

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 03/24/08		Item Number: <u>A-1</u>	
AGENDA ITEM: Presentation to City Council from the Police Department and Parks, Recreation, and Community Services Department Regarding Potential Service Impacts of \$3 Million Revenue Loss to General Fund if Certain Existing Utility Users' Tax Funding is Eliminated.			
Contact Person/Dept.: Jeff Muir, Chief Financial Officer		Phone Number: 310-253-6016	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒	Attachments: ☐
Public Notification: Master Notification List (03/20/08)			
Department Approval: Jeff Muir (3/18/08)		City Attorney Approval: Carol Schwab (by H. Baker) (03/18/08)	
Fiscal Impact Review: Jeff Muir (03/19/08)		City Manager Approval: Jerry B. Fulwood (03/19/08)	

RECOMMENDATION:

Staff recommends the City Council receive a brief report from the Police Department and Parks, Recreation, and Community Services Department regarding the potential service impacts from a \$3 million decrease in General Fund revenues.

DISCUSSION/BACKGROUND:

The City Council placed Measure W on the April 2008 ballot to seek voters' approval to modernize the language in Culver City's Utility Users' Tax (UUT) ordinance and reaffirm the methodology used to apply it. Due to changes in technology and changes in federal and state law, the City believes its UUT should be updated and reauthorized by voters. First authorized almost 40 years ago, the language of Culver City's ordinance is not easy to apply to today's communications technology. Depending on the outcome of lawsuits in other jurisdictions and without the updating and reauthorizing proposed by Measure W, parts of the ordinance could be disallowed in the future and vital City funding could be eliminated. Many of the other 150 California cities with a UUT ordinance face a similar challenge.

FISCAL ANALYSIS:

Last year, Culver City's Telephone and Cable UUT provided almost \$5.6 million in revenue to fund City services, including police, fire protection and paramedics, street and park maintenance, and tree trimming, among others. Without the updating and

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reauthorizing sought by Measure W, the City's General Fund revenue could be reduced by more than \$3 million.

The following table shows an approximate proportional distribution of cuts to City departments, based on each department's share of General Fund funding, if the City were to lose \$3 million in on-going revenues:

Police Department:	\$1,050,000
Fire Department:	\$540,000
Public Works:	\$345,000
Parks, Recreation and Comm Svcs:	\$255,000
Community Development:	\$270,000
General Government:	\$540,000
TOTAL:	\$3,000,000

MOTION:

That the City Council:

Receive and file the presentation from the Police Department and Parks, Recreation, and Community Services Department of potential service impacts if budget reduction of these amounts were required.