

## **Frequently Asked Questions (FAQs) on the Emergency Tax - Measure K**

**1. How much is the tax? ¾ of a cent.**

This amount will only go to the City for services within the City. The State cannot take any of it! For a purchase of ten dollars it will add seven and a half cents to the cost. Willits already has one of the lowest sales taxes in the County, so this would just bring us more in line with other cities. It is also important to know that food, medicine and rent are not subject to sales tax. In addition, people who live outside the City but who work, recreate and go to school here, and therefore benefit from City services, will pay a major share of this sales tax revenue.

**2. Why do we need it?**

Willits has had decreasing sales tax revenue for a number of years due to a number of factors. People are not shopping locally as much as they used to and there are fewer travelers on HWY 101 who stop in Willits. While revenues decreased, expenses, like fire and property insurance, are increasing.

**3. Can't we just cut expenses?** Willits has been cutting and cutting for years and we have put off major repairs and purchases. City Hall staff has been reduced. Willits used to have 15 police officers and now we have only 8. There are now periods of time where no officers are on duty because we are stretched so thin. Willits City employees are the lowest paid public employees in the region, with police officers earning only about \$22 an hour as a starting salary. We find it very hard to hire people to work here because they can work in neighboring cities for higher pay.

Our community center needs a new roof, a new HVAC system and paint. All of our equipment is old and outdated. Our parks need more care for our trees to keep them healthy. Our operational and computer systems are outdated and substandard and even getting payroll out is a constant struggle every two weeks. At some point it is impossible to continue cutting and we have reached that point. The only other staff we can cut at this point is police services, as only about 8 people are now performing all of the non-police general fund activities such as parks, public works, maintenance, finance, planning, code enforcement, grant administration, city clerk, public information, and city management, etc.

**4. I already pay state and federal taxes! Why should I pay more?**

The City does not receive a percentage of your income taxes. The City of Willits derives most of its income through a sales tax of things purchased within City Limits. We also receive a very small portion of property taxes. The County, the State and local schools receive most of the revenue from property taxes. The County and State take most of the current sales taxes. Every penny of the new sales tax, if approved by voters, will stay in our community.

**5. What about Cannabis Taxes? Weren't they supposed to help the City?**

Cannabis taxes are actually really helping the City! We will earn at least \$350,000 this year. This does not close the gap, though. We are still in the red and have been for the last three years. Without Cannabis taxes, we would have faced this much sooner.

**6. If Willits does not have a police force, can't the sheriff's office just take over?**

No. Mendocino County Sheriff Kendall has already said that the County Sheriff's office is not equipped to take on Willits. They are already short-staffed. We would have greatly-reduced public safety if we lost our police force. We would just be another jurisdiction without a police force, like Covelo.

**7. When we pay sales tax, how much goes to the City now?**

Right now, the City only gets 1% of the current sales tax for our general fund. We also get ½% that is dedicated only to road-related expenses. This is the City's major source of general fund income – just the 1% that goes to our general fund. The police department is the biggest expense to our general fund.

This means that Willits receives only a total of **1.5%** of the current sales tax that you pay now.

**8. What do other Cities get?**

- Fort Bragg and Ukiah have been receiving **2%** for many years. Plus they have a higher Transient Occupancy Tax (hotel tax) than the City of Willits and far more retail and tourists that brings them more income, like Costco, Sears and Home Depot and hotels.
- Lakeport and Clearlake receive **2.5%** of their local Sales Tax!