



# City of Carson Report to Mayor and City Council

October 18, 2011  
New Business Consent

**SUBJECT: CONSIDERATION OF RESOLUTION NO. 11-123 EXTENDING THE TEMPORARY SUSPENSION OF THE "CAP" ON THE MAXIMUM TAX TO BE PAID UNDER THE CARSON UTILITY USERS TAX ORDINANCE**

*[Signature]* for Jackie Acosta

Submitted by Jacquelyn Acosta  
Administrative Services General Manager

*[Signature]*

Approved by David C. Biggs  
City Manager

## **I. SUMMARY**

This item is on the agenda as an outgrowth of the City's continued financial challenges. Provided for the Council's consideration is Resolution No. 11-123 (Exhibit No. 1) to extend, for a period of twelve (12) months from and after October 19, 2011, the temporary suspension of the maximum amount of tax to be paid under Section 61104(e) of the Carson Utility Users Tax Ordinance, Ordinance No. 09-1423, as subsequently amended by Ordinance No. 10-1448-A.

## **II. RECOMMENDATION**

WAIVE further reading and ADOPT Resolution No. 11-123, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, FINDING AND DETERMINING TO EXTEND THE TEMPORARY SUSPENSION OF THE EXEMPTION SET FORTH IN SECTION 61104(e) OF ARTICLE VI, CHAPTER 11 OF THE CARSON MUNICIPAL CODE ESTABLISHING A TWO PERCENT TAX ON ELECTRIC AND GAS UTILITY USERS."

## **III. ALTERNATIVES**

TAKE another action the City Council deems appropriate.

## **IV. BACKGROUND**

On July 6, 2010, the City Council passed Ordinance No. 10-1448-A (Exhibit Nos. 2 & 3) which amended Section 61104(e) of the Carson Utility Users Tax Ordinance.

Under the amendment, the City Council "may, by resolution duly adopted . . . suspend [the cap] . . . for a period of twelve (12) consecutive calendar months commencing the day after the effective date of the resolution, upon making written finding(s) that the city of Carson will be required to layoff employees, and/or furlough employees, and/or be unable to fill allocated employee positions due to any fiscal crises . . . ."

The city of Carson, as with many California cities, continues to be challenged by

financial difficulties due to the very slow economic recovery and ever-rising costs of providing local services. For FY 2011/12, the first draft of the proposed general fund budget had a shortfall of \$3,295,509.00. For several months, the general managers, staff, and bargaining units worked diligently on cost saving measures and revenue enhancements to eliminate this shortfall.

Budget workshops were held with the City Council to review and further amend the proposed budget. On July 11, 2011, the City Council adopted a balanced general fund budget for FY 2011/12. However, in order to balance the budget, the city had to make many budget cuts, including not filling 44 allocated employee positions.

Based upon the cuts required to balance the city's budget, including not filling 44 allocated positions, the City Council can make the findings necessary to again temporarily suspend the "cap" on the Utility Users Tax. Accordingly, attached hereto is Resolution No. 11-123 to accomplish the same.

**V. FISCAL IMPACT**

As a result of suspending the cap last year, the city received an additional \$776,000.00 in utility users tax revenues.

**VI. EXHIBITS**

1. Resolution No. 11-123. (pgs. 3-4)
2. Minutes, July 6, 2010, Item No. 25. (pg. 5)
3. Ordinance No. 10-1448-A. (pgs. 6-7)

Prepared by: Jackie Acosta, Administrative Services General Manager

TO:Rev091911

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Development Services
Economic Development	Public Services

**Action taken by City Council**

Date \_\_\_\_\_ Action \_\_\_\_\_

RESOLUTION NO. 11-123

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, FINDING AND DETERMINING TO EXTEND THE TEMPORARY SUSPENSION OF THE EXEMPTION SET FORTH IN SECTION 61104(e) OF ARTICLE VI, CHAPTER 11 OF THE CARSON MUNICIPAL CODE ESTABLISHING A TWO PERCENT TAX ON ELECTRIC AND GAS UTILITY USERS

WHEREAS, Carson Municipal Code § 61104(e) provides that "no service user shall be required to pay more than \$1 million in electricity users tax, or gas users tax, or both combined, for service provided in any one calendar year; provided, however, that *the City Council may, by resolution duly adopted at a noticed public meeting, suspend this sub-section for a period of twelve (12) consecutive calendar months commencing the day after the effective date of the resolution, upon making written finding(s) that the city of Carson will be required to layoff employees, and/or furlough employees, and/or be unable to fill allocated employee positions... as determined by the City Council in its sole discretion*" (emphasis added); and

WHEREAS, the city continues to be challenged by financial difficulties due to the very slow economic recovery and ever-rising costs of providing local services; and

WHEREAS, on July 11, 2011, the City Council adopted Resolution No. 11-095, adopting a balanced general fund budget for FY 2011/12; and

WHEREAS, in order to adopt a balanced budget, the city had to make many budget cuts and not fill many allocated, but vacant positions; and

WHEREAS, based upon these facts, the City Council can make the following findings:

1. The city of Carson will be unable to fill 44 authorized positions within the municipal service; and
2. The city of Carson has reduced the approved FY 2011/12 general fund budget by \$1.7 million in order to achieve a balanced budget; and
3. The city of Carson was required to not fill authorized positions and reduce budget expenditures in order to eliminate a \$3.3 million shortfall this fiscal year.

NOW, THEREFORE, be it resolved by the City Council of the city of Carson, California, as follows:

Section 1. The foregoing recitals are true and correct and are hereby adopted as the findings of the City Council as required by Municipal Code § 61104(e).

Section 2. Pursuant to such findings, and as authorized by Municipal Code § 61104(e), the City Council of the city of Carson hereby suspends, for a period of twelve (12) consecutive calendar months commencing from and after October 19, 2011, the exemption contained therein.

[MORE]

EXHIBIT NO. 01



PASSED, APPROVED and ADOPTED this \_\_\_\_ day of October, 2011, to become effective immediately.

\_\_\_\_\_  
Mayor Jim Dear

ATTEST:

\_\_\_\_\_  
City Clerk Helen S. Kawagoe, MMC

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney



**ITEM NO. (24) THIS ITEM INTENTIONALLY LEFT BLANK**

**ORDINANCE SECOND READING: (Items 25-27)**

Item Nos. 25-27 were heard after No. 23:

**ITEM NO. (25) ORDINANCE NO. 10-1448-A, AN ORDINANCE OF THE CITY OF CARSON, CALIFORNIA, AMENDING SECTION 61104(E) OF CHAPTER 11 OF THE CARSON MUNICIPAL CODE ESTABLISHING A TWO PERCENT TAX ON ELECTRICAL AND GAS UTILITIES USERS**

**ACTION:** WITH FURTHER READINGS WAIVED, Ordinance Nos. 10-1448A, 10-1449, and 10-1450 were PASSED, APPROVED and ADOPTED, as read by titles only, on motion of Dear, seconded by Gipson, and unanimously carried by the following vote:

**Ayes:** Mayor Dear, Mayor Pro Tem Santarina, Council Member Gipson, Council Member Davis-Holmes, and Council Member Ruiz-Raber  
**Noes:** None  
**Abstain:** None  
**Absent:** None

**ITEM NO. (26) ORDINANCE NO. 10-1449, AN ORDINANCE OF THE CITY OF CARSON, CALIFORNIA, AMENDING SECTION 6712 OF CHAPTER 7 OF THE CARSON MUNICIPAL CODE REGULATING AND LICENSING THE CONDUCT OF BINGO WITHIN THE CITY OF CARSON TO INCREASE THE MAXIMUM PRIZE THEREOF**

**ACTION:** WITH FURTHER READINGS WAIVED, Ordinance Nos. 10-1448A, 10-1449, and 10-1450 were PASSED, APPROVED and ADOPTED, as read by titles only, on motion of Dear, seconded by Gipson, and unanimously carried by the following vote:

**Ayes:** Mayor Dear, Mayor Pro Tem Santarina, Council Member Gipson, Council Member Davis-Holmes, and Council Member Ruiz-Raber  
**Noes:** None  
**Abstain:** None  
**Absent:** None

**ITEM NO. (27) ORDINANCE NO. 10-1450, AN ORDINANCE OF THE CITY OF CARSON, CALIFORNIA, AMENDING SECTION 6706(G) & (H) OF CHAPTER 7 OF THE CARSON MUNICIPAL CODE REGULATING AND LICENSING THE CONDUCT OF BINGO WITHIN THE CITY OF CARSON**

**ACTION:** WITH FURTHER READINGS WAIVED, Ordinance Nos. 10-1448A, 10-1449, and 10-1450 were PASSED, APPROVED and ADOPTED, as read by titles only, on motion of Dear, seconded by Gipson, and unanimously carried by the following vote:

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ORDINANCE NO. 10-1448-A

AN ORDINANCE OF THE CITY OF CARSON, CALIFORNIA, AMENDING  
SECTION 61104(e) OF CHAPTER 11 OF THE CARSON MUNICIPAL CODE  
ESTABLISHING A TWO PERCENT TAX ON ELECTRICAL AND GAS  
UTILITIES USERS

NOW, THEREFORE, the CITY COUNCIL of the CITY of CARSON, CALIFORNIA,  
does hereby ordain as follows:

**Section 1.** The Carson Municipal Code § 61104(e) is hereby amended to read in its  
entirety, as follows:

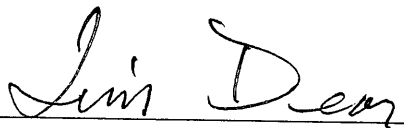
"(e) Notwithstanding any other provision of this chapter, no service user shall  
be required to pay more than \$1 million in electricity users tax, or gas users tax, or  
both combined, for service provided in any one calendar year; provided, however,  
that the City Council may, by resolution duly adopted at a noticed public meeting,  
suspend this sub-section for a period of twelve (12) consecutive calendar months  
commencing the day after the effective date of the resolution, upon making  
written finding(s) that the city of Carson will be required to layoff employees,  
and/or furlough employees, and/or be unable to fill allocated employee positions  
due to any fiscal crises as determined by the City Council in its sole discretion."

**Section 2.** If any section, subsection, sentence, clause, phrase, or portion of this  
Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court  
of competent jurisdiction, such decision shall not affect the validity of the remaining portions of  
this Ordinance. The City Council of the city of Carson hereby declares that it would have  
adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof,  
irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or  
portions thereof may be declared invalid or unconstitutional.

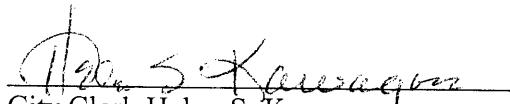
**Section 3.** This Ordinance shall be in full force and effect thirty (30) days after its  
second reading and adoption.

**Section 4.** The City Clerk shall certify to the passage and adoption of this Ordinance  
by the City Council of the city of Carson and shall cause a summary of this ordinance to be  
published in accordance with Government Code § 36933.

**PASSED, APPROVED and ADOPTED** at a regular meeting of the City Council on this  
6<sup>th</sup> day of July, 2010.

  
\_\_\_\_\_  
Mayor Jim Dear

ATTEST:

  
City Clerk Helen S. Kawagoe

APPROVED AS TO FORM:

  
City Attorney

STATE OF CALIFORNIA           )  
COUNTY OF LOS ANGELES    ) ss.  
CITY OF CARSON                )

I, Helen S. Kawagoe, City Clerk of the City of Carson, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing ordinance, being Ordinance No. 10-1448-A passed first reading on June 15, 2010, was duly and regularly adopted by the City Council of said City at a regular meeting of said Council, held on the 6th day of July, 2010, and that the same was passed and adopted by the following roll call vote:

AYES:	COUNCIL MEMBERS:	Mayor Dear, Santarina, Gipson, Davis-Holmes, and Ruiz-Raber
NOES:	COUNCIL MEMBERS:	None
ABSTAIN:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	None

  
City Clerk Helen S. Kawagoe

