

RESOLUTION NO. 10-086-A

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CARSON, CALIFORNIA, UNANIMOUSLY DECLARING A
FISCAL EMERGENCY PURSUANT TO ARTICLE XIII C §
2(b) OF THE CALIFORNIA CONSTITUTION

WHEREAS, the city of Carson has experienced, and continues to face, a dramatic and critical decline in revenues and has reached a point where cutting expenses will not allow the city to ease the structural deficit without further cutting essential city services. The city projects a budget deficit in excess of \$9 million in each of the next five years; and

WHEREAS, in FY 2009/10 the city cut \$3.3 million from its proposed budget. This comes on top of millions in cuts over the previous three years. The city has eliminated full-time positions, reduced services in all departments, and been required to use emergency reserves; and

WHEREAS, in FY 2010/11, public safety staffing levels have been reduced and many other full-time positions have been frozen and remain vacant; the summer youth employment program and cultural, fine arts, and city-wide community events have been canceled; tree trimming has been suspended; and fees have been increased; and

WHEREAS, this unprecedented financial situation is due to several factors including: (1) the city's General Fund has seen total revenues decline 13.2% this past fiscal year. This is due to the state's borrowing of \$1.5 million in property tax revenues, which will continue annually for two more years; (2) a 30% reduction in sales tax revenues from two years ago, a result of the declining economy; (3) a 50% reduction in the city's gas franchise tax revenue this past fiscal year; (4) the city, like most other cities, has endured several years of damaging money grabs by the state of California, such as the \$10.1 million Redevelopment take which funds had been earmarked for Carson infrastructure projects and street paving; and (5) increasing general expenses to the city such as the rising costs of fuel, electricity and supplies. This has made it impossible for the city to balance its budget and still continue to provide critical services at an acceptable level; and

WHEREAS, if the city were to address this shortfall with cuts alone, it would have to further cut Sheriff's patrols, emergency response, youth programs, street and sidewalk repair, graffiti removal, animal control, senior services, and parks and recreation programs. These additional cuts are a last resort. In order to address a shortfall of this magnitude, the city would have to include further cuts to public safety and other critical city services; and

WHEREAS, because of the scale of the city's budget shortfall and the depth of the cuts that have already been made, only two realistic choices remain for dealing with this shortfall. The city of Carson must either generate additional revenue or begin making deeper cuts to essential city services; and

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WHEREAS, because citizens repeatedly rank public safety and street maintenance as their top priorities, the city is proposing a solution that would help maintain these important services; and

WHEREAS, the city expects that the city's financial situation will begin to recover within the next five years due to the general expectation that the state of the economy will improve within that time; and

WHEREAS, the City Council desires to submit to the voters a proposal to enact a one cent transactions and use tax in the city of Carson, with the funds to be deposited in the city's General Fund and be used for general city purposes and services including but not limited to Sheriff's services and crime prevention, paramedic and 9-1-1 emergency response services, street repair and maintenance, maintenance of public landscapes and facilities, parks and recreation programs and services, and youth and senior services; and

WHEREAS, by taking this step, keeping the city safe, crime rates low, emergency response times low for all areas of the city, and keeping the city well maintained, we can protect property values and protect the progress the city has made and keep it moving in the right direction; and

WHEREAS, California Constitution Article XIII C, Section 2, provides any general tax must be submitted to the electorate and approved by a majority vote; and


WHEREAS, on the basis of the foregoing, the City Council determines it is appropriate to place a measure before the voters on November 2, 2010, at a Special Municipal Election regarding adopting a city transactions and use tax.

NOW, THEREFORE, the CITY COUNCIL of the CITY OF CARSON, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE, and ORDER AS FOLLOWS:

Section 1. Pursuant to Article XIII C § 2(b) of the California Constitution, the City Council hereby finds and declares by a unanimous vote that a fiscal emergency now exists in the city due to the statewide budget crisis which will impact the municipal revenue necessary to provide an acceptable level of municipal services for Carson residents. As described in the staff report accompanying this resolution, and incorporated by reference herein, the city currently faces an approximately \$9 million shortfall where anticipated expenditures exceed anticipated revenues. Due to the national housing market collapse and other recessionary indicators, other city revenue sources, such as property tax and sales tax revenues, are likely to significantly decrease. Furthermore, given the state budget crisis and additional anticipated cuts in funding for local services, a continuing level of local revenue is immediately needed to fund a level of municipal services required to properly protect the public health, safety, and welfare.

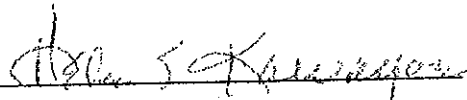
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PASSED, APPROVED and ADOPTED on the 4th day of August, 2010




Mayor Jim Dear

ATTESTED:



City Clerk Helen S. Kawagoe, MMC

APPROVED AS TO FORM:

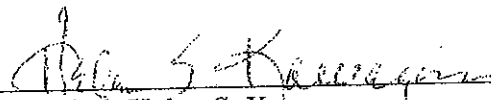


City Attorney

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 is five; that the foregoing resolution, being Resolution No. 10-086-A was duly and regularly adopted by said Council at a regular meeting duly and regularly held on the 4th day of August, 2010, and that the same was passed and adopted by the following 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