

Information about Measure C



What is Measure C?

The City Council has placed Measure C on the ballot so voters in Cerritos can consider enacting a $\frac{3}{4}$ cent local sales tax. If voters approve Measure C in March, 2020, it is expected to generate an estimated \$11.4 million each year in dedicated City-administered funds.

Why place Measure C on the ballot?

Over the past eight years, Sacramento has taken more than \$132 million in local funds from Cerritos. In addition, Cerritos is only receiving a nominal share of the revenues that our local taxpayers generate for Los Angeles County. Of the last two County sales tax increases passed since 2016, less than 6 cents on the dollars generated in Cerritos is being returned to the City for local use. These factors, along with rising costs, have had a significant affect on Cerritos, and have caused the City to delay more than \$61 million in critical infrastructure maintenance repairs. Over these years, the City has also had to use reserve funds in order to maintain funding for programs, services and maintenance repairs. Measure C has been placed on the ballot to provide a source of locally controlled revenue that will be used to help fund the City's public safety, infrastructure maintenance and programming needs.

What has the City done to reduce costs and limit expenditures?

The City has taken a fiscally responsible approach and has worked hard to reduce costs and limit expenditures wherever possible. As a point of reference, the City's budget for the current fiscal year, when adjusted for inflation, is \$9 million less than the budget for the 2008–09 fiscal year. The City has achieved these savings through a reduction in its workforce by approximately 45 full time positions and across-the-board reductions in expenditures. The City, however, has still needed to use reserve funds so as not to cut services, library hours, recreation programs or Cerritos Sheriff's Station staffing.

How much money will Measure C generate?

It is estimated that Measure C would provide the City with an additional \$11.4 million in new revenue annually. All revenue from Measure C will remain in Cerritos.

What City of Cerritos needs would be addressed by Measure C?

The City will use the funds to maintain existing services and programs, reduce reliance on reserve funds and begin to address the backlog of \$61 million in deferred infrastructure maintenance. The following is a list of some of the items Measure C funds will be used for:

- **Public Safety:** Measure C funds will help the City maintain current Cerritos Sheriff's deputy staffing levels to ensure that there are enough on-duty officers to patrol the City, prevent crime and quickly respond to 911 calls.
- **Maintenance:** Measure C funds will help the City address critical infrastructure maintenance needs that include street, sidewalk and tree maintenance; drinking water infrastructure repairs; and park and City facility maintenance.
- **Programs and Services:** Measure C funds will support current City service levels for recreation, library and senior center programs.

If Cerritos does not pass this measure, will the City's sales tax increase in the future?

Sales tax in Los Angeles County is currently capped at 10.25%. The sales tax rate in Cerritos is currently 9.50% – which means there is 0.75% of remaining cap space available to any agency with sales tax collection jurisdiction in Los Angeles County. If Cerritos voters approve Measure C, the City will reach the current cap.

If the City does not pass the measure, the potential exists that the County or a regional agency could pass a sales tax in the future that reaches the 10.25% cap. The revenue that Cerritos would generate for such a new County or regional agency sales tax would be used to support programs and services for the benefit of all of Los Angeles County.

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Who will control the revenue from Measure C?

The City Council will decide how to spend these funds during its annual open budget process, with feedback and input from Cerritos residents and businesses.

How will the City account for Measure C funds?

Measure C includes strict accountability and public oversight provisions, including mandatory financial audits, to ensure that the funds are spent effectively. In addition, all funds from this measure are required by law to stay in Cerritos for the use and benefit of the City's residents and businesses and cannot be taken by the County or State.

What is taxable under Measure C?

The new tax would apply to taxable goods such as tangible items, and, by law, is not applied to groceries from a grocery store, prescription medications or real estate transactions.

Who will pay the Measure C tax?

Measure C would be paid by anyone who shops or dines at a restaurant in Cerritos. The burden of Measure C would be widely distributed between Cerritos residents and the hundreds of thousands of visitors who shop and dine out in Cerritos each year. Those visitors will be paying their fair share of the costs for public safety, roads and public facilities through their payment of the Measure C tax. It is anticipated that a majority of the revenue collected through Measure C would be paid for by visitors to the City.

What will Measure C's impact be on the cost of taxable purchases?

Measure C is a $\frac{3}{4}$ cent local sales tax. In terms of its impact, Measure C would add an additional \$0.75 for every \$100 spent to the cost of taxable purchases made in Cerritos.

Have other local communities adopted or placed similar measures on a ballot?

Many nearby communities in Los Angeles County have already passed local sales tax measures or are also in the process of pursuing such a measure to protect local revenue sources, maintain services and to safeguard against State takeaways.

To date, of the 88 cities in Los Angeles County, there have been 31 that have already enacted local sales tax measures. Additionally, there are 19 other Los Angeles County cities, including the cities of Lakewood, Norwalk, Artesia, Hawaiian Gardens and Paramount that are pursuing local sales tax measures in the March 3, 2020 election. Many of those measures have been enacted or are being pursued to ensure that locally generated revenue will stay local to fund public safety, infrastructure maintenance needs and essential services.

How can I get more information about Measure C?

Please visit cerritos.us or contact the City's Finance Division at (562) 916-1279.