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City Seeks Community Input on Considering Significant Budget Cuts and Future Solutions to Maintain City Services

Union City, CA - The City is facing an ongoing budget deficit of \$3.5 million per year. This problem began back in June 2017 when the City Council passed a two-year budget with a significant deficit to the General Fund. Increases in contractual services, the rising cost of providing city services and employee pension obligations have all contributed to the budget deficit. Since that time, the City has made significant budget cuts, which include:

- \$1.2 million in spending cuts in Fiscal Year 2017/2018;
- \$600,000 in additional spending cuts in Fiscal Year 2018/2019;
- Hiring freezes of some positions;
- No employee Cost of Living Adjustments (COLAs) were given in past labor negotiation.

These budget cuts have placed a serious strain on the City's ability to maintain city services, including:

- Significant cuts to enforcement of city code violations that cause neighborhood blight, such as abandoned vehicles, graffiti and illegal garbage;
- Elimination of community policing services that help address systemic crime, such as neighborhood outreach, community-oriented problem solving, homeless encampments abatement;
- Elimination of the School Safety Resource Program in June 2019.

Union City residents were given an option to help maintain city services through support for Measures DD and EE in November 2018. Measure DD, a Cannabis Business Tax, was passed by voters and is expected to bring in \$1.4 million in revenue to help maintain city services. The voters did not pass Measure EE, which was a Charter City measure with an enhanced Real Property Transfer Tax that would have raised an additional \$5 million annually in revenue to help maintain city services.

As a result, the City Council in the process of considering cuts of \$3.5 million per year to city services in order to balance the budget the next two years.

We need the community's input on which services to cut in order to balance the budget. Take our survey at www.surveymonkey.com/r/unioncitybudget and also attend an important City Council Study Session about the budget on Tuesday, April 23 at 5:00PM in the City Council Chambers.