

Hello supporters!

In the last month of the pre-election period, Alamo has seen an aggressive anti-incorporation campaign that misstates some vital truths.

**YES!** Alamo's property tax revenues are still healthy in this economic downturn, with 2008 Alamo assessed valuations up 5% (County Assessor report). This is due to Alamo's low, low housing turnover rate, which keeps our assessed valuations below their selling price (Proposition 13 allows assessed valuation of property to increase only when the property sells).

**NO!** Vehicle license fee revenue is not threatened by vehicle sales drop in the economic downturn. Legislation in 2004 changed how new cities receive revenues - by a per capita formula with a "floor", before other local governments are paid, and at an enhanced value for the first five years.

**NO!** The new Town could not possibly, under any scenario, "run a deficit" in the second year. Accumulated fund balances alone - not even included in the State-mandated Comprehensive Fiscal Analysis - give the Town \$5.5 million for roads, parks, and police (not including special police districts) in Year Two.

And regarding claims that expenses for services are understated - hardly! The costs of services for the new Town are the certified, audited costs, adjusted for inflation, that the County now incurs in providing services to Alamo. And the Town would contract for most services, avoiding the County's costs of high overhead for County employee benefits.

Contracting for law enforcement - costing about 45% of the town's general fund - would present a challenge if the Town were to contract with the Sheriff. The Sheriff's burden rate for benefits has jumped to 100%! But help is at hand. Three current Sheriff contractor towns (Danville, Lafayette, and Orinda) are now studying ways to save money on police protection by joint efficiencies and by use of alternative contractors, like the City of Walnut Creek, or the City of San Ramon. Contracting with another police force would save Alamo 30% over contracting with the Sheriff and would fit comfortably into the new Town budget.

Then there is the argument that the downturn is a bad time to incorporate. But it is actually the reverse that is true - the downturn makes incorporation even more essential to keeping Alamo as it is. The County is in such fiscal difficulty that it is slashing services. On February 24, the County Sheriff announced he may have to cut 70 deputies. Moreover, the County must now consider a tax on unincorporated areas that is voted on by all county residents, including residents of incorporated jurisdictions. The Utility Users Tax, court-tested, has passed by majority vote three times in Alameda County because residents of incorporated cities and towns are willing to pass a tax that they don't have to pay!

Sincerely,

Grace Schmidt

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