

RESOLUTION NO. 6418(21)

A Resolution of the Council of the City of Lompoc, County of Santa Barbara, State of California, Adopting the Supplemental Appropriations for a Special Mail-in Only Election Regarding Amendments to Lompoc Municipal Code Chapter 3.50 Establishing a New Tax Structure for Cannabis Manufacturing and Distribution and Changing Provisions Related to Regulations and Definitions

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 eight 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 an additional 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 June 1, 2021, 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 establishing a new tax structure for cannabis manufacturing and distribution and changing provisions of Lompoc Municipal Code Chapter 3.50 related to regulations and definitions; 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, 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, 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 June 1, 2021, 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 June 1, 2021, the City Council determines it is appropriate to place a measure before the voters at the August 31, 2021, special mail-in only election regarding adoption of a changes to its taxing structure for cannabis manufacturing and distribution operators with no sunset.

WHEREAS, a special mail-in only election shall be held in the City of Lompoc, California, on August 31, 2021, at which there will be submitted to the voters a ballot measure to consider changes to its taxing structure for cannabis manufacturing and distribution operators (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 2020-21 funds from available resources for the Project as follows:

Supplemental Appropriations			
Account No.		Account Name	Amount
From	110-340990	General Fund – Fund Balance	\$70,000
To	110CCE-534150	City Clerk – Elections	\$70,000

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 June 1, 2021, 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