

El Cerrito Measure V

Questions to think about with this measure.

- Where is the transparency?
- Why does El Cerrito need this money?
- Why does El Cerrito need it now?
- Is this just about funding El Cerrito's unfunded pension liability?
- Is this the first of many new taxes to come as a Charter City?

If El Cerrito becomes a Charter City, it will have found a way to squeeze new taxes out of you. The first new tax of many possible additional taxes is the Real Property Transfer Tax (RPTT). The RPTT taxes property owners during the sales process or other qualifying events. Imagine a "modest" \$500,000 home in El Cerrito being taxed an extra \$6,000 when the home is sold. A million-dollar home will be taxed \$12,000 on top of the sale price.

Those who will be penalized by this tax include residents who rely on the equity in their home to fund family reasons.

What if a resident has a big mortgage still to pay off? What if someone has to move after only 5 or 10 years?

El Cerrito residents already generously support this city with high sales tax and a number of special assessments. The City has stated the funds are needed to maintain special city services, such as senior services, parks & rec, etc., but these are services comparable to most surrounding cities.

"Informational" flyers created by the City and paid for with **tax dollars** failed to provide complete transparency of the necessity, timing and use of funds. Nor do they discuss the issue of why charter cities go bankrupt/insolvent and general law cities have not to date. Neither is there discussion of the authority to the city leadership and the chances of corruption with "local control" of "home rule" of charter cities.

Charters also have the option of a "strong mayor", who is elected by the voters, and who has almost total administrative authority. This could be a big change in the future, with most or all city staff reporting to the mayor, who would have a tremendous amount of power in the city. This can be a dangerous precedent for a small city. Some people refer to a strong mayor system as the "boss" system.

INSOLVENCY AND CHARTER CITIES

- Of the 9 California cities that have declared bankruptcy (including Bell, Vallejo, San Bernardino and Stockton), ALL are charter cities.
- Other nearby charter cities such as Oakland, Richmond, Berkeley and Albany are also faced with financial insolvency. Not good examples to follow.
- NO general law city has ever filed for bankruptcy.
- Of 482 cities in the state, 25 impose a Real Property Transfer Tax (RPTT). Of those, only 8 are over \$5 per \$1000. El Cerrito wants a whopping \$12 per \$1000!
- Charter cities have the authority to set all city salaries and benefits, including the city council setting their own - the same power that highlighted the Bell, CA bankruptcy.