

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY
OPPOSING FISCALLY IRRESPONSIBLE STATE BUDGET DECISIONS THAT
WOULD “BORROW” LOCAL GOVERNMENT AND TRANSPORTATION FUNDS**

SUMMARY STATEMENT

As you are aware, California is in the midst of a state budget stalemate. In recent weeks, a number of rumors have been circulating that state officials are considering “borrowing” local government and transportation revenues to help close the deficit. In addition to this idea being fiscally irresponsible, the Governor made it clear that raids on these funds should be avoided because California’s voters spoke loudly in 2004 and 2006 when they approved protections for local government and transportation revenues.

As legislators struggle with how to close the state’s budget deficit, it is important they hear that “borrowing” from local government or transportation deepens the structural deficit and harms local services. Adoption of this Resolution would communicate to the state legislators and Governor the Town Council’s opposition to the proposed “borrowing” to fix state budget shortfalls.

Recommended Action:

Adopt Resolution No. 2008-48, A Resolution Of The Town Council Of The Town Of Apple Valley Opposing Fiscally Irresponsible State Budget Decisions That Would “Borrow” Local Government And Transportation Funds

Proposed by: Frank W. Robinson, Town Manager

Item Number _____

T. M. Approval: _____

Budgeted Item Yes No N/A

RESOLUTION No. 2008-48

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY OPPOSING FISCALLY IRRESPONSIBLE STATE BUDGET DECISIONS THAT WOULD “BORROW” LOCAL GOVERNMENT 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” of local government property tax and transportation sales tax funds; 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 and infrastructure at a time when cities are struggling to balance their own budgets during this economic down turn; 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 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 Town of Apple Valley hereby opposes any and all efforts by state government to “borrow” local tax funds, 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 Town Manager is hereby directed to send this resolution and communicate this Council’s strong and unswerving opposition on this matter to our Legislators and the Governor along with an expression of our continued appreciation for the Governor’s steadfast opposition to further legislative borrowing and raids on local government and transportation funding.

APPROVED AND ADOPTED by the Town Council of the Town of Apple Valley this 12th day of August, 2008.

Timothy J. Jasper, Mayor

ATTEST:

La Vonda M-Pearson, Town Clerk