



City of La Quinta

CITY / SA/ HA/ FA MEETING DATE: July 29, 2014

ITEM TITLE: PRESENTATION OF SURVEY RESULTS ON CITY SERVICES AND VIABILITY OF A LOCAL SALES TAX MEASURE

AGENDA CATEGORY:

BUSINESS SESSION:

CONSENT CALENDAR:

STUDY SESSION: 1

PUBLIC HEARING:

RECOMMENDED ACTION:

Provide direction to staff regarding the preparation of a resolution and ordinance for a sales tax measure to be placed on the November 4, 2014 ballot.

EXECUTIVE SUMMARY:

- On May 20, 2014, the City Council directed staff to survey residents to gauge support for placing a sales tax increase measure on the November 2014 ballot. In order to place it on the ballot, a 2/3 majority of the Council (4 out of 5 members) must vote in the affirmative.
- The City commissioned the Lew Edwards Group and FM3 Research to conduct a telephone survey of residents to receive feedback on City services and assess viability of a sales tax increase measure.
- The survey asked residents about the general direction of the City, if they perceived the City to have a financial need for the measure, importance of City services, and if they would be willing to support a sales tax increase measure.
- While survey respondents were evenly split in their position of a potential sales tax increase measure, nearly eight-in-ten respondents felt things in the City are headed in the right direction.
- Respondents' positive mood about the City carried into their assessment of the City's need for additional revenue whereby respondents felt a lack of urgency to support an increase in local revenue.
- The Summary of Survey Results (Attachment 1) provides details on key findings from the survey.

FISCAL IMPACT:

None.

BACKGROUND/ANALYSIS:

In order to close projected deficits in the General Fund and maintain the quality of life in La Quinta, the City Council discussed the possibility of an increase in sales tax. A survey was conducted from June 18-29 via land lines and mobile phones of 300 representative residents (the number to statically validate results) to determine whether or not a tax measure for the November 2014 ballot would be supported.

The margin of error for the city's survey of respondents is approximately +/-6.0% at the 95% confidence level. This means that if the survey process were repeated 100 times, 95 times out of 100 the results would be within six percentage points of the results reported by FM3.

The survey included questions on what is important to City residents. Overall results showed that the City of La Quinta is headed in the right direction. Respondents trust their local government and believe the City Council is leading La Quinta toward a bright future. Respondents are interested in keeping La Quinta as beautiful as it is, with the services it currently has.

Results also showed respondents were split in their position on a potential revenue measure for the November 2014 ballot with support outweighing opposition by one percent, which is within the survey's margin of error. Respondents' views on the City's need for additional funding are divided, with 53% saying the City has a "great" or "some" need for additional revenue and 40% saying there is "little" or "no real" need at this time. The view that there is little/no real need speaks to a critical education and communications opportunity on informing residents about the City's financial needs going forward.

To that end, staff recommends retooling the City's communication efforts with residents utilizing information learned from the survey. This will allow for more discussions on the City's financial need and better position the City for a sales tax increase ballot measure in November 2016. The following objectives are proposed:

- Develop messaging around the City's financial need;
- Create an informational website with a digital community engagement component;
- Initiate year round community outreach sessions (currently done annually in the spring);
- Review and update existing communication pieces and outline the looming financial needs;
- Regularly issue letters to community members and stakeholders.

ALTERNATIVES

Council may choose to go forward with the ballot measure for November 2014 or postpone it to November 2016 while initiating a community education program.

Report prepared by: Chris Escobedo, Assistant to City Manager

Report approved for submission by: Frank J. Spevacek, City Manager

Attachment: 1. Summary of Survey Results

*Fairbank,
Maslin,
Maullin,
Metz &
Associates*

FM3

*Public Opinion Research
& Strategy*

TO: City of La Quinta
FROM: Fairbank, Maslin, Maullin, Metz & Associates (FM3)
RE: Summary of Survey Results
DATE: July 24, 2014

Fairbank, Maslin, Maullin, Metz & Associates (FM3) recently completed a survey¹ of La Quinta residents to provide the City with feedback on city services and assess interest in a possible local funding measure.

Key Findings:

- 1) Nearly eight-in-ten respondents feel things in the City of La Quinta are headed in the right direction, far outpacing similar ratings for Riverside County and the Coachella Valley.
- 2) More than seven-in-ten respondents have favorable impressions of the La Quinta City government overall and the La Quinta City Council.
- 3) Respondents were more evenly split on the question of whether or not the City has a need for additional funds to provide the level of city services that residents need and want.
- 4) Respondents were also split in their positions on a potential local revenue measure for the November 2014 ballot to protect vital city services such as police protection, 9-1-1 response, programs attracting businesses and creating jobs, senior services and other city services by establishing a one-cent sales tax with various provisions for fiscal accountability. After hearing a summary and informational messages in favor of and opposing the measure, support outweighs opposition by a single point and the result is well within the survey's margin of error thus reducing the level of certainty in the findings.

¹ From June 18th – 29th, 2014, Fairbank, Maslin, Maullin, Metz & Associates (FM3) conducted a telephone survey of 303 residents in the City of La Quinta likely to vote in the November 2016 general election. For this full sample, the margin of error is plus or minus 5.6 percent. Within the full sample, 260 would be expected to vote in the November 2014 general election. Results are reported from the responses of this sub-sample. The margin of error for this sub-sample is plus or minus 6.2 percent.

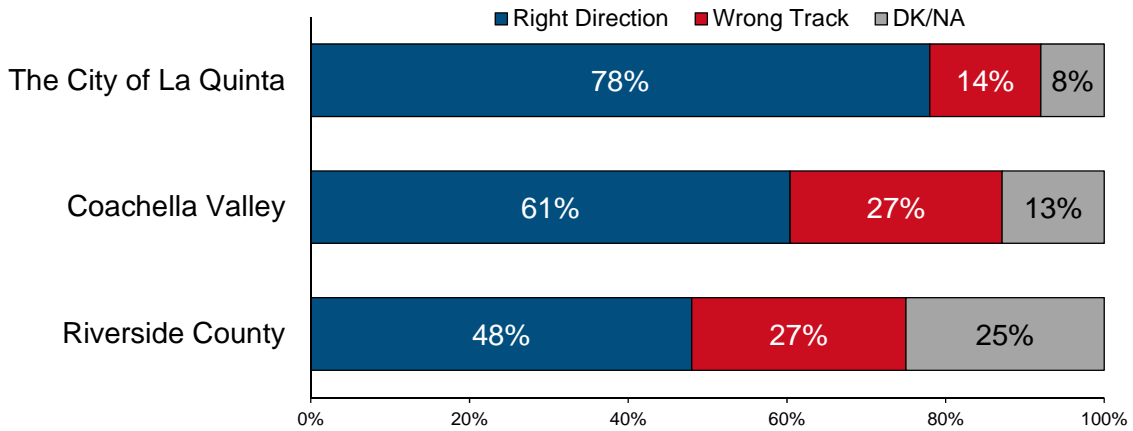
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GENERAL OPINIONS OF LA QUINTA CITY GOVERNMENT

Seventy-eight percent of respondents feel things in La Quinta are headed in the right direction, with only 14 percent saying that things are off on the wrong track and eight percent undecided (see **Figure 1**). La Quinta residents are far more positive about the direction of their City than they are of Riverside County or the Coachella Valley in general. Sixty-one percent perceive that things in the Coachella Valley are headed in the right direction, while 48 percent say the same about Riverside County overall.

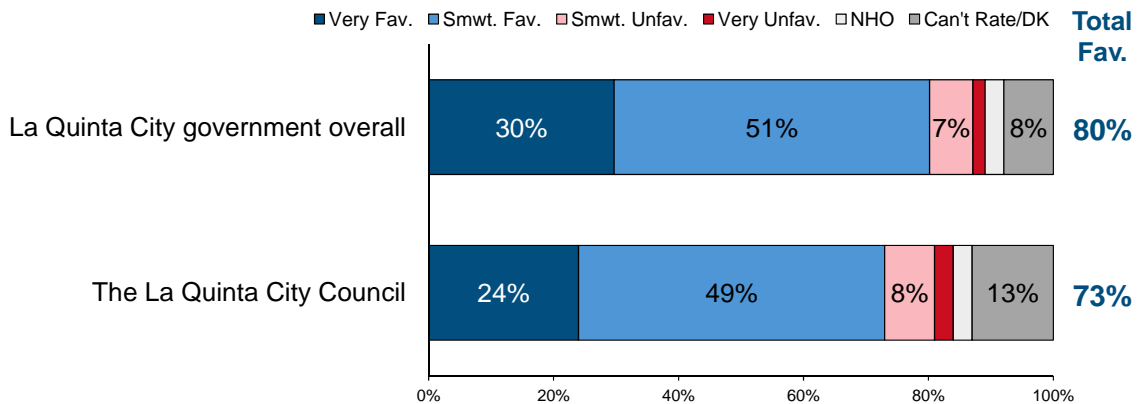
Figure 1: Percentage Saying Things Are Headed in the Right Direction/Off on the Wrong Track



Opinions on the La Quinta City government overall and City Council specifically are also extremely positive (see **Figure 2**). Eighty percent of respondents have a “very” or “somewhat” favorable opinion of the City government, reflecting a strong satisfaction with the current level and quality of services. Only nine percent have an unfavorable opinion and another 11 percent are unsure.

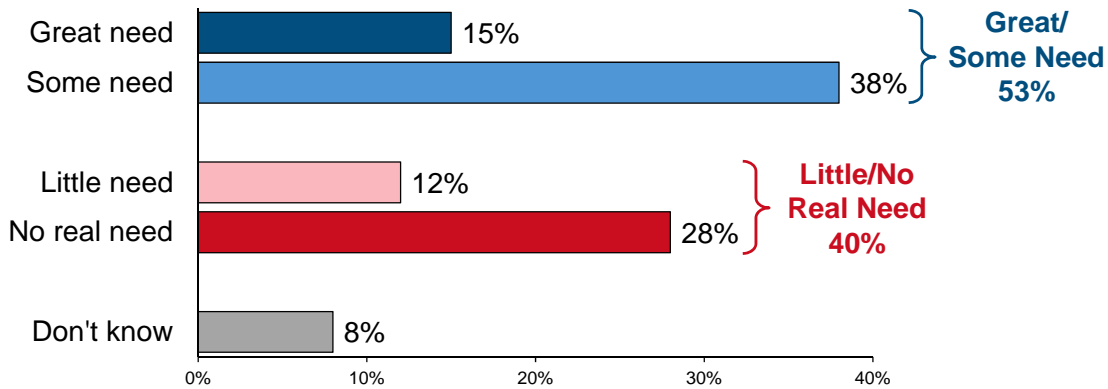
The City Council received similar favorability ratings. Seventy-three percent have a “very” or “somewhat” favorable opinion, with 11 percent holding an unfavorable opinion and 16 percent unsure.

Figure 2: Ratings of the La Quinta City Government and City Council



Respondents’ positive mood about La Quinta carries into an assessment of the City’s need for additional revenue to provide the level of city services that residents need and want. Opinions on this question are much more divided, with 53 percent saying the City has a “great” or “some” need for additional funds and 40 percent saying there is “little” or “no real” need at this time. Eight percent were unsure (see **Figure 3** below). These results show that respondents feel a lack of urgency to support an increase in local revenue.

Figure 3: Percentage Saying La Quinta Needs Additional Funds



Respondents also made it clear that they find several of the services offered by the City to be important (see **Table 1**). Clearly, public safety services are the highest priority, while majorities also called street repair, graffiti removal, economic development, senior services and affordable housing for seniors either “extremely” or “very” important.

Table 1: Percentage Rating City Services as “Extremely” or “Very” Important

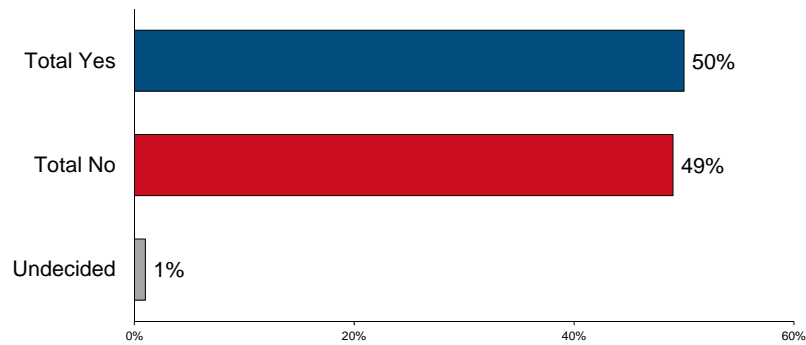
City Services	Total Extremely/Very Important
Maintaining 911 police response times	81%
Preventing cuts to 911 police response services	81%
Protecting crime prevention services	75%
Preventing cuts to police protection	69%
Preventing cuts to neighborhood police patrols	66%
Maintaining graffiti removal programs	61%
Repairing streets and sidewalks	61%
Preventing cuts to programs that attract businesses and create jobs	60%
Fixing potholes and maintaining local streets	60%
Restoring economic development funds that bring in new businesses and jobs to the City	59%
Preventing cuts to senior services	57%
Developing quality affordable housing for seniors who live in La Quinta	50%

SUPPORT FOR LOCAL REVENUE MEASURE

Respondents do not support a local revenue measure at high enough levels to provide confidence that such a measure would pass in November 2014. Respondents were read a description of a measure tentatively titled the La Quinta Public Safety and Essential City Services Protection Measure, which would protect vital city services such as police protection, 9-1-1 response, programs attracting businesses and creating jobs, senior services and other city services by establishing a one-cent sales tax with various provisions for fiscal accountability.

The most dependable standard for determining the viability of the measure is the result after respondents hear the summary and informational messages in favor of and opposing the measure. **The survey finds that likely November 2014 voters are nearly evenly split: 50 percent of respondents said they would vote yes to support the measure and 49 percent said they would vote no** (see Figure 4). Only one percent were undecided. **With a margin of error of +/-6.2% for the sample of voters likely to participate in the November 2014 election, FM3 cannot confidently project success for the measure at this time.**

Figure 4: Support for Potential Sales Tax Measure After Informational Messages



CONCLUSIONS

FM3 cannot project with confidence that the specific measure tested in the survey would be approved by voters in November 2014. It is possible that a summary statement that featured different City services and accountability measures could rate higher. However, it appears fair to argue that the lack of definitive support for the measure is due to La Quinta voters’ overall positive impressions about the current state of the City and their lack of urgency for additional funds.

If the City chooses to plan for a November 2016 election scenario for a local revenue measure, FM3 recommends using the intervening time to inform residents of the need for new revenue sources to maintain the current level of city services. FM3 also recommends starting early in 2016 with a process of research and refinement to the ballot measure language and educational messages to give the best opportunity for success.