



Frequently Asked Questions (FAQs)

Funding Measure on November 2024 Ballot

Updated July 17, 2024

The City of Manteca is placing a 3/4-cent sales tax measure on the November 2024 ballot, which would ask Manteca voters to authorize increasing the City's sales tax to address pressing community challenges. This FAQ is intended to be a "living" document; as such, it will be updated regularly as input is received from Manteca voters.

1. Q: Why is the City proposing to increase our local sales tax?

A: The 3/4-cent (.075%) sales tax increase aims to address critical needs within the City and is estimated to generate between \$10 - \$13 million annually. This measure is written to sunset in 20 years and would play a vital role in funding critical needs and priorities for the community and tackling ongoing challenges for delivering services, particularly those impacted by rising inflation and higher interest rates.

2. Q: How did we get here?

A: In 2020, the City placed a general sales tax measure on the ballot that did not pass. Over the past several years, public presentations have been shared regarding the City's ongoing financial constraints and challenges. The past shortfalls in property and sales tax have been millions in losses over the years. Over time, our assets have aged, which has compounded the difficulties we have today. The City is at a pivotal point where we can no longer defer fees or continue to place band-aids on potholes.

3. Q: What is Manteca's current sales tax rate?

A: The current sales tax rate in Manteca is 8.25%. Of that amount, 1.5% goes to the City of Manteca. If the proposed 3/4-cent sales tax measure is passed, Manteca's sales tax rate would be 9%.

4. Q: Why a sales tax and not some other funding mechanism?

A: The City is pursuing a sales tax measure because of the following reasons:

- A local sales tax provides funding that cannot be taken away by the State and will be solely used to benefit our community.
- The money brought into Manteca by tourists and visitors will contribute to local sales tax revenue. For example, visitors who purchase gas, and frequent local shops and restaurants will help fund programs and services for Manteca residents.
- Most foods (groceries), prescription drugs, personal services, and medical services are not charged sales tax.
- If passed, the sales tax increase will cost Manteca residents and consumers from outside the City less than one penny for every dollar spent locally.

5. Q: How much will this sales tax cost consumers when making taxable purchases in the City of Manteca?

A: The 3/4-cent increase in local sales tax will cost consumers who shop in Manteca less than one cent for every dollar spent.

6. Q: How much revenue will this sales tax measure produce?

A: A 3/4-cent sales tax increase will produce roughly \$10 – \$13 million annually for the City of Manteca.

7. Q: If the sales tax measure is approved by voters in November 2024, how soon will it go into effect?

A: If the Initiative passes in the November election cycle, it will go into effect on January 1, 2025.

8. Q: What will the sales tax measure be used for?

A: The Measure under consideration is aimed to:

- Fund roadway and infrastructure repairs (including potholes).
- Enhance neighborhood police patrols and crime prevention efforts.
- Enhance fire protection services and maintain emergency response times.
- Improve and increase quality of life programs and amenities such as parks, public facilities, local business support, homeless services, youth services, and other areas based on Council and community priorities.

9. Q: What has the City done to reduce operating costs?

A: The City continues to do more with less. It has cut back on all General Fund services to maintain a balanced budget and ensure uninterrupted services to the community. The City operates below industry trends from staffing to operational needs; nonetheless, it has postponed critical maintenance and infrastructure needs. City facilities and equipment are out of date and falling apart.

10. Q: Why does the City Have a shortage of revenue with the influx of housing?

A: While property taxes are a significant revenue source for Manteca, they are not sufficient to cover all essential city services. Here's why:

Property Tax Rate and Distribution: California's property tax rate is 1%, and Manteca receives only 20% of this revenue for most areas. Although the total assessed value of all property in Manteca is nearly \$10 billion, generating approximately \$100 million in property tax revenue, Manteca's share is just about \$13.5 million annually.

Recent Changes: Even with the recent negotiation increasing Manteca's share to 40% for new growth areas, the overall revenue from property taxes remains inadequate to meet the city's

growing needs.

For example: For a home valued at \$450,000, the annual property tax is \$4,500, and Manteca receives only \$900 for general fund operations. This amount is not enough to sustain the wide range of essential services required by our community.

To ensure that Manteca can continue to provide essential city services, such as public safety, infrastructure maintenance, and community programs, we need additional revenue. Increasing the sales tax rate is a practical solution to bridge the funding gap and maintain the quality of life for our residents.

11. Q: Will the 3/4-cent sales tax increase end once the City’s fiscal challenges are resolved?

A: It is being proposed as a 20-year measure.

12. Q: Assuming the measure passes, will there be citizen oversight?

A: **YES.** A five-member Citizen Oversight Committee will be appointed to monitor expenditures. An outside audit will be conducted annually, and a report will be produced and made public.

13. Q: What is the threshold of voter support needed to pass this measure?

A: A majority of voter approval (50% + 1) is needed.

14. Q: What happens if the measure does not pass?

A: If a majority of voters do not pass the measure, the City will need to consider making significant cuts to community programs and services. This could mean more potholes on our roads, fewer police officers and firefighters, potential closures of parks, and impacts to staffing and services.

15. Q: Why can’t the City use its reserves to fund its programs and services?

A: The City’s reserves are quickly being constrained, or even depleted, and exist for one-time uses based on the City’s Reserve Policy. City reserves are used when faced with unforeseen emergencies, like earthquakes or other natural disasters.

16. Q: How can I get more information?

A: As we continue to address the fiscal challenges facing the City of Manteca, we will work hard to keep you informed. Please visit the [City’s website](#), sign up for our [e-newsletter](#), or email us at feedback@manteca.gov.

17. Q: When is the 2024 election?

A: The general election will take place on November 5, 2024. For information on voter registration and polling locations, visit: [Registrar of Voters \(sjgov.org\)](#).

18.Q: How will you prioritize the needs for the new funds coming in?

A: The most pressing needs at the present time include:

- (i) The need for street and road repairs (especially repairing potholes).
- (ii) The need to enhance neighborhood police patrols and crime prevention efforts.
- (iii) The need to enhance fire protection services and maintain emergency response times in the City.
- (iv) The need to enhance quality of life services, programs, and amenities.

19.Q: How many sworn personnel does the department currently have? How many sworn personnel is the department currently allocated for under the current budget?

A: We have 78 sworn personnel and plan to hire three more officers in Fiscal Year 2024-2025.

20.Q: Open the books and have a complete OUTSIDE audit completed. Get rid of the waste, find lost funds, get things right BEFORE holding out the hands for more

A: The City conducts annual audits which are made available to the public. Please click on the following link to view the City's financial documents:

<https://www.manteca.gov/departments/finance-department/financial-documents/comprehensive-financial-reports>

21.Q: What about the revenue from all the new Cannabis shops coming to town?

A: The City has permitted three cannabis dispensaries, all of which are currently in the process of opening.

22.Q: There's no talk about housing for senior citizens who can't afford living in Manteca with high rent, only about hundreds of new homes you're going to force us to live on the streets.

A: The City is partnering with the Housing Authority of San Joaquin to launch a 42-unit senior affordable housing project in our downtown area. The 5-story building will feature a 2,200 SF first-floor commercial space, community rooms, offices for support services, and covered parking. Together, we're working to create a vibrant and inclusive community for our beloved seniors while also revitalizing our downtown.

23.Q: Can we explore other avenues for revenue that don't impose an extra hardship on longtime residents that are already getting choked out of the City by the Bay Area's overflow?

A: The City does, and will continue, to explore other avenues for revenue generation, including grants.

For several years the City has done more with less. We have cut back on all General Fund services to maintain a balanced budget and ensure uninterrupted services to the community. The City operates below industry trends from staffing to operational needs, and has been forced to postpone critical maintenance and infrastructure needs. The City is at a pivotal point where we can no longer defer fees or continue to place band-aids on potholes.

24.Q: Is the City budget in the red annually or do we have a positive budget? Is this tax needed to balance the budget or is it to get out of a hole quicker? If the later, then put a sunset date on it for when the city is expecting to be above water again.

A: The City has been using a portion of its reserves to cover budget shortfalls, but this is not sustainable. We face significant challenges in funding critical services and projects. The proposed 3/4-cent sales tax increase on the November ballot will help ensure long-term financial stability. The measure, as written, has a 20-year sunset.

25.Q: What is the proposed ballot measure language?

To provide funding that stays in Manteca to benefit residents, used for street and traffic improvements (including potholes), job creation, local business support, homeless services, youth services, enhance public safety facilities and services, and other quality of life services, shall the City enact a temporary 3/4-cent increase in sales tax (from 8.25% to 9%), for 20 years, generating approximately \$13 million annually, with mandatory annual audits and review of expenditures through a citizens' oversight committee.	YES
	NO

26.Q: Where can I view the July 16, 2024 City Council staff report that requests the submission of a ballot measure for the November 5, 2024 election?

A: You may view the staff report here: https://manteca-ca.legistar1.com/manteca-ca/meetings/2024/7/1751_A_CITY_COUNCIL_24-07-16_SPECIAL_MEETING_AGENDA.pdf