

Measure G

I am opposed to increasing the Measure G tax and believe the Board needs to recognize that this CPI tax increase is not necessary and therefore it should not be imposed. Some historical context will show why you should vote against this increase.

Measure G was approved in June of 2010. The primary argument for this supplemental tax was that tax revenues had been flat and the District expected a budget deficit of \$364,000 in 2010. The 2010 budget projection showed that this deficit would leave the District with just \$735,000 in unassigned cash. It was anticipated that without Measure G the District would quickly exhaust its available reserves.

In spite of passing Measure G, which generated \$405,000 in new taxes in its first year, the District continued to struggle to improve its available cash position. However, with home values surging around 2014, the District has been blessed with a significant increase in property tax revenues, thanks to our new Kensington arrivals. The proposed 2016/17 budget that you will be reviewing tonight shows an unassigned cash balance of \$1,422,000, or almost twice the amount available in 2010.

And, although next year's budget shows a forecasted deficit of \$25,000, this number does not include the COPS grant of over \$100,000 and an early prepayment of the 2017/18 side fund of almost \$100,000. Therefore, next year's budget is really tracking at a surplus of about \$200,000. Assuming we meet budget projections for this year and next that will mean the District will turn in four straight years of surpluses above \$100,000 annually.

In other words, the District's financial situation today is far rosier than it was in 2010. Of course, a large part of the District's improved financial position is due to the passage of Measure G,

which has generated almost \$2.8 million in revenue for the District since its passage. That amounts to about \$1,250 of extra taxes paid by each Kensington homeowner since Measure G's inception. The proposed CPI increase will add just \$13,000 to next year's budget, a sum that provides little benefit to the long-term health of the District.

Now let's return to the exact wording of Measure G. Section 3 states that this revenue is to provide for police related services only. However, Section 8 says that: "any surplus monies raised by the District from the Supplemental tax may be used for police services in the succeeding year, or used for lowering the levy in the succeeding year". It is important to note that the proponents of Measure G, to include Mr. Toombs who was then president of the Board, used the following argument in the voter pamphlet to convince voters to pass this supplemental tax: "the measure has a provision that if the fiscal picture is better than anticipated, the supplemental tax may be less than the full amount." Since Measure G says the tax may not be less than the previous year, this means that the Board has the discretion to **not** impose the CPI increase.

Today's Measure G tax stands at \$226.26 per residential parcel, a very large sum for many Kensington homeowners. With budget surpluses growing, the need for increasing this tax is no longer paramount. Apparently the interim GM/COP is recommending approval of this CPI increase, because he believes a CPI increase is required. **It is not!!** You need to consider this increase in the context of the District's current cash position, the projected budget surplus and the Measure G terms regarding the imposition of such an increase. You should also ask yourself if the District has done all it can to reduce police expenditures, and, if not, why further tax burdens should be placed on Kensington homeowners to cover increased police costs. I'm sure Kensington homeowners will remember how you voted come election time.

