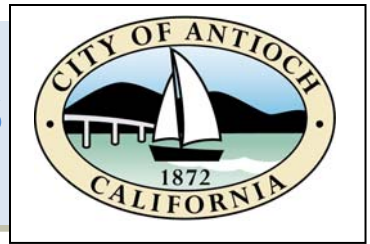


**Deadline for
ballot measure
arguments and
candidate filings
are due in the
*City Clerk's
Office* no later
than**

***5:00 p.m.,
Thursday,
August 5, 2010.***

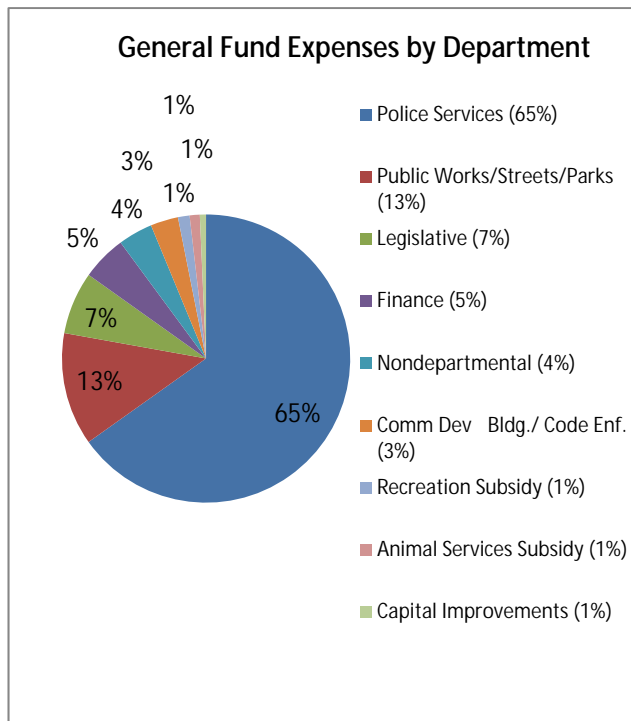
CITY OF ANTIOCH BUDGET FACTS



Getting to Know the Budget

This budget cycle has proven to be the most challenging that the City of Antioch has faced. Deteriorating home values, coupled with decreased consumer spending, have seriously eroded the City's two main sources of revenue – property and sales taxes – that pay for the vital services that affect the safety, health and welfare of our citizens. Total revenues have decreased by approximately \$13 million since Fiscal Year 2006–07.

The Fiscal Year 2010–11 Budget was adopted on June 22, 2010. Although the City maintains numerous funds, the General Fund accounts for the daily operations of the City. Legal constraints prevent using special funds for general City operations.



The chart reflects where tax dollars and other fees are allocated. Of the total adopted expenditures, approximately 70% are for personnel and the remaining 30% for services and supplies.

The City's adopted 2010–11 revenues were \$34,092,183 and adopted expenditures were \$35,354,175.

Steps Taken to Date

To tackle the large drop in revenues, the City has carefully scrutinized its expenditures and taken the following actions:

- Not filled vacant positions
- Sought additional grant funding (but grants do not typically cover operating expenses)
- Decreased overtime/work hours (furlough)
- Postponed employee cost of living increases and deferred compensation and Police Department salary increases
- Decreased management salaries
- Reduced retirement benefits for new non-safety employees
- Eliminated non-mandatory training
- Reduced supply and equipment costs
- Deferred vehicle & equipment maintenance
- Reduced funding to the Animal Shelter and Recreation Programs
- Laid off 41 employees

The City continues to look at revenue options and other cuts, including working with each of its seven bargaining groups to obtain further voluntary concessions to aid the City in these tough times.

Staffing Overview

The City of Antioch has 400.75 full time equivalent (FTE) authorized positions Citywide. After the latest round of layoffs (15 positions), there will be 119 vacancies Citywide, including 47 vacancies in the Police Department. The make-up of General Fund staffing is as follows:

	Authorized FTE's	Filled FTE's	Vacant FTE's
Elected	7.00	7.00	0.00
Non-Police	97.27	51.45	45.82
Police	173.60	127.90	45.70
Total	277.87	186.35	91.52

Approximately 91 of the 119 vacancies fall within the General Fund.

Total Police Department staffing (excluding Animal Services) Citywide is as follows:

	Authorized FTE's	Filled FTE's	Vacant FTE's
Police-Sworn	126.00	105.00	21.00
Police -Non-Sworn	49.50	23.50	26.00
Total	*175.50	128.50	47.00

*Includes 1.9 positions not funded by the General Fund.

Where We Are Headed

Although the 2010-11 budget was adopted, work is far from over. An ending fund balance on June 30, 2011 of \$2,847,375 is projected and this number continues to be a moving target. The City's revenues are very unstable in this economy. Since the adoption of the budget, the City has already learned that property taxes will decline at least 2% more than budgeted.

With further declines in revenues anticipated in Fiscal Year 2011-12, the City is projecting a deficit fund balance on June 30, 2012.

Approximately \$4.5 million in additional cuts and/or revenues are needed to eliminate the deficit and bring the City to an acceptable reserve level of at least 10% to meet cash flow demands and unanticipated expenditures.

Sales Tax Proposal

On July 13, 2010 the City Council introduced an ordinance that is subject to voter approval. The key points from the ordinance are:

- ½ cent sales tax increase for 8 years (50 cents on a taxable \$100 purchase)
- Sales tax proceeds will be deposited in the City's general fund and may be used for all City services, including police and emergency response, public works to fix potholes and maintain local streets and sidewalks, code enforcement to clean up abandoned and foreclosed properties, and other City programs and services. These funds are for local Antioch use only.
- Ordinance was unanimously approved by the City Council and must be approved by a majority of the voters at the November 2010 election.
- Ordinance requires an annual audit report of tax proceeds and expenditures.
- Ordinance requires a five-member citizens' oversight committee to review all the expenditures of the tax.
- The additional ½ cent sales tax would be collected with the existing sales tax through the State Board of Equalization starting July 1, 2011.

City of Antioch

Ballot Measure

November 2, 2010

An Ordinance of the City of Antioch Imposing a Transactions and Use (Sales) Tax to be Administered by the State Board of Equalization which adds Article 4 to Chapter 5 of Title 3 of the Antioch Municipal Code enacting a one-half cent Transactions and Use (Sales) Tax

In July 2010, the City of Antioch City Council unanimously introduced an ordinance that is subject to voter approval. If approved by the voters at the general municipal election on November 2, 2010, the ordinance would allow a one-half cent increase in Antioch's sales tax, which is technically called the "transactions and use" tax. The increase would expire in 8 years. The tax will be deposited in the City's general fund and may be used for any legal governmental purpose, including police and emergency response, public works to fix potholes and maintain local streets and sidewalks, code enforcement to clean up abandoned and foreclosed properties and other City programs and services. Each year, an independent auditor is required to complete a public audit report of the revenue raised by this tax and its expenditure. A five-member citizens' oversight committee would review the expenditures of the tax. The additional one-half cent tax on each dollar of taxable sales of goods in the City of Antioch would become operative July 1, 2011 and be collected in the same manner as the existing sales tax.

RESOLUTION NO. 2010/51

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
CALLING FOR A MUNICIPAL ELECTION TO SUBMIT TO THE VOTERS
A LOCAL BALLOT MEASURE ADOPTING
A ONE-HALF CENT TRANSACTIONS AND USE (SALES) TAX
TO FUND ALL ANTIOCH CITY SERVICES
INCLUDING POLICE, STREET REPAIRS AND CODE ENFORCEMENT AND
REQUESTING THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY
TO CONSOLIDATE A MUNICIPAL ELECTION ON A LOCAL MEASURE
WITH OTHER ELECTIONS TO BE HELD ON THE NOVEMBER 2, 2010
REGULAR ELECTION DATE**

WHEREAS, pursuant to Resolution No. 2010/39, the City Council ordered a Municipal Election to be held on Tuesday, November 2, 2010 to fill certain municipal offices and to consolidate this election with other elections that may be held in whole or in part within the City; and

WHEREAS, the City Council deems it advisable to submit to the voters a ballot measure to approve a one-half cent transactions and use (sales) tax to fund all Antioch city services, including police, street repairs and code enforcement; and

WHEREAS, the City Council is authorized to request an order that the ballot measure election be consolidated with other elections to be held on the same day and in the same territory (California Elections Code 10400 *et seq.*); and

WHEREAS, it is desirable that said ballot measure election be consolidated with the November 2, 2010 general election; that within the City, the precincts, polling places, and election officers for the two elections be the same; that the Board of Supervisors canvass the returns of the City ballot measure election; and said City ballot measure election be held in all respects as if there were only one election;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ANTIOCH:

1. Call for Election. The City Council hereby calls a municipal election on Tuesday, November 2, 2010 for the purpose of submitting to the voters a ballot measure to approve a one-half cent transactions and use (sales) tax to fund all Antioch city services, including police, street repairs and code enforcement. A majority vote is required for the passage of the ballot measure.

2. Form of Measure. The text of the proposed ordinance to be submitted to the voters is attached as Exhibit A to this resolution. The exact form of the measure to be voted upon shall appear on the ballot as follows:

<p><u>PRESERVATION OF CITY SERVICES SALES TAX.</u> To avoid further severe cuts to all city services including police layoffs and maintaining neighborhood police patrols and 911 emergency response, fixing potholes and maintaining local streets and sidewalks, restoring code enforcement, and cleaning up abandoned properties; shall the City of Antioch adopt a one-half cent transactions and use (sales) tax, expiring in eight years, with mandatory annual audits and independent citizens' oversight and for local Antioch use only?</p>	<p>YES</p>	
	<p>NO</p>	

The measure shall be designated on the ballot by a letter printed on the left margin of the square containing the description of the measure, as provided in California Election Code section 13116.

3. Transmission to the City Attorney. The City Clerk is directed, pursuant to Elections Code section 9280, to transmit a copy of the measure to the City Attorney for the purpose of preparing an impartial analysis of the measure to be submitted no later than 5:00 p.m. on Thursday, August 5, 2010.

4. Full Text of the Measure. The full text of the "Ordinance of the City of Antioch Imposing a Transactions and Use Tax to be Administered by the State Board of Equalization," which adds Article 4 to Chapter 5 of Title 3 of the Antioch Municipal Code enacting a one-half cent Transactions and Use (Sales) Tax for eight years to fund Antioch city services will be available at no cost from the City Clerk's Office at 925-779-7009 or on the City's website: www.ci.antioch.ca.us. A statement about how to obtain the full text of the Ordinance will be included in the Voter Information Pamphlet below the Impartial Analysis.

5. Argument For the Measure. The City Council authorizes the Mayor or Mayor Pro Tem to file the written primary argument in support of the ballot measure described above pursuant to Article 4 of Chapter 3 of Division 9 of the California Elections Code. Arguments for or against the measure shall be no longer than 300 words in length.

6. Date for Submission of Arguments. The City Clerk, with the concurrence of the County Elections Official, has fixed 5:00 p.m. Thursday, August 5, 2010 as the deadline for submittal of arguments for or against the measure.

7. Rebuttal Arguments. No rebuttal arguments shall be allowed.

8. Consolidation of Election. The City Council requests that the Board of Supervisors of the County of Contra Costa, State of California order the consolidation of the election in the City of Antioch to be held on November 2, 2010, with any other election(s) to be held on the same regular election date, under California Election Code sections 10400 *et seq.*

9. Conduct of the Election. The consolidated election shall be held and conducted, election officers appointed, voting precincts designated, ballots printed, polls opened and closed, ballots counted and returned, returns canvassed, results declared, certificates of election issued, and all other proceedings incidental to and connected with the election shall be regulated and done by the County Clerk in accordance with the provisions of law regulating a regularly scheduled election. The Board of Supervisors is hereby requested to issue all officers of the County charged with duties pertaining to the November 2010 election instructions to take any and all steps necessary for the holding of such consolidated election. (California Elections Code 10418.)

10. Costs. The City will reimburse the County for the actual cost incurred in conducting the election upon receipt of a bill stating the amount due as determined by the Election Official as indicated in Resolution 2010/39.

11. Filing with County. The City Clerk is directed to file with the Board of Supervisors and the County Clerk of Contra Costa County certified copies of this resolution.

* * * * *

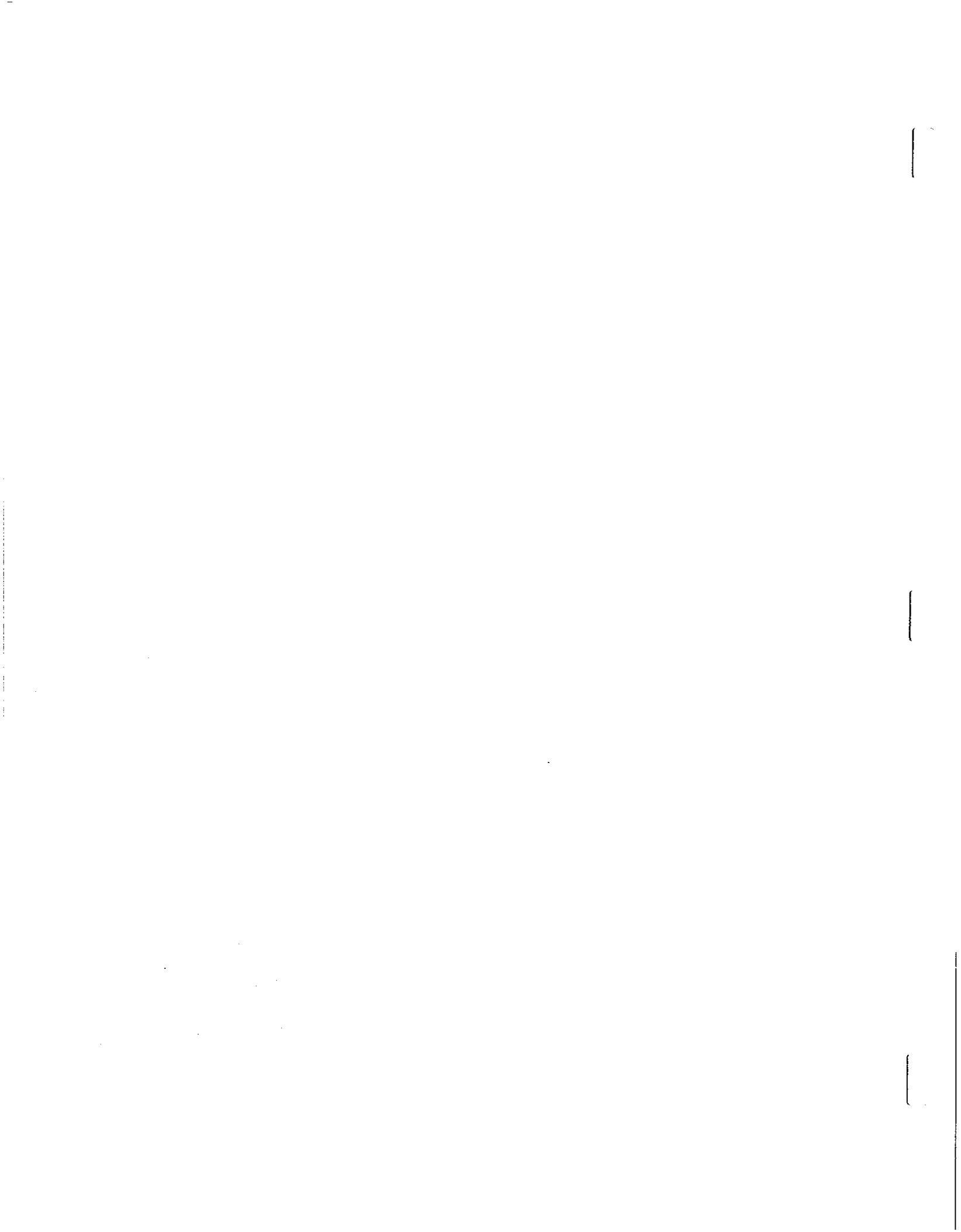
I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at a regular meeting thereof, held on the 27th day of July 2010, by the following vote:

AYES: Councilmembers Kalinowski, Rocha, Moore, Parsons and Mayor Davis

NOES: None

ABSENT: None


L. JOLENE MARTIN, CITY CLERK
CITY OF ANTIOCH



ORDINANCE NO. 2041-C-S

**AN ORDINANCE OF THE CITY OF ANTIOCH
IMPOSING A TRANSACTIONS AND USE TAX TO BE
ADMINISTERED BY THE STATE BOARD OF EQUALIZATION**

The City Council of the City of Antioch does ordain as follows:

SECTION 1. ADDITION TO THE MUNICIPAL CODE. Article 4 is added to Chapter 5 of Title 3 of Antioch the Municipal Code to read as follows:

ARTICLE 4: TRANSACTIONS AND USE TAX

Section 3-5.401. TITLE. This article shall be known as the "Antioch Transactions and Use Tax Ordinance." The city of Antioch hereinafter shall be called "City." This article shall be applicable in the incorporated territory of the City.

Section 3-5.402. OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance and approval by the voters or July 1, 2011 if allowed by the State Board of Equalization.

Section 3-5.403. PURPOSE. This article is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost

of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this article.

Section 3-5.404. CONTRACT WITH STATE. Prior to the Operative Date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax article; provided, that if the City shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the Operative Date shall be the first day of the first calendar quarter following the execution of such a contract.

Section 3-5.405. TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one-half of one percent (.50%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this article.

Section 3-5.406. PLACE OF SALE. For the purposes of this article, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

Section 3-5.407. USE TAX RATE. An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the Operative Date of this article for storage, use or other consumption in said territory at the rate of one-half of one percent (.50%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

Section 3-5.408. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in this article and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this article as though fully set forth herein.

Section 3-5.409. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this article.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

Section 3-5.410. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this article.

Section 3-5.411. EXEMPTIONS AND EXCLUSIONS.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this article.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this article.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this article, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this article.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this article.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this article may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Section 3-5.412. AMENDMENTS.

A. All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this article, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this article.

B. Pursuant to California Elections Code section 9217 or any successor statute, the City Council of the City of Antioch may amend or appeal this article, but not increase or extend the rate of tax imposed by the article, without the approval of the voters of the City of Antioch voting on such question.

Section 3-5.413. ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding

in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this article, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Section 3-5.414. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 3-5.415. USE OF TAX PROCEEDS. All proceeds of the tax levied and imposed under this article shall be paid into the General Fund for use by the City of Antioch.

Section 3-5.416. ANNUAL AUDIT. By no later than December 31st of each year, the City's independent auditors shall complete a financial audit report to include the revenue raised and expended by this tax.

Section 3-5.417. CITIZENS' OVERSIGHT COMMITTEE. Although not otherwise required by law, the City Council shall, no later than March 1, 2011, establish a Citizens' Oversight Committee to review the expenditure of the revenue from this transactions and use tax. The Committee shall consist of five members to be appointed by the Mayor and approved by the City Council. The terms of the Committee members and their specific duties shall be established by resolution of the City Council.

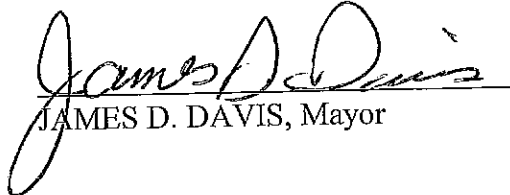
Section 3-5.418. TERMINATION DATE. The authority to levy the tax imposed by this article shall expire eight (8) years from the Operative Date.

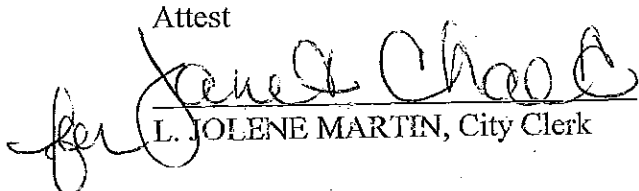
SECTION 2. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the City transactions and use taxes and shall not take effect until approved by the majority of the voters voting at the general municipal election to be held on November 2, 2010.

SECTION 3. CERTIFICATION; PUBLICATION. Upon approval by the voters, the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause it to be published according to law and transmitted to the Board of Equalization.

INTRODUCED by the City Council of the City of Antioch on July 13, 2010 and **PASSED AND ADOPTED** by the City Council of the City of Antioch on July 27, 2010, by the following vote:

AYES: Councilmembers Kalinowski, Rocha, Moore, Parsons and Mayor Davis
NOES: None
ABSENT: None


JAMES D. DAVIS, Mayor

Attest

L. JOLENE MARTIN, City Clerk