

CITY MANAGER UPDATE

Greetings to all residents, businesses and visitors of the City of Jurupa Valley,

This update will focus on the City's response to Governor Brown's veto of SB 69 and the next steps for remaining a city.

As many of you may have heard, the Governor vetoed SB 69; which was the legislation that would have restored significant revenue to Jurupa Valley that was lost when the state diverted city Vehicle License Fee (VLF) funding to counties for prison realignment in 2011. SB 69, which was passed unanimously through both houses of the state legislature with bipartisan support, would have placed Jurupa Valley, and the other 3 cities involved, in equity with all other 478 cities in the state. A little background-

Cities that incorporated prior to 2004 receive additional property tax payments in lieu of VLF funding as a result of the VLF tax "swap" enacted in 2004. Essentially, those cities are receiving proportionally more property tax than cities incorporating after 2004. Cities incorporating after 2004 received that same proportional amount of funding as the other cities in the form of VLF revenue itself, but not the property tax. In 2011, the state stripped all VLF funding from all cities, including the post 2004 cities' proportional share of VLF that was intended to make up for the property tax the other cities were receiving. However, the other cities' property tax was not affected. Thus, the inequity that was now created.

SB 69 would have recalculated the base property tax for Jurupa Valley and the other 3 cities in order to bring proportional parity with all other 478 cities, nothing more, nothing less. This bill would just have restored revenue that was legally obligated to these 4 cities under the law when they incorporated. In Jurupa Valley's case, it equated to 47% of the City's first year General Fund budget, and 26% of the City's ongoing General Fund budget. This is a budget gap that cannot be closed without additional revenue resources or dramatic cuts to services, including law enforcement.

The fact that Governor Brown wantonly disregarded SB 69, clearly demonstrates an unjust and irresponsible disregard for the citizens in Jurupa Valley and the three other cities that were represented in this bill. This veto was in essence a message from the Governor to Jurupa Valley- I don't care about parity, and I don't care about your citizens.

So where do we go from here?

First and foremost, it is not time to panic. The sky is not falling. Although the real possibility of disincorporating the City exists, we are still a couple of years away from that scenario and I do know that your City Council is committed to avoiding that at all costs. And as your City Manager, myself and our city staff will not let this ship go down as long as I sit in this chair. That is my personal commitment to you.

Senator Roth has requested a reconvening of the state legislature for a potential veto override vote. We will have to see if that occurs. Barring that, he is committed to seeking a legislative or budgetary solution in the next session beginning in December. The question here is how? What will it take to get the Governor to realize that his actions are just plain wrong for a number of reasons? We will be working closely with Senator Roth and our lobbyist on answering that question.

Your City Council has authorized the City Attorney to research potential legal remedies we may take against the state. Clearly, the Governor has discriminated against the citizens of Jurupa Valley. From a

purely environmental justice standpoint as defined by the state, Governor Brown has basically said, there will be no justice for our citizens. We will keep you informed as we develop those legal remedies.

We will continue to seek out all additional revenue generating possibilities through responsible development activities that meet the expectations of the citizens. To survive, the City must grow, but it will grow in a responsible way, balancing revenue and employment generating development with maintaining the diverse community lifestyles our citizens desire. There are already several residential and retail shopping development proposals pending in the planning process now that will achieve both of those goals. We will continue with developing the City's state mandated General Plan which will be the overall blueprint for responsible development. The cost is minimal compared to the tremendous benefit of having community wide input into the long term planning of the City. As a City of many communities, unlike a quasi-planned community such as Eastvale, it is imperative that all segments of the City are represented in this process to achieve that long term plan for responsible development. Our economic development team is currently working on finalizing a strategic plan for some of these responsible development opportunities that will be incorporated into the General Plan, and has been actively discussing and marketing some properties that are currently vacant with potential interested parties. Those strategies will be brought forward in the near future.

Although we have cut expenditures to the bare bones while maintaining the service levels expected by our citizens, we will continue to monitor and reduce expenditures where feasible. It should be noted that 67% of the City's FY 14/15 General Fund budget goes for law enforcement and animal control services. Another 13% of these expenditures are directly offset by fees charged for planning, building and engineering services. The remaining 20% are expenditures for insurance, supplies and facilities; one-time expenditures for this year only; and expenditures for functions that are either required by state law to perform, such as finance and management, or direct customer service functions to the citizens that are not recoverable by fees. Of particular note is that the City currently already has the lowest General Fund cost per capita of all cities of comparable size in population in the Riverside County/San Bernardino County region.

The County recognizes that it is not in their best interests to see Jurupa Valley dis-incorporate and re-acquire the servicing responsibility in this area. They have made that clear to the City. They recognize that they must work with the City to ensure that this does not occur, and are committed to doing so to the best of their ability. We will be having discussions with the County throughout this process to work through these issues.

I will provide further updates on this situation as we progress and work through the process of resolving the un-justice perpetrated on Jurupa Valley's citizens by the Governor. We are committed to charting a course forward and ultimately persevere.

In conclusion, please be sure to contact City Hall for any questions you have concerning City functions, problems that need addressed, or assistance in activities you are engaged in requiring working with City Hall.

Sincerely,

Gary Thompson
City Manager