

## **RESOLUTION 6845**

### **A RESOLUTION OF THE SEAL BEACH CITY COUNCIL APPROVING AN ORDINANCE ENACTING A 1.0% TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION, AND ORDERING THE SUBMITTAL OF SAID ORDINANCE TO THE VOTERS AT NOVEMBER 6, 2018 GENERAL MUNICIPAL ELECTION**

**WHEREAS**, on June 11, 2018, the City Council adopted the City's FY 2018 – 2019 General Fund operating budget of approximately \$37.4 million. The City Council made difficult choices and was able to adopt a budget that relies on transfers from reserves and one-time revenue sources, and savings from vacant City jobs that will not be filled. In spite of these efforts the budget was adopted with an approximately \$80,000 deficit. This use of one-time funds and holding positions vacant to balance the budget cannot be sustained in future years; and

**WHEREAS**, every department across the City has implemented significant budget cuts since 2008 resulting in the elimination or reduction of key city programs and services such that further budget cuts would have a devastating impact on City services and the safety and welfare of the community; and

**WHEREAS**, despite the cuts, the City projects that budget deficits will continue to grow in the future, and City reserve funds are at dangerously low levels and in danger of being depleted within the next few years; and

**WHEREAS**, although the Orange County Transportation Authority has increased sales taxes in recent years, those funds are not allocated directly to the City, and the City continues to receive only 1% of the sales taxes Seal Beach businesses, residents, and visitors pay; and

**WHEREAS**, in order to address this fiscal shortfall as soon as possible, and to provide a stable and local source of new revenue to maintain and enhance important City services, the City Council desires to place a local funding measure on the ballot at the regular municipal election consolidated with the statewide general election on November 6, 2018; and

**WHEREAS**, if enacted, a local transaction and use tax of 1.0% would provide a protected, stable local source of about \$5 million annually to improve and maintain the funding of vital City services the community relies on; and

**WHEREAS**, if enacted, a local funding measure would enable the City to maintain or improve current levels of public safety through police, marine safety, fire and paramedic services, school

Formatted: FooterTxt

resource officer, code enforcement, animal control, and maintaining storm drains, streets and public parks, and funding senior, youth and neighborhood programs; and

**WHEREAS**, this measure will give Seal Beach local control over local funds for local needs because no funds from this measure can be taken by Sacramento; and

**WHEREAS**, Section 7285.9 of the California Revenue and Taxation Code authorizes any city to levy, increase or extend a transactions and use tax for general purposes at a rate of 0.025 percent, or a multiple thereof, subject to approval by a two-thirds vote of all of the members of the City Council and by a majority of the qualified voters of the City voting in an election on the issue; and

**WHEREAS**, City Council proposes to submit to the voters of the City an ordinance providing for the levy of a transaction and use tax.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEAL BEACH HEREBY RESOLVES:**

Section 1. Ordering Measure Submitted to Voters. The City Council has previously called a regular municipal election to be held in the City on Tuesday, November 6, 2018. Pursuant to California Elections Code Sections 9222 and 10201, the City Council hereby orders that at the said election a transaction and use tax ordinance be submitted to the voters for approval. The full text of the Seal Beach Transaction and Use Tax Ordinance of 2018 is attached to this Resolution as Exhibit A and incorporated herein by this reference. The measure to be submitted to the voters shall appear and be printed on the ballot as follows:

| City of Seal Beach   |     |
|--|-----|
| <u>Seal Beach Neighborhood Safety and Essential Services Protection. To offset significant budget cuts and state takeaways and maintain City services, including community police patrols, paramedic services, fire protection, marine safety/lifeguards, school safety, 9-1-1 response times, and other essential general services, shall an ordinance be adopted for a one percent sales tax to raise approximately \$5,000,000 annually until ended by voters, with independent audits to ensure transparency and funds spent only in Seal Beach?</u> | YES |
| <del>Seal Beach Neighborhood Safety and Essential Services Protection. To offset significant budget cuts and state takeaways and maintain City general services, including community police patrols, paramedic services, fire protection, marine safety/lifeguards, school safety, 9-1-1 response times, clean beaches, street maintenance and landscaping, senior/parks/recreation services, shall an ordinance be adopted for a one percent sales tax to raise approximately \$5,000,000 annually until ended by voters, with independent</del>        | NO  |



|   |  |
|---|--|
| <del>audits and funds spent only in Seal Beach.</del> |  |
|---|--|

Section 2. Approval of Ordinance: The City Council hereby approves the proposed Seal Beach Transaction and Use Tax Ordinance of 2018, attached to this Resolution as Exhibit A, to be submitted to the voters. The proposed measure is a new general tax, as defined in Article XIII C of the California Constitution, at a rate of 1.0% on transactions and uses in the City as defined in the ordinance, to be collected by the California Department of Tax and Fee Administration, and shall not take effect unless and until approved by a vote of at least a majority of the voters voting on the question at the election.

Section 3. Impartial Analysis: The City Attorney is hereby directed to prepare an impartial analysis of the measure pursuant to Elections Code Section 9280.

Section 4. Ballot Argument: The City Council hereby authorizes one or more of its members to submit a ballot argument in favor of the measure pursuant to Elections Code Section 9282.

Section 5. Certification. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions and transmit the necessary documents to the Orange County Registrar of Voters forthwith.

**PASSED AND ADOPTED** this 23<sup>rd</sup> day of July, 2018, by the following vote:

AYES: COUNCILMEMBERS: \_\_\_\_\_

NOES: COUNCILMEMBERS: \_\_\_\_\_

ABSENT: COUNCILMEMBERS: \_\_\_\_\_

ABSTAIN: COUNCILMEMBERS: \_\_\_\_\_

\_\_\_\_\_  
Mike Varipapa, Mayor

ATTEST:

\_\_\_\_\_  
Robin R. Roberts, MMC, City Clerk

APPROVED AS TO FORM:

---

Craig Steele, City Attorney