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A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, DECLARING A FISCAL EMERGENCY PURSUANT TO ARTICLE XIII C SECTION 2(b) OF THE CALIFORNIA CONSTITUTION

WHEREAS, under the provisions of the laws of the State of California, a special municipal

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election may be held on June 5, 2018, for the City of Rialto electorate to decide on whether to extend by 5 years the expiration date of the existing 8% Utility Users Tax on utilities within the City of Rialto

households; and

WHEREAS, pursuant to Article XIIIC, Section 2(b) of the California State Constitution, an election to impose a general tax is required to be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency

from July 1, 2018 to June 30, 2023, preserving exemptions for senior citizens and low-income

declared by unanimous vote of the governing body; and

WHEREAS, the City Council may act to submit to the voters at the election to be held on June 5, 2018, an election which does not include the election of a person to membership on the City Council; a question related to the imposition of a general tax which, if adopted would assist the City in its efforts to maintain revenue levels and to provide municipal services at a level reasonably expected by the City residents and businesses; and

WHEREAS, the existing voter-approved Utility Users Tax, which has been imposed since 2003 and extended twice in 2008 and 2013, is scheduled to expire on June 30, 2018; and

WHEREAS, the existing Utility Users Tax is on average 18% to 19% of recurring general fund revenue and is the single largest and most reliable source of revenue; and

WHEREAS, the Utility Users Tax revenue is projected to increase by \$532,500 to a total of \$14 million due to economic expansion; and

WHEREAS, over the last 6 years, operating revenues have grown at a rate of 16.2% while operating expenses have grown by 30.3%, causing a substantial deficit; and

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WHEREAS, the City's General Fund Reserve Balance as of June 30, 2017 is \$56 million. However, the projected ending balance of the General Fund Reserve for FY 2017-2018 is a \$562,110 deficit; and

WHEREAS, the FY 2017-2018 budget accounts for the continued extension of the Utility Users Tax. Without the continued extension of the Utility Users Tax, the fiscal deficit would be much greater; and

WHEREAS, if the Utility Users Tax is not extended it will cause devastating fiscal impacts upon core city services; and

WHEREAS, the City Council finds that the City's future revenues will be insufficient to meet the cost of the City's current level of city service needs, which without additional revenues will necessitate continued deferral of essential capital and maintenance projects, including street maintenance, park enhancements and expansion, and general facility maintenance and expansion; and

WHEREAS, the best interests of the residents and businesses of the City of Rialto are better served by avoiding further cuts to essential city services; and

WHEREAS, the City's fiscal crisis herein described is of sufficient gravity and severity that the City Council may propose that the electorate extend the current Utility Users Tax, at the 8% level, preserving the existing exemptions for senior citizens and low-income households, with a sunset to the tax in 5 years.

NOW, THEREFORE, the City Council of the City of Rialto does hereby resolve, declare, determine and order as follows:

Section 1: The foregoing recitals are true and correct and are incorporated herein by reference.

Section 2: That the City Council hereby finds and declares a fiscal emergency, as the term "emergency" is used in Article XIIIC, Section 2(b) of the California Constitution, now exists in the City of Rialto justifying calling for a special municipal election on June 5, 2018, in order that the City may propose, and the City voters may consider, adoption of a general tax measure intended to address that emergency by ensuring that the City has the resources necessary to preserve the public health, safety and welfare.

01180.0001/386683.8 -2-

1	Section 3:	That the City Co	ouncil directs City	staff to inves	tigate and recomme	end further	
2	actions necessary to alleviate impacts of the conditions supporting the findings herein and to develop						
3	local control over funds needed to protect essential city services.						
4	Section 4:	That the City Cle	erk shall certify to	the passage a	nd adoption of this	Resolution	
5	and enter it into the b	ook of original Res	solutions. This Re	solution shall	be effective immed	iately upon	
6	passage and adoption	n.					
7	PASSED, APPROVED AND ADOPTED this day of, 2018.						
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10				DEBC	ORAH ROBERTSO)N, Mayor	
11	ATTEST:						
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14	BARBARA A. McG	EE, City Clerk					
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16	APPROVED AS TO) FORM:					
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18	FRED GALANTE, (City Attamay					
19 20	FRED GALANTE,	Jity Attorney					
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01180.0001/386683.8 -3-

1	STATE OF CALIFORNIA	
2	COUNTY OF SAN BERNARDINO) ss	
3	CITY OF RIALTO	
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5	I, Barbara A. McGee, City Clerk of the City of Rialto, do hereby certify that the foregoin	ıg
6	Resolution No was duly passed and adopted at a regular meeting of the City Council of	he
7	City of Rialto held on the day of, 2018.	
8	Upon motion of Council Member, seconded by Council Member	oer
9	, the foregoing Resolution No was duly passed and adopted.	
0	Vote on the motion:	
1	AYES:	
2	NOES:	
3	ABSENT:	
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5	IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the Ci	ty
6	of Rialto this day of, 2018.	
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20	BARBARA A. McGEE, City Clo	erk
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01180.0001/386683.8 -4-