



CONSIDER RESOLUTIONS CALLING FOR A SPECIAL ELECTION

PROPOSED LOCAL FUNDING MEASURE JUNE 2019

MARCH 5, 2019



BACKGROUND

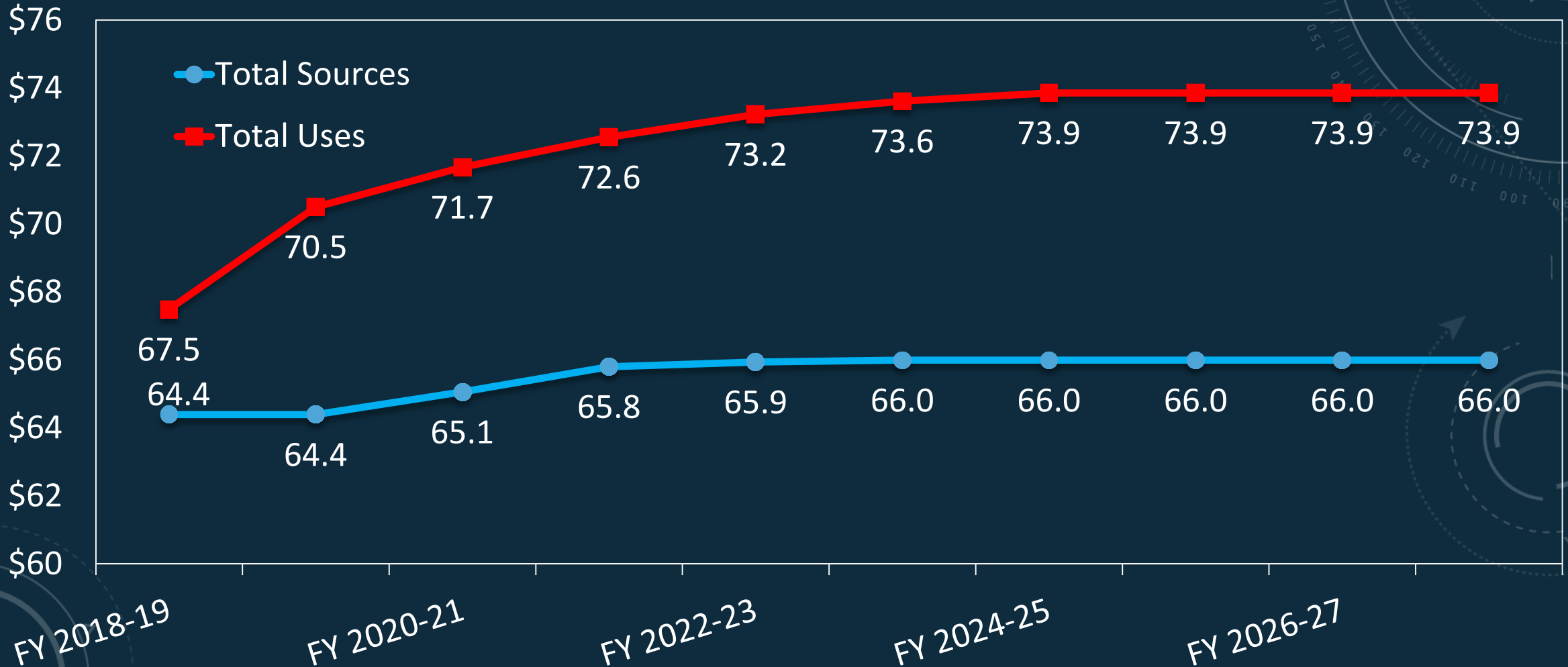
- February 2018 – Citizens Financial Advisory Committee established
- June 2018 – City Council Adopts FY 2018-19 Budget
 - \$3.1 million General Fund Operating Budget Deficit
- September 2018 – CFAC transmits preliminary findings and recommendation

BACKGROUND

- December 2018 – CFAC transmits Final Report
- January 2019 – City Council adopts CFAC recommendations
- February 2019 – Midyear budget review and Fiscal Emergency Declaration
 - FY 2018-19 projected deficit increases to \$4.5 million



GENERAL FUND FORECAST



COMMUNITY PRIORITIES

- Maintaining 911, police and fire services
- Maintaining police patrols around neighborhood schools and parks
- Preventing and investigating property crimes like thefts and burglaries
- Keeping fire stations operating at current levels



WITHOUT ADDITIONAL REVENUE



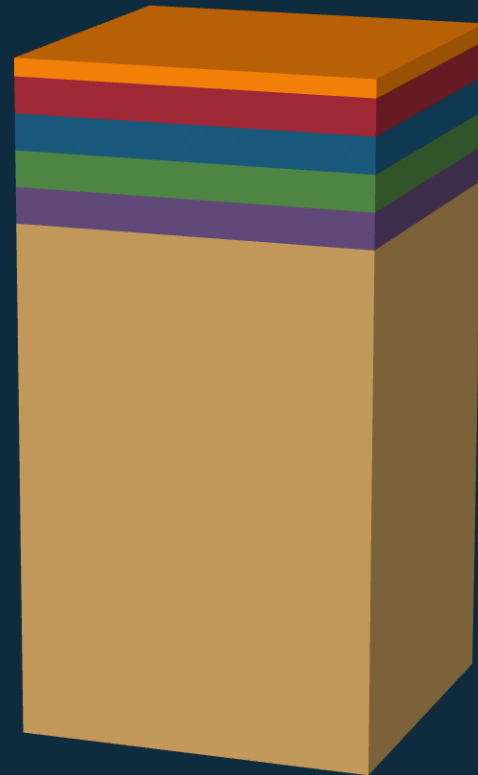
- Potential cuts to important City services
 - Affect neighborhood police patrols
 - 911 emergency response times
 - Fire protection and life-saving services
 - Recreation and Library programs
 - Road quality
 - Infrastructure and maintenance



CFAC RECOMMENDATION

- Declaration of fiscal emergency
- Raise local sales tax by $\frac{3}{4}$ of a cent
- Would generate \$8.6 million annually locally
- Majority paid by out of town shoppers
- Locally controlled source of revenue

CURRENT SALES TAX RATE



Measure H (Homeless) 0.25%
PROP C 0.50%
PROP A 0.50%

} Included in
2.0% Local
Cap

Measure M 0.50%
Measure R 0.50%
State (Includes Arcadia 1%) 7.25%

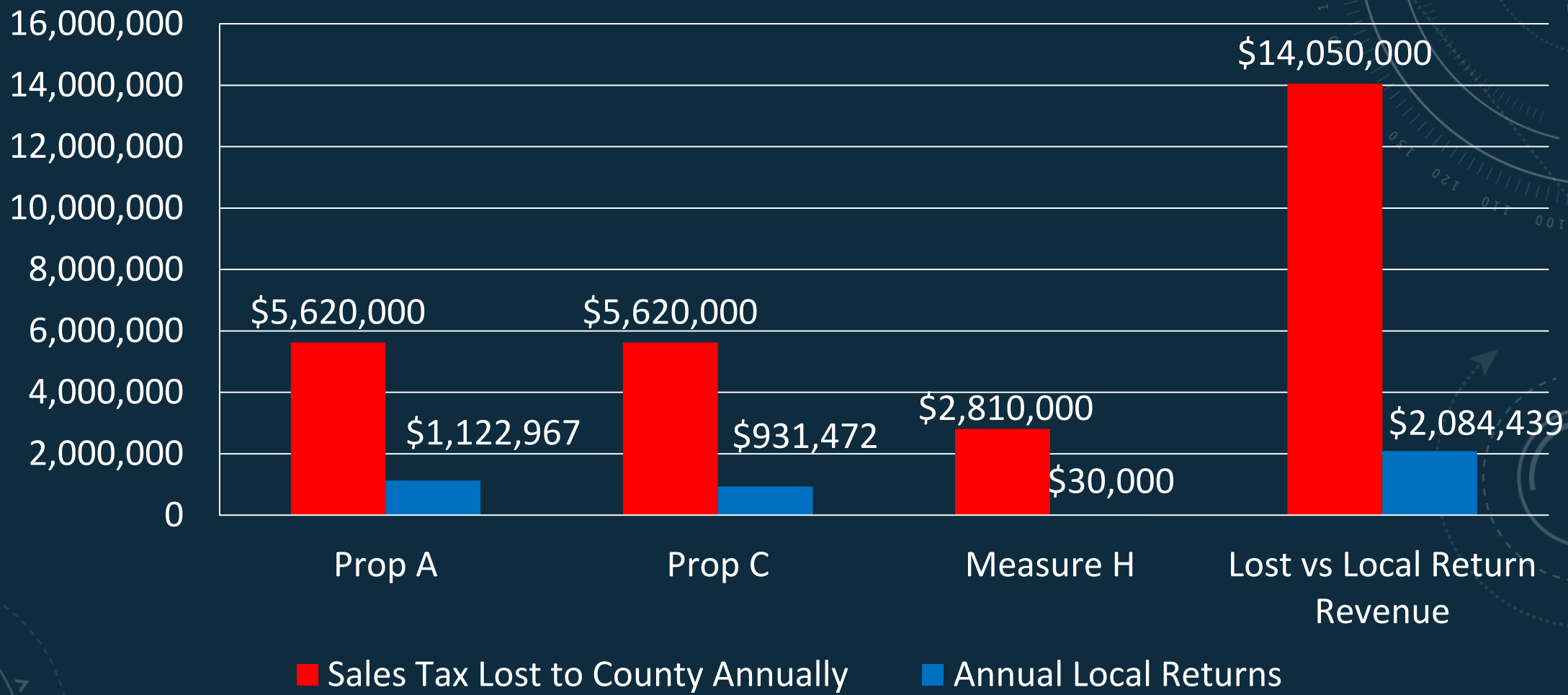
} **Not** Included
in 2.0% Local
Cap

Sales Tax Rate: 9.50%

Sales Tax - 9.50%



LOCAL CONTROL



ELECTION INFORMATION

- Tuesday, June 4, 2019
- Vote by mail election
- County of Los Angeles to administer
- Total cost: \$225,000





RECOMMENDATION

- Supplemental budget appropriation
\$225,000
- Approve Resolutions calling for special election for voters to decide on ballot measure to increase the City's sales tax by $\frac{3}{4}$ cent.