

June 20th 2018

Dear Mayor Murphy:

Attached please find a brief outline of the successful Measure Y campaign. As you know, Merced voters overwhelming embraced the message that the impacts of legalized cannabis in Merced must be mitigated with resources from the industry and its customers, and not become a general tax burden for all Merced residents.

I want to call special attention to the support of this measure by the council itself. The unanimous support for the ordinance was a significant factor in passage of Y. The active participation of Merced's police and fire community was also essential.

In addition to your signature, Measure Y's ballot argument was signed by Kathleen Crookham, Chad Englert of the Merced Firefighters Association, Emily Foster of the Merced Police Officers Association, and Sol Rivas, a youth advisor for the Merced United Way. Councilman Pedrozo was set to be lead signatory on the rebuttal to the "No on Y" ballot argument, but no opposition argument was never submitted.

We raised almost \$100,000 for the campaign. Every dollar came from cannabis industry interests. Mr. Roni Roberts led this effort and did a phenomenal job of contacting and securing the donations. A list of the donors is attached.

We did not spend all the money raised, as significant funding came in close to the date of the election. After some thought, we determined the remaining funds would be best allocated to Merced Youth programs in accordance with the goals Measure Y. To that point I have enclosed a check for \$24,000 made out to the city of Merced.

I want to personally thank you, the council, the industry, and the strong support we received from every part of the Merced community in passing this measure. The attached summary of campaign activities includes social media, traditional mail, television, radio, and paid canvassing. Please do not hesitate to call me with any questions.

Sincerely,

Mike Lynch

ARGUMENT IN FAVOR OF MEASURE Y

Since California voters legalized the use of cannabis (marijuana), local communities like Merced must determine how to pay for the costs of regulating and mitigating its impacts.

Measure Y requires the cannabis industry pay the full costs without costing Merced taxpayers or noncannabis businesses.

Without Measure Y, Merced will not have the necessary revenue to increase police and fire protection and parks and recreation services above current levels in connection with legalized cannabis.

If passed, Measure Y revenues pay for additional police and fire protection as well as parks and recreation services.

Vote Yes on Measure Y!

Measure Y provides revenue from the cannabis industry to pay for the impacts of cannabis in our community.

Measure Y increases public safety by providing additional funds to police and fire.

Measure Y guarantees funds to address our shortfall in parks and recreation services. It will enable greater opportunity for our youth.

Measure Y is designed with a tough citizen oversight committee to ensure funds are spent as directed.

Vote Yes on Measure Y!

Measure Y gives Merced the ability to address additional impacts from the legalization of cannabis without draining limited city funds from other essential services.

Since the legalization of cannabis, dozens of California cities have adopted similar taxes. Merced must do the same.

The Cannabis businesses must pay for their impact on our community, not Merced residents.

Join community leaders, law enforcement, educators, local businesses and youth advocates and vote yes on Measure Y.

Every vote counts! Measure Y requires two-thirds voter approval.

Measure Y = Local money for local needs!

Vote Yes on Measure Y!

For specific information on Measure Y please visit: www.cityofmerced.org/MeasureY, or visit Yes on Y at yes@mercedyesony.com.

For Merced's future, Vote Yes on Y!

/s/ Mike Murphy, Mayor, City of Merced

/s/ Chad Englert, President Merced City Firefighters Association

/s/ Kathleen M. Crookham, Former Merced County Supervisor

/s/ Emily Foster, President Merced Police Officer Association

/s/ Sol Rivas, Community Resident/Youth Advocate

ARGUMENTO A FAVOR DE LA INICIATIVA DE LEY Y

Desde que los electores de California legalizaron el uso del cannabis (marihuana), las comunidades locales como Merced deben determinar cómo pagar los costos para regular y mitigar su impacto.

La Iniciativa de ley Y requiere que la industria del cannabis pague los costos totales <u>sin que le cueste a los contribuyentes de Merced ni a los comercios ajenos al cannabis</u>.

Sin la Iniciativa de ley Y, Merced no tendrá los ingresos necesarios para incrementar la protección policíaca y de bomberos ni los servicios de parques y recreación a niveles superiores a los actuales, con relación al cannabis legalizado.

Si se aprueba, con la Iniciativa de ley Y, los ingresos pagarán la protección adicional de policía y bomberos,



Funding for Our Police, Our Firefighters, and Our Parks







Measure Y Campaign - Media Summary

Social Media - Facebook

Merced Mayor Video

Reach: 6829

Video Views: 5250 Raections: 166 Comments: 74 Shares: 18

Merced Fire Union Video

Reach: 5895

Video Views 5764 Reactions: 163 Comments: 25 Shares: 30

Merced Police Officers Association - Video

Reach: 3289

Video Views: 2035 Reactions: 65 Comments: 13 Shares: 10

Michael Belluomini

Reach: 1806 Video Views: 684 Reactions: 13 Comments: 7

Measure Y Campaign - Media

Cable Televisions - Merced (Comcast and ATT U-verse)

Total TV Spots: 2683

Merced Cable TV Spots advertising

Networks:

Fox News

CNN

HLN

MSNBC

CNBC

ESPN

AEN

DISCOVERY

HISTORY

AMC

ESPN-2

ESPN

(MLB (Major League Baseball and college sports games)

FX

USA

TNT

HGTV

FOOD

ENT

TRAVEL

OXYG

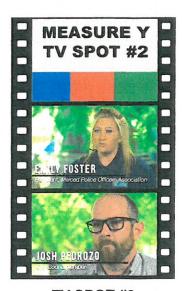
NBCS

MTV

VH1



TV SPOT #1
TOTAL SPOTS: 1342



TV SPOT #2 TOTAL TV SPOTS: 1341

TOTAL TV SPOTS: 2683

Page Three

Measure Y Campaign - Media

RADIO

Heavy Rotation 8x spots average per day in prime dayparts 6a - 7p

Stations:

KYOS – News Talk – Total station spots: 145

KUBB - Country - Total station spots: 139

KABX – Adult Contemporary: Total station Spots 126

TOTAL ALL RADIO SPOTS: 410

MAILERS

Targeted Mail Flyers to strategic custom list of high propensity voters.

MAILING #1 SENT May, 10, 2018

Count: 7438

Custom List Criteria: Everyone who voted in the 2014 election and the 3 of 4 Voters that Voted in the 2016 General, 2016 Primary, 2015 Primary, 2014 Primary, and 2012 Primary.

MAILING #2 SENT May 27, 2018. Sent to same lists. NOTE: We normally remove absentee voters who returned their ballots but due to equipment issues at the Merced County Elections Office that data was not available at the time of this mailing.

E-mail Marketing

GOTV Targeted Message to Merced City Voters to list of Vote By Mail with unreturned ballots and poll voters day prior to election.

Custom list: Poll Voters and Absentee Voters with unreturned ballots

SENT: 6176 BOUNCES: 537 DELIVERED: 5639

OPENS: 361

UNSUBSCRIBES: 19



ATTENTION MERCED RESIDENTS

Unless Measure Y passes, Merced will NOT

have the ability to address additional impacts from the legalization of cannabis without draining limited city funds from essential city services.

MEASURE Y ONLY TAXES THE CANNABIS INDUSTRY AND THEIR CUSTOMERS
FOR THEIR IMPACT ON OUR COMMUNITY.
SO THIS DOES NOT APPLY TO ALL MERCED RESIDENTS OR BUSINESSES.

"When California voters passed the legalization of marijuana it created a serious problem in the city of Merced. Who would pay for the impacts and the enforcement of this new policy? No one on the city council thought it was fair for our residents to pay for these costs.

Measure Y protects our community by imposing a tax on the marijuana industry and not our residents."

- Mike Murphy, Mayor, City of Merced

"Measure Y protects Merced residents from the additional costs associated with legalized marijuana use. It's only fair that the industry pay for these costs, not residents as a whole. Measure Y provides funds to public safety services to mitigate those impacts. It is necessary to prevent taxpayers from having to pay this additional enforcement burden."

- Kathleen M. Crookham, Former Merced County Supervisor "Measure Y pays for the impacts of the legalization of marijuana without leveling a blanket tax on our Merced residents. It's set up as it should be with the marijuana industry paying for the legalization of marijuana. In addition to public safety it supplies funding for our parks and youth services to help keep our kids out of gangs. It's a good investment for Merced, it's paid for by the industry, not our residents."

- Chad Englert,
President Merced City Firefighters Association

"Without Measure Y, we would be short on funding for resources needed to protect our citizens. Staffing shortages in the areas of enforcement for regulations that will apply specifically to the cannabis businesses is another concern. These additional state regulations take resources. That includes officers, as well as dispatchers and other staffing. Additional calls for service either from concerned citizens or additional crimes that will be occuring in or around these businesses."

- Emily Foster,
President Merced Police Officer Association

"Measure Y is important to me because it doesn't tax community members, it taxes the marijuana industry, providing funding to youth services that help keep youth in our community out of trouble."

- Sol Rivas, Community Resident/Youth Advocate

MLC 801 10th St, 5th Floor Modesto, CA 95354

YES ON MEASURE Y

WHY Y?

Measure Y requires the cannabis industry pay the full costs without costing Merced taxpayers or non-cannabis businesses.

Measure Y revenues pay for additional police and fire protection as well as parks and recreation services.

Measure Y guarantees funds to address our shortfall in parks and recreation services. It will enable greater opportunity for our youth.

Measure Y provides revenue from the cannabis industry to pay for the impacts of cannabis in our community.

\$1 MILLION IN ESTIMATED REVENUE

20% - POLICE



20% - FIRE



Remaining 40% split between Police, Fire, and Parks & Recreation.

20% - PARKS & RECREATION



Vote Yes on Measure Y!

Funding for Our Police, Our Firefighters and Our Parks

MICICEU CILIZETIS IUI JAIEI

Streets and Parks: Yes on

Measure Y, FPPC ID # 1404762

400 Capitol Mall, Suite 1545.

Sacramento, CA 95814

Democrats,

Republicans &

Independents

Agree!

Paid for by Merced Citizens for Safer Streets and Parks: Yes on Measure Y
400 Capitol Mall, Suite 1545
Sacramento, CA 95814

YES ON MEASURE Y

Measure Y is Supported by:

Law Enforcement

Firefighters

Your Local Elected Officials

A "Yes" vote means:



More funding for our police officers



More funding for our firefighters



More money for our parks and recreation to help keep kids out of gangs

Funding for Our Police, Our Firefighters, and Our Parks

IT TAXES CANNABIS BUSINESSES
AND THEIR CUSTOMERS
NOT ALL MERCED RESIDENTS!

Contributions to Measure Y

--Accolade Management: \$10,000 (Cannacorn Collective/Medallion Wellness)

--Sugar leaf: \$10,000 --Devin Settler\$10,000 --Roni Roberts: \$10,000

--Woodlake Holdings: \$10,000

--Green Door: \$3,400

--Jamke: \$8,000

--Algilbert Sarkis: \$9,000 --Devin Settler \$8,000

--Merced Healing Center: \$3,200 --Organic Tree House: \$1,000 --Harvest of Merced: \$3,400 --Gateway Wellness: \$3,600

--Natural Supplement: \$5,000

--Eel holdings: \$5,000

--Kings Happy Star, Inc: \$1,000 (Kings Valley Wellness)

Measure Y Paid Canvassing Campaign -

Measure Y employed 5 precinct walkers for the final week prior to the primary to target high-propensity poll voters. The chart below shows the results provided from the walk team.

Measure Y	
Doors Knocked	723
Voters Contacts	751
Lit Dropped	763
SS	322
U	49
SO	123
NH	229
MV	28
GTD	40
REF	35