



City of Gustine Sales Tax Measure FAQ

Why do we need a sales tax measure?

The City of Gustine relies on property and sales tax as our main source of revenue for the general fund or operating budget. The operating budget is the money available to fund police and fire, in addition to funding the day-to-day costs of running the city.

Currently, due to the decrease in property and sales tax revenue and escalating operation costs, Gustine is faced with a \$400,000 budget shortfall. This budget shortfall impacts public safety, our basic city service. A sales tax measure would create a local source of funding that will stay in Gustine and help to fill the funding gap.

What would the money pay for?

All money raised by the potential sales tax increase would become general fund revenue. General fund revenue is used to pay for ongoing operating costs incurred by the city, such as police and fire protection, in addition to other city services. 2/3 of Gustine's general fund revenue is dedicated to public safety.

How do I know the funds would be spent wisely?

- All money raised by the potential sales tax measure will be used here in our local community and cannot be taken by the state
- Tough accountability measures will ensure all funds are spent as promised
- Independent financial oversight will ensure proper spending

How much would it cost?

The City Council is considering a $\frac{3}{4}$ cent sales tax measure. This measure would add $\frac{3}{4}$ of a cent to every taxable purchase in the City of Gustine. If you average taxable purchases of \$1,000 a year, the impact to your pocketbook would total \$7.50.

Just this small sales tax increase could add more than \$100,000 annually to the City's general fund.

When would it be on the ballot?

City leaders are gathering input from community members and plan to continue discussing the potential sales tax increase at their August 5th meeting. At that meeting the City Council may choose to place the measure on the November 2008 ballot

If you have additional questions please call Margaret Silveria, Gustine City Manager at 209.854.6471.