

RESOLUTION NO. 10-086-B

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, CALLING FOR AND GIVING NOTICE OF THE HOLDING OF A SPECIAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER, 2, 2010, FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE CITY A PROPOSED ORDINANCE ESTABLISHING A ONE CENT SALES TAX IN THE CITY OF CARSON

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