

Vote "NO" on Measure B

The Bait-and-Switch 50% Tax Hike !

The Police and Fire Unions Spent \$36,231 in OUR City Election.

They Want to RAISE TAXES and THEIR PAY and PENSIONS !

All the firefighters and about three-fourths of the police don't even live in town.

This grass-roots flyer contains all you need to know about Measure B

YOU MUST VOTE April 12 to STOP IT. All of this information comes from official City of El Segundo public record documents. For more info and proof, see PublicSafetyProject.org.

Background

- The City lured hotels here with a Business Attraction Program and lower Hotel Transient Occupancy Tax (TOT); Now after the hotels are built, the City is trying to raise their TOT tax by 50%, from 8% to 12%, which exceeds the excessive 9% Sales Tax
- Measure B will DESTROY El Segundo's competitive edge and longtime reputation as a business-friendly city
- Measure B piles on top of the new 50% Minimum Wage Hike from \$10 to \$15 per hour
- Adjacent Manhattan Beach has only a 10% TOT Tax
- Measure B will place El Segundo at 24% above the 9.69% average for 483 California cities and counties that have a TOT as shown in the 12/1/15 City Council Agenda Packet
- Hotel room rates and TOT revenue increased significantly since 1996 (20 years); Annual TOT revenue is UP \$1.5 MILLION (38%) since FY 2009-10 Without Raising Taxes (see elsegundoca.OpenGov.com)
- Hotel Operators OPPOSE Measure B – They Can Only Accept a 10% TOT
 - City representatives met with the Hotel Operators, and they agreed to accept at most a 25% TOT increase to 10%, after being told the City needs the money
 - Tax-and-Spend City Council Members Marie Fellhauer and Dave Atkinson INSISTED on a 50% TOT tax increase, from 8% to 12% (12/1/15 Council meeting)
 - City Council Member Mike Dugan and former City Council Members Mike Robbins, Jane Friedkin, and Dick Switz all OPPOSE Measure B

Details

- Permanent Tax Hike – No Sunset Clause (Expiration Date), although new development will provide \$2.6 Million in new tax revenue, plus \$8.5 Million more from Chevron, EACH year
- TOT Tax is paid by customers – Measure B will Increase Room Prices and Reduce Sales
- Most or All of the new tax revenue will go to Pay and Pension Increases as in the past
- Measure B will INCREASE the City's Funded and Unfunded CalPERS Pension Liabilities, because EVERY pay raise increases both the Funded and Unfunded Pension Liabilities

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Real and Better Solutions

- Stop giving Unions and Managers 11.25% to 32.3% in pay raises over three years as was done during the Great Recession while Redondo Beach cut compensation 6%
- Save > \$3.3 Million per Year: Require Employees to Pay Half the Pension Contributions
- Save several Million more per Year: Eliminate automatic additional yearly 5% “Step” Raises, “Longevity” Raises, and Redundant “Special Compensation”

Non-Binding Resolution on How to Spend the Measure B Tax Money

- The City Attorney said a resolution on how to spend the Measure B tax money is not binding, and only language in the ballot measure can be binding
- City Council chose the non-binding route, and proposed a worthless resolution as a ploy
- The tax hike will pay for past and future pay raises and the resulting pension increases, NOT for infrastructure or more police officers and firefighters

Measure B has Bad Timing

- It greatly weakens the City Council’s bargaining position as it continues its ongoing Labor Contract negotiations with the Police Union and other City Employee Unions
- It asks us to raise the TOT Tax before we can see if any cost savings result from those negotiations, or if the unions get more big pay raises as usual
- City Council can come back with a less extreme measure in November – After it negotiates new long-term union contracts and makes them public

Measure B Does Nothing to Solve the City’s Spending Problems and Actually Delays a Real Solution

- Once You See What El Segundo Pays Its Police and Firefighters, You Won’t Vote for Any Tax Hikes! (See <http://TransparentCalifornia.com/salaries/2014/el-segundo/>)
- Police and Firefighters are paid total compensation of \$150,000 to \$375,000+ per year
- 18 City Employees are paid more than \$300,000 per year; 35 more than \$250,000; 77 more than \$200,000; 118 more than \$150,000; and 186 more than \$100,000
- One City Police Employee got a 23% raise in his last year, spiking his pay and pension, and was paid nearly \$600,000 total that year! (See PublicSafetyProject.org)
- City Council raised Chevron’s taxes in 2013 by more than \$8.5 Million average per year for 15 years, but the City Council keeps coming back for more taxes!

City Council Controls and Increased Pension Costs in 3 Significant Ways

- Huge Pay Raises and Redundant Special Compensation increased Pension costs
- City pays 71% to 94% of total CalPERS pension contributions instead of only half
- City provides the most extravagant and expensive Pension Plan Options