

<p style="text-align: center;">STATEMENT OF CANDIDATE FOR MAYOR City of Morro Bay</p> <p>JEFF ODELL Age: 54 Occupation: General Construction, Designer/Artist</p> <p>Education and Qualifications: While living in Morro Bay the last 36 years, I have worked in the tourism industry, the building industry, and marine-oriented businesses.</p> <p>I was elected to the Morro Bay City Council in 1986 and served a four-year term during a 7-year drought and an economic recession. During that term the Council built our Community Center and approved the senior housing behind Spencer's Market. As Vice Mayor I several times stepped in to run the Council meetings. I also served on the SLO Council of Governments and the committee that created Friends of the Estuary. In addition, I served on the Morro Bay Harbor Commission, the Ad Hoc Transportation committee, and the Tidelands Park Design Committee.</p> <p>I have been married 35 years and have two sons and two grandchildren.</p> <p>I am a strict fiscal conservative. As your mayor, I will assure that this city lives within its means while still providing basic service to the public. We must balance the budget to ensure our future. As your mayor, I will promote business development in all commercial areas of Morro Bay.</p> <p>My experience insures an understanding of the local economy, political experience, and the compassion to work for all the residents of Morro Bay.</p> <p style="text-align: right;">s/ Jeff Odell</p>	<p style="text-align: center;">STATEMENT OF CANDIDATE FOR MAYOR City of Morro Bay</p> <p>KEN VESTERFELT Age: 60 Occupation: Businessman & City Volunteer</p> <p>Education and Qualifications: Morro Bay is a gem we all love and want to preserve. Yet, it faces serious challenges that cloud it's future. Those challenges require leadership that is realistic, fair-minded, mature and energetic.</p> <p>I have been married to Heather for 35 years and together we raised two terrific adult children, Stacey and Jason.</p> <p>With a history of dedicated service in Morro Bay as a leader and activist in Community Service: Morro Bay Beautiful (8 years), Cruisin' Morro Bay Car Show (9 years), Chamber of Commerce Board (6 years), All-American Highway Designation Committee (3 years), Morro Bay Planning Commission (4 years), volunteer in my church (11 years), Fire Station Ad-hoc Committee, Police Volunteer (5 years), Police Volunteer of the Year, I gladly participate in activities as called upon.</p> <p>It's time for positive, capable, leadership that will make you proud.</p> <p>I will dedicate myself to being the best Mayor possible for Morro Bay.</p> <p>I respectfully ask for your vote</p> <p style="text-align: right;">s/ Ken Vesterfelt</p>
<p style="text-align: center;">STATEMENT OF CANDIDATE FOR MAYOR City of Morro Bay</p> <p>JANICE PETERS Occupation: Mayor, City of Morro Bay</p> <p>Education and Qualifications: As your Mayor, I kept my promise to make City Council proceedings more respectful of and responsive to our citizens. We've had two town hall meetings, and extra public meetings on topics ranging from tourism promotion to our sewer plant. In response to resident concerns, we formed ad hoc committees on public safety, power plant options, and view protection.</p> <p>We asked for your city service priorities, and are focusing our limited funds toward emergency services and street repairs. At weekly office hours, I've met with many of you about various issues.</p> <p>In addition to working with the other County mayors, I've represented our City in Sacramento and Washington D.C., establishing productive relationships with our state and federal representatives. I serve on the National Estuary Program Board, the Marine Interest Group, and the Economic Vitality Corporation, among others.</p> <p>I am often the balancing "swing vote" on important issues, including the power plant lease agreement and supporting our fishing industry. My voting decisions are based on the present and future welfare of our community, and this has always been my only "agenda."</p> <p>With your support, I will continue working on your behalf as Mayor of Morro Bay.</p> <p style="text-align: right;">s/ Janice Peters</p>	<p style="text-align: center;">DECLARACIÓN DE CANDIDATO PARA ALCALDE Ciudad de Morro Bay</p> <p>JANICE PETERS Ocupación: Alcaldesa, Ciudad de Morro Bay</p> <p>Educación y Competencia: Como su Alcaldesa, mantuve mi promesa de hacer que los procesos del Concejo Municipal respetaran más y respondieran a nuestros ciudadanos. Hemos tenido dos asambleas municipales, y reuniones públicas adicionales sobre temas que van desde la promoción del turismo hasta nuestra planta de alcantarillado. En respuesta a las preocupaciones de los residentes, formamos comités ad hoc sobre seguridad pública, opciones de plantas de energía, y protección del paisaje.</p> <p>Solicitamos sus prioridades de servicios de la ciudad, y estamos centrando nuestros fondos limitados en los servicios de emergencia y la reparación de las calles. En horas hábiles de la semana, me he reunido con muchos de ustedes en relación con diversos asuntos.</p> <p>Además de trabajar con otros alcaldes del Condado, he representado a nuestra Ciudad en Sacramento y Washington D.C., estableciendo relaciones productivas con nuestros representantes estatales y federales. Estoy sirviendo en la Junta del Programa del Estuario Nacional, el Grupo de Interés Marino, y la Corporación Vitalidad Económica, entre otros.</p> <p>A menudo soy el "voto crucial" que equilibra asuntos importantes, incluidos el contrato de arrendamiento de la central de energía y apoyar a nuestra industria pesquera. Mis decisiones de votación se basan en el bienestar presente y futuro de nuestra comunidad, y esto siempre ha sido mi única "agenda".</p> <p>Con su apoyo, seguiré trabajando en su nombre como Alcaldesa de Morro Bay.</p> <p style="text-align: right;">f/ Janice Peters</p>

**STATEMENT OF CANDIDATE FOR
MEMBER OF CITY COUNCIL
City of Morro Bay**

RICK GRANTHAM

Age: 55

Occupation: Business Owner; Retired Peace Officer Senior Medical Technical Assistant, California Department of Corrections; US Army, combat medic Vietnam

Education and Qualifications: The city of Morro Bay needs a dedicated leader who can and will represent all interests in this diverse community.

I am concerned about the reductions that I have witnessed in public safety over the last several years. As an active Morro Bay Police Volunteer and retired EMT and nurse, I want to be part of the team that works to solve these issues. I am mindful that we need to ensure fiscal responsibility, and promote economic growth while taking the personal rights of our residents into consideration.

As a business owner and resident, I have strong sense of community. If elected to the City council, I will bring a sensible, informed approach to decision making. I will devote my time and energy to being responsive to residential, business and environmental issues and needs. I will seek challenges and look for ideas rather than obstacles and /or criticisms.

Personal Information: Married, 3 grown children

Affiliations/activities: Rotary Club of Morro Bay (past president); Morro Bay Police volunteer (5 years), Morro Bay Chamber of Commerce Board of Directors (past and present); Friends of the Library; Rotary coordinator for the annual Thanksgiving dinner.

s/ Rick Grantham

**STATEMENT OF CANDIDATE FOR
MEMBER OF CITY COUNCIL
City of Morro Bay**

R. PEPPER HUGHES

Age: 53

Occupation: Businesswoman

Education and Qualifications: I'm running for city council because I love Morro Bay and believe we need a change in leadership. Our community is more than its special environmental setting. It is also the diverse people who live here, their families, their livelihoods, their safety, their housing and their economic opportunities.

I will be the connection between you and city government. I plan to carefully listen to what you have to say before making decisions. I will always work in the best interests of the people of our community while preserving the special quality of life in an environment we all love.

I've got a supportive husband and two grown sons that would make anyone proud. I've worked professionally with children and elderly adults who have special needs, including those who are physically and emotionally handicapped.

I'm energetic and positive by nature, more interested in helping people achieve their goals than finding excuses to say "no".

Please entrust me, R. PEPPER HUGHES, with your vote. You'll be pleased.

You have a right to vote for TWO council candidates. Be leery of those who want you to cast only one.

s/ R. Pepper Hughes

**STATEMENT OF CANDIDATE FOR
MEMBER OF CITY COUNCIL
City of Morro Bay**

THAD BAXLEY

Occupation: Councilmember, Retired Teacher

Education and Qualifications: I have lived in Morro Bay for forty-four years and was employed by the San Luis Coastal Unified School District for thirty-two years. Since my retirement I have served the City of Morro Bay as a member of the Public Works Advisory Board for three years, the Planning Commission for four years, and am completing a two year term on the City Council.

I support the Sales Tax Initiative (Measure Q) that is on the November ballot. The one-half cent increase will provide funding for essential city services such as fire, paramedics, street and pothole repairs, storm drains, police protection and code enforcement.

I support the proposed upgrade of the Morro Bay-Cayucos Wastewater Treatment Plant and will work to achieve tertiary treatment standards in a timely manner.

I will continue to listen to the views of all citizens, and hopefully bring a reasonable, responsive approach to the decision-making process, as I have tried to do for the last two years.

I respectfully ask for your support and your vote.

s/ Thad Baxley

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**STATEMENT OF CANDIDATE FOR
MEMBER OF CITY COUNCIL
City of Morro Bay**

BETTY WINHOLTZ

Age: 54

Occupation: Councilmember, Math/Reading Tutor

Education and Qualifications: For the last 4 years, I fought for a Morro Bay that is fiscally sound, healthy and livable, while following its own rules.

In 2002, Morro Bay had a cash reserve of \$5,000,000+. As a minority vote, I could not stop Council from spending reserves. Today, we stand at a perilous point: reserves are under \$300,000, less than one month's bills. Citizens should be able to rely on their officials to maintain cash reserves for emergencies.

I voted to approve balanced budgets and to deny inflated budgets. I voted to not buy property and to sell excess property.

I fought for issues important to the health of Morro Bay. I attempted to assure the ongoing existence of businesses in North Morro Bay against pressure to build residential on Main Street. I tried to engage the Council in the idea of a Housing Trust to assure workforce housing.

I voted for inclusionary housing, senior housing, and mobile home protection. I voted to keep projects within zoning regulations and to honor neighborhood character.

The City is on the verge of shifting to a new vision. My knowledge and experience can help create that vision where citizens are assured that decisions meet their needs.

s/ Betty Winholtz

**DECLARACIÓN DE CANDIDATO PARA
MIEMBRO DEL CONCEJO MUNICIPAL
Ciudad de Morro Bay**

BETTY WINHOLTZ

EDAD: 54

Ocupación: Miembro del Concejo, Tutora de Matemáticas/Lectura

Educación y Competencia: Durante los últimos 4 años, luché por un Morro Bay que sea fiscalmente firme, sana y habitable, y que al mismo tiempo siguiera sus propias reglas.

En 2002, Morro Bay tuvo una reserva de efectivo de \$5,000,000+. Con un voto minoritario, no pude impedir que el Concejo gastara las reservas. Actualmente, estamos en una posición peligrosa: las reservas son inferiores a \$300,000, menos que las facturas de un mes. Los ciudadanos deberían poder confiar en sus funcionarios para mantener las reservas de efectivo para emergencias.

Voté para aprobar presupuestos equilibrados y para negar los presupuestos inflados. voté para que no se compraran propiedades y sí se vendieran las propiedades excedentes.

Luché por asuntos importantes para la salud de Morro Bay. Intenté asegurar la existencia continua de negocios en Morro Bay Norte contra la presión para construir residencias en Main Street. Procuré implicar al Concejo en la idea de un Fideicomiso de Vivienda para asegurar las viviendas de los trabajadores.

Voté por viviendas de inclusión, viviendas para ciudadanos mayores y protección de las casas móviles. voté para mantener los proyectos dentro de los reglamentos de zonificación y para honrar el carácter de vecindario.

La Ciudad se encuentra a punto de adoptar una nueva visión. Mi conocimiento y experiencia pueden ayudar a crear esa visión en la que los ciudadanos tengan la certeza de que las decisiones satisfarán sus necesidades.

f/ Betty Winholtz

**CITY OF MORRO BAY
FULL TEXT OF MEASURE Q-06**

**AN ORDINANCE OF THE CITY OF MORRO BAY
ADDING CHAPTER 3.22 TO TITLE 3 OF THE MORRO BAY
MUNICIPAL CODE ESTABLISHING A TRANSACTIONS
AND USE TAX TO BE ADMINISTERED BY THE
STATE BOARD OF EQUALIZATION**

The City Council of the City of Morro Bay does ordain as follows:

Section 1. Authority.

The City Council enacts this ordinance in accordance with the authority granted to cities by Article XI, Section 7, of the California Constitution.

Section 2. Addition of Chapter.

Chapter 3.22 is hereby added to Title 3 of the Morro Bay Municipal Code.

3.22.010 Title.

This Chapter shall be known as the City of Morro Bay Transactions and Use Tax Ordinance. The City of Morro Bay hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

3.22.020 Operative Date.

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the later of the adoption of this ordinance and chapter, the date of such adoption being as set forth below, or the approval of the voters of the City of a measure approving the imposition of the transaction and use tax set forth herein; provided that if the City shall not have entered into a contract with the State Board as required herein prior to such date, the Operative date shall be the first day of the first calendar quarter following execution of such a contract.

3.22.030 Purpose.

The purpose of this chapter is to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the qualified voters of the City voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

3.22.040 Contract With State.

Prior to the operative date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

3.22.050 Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one half of one percent (0.5%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the City on and after the operative date of this ordinance.

3.22.060 Place Of Sale.

For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

3.22.070 Use Tax Rate.

An excise tax is hereby imposed on the storage, use or other consumption in the incorporated territory of the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in the City at the rate of one-half of one percent (0.5%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

3.22.080 Adoption Of Provisions Of State Law.

Except as otherwise provided in this ordinance and Chapter and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this Ordinance and Chapter as though fully set forth herein.

3.22.090 Limitations On Adoption Of State Law And Collection Of Use Taxes.

In Adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefore. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

3.22.100 Permit Not Required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

3.22.110 Exemptions And Exclusions.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any State-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subsections (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subsections (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.22.120 Citizens Oversight Committee.

A. Citizens Oversight Committee Established. There shall be a permanent citizens' advisory committee called the "Citizens Oversight Committee" (hereinafter "Committee"), which shall annually review revenues and expenditures from the collection of the tax.

B. Committee Membership. The Committee shall have 5 citizen-members appointed by the City Council. Appointees shall be residents of the City; however, no member of the Committee shall be an elected official.

C. Committee Organization Procedures. The committee shall select one of its members as Chairperson. The Committee shall follow the rules of procedure of the City unless and until, upon the report and recommendation from the Committee, the City Council adopts a specific set of procedural rules for the Committee.

IMPARTIAL ANALYSIS OF MEASURE Q-06

D. Regular Meeting; Provision of Support Services and Information. The Committee shall be subject to the provisions of the Brown Act (California Government Code sections 54950 et seq.) and shall meet at least once each calendar year. A regular meeting schedule shall be determined in accordance with the Brown Act and thereafter meetings shall be noticed by the City Clerk. The City Manager or his/her designee shall serve as executive staff to the Committee. In addition to receiving materials directly related to the functioning of the Committee, the Committee members shall also receive all agenda material and other primary staff reports (other than those which are confidential) as are provided to the City Council.

E. Citizens Oversight Committee Functions. The Committee shall have the following function:

Annual Report: The Committee shall review an annual expense report of the City relative to activities funded with the additional general purpose local sales tax monies. Not later than the last day of the sixth month following the end of the each City fiscal year, the Committee will present its findings and conclusions to the City Council for its review.

3.22.130 Amendments.

All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

3.22.140 Enjoining Collection Forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

3.22.150 Severability.

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Effective Date.

This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately and shall be published within 15 days after adoption in a paper of general circulation published and circulated within the City of Morro Bay.

The Morro Bay Vital Public Services Restoration and Protection Measure "Q" proposes to raise revenue for general purposes for the City of Morro Bay by authorizing a one-half percent (1/2%) transaction and use tax (commonly referred to as a "sales tax") within the City of Morro Bay. The one-half percent tax would be paid in addition to current sales taxes and would be collected at the same time and in the same manner as existing sales taxes.

California Revenue and Taxation Code Section 7285.9 authorizes the City Council to levy a transaction and use tax at a rate of 0.25 percent or a multiple thereof, provided the tax is approved by a majority of the voters voting in an election on that issue. The proposed tax will increase the local sales tax rate in Morro Bay from the current 7.25% to 7.75%

The Morro Bay Vital Public Services Restoration and Protection Measure "Q" states that the one-half (1/2) percent sales tax is to be used for City services such as "fire, paramedics, street and pothole repairs, storm drains, police, youth and park programs and other general community services". Because this sales tax would be a "general tax," the tax would go into the City's general fund and could be used for any legal municipal purpose.

Measure "Q" requires the City Council to appoint a five member Citizen Oversight Committee to annually review and publicly report upon the expenditures of the tax revenues to ensure they were made in accordance with the requirements of the ordinance.

s/ Robert Schultz
City Attorney

ARGUMENT IN FAVOR OF MEASURE Q-06

Vote YES on measure Q on Tuesday, November 7, to provide local revenue for Morro Bay and Save Our Services.

As a result of State takeaways, 9/11 effects on tourism, reduction of our fishing industry, and earthquake damage, our city has lost over \$8 million in revenue over the past 12 years, while operational and equipment costs continue to increase.

Morro Bay is at the lowest sales tax level in the state, 7.25%, of which the city retains only 1%.

A half-cent sales tax increase adds only 50 cents on a \$100 purchase.

This small additional tax could provide \$750,000 or more in annual revenue, **all of which stays in Morro Bay**. And sales tax is paid by our visitors in addition to our residents.

Local surveys indicate that the issues most important to our citizens are:

- Replacing our aged and damaged fire station;
- Equipping our firefighter/paramedics with emergency equipment and protective clothing;
- Repairing and maintaining all 50 miles of our city streets;
- Renovating and staffing the North Morro Bay fire station;
- Maintaining city buildings, parks and restrooms;
- Repairing storm drains to prevent toxic runoff into the bay;
- Replacing aging emergency vehicles and restoring police officers;
- Restoring after-school programs.

Accountability to these priorities by City Council and Staff will be assured by an independent citizens oversight committee and annual audits.

The city has already reduced personnel and cut the annual budget by \$2 million. Failure of this measure will result in increasingly reduced emergency services and continued deterioration of our streets, storm drains and public buildings.

Please join your neighbors and friends in supporting the future of Morro Bay.

Vote YES on Measure Q to Save Our Services.

s/ Homer Alexander, Co-chair, Committee in Support of Measure Q

s/ Betty Forsythe, Co-chair, Committee in Support of Measure Q

s/ Linna Thomas, Business Owner

s/ John Lomison, Accountant

s/ John Weiss, Businessman

ARGUMENT AGAINST MEASURE Q-06

The City of Morro Bay cannot continue spending more money than it takes in. City officials' irresponsible decisions have led to Morro Bay's financial difficulties. Example: Morro Bay has spent thousands to promote this Sales Tax increase.

Morro Bay has been spending General Fund Reserves for operating expenses, against City policy of having 27.5% of the cost of one year's operations in Reserves. The City's \$5,400,000 in Reserves in June 2001 are now depleted to approximately \$285,000.

Morro Bay purchased Branigans Restaurant and the adjacent trailer park for \$2,700,000 three years ago. The appraisal valued these properties at \$2,200,000 partly based on future rental income, which was never realized.

Personnel costs (salaries, benefits, pension) absorb 75% of Morro Bay's operating budget but Morro Bay officials have failed to address this unsustainable burden on taxpayers. Contracts for senior managers rolled over without attempts to renegotiate in 2005, when Morro Bay was operating in the red. A senior manager, earning \$139,000 a year, could retire at age 55 and 30 years of service with an annual pension of about \$115,000. Morro Bay, a city of 10,500 people, has nine officials with salaries ranging from \$101,751 to \$139,128, plus an average 40% for benefits.

Rank and file employees earned an average of \$49,900 yearly and received about a 6% pay increase in 2005. Senior managers got an average 9% pay hike. At least 4 rank and file employee positions (those providing direct services to residents) were eliminated in FY05-06; no manager was let go. In fact, a new six-figure-salary position, Assistant City Manager, was created.

In addition to taxes and fees residents now pay, sewer bills are expected to double or triple to pay for needed upgrades. Citizens must live within their means, so must the City. **Vote NO on Measure Q.**

s/ Don Boatman, Electrical Power Generation Consultant

s/ Michael D. Durick, Arbitrator; Commissioner Federal Mediation & Conciliation Service (Ret.)

s/ Chuck Reasor, Business Tax Administrator California State Board Of Equalization (Ret.), former Councilman and Planning Commissioner

s/ Jim Ross, Business Owner, Electrical Contractor

s/ Nelson Sullivan, Commercial Albacore Fisherman (Ret.)

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE Q-06

Don't be misled! Of course we all want smooth streets, good police and fire protection, and after-school programs! But the proponents would have you believe these priorities are guaranteed with passage of Measure Q through their so-called Oversight Committee. This Committee is a paper tiger with no fiscal or fiduciary authority to guarantee anything. State law is clear. If a City wants a sales tax increase for a designated purpose, it takes a 2/3 majority vote of the electorate. Measure Q requires a simple majority vote and therefore cannot be earmarked for any specific purposes. In other words, Morro Bay can spend this estimated \$750,000 any way it wants. That means business as usual!

Yes Morro Bay is at the lowest tax rate in the State, but of 468 incorporated cities only 38 have a higher tax rate than we do!

The real issue is not more revenue, it's not putting money in services we need. Morro Bay budgeted \$9,389,474 for 2005-2006, which included 76% personnel costs, 19% services, 4% supplies and 1% miscellaneous. That's over **\$7.1 million** for salaries and benefits and **only \$1.7 million for services**. And a new position was added at the top: **Assistant City Manager at \$113,000**. What services were cut to create this new job?

Morro Bay citizens must pay increasingly more for housing, gasoline, medical care, utilities and other necessities. Any increased sales tax is an added burden. Where do we go for more money to make ends meet?

Vote No on Measure Q.

- s/ Don Boatman, Electrical Power Generation Consultant
- s/ Michael D. Durick, Arbitrator; Commissioner Federal Mediation & Conciliation Service (Ret.)
- s/ Chuck Reasor, Business Tax Administrator California State Board Of Equalization (Ret.), former Councilman and Planning Commissioner
- s/ Jim Ross, Business Owner, Electrical Contractor
- s/ Nelson Sullivan, Commercial Albacore Fisherman (Ret.)

REBUTTAL TO ARGUMENT AGAINST MEASURE Q-06

MEASURE Q WILL SAVE OUR SERVICES

The argument against Measure Q contains several inaccuracies.

Just two examples: The Brannigan's appraisals were \$2.2m in 2000; \$2.8m when purchased in 2002; currently over \$4.m, a substantial increase in value.

The "new" Assistant City Manager job is actually a combination of two previous positions, saving the city over \$55,000 annually.

Personnel costs are usually the largest item in a city budget, but city personnel, such as our firefighter/paramedics, provide services our citizens need and rely on. Service is our only "product" and our employees provide it.

Competitive salaries attract and retain quality employees. Our city salaries are not out of line when compared to other SLO County cities. Benefit increases, primarily for health insurance, are largely dictated by the State.

Due to millions of dollars in State takeaways and other economic conditions, city revenues have not kept pace with costs. **ALL** of this new local sales tax revenue, paid partly by our visitors, will remain in Morro Bay. It will enable us to improve our emergency services and street conditions, and help maintain the services our residents enjoy and expect.

An additional 50 cents on every \$100 of taxable purchases is a reasonable amount to pay (and have our visitors pay) to provide quality emergency protection, streets, and services in Morro Bay.

Vote YES on Measure Q to Save Our Services

- s/ Ray McKelligott, Retired
- s/ Keith Taylor, Friends of the Fire Dept.
- s/ Mick Theis, Morro Bay Business Owner
- s/ Grace Poletti, Citizen of Year 2005
- s/ Lanny McKay, Retired Business Owner

**CITY OF MORRO BAY
FULL TEXT OF MEASURE R-06**

Section 2.06.30 COUNCIL VACANCY REFORM

A. Policy of full term service

Election to public office in the City of Morro Bay creates a covenant to serve to the best of one's ability the full term of that office before seeking alternate public office. Without the enactment of this ordinance when a councilmember in the middle of their term moves to an alternate office they also deny the citizens of Morro Bay the right to vote for the person who will fill the vacancy created by that move. If a councilmember wishes to run for alternate office before his or her term has expired he or she should resign from their seat so that the voters may elect their replacement in an orderly manner.

B. How vacancies filled

The city council shall immediately call a special election to fill any vacant seat on the council, including the mayor's seat. The special election shall be held on the next established election date, as specified in California Elections Code, which is not less than 114 days from the call of the special election. The city council may appoint an elector who is a registered voter in the City of Morro Bay to fill such vacancy prior to the special election. The appointee shall hold office only until the date of said special election.

1. Mailed ballots

Notwithstanding the provisions of Subsection B, if the date of the special election otherwise required under Subsection B would not be a consolidated election, the city council may designate the special election to be held by mailed ballot under the provisions of California Elections Code Section 4004 at the next available mailed ballot election date which is not less than 114 days from the call of the special election.

C. Limitation on councilmember who runs for mayor before completing regular term.

A sitting councilmember is disqualified from nomination for election to the office of mayor in the next election if the remainder of their council term after the next election cannot be filled by a vote of the electors on or prior to that election date.

D. Cost reimbursement

1. If the special election to fill a council vacancy occurs prior to the next general municipal election and the former councilmember whose seat was vacated causing that special election accepts nomination to run for the office of council or mayor in the next general municipal election, that former councilmember shall reimburse the city for city costs incurred as a result of said special election if the term of service for the seat previously vacated would have otherwise overlapped the term being sought.

2. Any mayor whose election to that office also created the premature vacancy of their council seat shall reimburse the city for city costs incurred in any future special election which must later be called to fill their prematurely vacated seat. As used in this subsection the term "future special election" means a special election that does not occur at the same time or prior to their election to the office of mayor.

E. Severability

If one or more of the provisions of this section should be held invalid the remaining provision or provisions shall remain in full force and effect.

IMPARTIAL ANALYSIS OF MEASURE R-06

Measure "R", if approved by the voters, would amend the Morro Bay Municipal Code to require that vacancies on the City Council be filled by a vote of the people at the earliest possible election date instead of the current practice that allows vacancies to be appointed by the remaining members of the City Council. Under Measure "R" the City Council would be authorized to appoint for the vacated seat a temporary replacement who would serve only until the date of the special election.

City Council members are elected to four-year terms and the mayor is elected every two years. Under current law it is possible for council members to run for the office of mayor in the middle of their four-year term while still retaining their council seat if they should not be successfully elected mayor. If the council member is successfully elected to the office of mayor, then the remaining two years of his or her council term become vacant. Current law allows the City Council to appoint someone to fill the remaining two-year term. Measure "R" would amend the Morro Bay Municipal Code to require that council members who would seek to serve in the office of mayor before the normal expiration of their term must resign from their council seat at a time that allows their replacement to be elected by the people no later than the same election wherein the mayoral election would occur.

Measure "R" would also amend the Morro Bay Municipal Code to allow the City to recover election costs in those circumstances where a council seat is vacated and the election of the replacement council member cannot occur in a regularly scheduled municipal election, and the former council member then runs for alternate office, the term of which would begin before his or her original term would have expired. Measure "R" also provides that, if the timing of the special election to fill a vacancy cannot occur in conjunction with other elections, the election may be carried out by mailed ballots to reduce City costs.

s/ Robert Schultz, City Attorney

ARGUMENT IN FAVOR OF MEASURE R-06

If we have a council vacancy do you want it filled in an election by voters like yourself? Or, do you prefer the current practice where three of the remaining council members appoint one of their friends to the seat?

Vote "Yes" on Measure "R" to put voters like yourself in charge.

Council vacancies most often occur when a council member runs for mayor in the middle of their council term. Measure "R" will curtail the practice of midterm "seat hopping" by requiring a midterm council member to resign his or her seat if they wish to run for mayor. The vacated seat will be filled by the voters in the same election where they run for mayor, avoiding any need for a special election.

In the extremely rare case of a legitimate vacancy, like death or incapacity, the measure provides the replacement election can be held in conjunction with other elections, or by mail, to minimize costs.

Too often Morro Bay voters sit on the sidelines while three people determine the balance of power for the next two years by appointing one of their friends to a vacant seat they themselves created. **This practice must stop.** A "Yes" vote on Measure "R" will do just that.

Morro Bay has a \$20,000,000 annual budget. Citizens deserve to have confidence that all of our council members were placed in office by the voters, not appointed because of a special relationship or obligation to the other council members.

When voters elect a council member a covenant of full term service is created. If the council member will not keep that covenant then the power to fill that office must be returned to the voters.

Put voters like yourself in charge.

Vote "Yes" on Measure "R".

Learn more at www.imfedup.us

s/ John Barta
s/ Grace Poletti

s/ John Lemons
s/ Nancy Barta

NO ARGUMENT AGAINST MEASURE R-06 WAS SUBMITTED

**CITY OF MORRO BAY
FULL TEXT OF MEASURE S-06**

Section 2.09.010 ELECTION BY MAJORITY VOTE

A. Policy of majority vote

It is the policy of the City of Morro Bay that its citizens shall have the greatest possible opportunity to elect their elected officials by majority vote and to have the largest possible field of qualified candidates. The limiting of our regular municipal election to a single election in November works against that policy because the votes cast by electors may be split among a large field of candidates. In such a circumstance the candidates receiving the highest number of votes may be elected even though they fall far short of a majority support. Additionally, otherwise qualified candidates may be discouraged from running in a single November election for fear of splitting the vote with other good candidates. By conducting regular municipal elections on the same day as the statewide primary election we allow an unlimited field of candidates to run for office with the best of those candidates advancing to a runoff in the November election if they do not receive a majority vote in the primary election.

B. General municipal election date

Pursuant to authority granted by the state, the city shall hold its general municipal election on the same day as the statewide direct primary election.

C. Severability

If one or more of the provisions of this section should be held invalid the remaining provision or provisions shall remain in full force and effect.

IMPARTIAL ANALYSIS OF MEASURE S-06

California State Law governs how municipal elections are held in cities like Morro Bay. The method of election is determined by which election date is chosen by the city for its general municipal election. Under current law our general municipal election is held in conjunction with the statewide general election every other November. Municipal elections held at that time provide that the candidate with the highest number of votes will be elected.

Measure "S" will amend the Morro Bay Municipal Code to have the general municipal election held at the time of the statewide primary election with a runoff election, if necessary, to follow in the November election. Municipal general elections held at the time of the statewide primary provide that a candidate is elected at that time only if he or she receives votes on a majority of the ballots cast. Only two candidates for each seat that remains available will then be allowed to proceed to a runoff election in November.

The cost to the City to hold a primary election every two years would vary based upon the number of other jurisdictions participating in that election. The estimated range is from \$6,500 to \$20,000.

s/ Robert Schultz
City Attorney

ARGUMENT IN FAVOR OF MEASURE S-06

Do you want city council members to be elected by 50% of the ballots cast or do you prefer 38%?

This is not a trick question. Our current one-shot voting process allows candidates to be elected with far less than majority vote because votes get spread across numerous candidates, with none getting a majority. We end up with council members who are not beholden to a majority of the community.

Vote "YES" on Measure "S" to move our election date to June. State law requires a majority vote for election in June. If there is no majority election in June only two candidates per seat move to a November runoff where we select "the best of the best". It is the same system San Luis Obispo County uses. The result will be a council chosen by a majority of the community rather than by narrower interests.

Because our current system causes election results to turn more on the number of candidates running than on their quality, good candidates often choose not to run. They fear they may cause the vote to be split with other capable candidates causing one or both to lose. Potential good candidates are pressured to not be "spoilers".

A "YES" vote on Measure "S" will allow all good candidates to run in June without fear of bad results. Voters will choose their favorite candidates and then choose "the best of the best" in November.

If a November runoff becomes necessary will that cost money? Yes, about a nickel per resident per month. Surely, better government is worth that.

We should have the largest possible field of qualified candidates from which to choose. We also deserve to have the greatest possible opportunity to elect them by majority vote.

Vote "YES" on Measure "S" for better government.

More information: www.imfedup.us

s/ John Barta
s/ John Lemons
s/ Grace Poletti
s/ Nancy Barta

NO ARGUMENT AGAINST MEASURE S-06 WAS SUBMITTED