

RESOLUTION 2009-4

A RESOLUTION FINDING A SEVERE FISCAL HARDSHIP WILL EXIST IF ADDITIONAL LOCAL PROPERTY TAX REVENUES ARE SEIZED AND ADDITIONAL UNFUNDED MANDATES ARE ADOPTED BY THE STATE OF CALIFORNIA

WHEREAS, the current economic and housing crises have placed independent special districts under immense financial pressure and caused special district officials to reopen already adopted budgets to make painful cuts, including layoffs and furloughs of employees, decreasing maintenance and operations of public facilities, and reductions in direct services to keep spending in line with declining revenues; and

WHEREAS, since the early 1990s the state government of California has seized over **\$6.807 billion** of independent special district property tax revenues statewide to fund the state budget; and

WHEREAS, in FY 2007-08 alone, the state seized nearly **\$618 million** in independent special district property tax revenues statewide to fund the state budget; and

WHEREAS, the most significant impact of taking local property tax revenues is the reduction of quality and effectiveness of vital services provided to constituents; and

WHEREAS, in 2004 the voters by an 84 percent vote margin passed Proposition 1A which adopted substantial constitutional protections for local revenues, but the Legislature can still “borrow” local property taxes to fund the state budget; and

WHEREAS, the Governor recently proposed to suspend Proposition 1A (2004) and “borrow” \$2 billion in local property taxes from independent special districts, cities, and counties to balance the state budget, which would cause deeper cuts to fire protection, water and wastewater, mosquito abatement, recreation and park, and many other vital services; and

WHEREAS, in the past the Governor has called such “borrowing” proposals fiscally irresponsible because the state will find it virtually impossible to repay and it would only deepen the state’s structural deficit, preventing the state from balancing its budget; and

WHEREAS, the Legislature is currently considering hundreds of bills, many of which would impose new costs on local governments that can neither be afforded nor sustained in this economic climate; and

WHEREAS, state agencies are imposing, or considering, many regulations imposing unfunded mandates on local governments without regard to how local agencies will be able comply with these mandates while meeting their other responsibilities; and

WHEREAS, the combined effects of the seizure of the Special District's property tax revenues, increasing unfunded state mandates, and the revenue losses due to the economic downturn have placed the Special District's budget under serious fiscal pressure; and

WHEREAS, this Special District simply cannot sustain the loss of any more property tax funds or to be saddled with any more state mandates as they will only deepen the financial challenge facing this Special District and impact the services to the constituents we serve; and

WHEREAS, a number of this Special District's financial commitments arise from contracts, including long term capital leases and debt obligations which support securities in the public capital markets, that the Special District must honor in full unless modified by mutual agreement of the parties.

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE AVILA BEACH COMMUNITY SERVICES DISTRICT has determined that the Special District will experience a severe fiscal hardship if the state "borrows" local property taxes to solve the state's budget deficit; and

RESOLVED FURTHER, that the Board of Directors strongly and unconditionally opposes the Governor's proposal and any other state government proposals to borrow or seize any additional local funds, including property tax; and

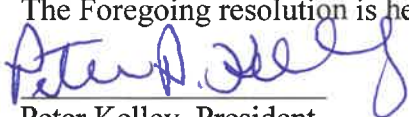
RESOLVED FURTHER, that the Board of Directors strongly urges the Legislature and Governor to suspend the enactment of any new mandates on local governments until such time as the economy has recovered and urges the state to provide complete funding for all existing and any new mandates.

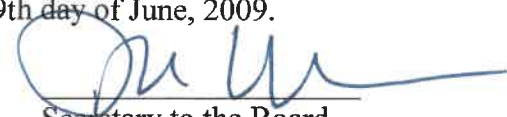
RESOLVED FURTHER, that the Board Secretary shall send copies of this resolution to the Governor, our state Senator(s), our Assembly Member(s) and the California Special Districts Association.

Roll Call

AYES:	Simas, Chilcott, Kelley, Brown, Janowicz
NOES:	None
ABSENT:	None
ABSTAIN:	None

The Foregoing resolution is hereby adopted this 9th day of June, 2009.


Peter Kelley, President


Secretary to the Board