

A Resolution of the City Council of the City of Sebastopol Declaring a Fiscal Emergency Declaring a Lack of Funds for Key Essential Services Provided for the Benefit of our Citizens and Community at Large

WHEREAS, like many other cities, the City has undergone a financial crisis due to the economic downturn, takeaways by the state and inability of revenues to keep pace with expenditures; and

WHEREAS, in the Fiscal Year 2024-24 Budget review, staff identified a nearly \$1.67 million structural deficit; and

WHEREAS, the City has historically worked diligently to make all possible cuts to its budget; and

WHEREAS, the City has evaluated the impacts of financial constraints on the City's ability to provide vital services to the public, including evaluation and implementation of measures to reduce costs, as well as measures to increase revenue; and

WHEREAS, the pavement of a majority of the City's streets is in fair to very poor condition according to the City's 2023 Pavement Management Report, and it will cost the City approximately \$7.13 million to improve the pavement condition to meet minimum standards in the next 5 years as well as the city does not have the funding to undertake such work for Capital Improvement Projects that in the current FY budget was estimated at a total of \$30.3 million dollars over the next 5 years; and

WHEREAS, because operating costs continue to outpace City revenues and as shown in the table below which is a condensed financial forecast through fiscal year 29-30 and is a dire picture of the City's finances if no new revenue streams are in place. The City's current FY23-24 budget has a deficit of \$1.68M in a total budget of \$12.5M.

	Adopted FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Est End of Year Reserve	\$ 3,441,264	\$ 1,973,608	\$ 406,221	\$ (1,335,766)	\$ (3,259,515)	\$ (5,603,554)	\$ (8,182,857)
Reserve Level	27.4%	15.8%	3.2%	-10.1%	-23.9%	-39.2%	-55.4%

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEABSTOPOL AS FOLLOWS:

FISCAL EMERGENCY. the City Council, , hereby declares the existence of an emergency in that there are imminent financial risks and dangers, as described above, to the public welfare and the City's financial ability to provide municipal services at current levels and without disruption. The Council finds that unless it takes urgent action, the City will lack the necessary funding for key essential services provide for the benefit of our citizens such as: CalPERS liabilities; Capital Improvement Projects; Infrastructure Needs; emergency services and other necessary expenditures over the next several years, including but to limited to: replacements to the City's vehicle fleet and building upgrades; technology replacements and upgrades; and personnel; and accordingly, the City Council hereby declares an emergency. The adoption of this Resolution is exempt from the California Environmental Quality Act (Public Resources Code §§ 21000 et seq. ("CEQA") and 14 Cal. Code Reg. §§ 15000 et seq. ("CEQA Guidelines").

CERTIFICATION. The City Clerk of the City of Sebastopol shall certify to the passage and adoption of this resolution and its approval by the City Council and shall cause the same to be listed in the records of the City.

SEVERABILITY. If any section, subsection, sentence, clause, phrase or portion of this Resolution or its application to any person or circumstance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution or its application to other persons and circumstances. The City Council of the City of Sebastopol hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional and, to that end, the provisions hereof are hereby declared to be severable.

EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption by a majority vote.


PASSED AND ADOPTED, by the CITY COUNCIL of THE CITY OF SEBASTOPOL, COUNTY OF SONOMA, of STATE OF CALIFORNIA on this 21st day of November, 2023.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by City of Sebastopol City Council following a roll call vote:


VOTE:

Ayes: Councilmember Zollman, Vice Mayor Rich and Mayor Hinton
Noes: Councilmember Maurer
Absent: Councilmember McLewis
Abstain: None

APPROVED:



Neysa Hinton, Mayor

ATTEST: 

Mary Gourley, Assistant City Manager/City Clerk, MMC

APPROVED AS TO FORM:



Larry McLaughlin, City Attorney