

## **RESOLUTION NO. 08-61**

### **A RESOLUTION OF THE RIDGECREST CITY COUNCIL OPPOSING FISCALLY IRRESPONSIBLE STATE BUDGET DECISIONS THAT WOULD "BORROW" LOCAL GOVERNMENT, REDEVELOPMENT AND TRANSPORTATION FUNDS**

**WHEREAS**, on July 1, 2008 the State Legislature missed its Constitutional budget deadline; and

**WHEREAS**, both the Governor and the Legislative Budget Conference Committee have recommended balanced budgets without resorting to "loans" or seizures of local government property tax, redevelopment tax increment and transportation sales tax funds; and

**WHEREAS**, in 1952 the voters of California approved Article XVI, Section 16 of the California Constitution, providing for tax increment financing for community revitalization—not balancing the state budget, and the voters never authorized the Legislature to take or "borrow" community redevelopment funds for state programs; and

**WHEREAS**, in 2004 by an 84% margin of approval the voters of California approved Proposition 1A and sent a loud and unambiguous message to state leaders that they should stop the destructive and irresponsible practice of taking local government funds to finance the state budget and paper over the state deficit; and

**WHEREAS**, in 2006 by a 77% margin of approval the voters of California also approved Proposition 1A, providing similar protections to transportation funding for state and local transportation projects, including important street maintenance and public transit programs; and

**WHEREAS**, both ballot measures allow the Governor to declare a "severe state of fiscal hardship" and "borrow" these funds if they are repaid in three years with interest, but the Governor believes it would be irresponsible to "borrow" such funds because it would deepen the state's structural deficit and cripple local government and transportation services; and

**WHEREAS**, refusal by the Legislature to carryout its Constitutional obligation to compromise on a balanced budget is not a "severe state of fiscal hardship" and would not justify reductions in critical local services, community revitalization programs and infrastructure maintenance at a time when cities are struggling to balance their own budgets during this economic down turn; and

**WHEREAS**, city investments in infrastructure, affordable housing and basic public safety and other community services will create needed jobs and speed our economic recovery; and

**WHEREAS**, the Legislature should balance the state budget with state revenues and respect the overwhelming support of voters for not using local property taxes, redevelopment tax increment and transportation sales tax funds to fund the day-to-day operating cost of state programs; and

**WHEREAS**, it would be the height of fiscal irresponsibility to paper over the state structural deficit with more borrowing, and Californians deserve state leaders who will tell them honestly what needs to be done to produce a balanced budget; and

**WHEREAS**, it is time for the state of California to cut up its local government credit cards and deal with the budget deficit in a straightforward way. Balance the state budget with state funds.

**NOW THEREFORE, BE IT RESOLVED**, that the City of Ridgecrest hereby opposes any and all efforts by state government to "borrow" or seize local tax funds, redevelopment tax increment and transportation sales tax funds by the state government to finance state operations. Such a move would be fiscally irresponsible for the state and hamper effective local services and infrastructure investments.

**RESOLVED FURTHER**, that the Mayor Marshall Holloway is hereby directed to send this resolution and communicate this Council's strong and unwavering opposition on this matter to our Legislators and the Governor along with an expression of our continued appreciation for the Governor's and any supportive Legislators' steadfast opposition to further borrowing or seizure of these funds.

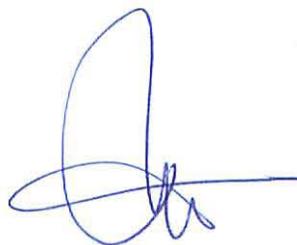
**APPROVED, AND ADOPTED**, this 6th day of August 2008, by the following vote:

AYES: Mayor Holloway, Council Members Morgan, Wiknich, Carter, and Clark

NOES: None

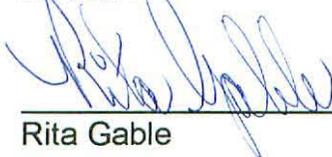
ABSENT: None

ABSTAIN: None



\_\_\_\_\_  
Marshall "Chip" Holloway, Mayor

ATTEST:



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Rita Gable  
City Clerk

