

**FULL TEXT OF MEASURE N  
CITY OF ANAHEIM**

Section 1: TEXT OF AMENDMENT TO ANAHEIM CITY CHARTER.

The City Charter of the City of Anaheim is hereby amended as follows (underlining showing additions and ~~strike-through~~ showing deletions):

Section 1221. UTILITY RATES.

The City Council shall establish rates, rules and regulations for the water and electrical utilities. The rates shall be sufficient with respect to each utility to pay:

- (a) For operations and maintenance of the system.
- (b) For payment of principal and interest on debt.
- (c) For creation and maintenance of financial reserves, ~~adequate to assure debt service on bonds outstanding.~~
- (d) For capital construction of new facilities and improvements of existing facilities, or maintenance of a reserve fund for that purpose.
- (e) For payments to the general fund of the City (exclusive of those amounts paid pursuant to subsection (a) of this Section 1221) in each fiscal year in an amount equal to, or less than, four percent (4%) of the operating gross revenue earned by the utility during the previous fiscal year.

Rates shall be reviewed by the City Council periodically to insure that financial goals are being accomplished.

Rates shall be uniform for all consumers within the same class, ~~and shall be based on the cost of service revenue requirement for the class;~~ but different rate schedules may be applied to different classes of consumers. Notwithstanding the foregoing, the City Council may establish, and revise from time to time, ratepayer discount and other programs to assist residential and non-residential customers in the payment of their utility bills and the costs of such discount and other programs may be paid from utility revenues.

Section 2: RATIFICATION OF UTILITY RATE TRANSFER.

Pursuant to Article XIII C, section 2, subdivision (b) of the California Constitution, subdivision (e) of Section 1221 of the Anaheim City Charter is hereby ratified and amended to clarify the City's authority to transfer operating revenue earned by the water and electric utilities to the City's general fund as specified in that subsection.

Section 3: BALLOT DESCRIPTION.

As provided in Government Code section 34458.5, the following ballot description is included in this proposed Charter Amendment measure:

CHARTER AMENDMENT (Section 1221): This Charter Amendment measure would amend the City Charter to: update language regarding financial reserves, reaffirm and authorize the transfer of money to the City's general fund to support general City services pursuant to Article XIII C, section 2, subdivision (b) of the California Constitution, remove unnecessary language that duplicates a requirement of the California Constitution, and authorize programs to assist non-residential and residential customers. This amendment does not give the City Council power to raise its compensation or that of other City officials without voter approval.

Section 4: SEVERABILITY.

It is the intent of the people that the provisions of this Charter Amendment measure are severable and that if any provision of this Charter Amendment measure, or the application thereof to any person or circumstance, is held invalid such invalidity shall not affect any other provision or application of this Charter Amendment measure which can be given effect without the invalid provision or application.

Section 5: EFFECTIVE DATE.

This Charter Amendment measure shall become effective in the manner allowed by law.

**IMPARTIAL ANALYSIS BY CITY ATTORNEY  
CITY OF ANAHEIM  
MEASURE N**

**[ANAHEIM LOCAL SERVICES MEASURE]**

This proposed Charter Amendment measure was placed on the ballot by a vote of the Anaheim City Council.

**Background/Existing Law:**

Section 1221 of the Anaheim City Charter currently authorizes a gross revenue transfer from each of the water and electric utilities to the City's general fund. The current Charter authorization was first approved by Anaheim voters in 1976, to allow transfers of up to 8% the first year after approval, 6% the second year, and 4% in the third year and thereafter. The 4% gross revenue transfer authorized by Section 1221 was again approved by the voters in 1990, when the three-year phase-in language from 1976 was deleted because those provisions were no longer necessary due to passage of time.

**This Charter Amendment Measure:**

If approved by a majority of voters, this proposed Charter Amendment measure states that it would ratify and amend subdivision (e) of Charter Section 1221 to clarify the City's authority to transfer up to 4% of the "operating revenue" earned by each of the water and electric utilities to the City's general fund. Money in the general fund is used to support general City services. Section 1221 currently authorizes the transfer of up to 4% of the "gross revenue" of each utility to the City's general fund. As a result, the proposed measure would retain the 4% maximum transfer amount, but apply it to utility operating revenue rather than gross revenue.

If approved, this proposed Charter Amendment measure would also update Charter Section 1221's language regarding the utilities' financial reserves to clarify that the use of reserves is not restricted to debt service on bonds outstanding. Therefore, reserves could be used to pay for operational contingencies of the utilities, not just debt service. The proposed measure would also eliminate language that duplicates a requirement of the California Constitution that rates be based upon the cost of service. The proposed Charter Amendment measure would permit the City Council to establish ratepayer discounts and other programs that assist all utility customers, not just residential customers, as Section 1221 currently states.

**Effect of this Charter Amendment Measure:**

A "Yes" vote is in favor of adopting this proposed Charter Amendment measure. A "No" vote is against adopting this measure. If a majority of voters vote "Yes" then this measure will take effect when it is filed with the Secretary of State.

Dated: July 31, 2014

s/ Michael R.W. Houston  
Anaheim City Attorney

**The above statement is an impartial analysis of Measure N. If you desire a copy of the measure, please call the election official's office at (714) 765-5166 and a copy will be mailed, emailed or provided at no cost to you. You can also visit [www.anaheim.net/votes](http://www.anaheim.net/votes) (click on "Measures") for a copy.**

## ARGUMENT IN FAVOR OF MEASURE N

An important function of local government is providing critical services for residents and businesses. Police, fire, roadways, parks, libraries are essential to Anaheim's thriving community. **Measure N ensures that services keeping us safe and providing quality of life issues for residents will continue to be funded without an increase in taxes or utility rates.**

To pay for these essential services, Anaheim voters have previously approved a General Fund Transfer from electric and water utility rates. In 1976, voters approved a General Fund Transfer reduced from 8% to 4% over three years. In 1990, voters again approved continuing the 4% General Fund Transfer in our Charter, but with the phase-in language removed. Now, it's your turn to reaffirm Anaheim's commitment to public safety and neighborhood services.

Even with this Transfer, Anaheim's utility rates are among the lowest in Orange County. At 4%, the General Fund Transfer is very modest compared with other Southern California municipal utilities. Your vote for Measure N will help keep Anaheim a wonderful and safe community by maintaining core services. Since the General Fund Transfer is already included in utility rates, there will be no increase for services we depend on.

Measure N includes necessary administrative changes:

- Clarifying the General Fund Transfer is limited to 'operating' revenue and does not include other sources of funding, such as grants or bonds.
- Ensuring financial reserves may be used during emergencies (earthquakes, wind storms, or loss of major resources).
- Providing rate options such as a 10% senior and disabled discount for income qualified residents and net-metering rates for customer solar panels.
- Clarifying customer rebate programs that help save water and energy apply to all customers.

**I urge you to vote YES on Measure N to maintain essential Anaheim public safety and neighborhood services without increasing taxes or utility rates.**

s/ Lucille Kring  
Council Member, City of Anaheim

## REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE N

Councilwoman Lucille Kring's argument in favor of the **4% Utilities Transfer Tax** implies that such a tax is essential to ensure critical services for Anaheim residents.

That is gobbledygook.

The transfer tax is only about \$2.5 million out of the city budget of \$1.6 billion a year.

But Anaheim is becoming desperate for funds. Anaheim still needs our tax money to pay off the \$480+ million bond debt for the expansion of Disneyland 15 years ago. That bond money included \$93 million of our tax money that paid the entire cost of the huge Disneyland parking structure, a "giveaway" to the Disney Corporation.

Recent projects using our Anaheim tax money are: the just completed \$200 million unneeded "WHITE ELEPHANT" ARTIC train station that was built to benefit Disneyland, the city council approved \$300 million streetcar system between ARTIC and the front gate of Disneyland, the \$190 million expansion of the Disney resort area convention center, and the \$158 million "giveaway" for hotels in the Disney resort area.

Why should we continue to Tax ourselves?

**WHY NOT HAVE A 4% ADMISSION TAX ON DISNEYLAND?**

Many other cities that have amusement parks charge admission taxes on visitors!

Don't let the City Council Members who were elected with support from the Disney Corporation fool you. Do not continue to pay the 4% Utility Transfer Tax.

**FOR REDUCED RATES ON YOUR ELECTRIC AND WATER BILLS:**

**VOTE NO ON MEASURE N TO REMOVE THE UTILITIES TRANSFER TAX.**

s/ Denis Fitzgerald  
Director, Anaheim HOME

## ARGUMENT AGAINST MEASURE N

For years, the Anaheim Public Utilities have been charging the residents of Anaheim an extra 4% on their Electric and Water bills without listing the charges on their Anaheim utilities statements.

This 4% surcharge on public utilities is often referred to as a **UTILITIES TRANSFER TAX**.

The funds collected from the **UTILITIES TRANSFER TAX** for years were transferred to the General Fund. Because of a legal challenge, the present amounts of utilities transfer taxes collected are placed in a type of escrow account pending the outcome of the November election.

The Anaheim General Fund is used for such purposes as to pay for police, fire services, and economical assistance to businesses in Anaheim.

California Proposition # 218 requires that certain taxes must be voted on and approved by those being taxed (Anaheim residents/voters).

Currently, the Anaheim **UTILITIES TRANSFER TAX, which has been included in Anaheim residents' utilities bills for years**, needs the November 4, 2014 election Ballot Measure N to be approved by the Anaheim voters for the tax be considered legal and permanent.

Should the Anaheim **UTILITIES TRANSFER TAX** Measure N **not** pass, the Anaheim Electric and Water charges (Rates) **could be reduced by 4%**. And the millions of dollars in previously collected utilities transfer taxes will be returned to the Anaheim Public Utilities Department from the escrow account for a possible future rebate to Anaheim utilities users.

**FOR LOWER ELECTRIC AND WATER RATES:  
ANAHEIM VOTERS ARE ENCOURAGED TO STOP THE TAX ON  
OUR UTILITY BILLS AND VOTE NO ON MEASURE N.**

s/ Denis Fitzgerald  
Member of the Board of Directors  
Anaheim H.O.M.E.  
Home Owners Maintaining our Environment

## REBUTTAL TO ARGUMENT AGAINST MEASURE N

It is important to understand that Measure N is not a tax and will not raise utility rates.

Anaheim voters understood in 1976 that good, local government provides essential services that we all depend on, and voted for a General Fund Transfer on electric and water rates. In 1990, Anaheim voters affirmed the need for local services and again voted for the General Fund Transfer to continue at 4%.

Now it's our turn to make sure that we maintain important services such as public safety and neighborhood improvements **without increasing the General Fund Transfer or utility rates.**

In other communities, there is a separate utility user's tax above and beyond the General Fund Transfer, but **in Anaheim, there is no utility user's tax.**

By voting yes on Measure N, you are helping to ensure that Anaheim communities receive the services that so many other cities are struggling to provide. In Anaheim, we are fortunate enough to have low electric and water rates compared to other Orange County cities, while maintaining high service reliability levels.

Measure N will maintain current funding levels to preserve firefighter staffing and police patrols to keep neighborhoods safe.

If Measure N is not approved, and the transfer to the General Fund is eliminated, these funds will remain with the utility but will not likely result in Anaheim customers paying lower utility rates.

**I urge you to vote YES on Measure N to maintain essential Anaheim public safety and neighborhood services without increasing taxes or utility rates.**

s/ Lucille Kring  
Council Member, City of Anaheim