

**Diamond Springs/El Dorado Fire Protection District
RESOLUTION 2009-10**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DIAMOND SPRINGS/EL DORADO FIRE PROTECTION DISTRICT DECLARING A STATE OF FISCAL EMERGENCY AFFECTING THE OPERATIONS OF THE DISTRICT AND GENERAL PUBLIC SAFETY FOR FISCAL YEAR 2009/2010

WHEREAS the global recession has deepened, California's economy continues to struggle, and further deterioration of revenues has caused the Fiscal Year 2009-10 budget to fall out of balance and created an additional budget shortfall in the State General Fund of \$24 billion; and

WHEREAS the State is taking action to address the entire \$24 billion shortfall to increase cash flow to meet the State's needs and to improve the State's faltering credit ratings; and

WHEREAS the pending budget amendments that the Governor and Legislature propose to address the current budget gap by implementing \$24 billion in solutions includes the suspension of Section 25.5(a)(1)(A) of Article XIII of the state Constitution in order to enact a key borrowing component of these budget solutions; and

WHEREAS the total budget gap of \$60 billion is the largest deficit the State has faced, both in dollar amount and as a portion of General Fund revenues; and

WHEREAS Section 25.5(a)(1)(A) of Article XIII of the State Constitution prohibits, unless certain conditions are met, the Legislature from enacting a statute that modifies the allocations of ad valorem property taxes; and

WHEREAS Section 25.5(a)(1)(B) of Article XIII of the state Constitution provides that beginning with the 2008-09 fiscal year, the requirements of section 25.5(a)(1)(A) of the state Constitution may be suspended for a fiscal year if all of the following three conditions are met:

1. The Governor issues a proclamation declaring that due to a severe state fiscal hardship, such a suspension is necessary; and
2. The Legislature enacts an urgency statute, pursuant to a bill passed in each house of the Legislature by roll-call vote entered in the journal, two-thirds of the membership concurring, that contains a suspension of Section 25.5(a)(1)(A) of Article XIII of the state Constitution for the fiscal year and does not contain any other provision; and
3. No later than the effective date of the statute described in 2 above, a statute is enacted that provides for the full repayment to local agencies of the total amount of

revenue losses, including interest as provided by law, resulting from the modification of ad valorem property tax revenue allocations to local agencies. The full repayment shall be made not later than the end of the third fiscal year immediately following the fiscal year to which the modification applies.

WHEREAS The Governor of the State of California, in accordance with Section 25.5(a)(B)(i) of Article XIII of the state Constitution, has proclaimed and declared that due to a severe State fiscal hardship, the suspension of Section 25.5(a)(1)(A) of Article XIII of the state Constitution is necessary.

WHEREAS The District anticipates severe decreases for as much as the next three years in the base ad valorem property tax.

WHEREAS The reduction of ad valorem revenue will be exponentially compounded by the effects of the suspension of Section 25.5(a)(1)(A) of Article XIII of the State Constitution and its associated inflationary effects on the economy.

THEREFORE, BE IT RESOLVED by the Board of Directors of the Diamond Springs/El Dorado Fire Protection District that a fiscal state of emergency impacting the operations of the District and general public safety is declared; The Board hereby implements the following orders:

1. Staff shall implement the 2009-2010 Emergency Spending Plan and Budget in place of the existing preliminary budget. The goals and reductions of each Class shall be adopted with the intent of achieving savings consistent with the anticipated revenue restrictions imposed by this emergency. The revisions of this document once determined may be incorporated into the adoption of the District Final 2009-2010 Budget.
2. Non-essential expenditures and programs shall be identified and suspended.
3. The Board will initiate negotiations with all groups and classes of labor to affect temporary revisions to memorandums of understanding with the intent to achieve savings consistent anticipated revenues and objectives in the Emergency Spending Plan.
4. Staff is directed to establish a finance oversight group for the administration of these orders. The Oversight Group shall report directly to the Board and Labor for the duration of the emergency.
5. To reduce fiscal liability, the District will curtail aid, under CFAA, to any county, not directly adjoining El Dorado County.

BE IT FURTHER RESOLVED by the Board of Directors of the Diamond Springs/El Dorado Fire Protection District that it is the intent of our actions to preserve

service levels and staffing while reducing fiscal liabilities in advance of a financial crisis imposed upon the citizens of this community.

The foregoing resolution was duly passed and adopted by the Board of Directors of the Diamond Springs/El Dorado Fire Protection District at a regular meeting thereof, held on the twelfth day of August, 2009 by the following vote:

AYES:

NOES:

ABSENT:

Signed: _____

Robert Larsen Sr., Board Chair

Attest: _____

Caroline Falconer, Board Secretary