



TO: Mayor and Councilmembers

FROM: Michael Jenkins, City Attorney
Deborah Lopez, City Clerk

SUBJECT: Direct Arguments for Measure Z2018 Cannabis Business Tax and
Measure W2018 Salaries-Mayor and City Council

RECOMMENDATION:

- A. Review and finalize the argument for Measure Z2018 - Cannabis Business Tax.
- B. Review and finalize the argument for Measure W2018 - Salaries-Mayor and City Council.
- C. Determine whether to authorize a City Council Committee to author the rebuttal arguments for the measures.

BACKGROUND:

On June 19, 2018, the City Council authorized the submission to the voters of a question relating to establishing a tax on cannabis businesses operating within the City of Goleta and a question relating to Mayor and Council salaries. At the same meeting, the City Council authorized its members to author the argument for the measures and provided for the filing of rebuttal arguments. The Council selected Councilmember Richards and Mayor Pro Tempore Kasdin to draft the arguments.

On July 6, 2018, the City Clerk's office was provided measure letter assignments, Measure Z2018 for the Cannabis Business Tax and Measure W2018 for Salaries-Mayor and City Council, from the Chief Deputy Registrar of Voters for Santa Barbara County.

DISCUSSION:

Councilmember Richards and Mayor Pro Tempore Kasdin prepared the draft arguments in favor and are providing them to the City Council for review and approval (Attachments 1 and 2).

Following the close of the argument deadline, the City Clerk will transmit the arguments to the authors of any opposing arguments, if any are submitted. Opposing arguments, if any, will be submitted to the Council. The authors of supporting and opposing arguments will then have the opportunity to prepare and submit rebuttal arguments within the required time period. (EC 9285). If no arguments are submitted in opposition, there will be no rebuttal arguments.

Council should decide whether the same temporary committee should write the rebuttal arguments if opposition arguments are submitted and provide for each City Councilmember to be a signatory. Due to the cancellation of the August 7, 2018 meeting, unless the City Council calls a Special Meeting, other members of the City Council will not have an opportunity to provide feedback or modifications to the rebuttal(s) before the filing deadline.

Primary Arguments for or against ballot measures shall not exceed 300 words in length. Rebuttal Arguments for or against ballot measures shall not exceed 250 words in length (EC 9282, 9285). Word count will be determined using the standards set forth in Elections Code Section 9. The first day the Clerk's office will receive typewritten arguments in favor of or against the measures and the Impartial Analyses is July 23, 2018 and the last day is August 1, 2018.

If opposition arguments are filed, the rebuttal arguments are due not more than 10 days after the direct arguments are due. The filing period for rebuttals is August 3, 2018 - August 13, 2018. The rebuttal arguments must be submitted and received by the City Clerk by 5:00 p.m. on August 13, 2018.

FISCAL IMPACTS:

The estimated costs associated with the election and presented at the City Council June 19, 2018 meeting have been provided by the Santa Barbara County Elections office and are included in the City Clerk Division, Election Costs Account 101-5-1300-120 for FY 2018-19. Staff is estimating these costs at approximately \$36,450.


Reviewed By:


Carmen Nichols
Deputy City Manager

Legal Review By:


Michael Jenkins
City Attorney

Approved By:


Michelle Greene
City Manager

ATTACHMENTS:

1. Argument for Measure Z2018 Cannabis Business Tax
2. Argument for Measure W2018 for the Salaries-Mayor and City Council

Attachment 1

Argument for Measure Z2018 Cannabis Business Tax

ARGUMENT IN FAVOR OF MEASURE Z2018

Voters in Goleta overwhelmingly supported Proposition 64, which legalized recreational cannabis and passed in November 2016 with the support of 62% of City voters.

Following legalization, the City of Goleta sought public input and updated its ordinances related to cannabis land uses and business activities. The City recognizes the desire of the voters to move cannabis use from the black market into a regulated industry. The ordinances establish standards for enforcement to protect against crime. They also establish buffers around schools and residential neighborhoods with public review of applications for retail establishments. To eliminate unwanted odor, outdoor cultivation is prohibited and an odor abatement program is required.

This measure would create a new tax on cannabis business activities and allow the City to enforce the goals of our ordinance. By taxing the industry, we can ensure compliance and help eradicate illegal activities. Approval of this ballot measure would establish a maximum total tax of 10% for cannabis businesses, with initial rates of 5% (retail); 2% (manufacturing); 4% (indoor cultivation); and 1% (distribution & nurseries). Cannabis testing and medical marijuana would not be taxed.

The revenues generated from this "general tax" will become a part of the General Fund, which will go toward compliance enforcement, public safety officers, and other general services such as parks and roads. Unless you are a cannabis cultivator or user, you will not pay one cent of this tax. Whether you agree with the legalization of cannabis or not, it is critical that we tax the industry to ensure the City receives the funds it needs for compliance and enforcement.

Please join us in supporting Measure Z2018 to ensure that cannabis operators pay their fair share.

/s/ Paula Perotte, Mayor
/s/ Stuart Kasdin, Mayor Pro Tempore
/s/ Roger S. Aceves, Councilmember
/s/ Michael T. Bennett, Councilmember
/s/ Kyle Richards, Councilmember

Attachment 2

Argument for Measure W2018 for the Salaries-Mayor and City Council

Argument in Favor Measure W2018

The City is pursuing ways to eliminate potential obstacles that discourage residents from seeking elected offices. The need for this change is heightened by the shift to district elections in 2022, when Councilmembers will be elected from one of four districts of approximately equal population. At that time, each Councilmember will be required to live within their particular district, thereby limiting the pool of potential candidates for each office. In two of the last three City Council elections, the number of declared candidates was the same as the number of offices, and there is concern that district elections may routinely generate non-competitive elections.

With these concerns in mind, last year the City established the Public Engagement Commission to study resident participation and recommend ways to increase public involvement in City activities. The Commission believed that a reasonable salary could encourage those who are not otherwise able to give up their current salary – or who could not afford a reduction in work – to focus on the required commitments. Moreover, a higher Council salary could expand the pool of candidates beyond those who may have a pension (retirees) or other financial resources that the general public does not. As a general law city, Goleta's City Council salary is regulated by the California Government Code §36516, but a different rate of compensation can be established by the majority of voters through a ballot initiative.

This ballot proposition represents the unanimous recommendation by the Commission. The proposed salary reflects both the cost of living in Goleta and the job's workload. The Mayor and City Councilmembers devote approximately 30-40 hours per week on activities related to their elected offices.

Please join us in supporting Measure W2018 to ensure both competitive elections and a broader pool of candidates for city elections in Goleta.

/s/ Paula Perotte, Mayor
/s/ Stuart Kasdin, Mayor Pro Tempore
/s/ Roger S. Aceves, Councilmember
/s/ Michael T. Bennett, Councilmember
/s/ Kyle Richards, Councilmember