

## IMPARTIAL ANALYSIS OF MEASURE C

The City Council received a financial report that provided a five-year projection analysis of the City's financial position. Due to the loss of redevelopment funding, the report projected that the City would need to severely cut municipal services in order to budget within the projected revenues over the next five years. On June 25, 2013, the Grand Terrace City Council adopted a budget for fiscal year 2013-2014. In order to balance the budget the City Council adopted a budget that included a number of reductions in the current levels of city services, which were itemized in the budget. The law enforcement agreement with the Sheriff's Department was reduced by one deputy for the full fiscal year. In addition, the budget and budget resolution provide that if a tax measure is not passed in November the following additional reductions will be instituted: the elimination of an additional Sheriff's Deputy commencing December 1, 2013; and commencing on January 1, 2014 the funding for the Senior Center will be eliminated; Rollins and Pico Parks will be closed; there will be a 50% reduction in emergency operations oversight funding; a reduction in both the City Attorney and Finance consultant contracts; a reduction in city administration personnel-related expenses by \$266,000 (the current employee level in City Hall is 12.5 positions); a 50% reduction in Historical and Cultural Activities Committee funding; Council and Oversight Board meetings will be reduced to one per month; and the Planning Commission will be disbanded. The five-year projection indicated that further reductions would be necessary in the following fiscal years.

If Measure X is approved by a simple majority of the voters voting on the measure, a utility users' tax will be established at the rate of 5% on the amount customers within the City pay for water, telecommunications, electricity, gas, video, refuse collection and sewer. The levy of the tax will commence upon the City Council's declaration of the election results and will expire six (6) years later. The revenue the City receives annually from the utility users' tax will go into the general fund and will be used to pay a portion of the costs of the City's ongoing normal operations and services. The revenue from the proposed tax, if adopted, is projected to be sufficient to eliminate the need to proceed with the aforementioned reduction of services and it is projected that the City Council will have the financial resources necessary to maintain municipal services at the current level and will restore the Sheriff's Deputy position that was eliminated.

If Measure X does not receive approval from a majority of the voters voting on it, the utility customers in Grand Terrace will not be assessed a 5% tax on their utilities and the aforementioned reductions in services for the fiscal year 2013-2014 will be implemented. In addition, it is projected that the City will need to implement additional cuts in the following fiscal years to balance future budgets, the particulars of which are not known at this time.

Prepared by,  
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**The above statement is an impartial analysis of Ordinance or Measure X. If you desire a copy of the ordinance or measure, please call the elections official's office at 909 430-2230 and a copy will be mailed at no cost to you.**