

## RESOLUTION NO. 6282(19)

### A Resolution of the Council of the City of Lompoc, County of Santa Barbara, State of California, Adopting the Supplemental Appropriations for a Special Election for a One Cent (1%) Tax Measure

**WHEREAS**, Lompoc residents strongly prioritize maintaining and protecting key services that enhance public safety, maintain property values, prevent violent crimes and gangs, assist at-risk youth, support fire protection services, prevent graffiti and vandalism, improve 9-1-1 medical response times, address homelessness, and provide additional police officers and neighborhood patrols; and

**WHEREAS**, the City of Lompoc (City) has also heard a great deal from the community about their desire for improved streets, pothole repair, and the betterment of parks, library and recreational services. City streets in particular have suffered as a result of substantially increasing costs and unfunded liabilities imposed upon the City in recent years. City streets are underfunded and they are continuing to deteriorate; and

**WHEREAS**, in recent years, significant increases in staffing costs, programmatic costs and unfunded liabilities have severely impacted the City's General Fund budget. The most recent biennial budget deficit, prior to City Council reductions, was calculated to be \$3.6 Million after all salaries, unfunded accrued liabilities for pensions (UAL), and revenue estimates were analyzed. Unfunded accrued liabilities pursuant to the California Public Employees Retirement System (CalPERS) have particularly placed severe pressure on the City's General Fund budget and, as a State-mandate, are not within the City's control. The City's UAL just for CalPERS obligations is currently \$93 Million—a 163% increase (from \$35M) over last seven years. Further, total annual CalPERS payments are projected to grow from \$9M (2020) to \$13M by 2025; and

**WHEREAS**, the structural deficit in the City's General Fund has resulted in the reduction of vital City services and programs that are a priority for Lompoc's citizens, such as the elimination of positions and programs in police, fire services, code enforcement, the public library, parks, recreation and general City staffing levels. The City's structural budget deficit has thus already impacted essential City services, and such vital City services—like police, fire and street maintenance—will only continue to be reduced or eliminated if the City is unable to secure a new, fiscally-sustainable revenue stream; and

**WHEREAS**, the City has exhausted efforts to balance its general fund by reducing expenditures without a tax measure, but such efforts are unable to resolve the fiscal crisis given current market conditions, the extreme deficits and rising costs relating to UAL, growing capital improvement program needs and other fiscal conditions outside the City's control. Despite the City's sound management and disciplined control of its financial health, the City's ability to sustain local services and maintain streets, roads and other vital infrastructure has been seriously eroded. On September 17, 2019, the City Council unanimously declared a Fiscal Emergency with regard to the City's structural budget deficit; and

**WHEREAS**, in order to preserve vital City services the City must identify a reliable source of locally-controlled funding. To this end, the City Council proposes a ballot measure to the electorate for adoption of a one cent per dollar (1%) transactions and use tax to preserve City services; and

**WHEREAS**, Article XIII C, Section 2 of the California Constitution authorizes a city to impose a general tax if approved by a majority vote of the qualified electors; and

**WHEREAS**, Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, and Section 7285.9 of the California Revenue and Taxation Code, authorizes a city to adopt a transactions and use (sales) tax ordinance, which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose; and

**WHEREAS**, if approved by the voters, the tax ordinance would provide Lompoc with locally-controlled funding for City services, including, without limitation, street maintenance, maintaining 9-1-1 emergency response times, fighting gangs and drugs, maintaining programs that attract businesses and create jobs, maintaining emergency communication systems, fixing City streets, addressing homelessness and providing additional police officers and neighborhood patrols. Proceeds from the revenue would also be available to the City for purposes of the City paying-down its State-mandated CalPERS obligations, thus freeing City General Fund revenues for use towards the City services prioritized by Lompoc citizens; and

**WHEREAS**, funds from this proposed measure are subject to strict fiscal accountability and transparency provisions, including annual independent audits, and review by the City Council serving as an oversight committee to confirm that funds are spent efficiently and effectively; and

**WHEREAS**, California Constitution Article XIII C, Section 2, provides that an election regarding a general tax must be consolidated with a regularly-scheduled general municipal election for members of the City Council unless a Fiscal Emergency is unanimously declared by the City Council. On September 17, 2019, the City Council did unanimously declare a Fiscal Emergency as a prerequisite to the holding of a special election on a general tax; and

**WHEREAS**, on the basis of the foregoing, following a hearing on September 17, 2019, the City Council determines it is appropriate to place a measure before the voters at the March 3, 2020, special municipal election (consolidated with the Statewide Primary Election), regarding adoption of a 1% City transactions and use tax, with an oversight committee and a sunset to the tax in 15 years.

**WHEREAS**, a special election consolidated with the Statewide Primary Election shall be held in the City of Lompoc, California, on March 3, 2020, at which there will be submitted to the voters a ballot measure to consider a general sales tax for the City of Lompoc (the Measure); and

**WHEREAS**, the City Council desires to appropriate funds to provide for the payment of costs associated with the consolidated election.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City of Lompoc hereby agrees and further does authorize the City Manager or designee to expend funds for the election.

**SECTION 2.** The City Council authorizes the supplemental appropriation of Fiscal Year 2019-20 funds from available resources for the Project as follows:

| <b>Supplemental Appropriations</b> |               |                                |               |
|------------------------------------|---------------|--------------------------------|---------------|
| <b>Account No.</b>                 |               | <b>Account Name</b>            | <b>Amount</b> |
| <b>From</b>                        | 110-340990    | General Fund – Fund Balance    | \$25,000      |
| <b>To</b>                          | 110CCE-534150 | City Clerk – Service SB County | \$25,000      |

**SECTION 3.** Effective Date. This Resolution is effective on the day of its adoption.

The foregoing Resolution was proposed by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and was duly passed and adopted by the Council of the City of Lompoc at its regular meeting on September 17, 2019, by the following vote:

AYES: Council Member(s):

NOES: Council Member(s):

ABSENT: Council Member(s):

\_\_\_\_\_  
Jenelle Osborne, Mayor  
City of Lompoc

ATTEST:

\_\_\_\_\_  
Stacey Haddon, City Clerk  
City of Lompoc