

Argument in Support of Charter Amendment Calling for Voter Approval for Certain Debt Obligations

Certificates of participation (COP's) were used to incur over \$225 million in debt service to finance the Civic Center.

When a municipality seeks to fund large projects using debt financing without getting voter approval, they circumvent the 2/3rd popular vote required by Prop 13 to issue bonds by using COP's instead.

COP's do not require a vote of the people, but they have the same effect bonds have of dedicating future revenue to make payments on the loan.

“Requiring voter approval for esoteric debt instruments, such as revenue bonds and ‘certificates of participation’ is wholly consistent with the philosophy of Proposition 13 which trusts the voters – not the politicians – with the most important fiscal decisions: new taxes and the assumption of public debt.”

Jon Coupal
President, Howard Jarvis Taxpayers Association

In the case of our Civic Center, taxpayers pay \$8 million per year until 2041 in “lease payments” to occupy its own city hall.

Measure ___ requires 55% voter approval for new projects over \$50 million dollars prior to issuing or incurring certain debt obligations.

This Charter Amendment would not apply to the refinancing of existing debt or emergency funding to repair damages caused by a natural disaster.

If you would like a say in large projects that require debt financing, then we humbly ask for your support. Thank you.

Marshall "Duffy" Duffield, Mayor
Kevin Muldoon, Councilman
Scott Peotter, Councilman

Handwritten signatures in blue ink, including the signature of Marshall "Duffy" Duffield and Scott Peotter.

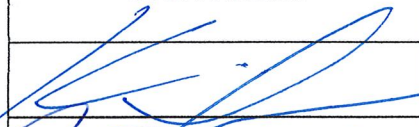


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**FORM OF STATEMENT TO BE FILED BY
AUTHOR(S) OF ARGUMENT**

The undersigned proponent(s) or author(s) of the (primary/rebuttal) argument (in favor of/against) ballot measure amending the Newport Beach City Charter Section 1109 to require voter approval prior to issuing or incurring certain debt obligations, at the General Municipal Election for the City of Newport Beach to be held on Tuesday, November 6, 2018, hereby state that the argument is true and correct to the best of (his/her/their) knowledge and belief.

SIGN NAME	PRINT NAME	DATE
	KEVIN MULDOON	7/6/18
	MARSHALL DUFFIELD	7/6/18
	SCOTT PEOTTER	7/9/18

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