

# Manteca is Considering a 1% Sales Tax Measure for November 2024 Ballot.



**Photo caption:** The Manteca City Council is working diligently to recommend the best path for Manteca’s financial future. From left to right City of Manteca City Council Members Charlie Halford, Jose Nuño, Mayor Gary Singh, Vice Mayor David Breitenbucher, and Mike Morowit.

**Manteca, Calif.** - The City of Manteca is considering placing a funding Measure on the November 2024 ballot, asking Manteca voters to authorize increasing the City’s sales tax by 1% (from 8.25% to 9.25%) in order to address the pressing challenges presently facing the City.

The basic needs that have led City officials to consider placing a funding measure on the local ballot include (1) the need to enhance neighborhood police patrols and crime prevention efforts; (2) the need to enhance fire protection services and maintain emergency response times in the City; and (3) the need for street and road repairs (including potholes).

In addition, the City needs to keep public spaces safe and clean, improve traffic flows and reduce congestion, maintain youth and senior programs in the City, further address homelessness in Manteca, and maintain and/or enhance other quality-of-life amenities and services.

If passed in the November 2024 election cycle, a 1% increase in local sales tax will cost Manteca residents, and consumers from outside the City, less than one penny for every \$1 spent locally. According to Manteca's City Manager, Toni Lundgren, "This modest increase would play a vital role in addressing the City's ongoing challenges; particularly those impacted by rising inflation and subsequently higher interest rates."

A 1% increase in the local sales tax will generate approximately \$21 million annually. It is intended to be permanent.

Lundgren explained that City officials are considering asking Manteca voters to authorize a modest increase in the City's sales tax, rather than addressing the City's fiscal challenges through some other funding mechanism, for the following reasons:

1. A localized City sales tax provides funding that cannot be seized (taken away) by the State; thus, assuming the funding measure secures the required voter support, the revenue will remain in the City to benefit Manteca residents.
2. This tax is paid by non-City residents, as well as Manteca residents, as funds are brought into the community from people who reside outside the community to benefit Manteca residents. For example, commuters who fuel-up at gas stations, eat at local restaurants, and shop in Manteca will help fund services that benefit Manteca residents.
3. Most foods (groceries) and medicines (prescription drugs) are exempt from being charged a sales tax.

Further, the City Manager points out that the City's infrastructure is in decline due to deferred maintenance, and there is a lack of available funds for such things as the replacement of vehicles, ranging from lawnmowers to fire trucks.



**Photo caption:** *There is a lack of funds available for emergency expenditures, which include the replacement of vehicles ranging from lawnmowers to fire trucks.*

"We lack reserve funds; these are quickly being depleted," Lundgren explains. "We are using our limited reserves to pay for operating costs. City reserves are intended to be used when the City is faced with unforeseen emergencies, like earthquakes or other natural disasters; these are one-time funds...once they are used, they are gone, forever," she stresses.

Over the last 20 years, the City has managed to maintain essential services as best it could, such as water and sewer treatment, as well as park equipment, "...but, these days are behind us," Lundgren laments.

Some residents question how there can be a shortage of revenue in light of all the new development occurring in the City. Homeowners pay property tax annually equal to 1% of the assessed property value; with Manteca receiving 20% of that amount. Thus, for a home valued at \$450,000, the property tax is approximately \$4,500 per year; the City receives only \$900 from these funds.

Furthermore, revenue generated from development comes with accompanying costs for services and infrastructure maintenance, and income from property taxes is shared with San Joaquin County. "In essence," Lundgren explains, "the positive impact of new development on the general fund is marginal."

Recently, the City negotiated a new property tax agreement with San Joaquin County and their rate of new growth will be 40% of the 1% received, which will apply to new development.

The City Manager stresses that the City does more with less. "We've had to cut back on all General Fund services in order to maintain a balanced budget. We have significantly deferred maintenance and major infrastructure needs. City facilities and equipment are out of date and falling apart."

Moreover, of the 8.25% sales tax rate presently being charged for purchases made in Manteca, the City receives only 1.5%; the remainder goes to the state, and the county. "The current rate is insufficient to fund critical needs and is causing a financial strain on the City," says Manteca's Finance Director Shay Narayan.

The breakdown of the 8.25% is that approximately 4% goes to the State and 2.75% to San Joaquin County and only 1.5% goes to the City; one-third of that (.5%) goes to Measure M Public Safety Sales Tax. Measure M was passed by the Manteca voters in 2006 and funds 36 public safety positions; 18 police and 18 fire, "...which are crucial for the City," Narayan stresses.

**How is General Fund Allocated:** The largest portion of the General Fund (between 50%-60%) is allocated to police and fire services, emphasizing the City's prioritization of public safety services in Manteca. The rest is distributed among various functions that contribute to the overall well-being of the community.



**Photo caption:** *Is this a sign of the times? "Over the last 20 years, the City has only managed to patch potholes and maintain essential services such as water and sewer treatment, as well as park equipment, as best we could," says City Manager, Toni Lundgren.*



***Photo caption: Fewer police officers and firefighters are in the future if no funding solution is found.***

Narayan stresses, “If Manteca voters do not authorize an increase in the local sales tax, the City will be forced to make significant cutbacks in services and programs presently being provided by and/or through the City. Some services may have to be eliminated, altogether. This will result in more potholes, fewer police officers and firefighters, and the reduction of other services that impact the quality-of-life Manteca residents presently enjoy.”

Passage of such a funding measure requires simply-majority support of the voters (50 percent +1 YES vote); the revenues generated from a successful funding measure will be placed in the City’s General Fund.

Assuming the funding measure under consideration passes, a five-member Citizen Oversight Committee will be created to monitor expenditures and recommend a spending plan. An outside audit of sales tax spending will be conducted annually; a report will be produced and made public.

“As we continue to address the fiscal challenges facing the City of Manteca, we will keep the community informed regarding Manteca’s financial status,” the City Manager concludes.

For more information, contact the City Manager’s office at [\(209\) 456-8000](tel:2094568000), email: [Feedback@manteca.gov](mailto:Feedback@manteca.gov), or go online to [Manteca.gov](http://Manteca.gov). Click [here](#) to sign up for our e-newsletter.

## **About the City of Manteca**

Manteca, incorporated in 1918, is a vibrant, full-service city in the heart of California, offering comprehensive police, fire, public works, water, trash, and sewer services. Home to a diverse population of 88,772, Manteca is San Joaquin County's third-largest city and the sixth fastest-growing city in the state. With a family-friendly atmosphere and a thriving community, Manteca is rapidly approaching 90,000 residents. The city boasts key infrastructure, commercial, residential, and recreational developments, supporting 28,454 households. The median home price in Manteca is \$500,000, and the median annual household income is \$118,814, reflecting the city's robust economic health and growth opportunities.

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