

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNION CITY DECLARING
A FISCAL EMERGENCY IN THE CITY OF UNION CITY**

WHEREAS, the City of Union City (the “City”) is permitted to hold a special election on June 5, 2018, that is consolidated with the statewide election to be held on the same date; and

WHEREAS, Proposition 218, California Constitution Article XIII C, sec. 2(b) requires a proposed general tax to be submitted to the voters at a general municipal election for members of the governing body of the City, except in cases of emergency declared by a unanimous vote of the governing body; and

WHEREAS, in 2014, in order to prevent severe cuts, and maintain essential services such as police, fire, paramedic, library, streets, parks and other services, Union City adopted a voter-approved Ordinance extending an existing half cent sales tax. Despite the half cent sales tax, the City still faces a structural budget deficit that is increasing for the foreseeable future; and

WHEREAS, the City currently faces budget deficits over the next five fiscal years in the following amounts as further reflected in Exhibit A to this resolution, which exhibit is incorporated herein by reference: \$2,243,275 (FY 17-18); \$3,660,758 (FY 18-19); \$3,976,926 (FY 19-20); \$4,376,411 (FY 20-21); and \$4,540,582 (FY 21-22); and

WHEREAS, as a result of the increasing budget deficits, the City has made budget reductions in the amount of \$1,331,950 for fiscal year 17-18 and in the amount of \$1,883,500 for fiscal year 18-19 as reflected in Exhibit B to this resolution, which exhibit is incorporated herein by reference; and

WHEREAS, despite the budget reductions, the City continues to face budget deficits that will require the use of the City’s general fund reserves as reflected in Exhibit A. In addition to using the City’s general fund reserves, the City would have to consider additional more substantial service reductions including public safety service reductions; and

WHEREAS, the significant cost saving measures the City has employed in recent years to address the ongoing budget crisis will not be sufficient to maintain and protect essential City services and avoid significant service disruptions which would have a negative impact upon the public peace, health, safety, and welfare of the community; and

WHEREAS, despite the steps that the City has taken described above, its financial picture has not dramatically improved. Sales tax revenue has increased, but the costs of doing business have exceeded revenue growth, resulting in service cuts.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Union City as follows:

1. The City is experiencing an existing and immediate funding crisis, which is the result of factors largely outside of its control, including rapid increases in the cost of employee retirement benefits and unpredictable State takeaways of local revenue.
2. The City has taken significant steps to reduce its operational costs as identified in Exhibit B.
3. Unless the City is able to maintain current reduced staff and service levels, public facilities and property will not be properly maintained, public safety standards will diminish, crime and violence will increase, businesses and families will be discouraged from moving to, or remaining in, Union City, and the health, safety, and welfare of the residents of Union City will be endangered.
4. The City's need for additional revenue is immediate and will become pressing in the next fiscal years. Reductions in services will have to occur unless additional revenue becomes available beforehand.
5. Because of that threat to the public health, safety, and welfare, an emergency exists in the City, as the term "emergency" is used in California Constitution Article XIII C, sec. 2(b). The City must immediately address that emergency by ensuring that the City has the resources necessary to preserve the public health, safety, and welfare.
6. Accordingly, the City Council of the City of Union City unanimously finds and declares the existence of a fiscal emergency within the City of Union City.

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