

**City of Piedmont
COUNCIL AGENDA REPORT**

Date: September 7, 2004

From: Geoffrey L. Grote, City Administrator

Subject: Approval of a Resolution Supporting Proposition 1A as Requested
by the League of California Cities

RECOMMENDATION

Approve the attached resolution which offers the city's support for passage of Prop. 1A on the November 2, 2004 ballot, protecting local government funding from raids by the State.

BACKGROUND

Prop. 1A is supported by the Governor, bipartisan legislative leaders, local government officials, public safety, healthcare, business, labor and community leaders. It is the first relief that cities will have from the constant raids made by the state in attempt to balance its own budget.

The City of Piedmont currently loses over \$1 million dollars per year from its traditional revenue sources as a result of prior State actions. In order to stop future draining of city funding sources, a coalition led by the League of California Cities has placed Prop 1A on the ballot.

The city council urges all Piedmonters to support Prop 1A on the November ballot.

A RESOLUTION SUPPORTING PROPOSITON 1A

WHEREAS, state government currently seizes more than \$5.2 billion annually in local property tax funds statewide from cities, counties and special districts, costing local governments more than \$40 billion in lost revenues over the past 12 years; and

WHEREAS, these ongoing shifts and raids by the state of local property tax funds and other funding dedicated to local governments have seriously reduced resources available for local fire and paramedic response, law enforcement, public health and emergency medical care, roads, parks, libraries, transportation and other essential local services; and

WHEREAS, these funding raids also add pressure for local governments to increase fees and taxes to maintain basic local service levels; and

WHEREAS, this drain of local resources has continued even during periods when the state's budget has been overflowing with surpluses; and

WHEREAS, Proposition 1A is a historic measure that will limit the State's ability to take and use local government funding; and

WHEREAS, by protecting local government funding, Prop 1A would protect local public safety, healthcare and other essential local services; and

WHEREAS, Prop 1A will not raise taxes and, in fact, will help reduce pressure for local fee and tax increases by limiting state raids of local government funding; and

WHEREAS, Prop 1A does not reduce funding for schools or any other state program or service, was carefully written to allow flexibility in the event of a state budget emergency; and

WHEREAS, Prop 1A is supported by a bipartisan, diverse coalition including Governor Schwarzenegger, Democrat and Republican legislative leaders, local government officials, public safety representatives, healthcare, business, labor and community leaders;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Piedmont expresses strong support for Proposition 1A, the statewide ballot initiative that will prevent the state from further taking local government revenues and urge all Piedmonters to vote YES on Prop. 1A on the November ballot.