

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH DECLARING A FISCAL
EMERGENCY

WHEREAS, due to developments in the worldwide and national financial markets, and an unprecedented downturn in the national and regional economy, the City of Long Beach faces an approximate \$43.3 million General Fund deficit for the 2009-10 fiscal year; and

WHEREAS, the City's on-going revenue sources have decreased by nearly \$19.2 million over the last year; and

WHEREAS, declines in property and other taxes are expected over at least the next two years; and

WHEREAS, the State Constitution prohibits the City from either enacting new taxes without voter approval, preventing the City from generating significant new revenue; and

WHEREAS, without effective action, the budget deficit is estimated to grow from \$43.3 million to over \$54 million by fiscal year 2010-11; and

WHEREAS, the State of California is considering revisions to the State budget which may result in a reduction in City revenues by as much as \$29 million; and

WHEREAS, increased public demand for City services as a result of the economic downturn along with reporting and service requirements from unfunded State mandates, federal programs, and other regulatory agencies have placed additional pressure on the City's budget; and

WHEREAS, the City Council has instituted various austerity measures including severe controls on hiring, additional layoffs and furloughs; and

WHEREAS, immediate and comprehensive action to reduce current

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spending must be taken to ensure, to the maximum extent possible, that the essential services of the City are not jeopardized.

NOW, THEREFORE, the City Council of the City of Long Beach does hereby declare the existence of a fiscal emergency.

Section 1. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2009 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk