



CITY OF LOMITA CITY COUNCIL REPORT

TO: City Council **Item No. 8a**

FROM: Andrew Vialpando, City Manager

PREPARED BY: Susan Kamada, Deputy City Manager/Administrative Services Director

MEETING DATE: March 3, 2026

SUBJECT: Consideration of a Resolution Declaring a Fiscal Emergency Pursuant to California Constitution Article XIIC, §2(b) and Placement of a City of Lomita Local Control and Services Measure, a 0.25% (1/4 cent) Transactions and Use (sales) Tax on the June 2, 2026, Special Municipal Election Ballot

RECOMMENDED ACTION

Adopt Resolutions No. 2026-10, 2026-11 and 2026-12 declaring a fiscal emergency pursuant to Article XIIC Section 2(b) of the California Constitution and placing a City of Lomita Local Control and Services Measure 0.25% (1/4 cent) transactions and use (sales) tax on the June 2, 2026, Special Municipal Election ballot.

BACKGROUND

City staff is in the process of developing the City's FY 2026-27 Budget. For years, the City Council has remained fiscally prudent and responsible by adopting balanced budgets and steadily growing the City's reserves, or rainy-day funds. The City's current Adopted FY 2025-26 Budget General Fund expenditures match its revenues, at just over \$16 million. The City's reserves reflect about 50% of the City's General Fund expenses, at just over \$8 Million.

At its meeting on October 15, 2024, the City Council approved to receive and file the Lomita Sewer Master Plan, which identified nearly 3,000 linear feet of 90-year-old City-owned sewer infrastructure that is at risk for failure, per water engineers. The report indicated that the sewer infrastructure is in need of replacement or upgrades to meet capacity needs and the City must be able to address these needs before there are major pipe breaks and flooding. Moreover, the infrastructure identified runs underneath private property, elevating the need to address this issue in a timely manner. Combined, the City's engineering consultants estimated the work to cost at least \$10 million.

Currently, the City has less than \$500,000 appropriated toward sewer repair and replacement.

DISCUSSION

The recent passage of Los Angeles County's 2024 Measure A for Countywide homeless services included the repeal of Measure H, which was implemented in 2017 as a 0.25% (1/4 cent) transaction and use tax. The repeal of Measure H has created a situation where any city within the County may access this newly available 0.25% (1/4 cent) sales tax portion with voter approval.

On February 10, 2026, the Los Angeles County Board of Supervisors approved placing a new sales tax measure on the County June 2, 2026 ballot, resulting in the possibility of local sales tax revenue being redirected for purposes outside of Lomita.

If Lomita does not act to place its own measure on the ballot so taxpayer dollars stay local in Lomita to serve residents, Los Angeles County could seize this money and use it for County purposes. Placing a City of Lomita Local Control and Services measure on the June ballot is an opportunity to generate tax dollars that are spent in Lomita, not controlled by County bureaucrats. Lomita residents have indicated that they want their taxpayer dollars spent and used in Lomita, not controlled or spent by County bureaucrats.

It is estimated that the proposed transaction and use (sales) tax, if approved by voters, could generate annual revenues of \$650,000 for the City's general fund. The additional revenue for the City will reduce the risk of depleting City reserves for significant sewer repairs and could help avoid reduction of City services provided for the benefit of its residents. Furthermore, the Lomita Local Control and Services measure will require that all revenue is collected and spent only to benefit Lomita residents and businesses to maintain City services and address local issues.

The City Council commissioned a community survey in 2025 to gauge residents' priorities in order to guide the City Council's future budgetary goals and strategic outcomes. Some 73% of respondents said there is a need for additional funding for Lomita City services, and that public safety services and investment in infrastructure are top priorities per respondents to the survey.

FISCAL IMPACT

The estimated cost to run the election from the Los Angeles County Registrar-Recorder/County Clerk on the June 2026 Ballot is between \$40,000 to \$50,000.

VISION, MISSION, VALUES, AND STRATEGIC OUTCOMES

The City's Vision, Mission, and Values set the standard for the organization, establish priorities, uniformity and guidelines; and provide the framework for policy decision making. The Strategic Outcomes were implemented to provide a pathway to achieving the City's Vision. This item aligns with Strategic Outcome No. 1: Safety & Security - Keeping Lomita safe, prepared and resilient.

OPTIONS

Approve recommended action.

ATTACHMENTS

1. Resolution Calling Special Municipal Election for June 2, 2026, for Ballot Measure
2. Resolution Requesting Consolidation of Special Municipal Election with June 2, 2026, Statewide Primary Election
3. Resolution Setting Rules and Deadlines for Arguments/Rebuttals for and against Ballot Measure

Approved by:



Andrew Vialpando
City Manager