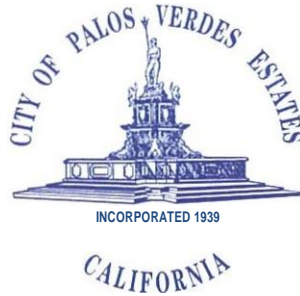


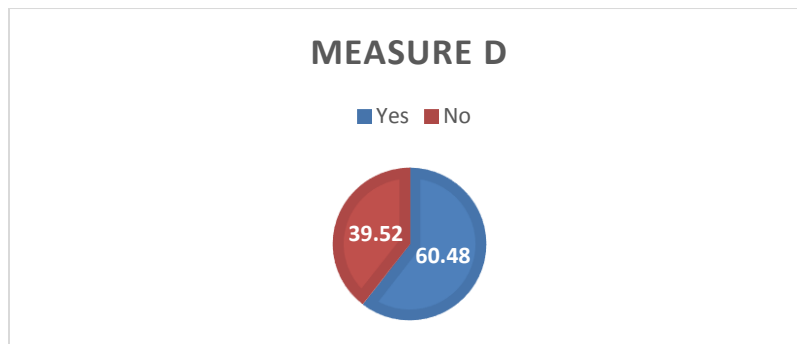
CITY OF PALOS VERDES ESTATES



MEASURE D STATEMENT

In the March 7, 2017 Palos Verdes Estates municipal election, voters considered Measure D, a ballot measure to renew the City's existing parcel tax dedicated to funding the cost of fire and paramedic services. For the current fiscal year (July 1, 2016 – June 30, 2017), the parcel tax represents \$4.7 million, 25% of the City's revenue. As a special tax, a two-thirds majority vote was necessary for its approval.

With Vote-By-Mail ballots and 4 of 4 precincts reporting, the Los Angeles County Registrar-Recorder/County Clerk reported the following preliminary election results:



Although these preliminary election results do not include all ballots (provisional ballots, Election Day-postmarked vote-by-mail ballots, etc.), and the election will be certified at the end of March, these results indicate that Measure D failed having not received a two-thirds majority vote in favor.

The 25% reduction in the City's operating revenue resulting from the failure of Measure D will be effective July 1, 2017. The timeline and strategy for considering how to address the absence of revenue is anticipated to be scheduled for discussion at the March 14, 2017 City Council meeting. At that time, the City Council will consider options consisting of service level (cost) reductions, fee increases, and / or reliance on emergency fiscal reserves.

Throughout the next several months of determining how to accommodate the loss of revenue immediately and in the future, City of Palos Verdes Estates remains committed to providing residents and the public with essential services.