective in maintaining and increasing support
Next Steps

- Council cannot impose a sales tax.
- Council can place a measure on the ballot to allow voters to decide
- Council is not voting to place a sales tax measure on the ballot tonight.
Next Steps

- Direct staff to come back with proposed ballot measure language for Council to consider in June
- Give staff some direction on the language
- Staff to do community outreach:
  - Public input prior to June consideration
  - Public education and question answering
General vs. Special Sales Tax

- General Sales Tax
  - Requires 50%+ vote to pass
  - Protections can be put in place to ensure funds are used for voter designated purposes
  - Does not legally restricts funds

- Special Sales Tax
  - Requires 2/3+ vote to pass
  - Legally restricts the funds
Advisory Measure

- Clear directive from voters on where money should be spent
- Not legally binding, but clear direction
- Roads or Roads and Other Infrastructure
Citizens Advisory Committee

- Increases assurances that money will spent where voters directed money to be spent
- Check and balance on where money is spent:
  - Budgeting
  - Reporting of where funds are spent
Questions?
Recommendations

- Direct staff to prepare a resolution and ordinance for City Council consideration at the June 24, 2014 meeting to place a ½ cent local sales tax override measure on the November 2014 ballot; and,

- Direct staff to draft the resolution to include establishment of a Citizen’s Advisory Committee; and,
Recommendations

- Direct staff to draft the resolution to include an advisory measure with language directing that the funds from the $\frac{1}{2}$ local sales tax override would be used:
  
  A. Primarily for the purpose of repairing and maintaining the City’s roadways
  
  - OR
  
  B. Primarily for the purpose of repairing and maintaining the City’s roadways, with remaining funds to be used for the repair and maintenance of other City infrastructure such as parks facilities, storm drains and zoo facilities.