

## RESOLUTION NO. 20-24

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA DECLARING AN ECONOMIC EMERGENCY DIRECTLY CAUSED BY THE ECONOMIC IMPACTS CAUSED BY THE COVID-19 PANDEMIC

**WHEREAS**, on March 16, 2020 the City of Commerce unanimously passed, approved and adopted Resolution No. 20-23, Proclaiming and Declaring the Existence of a Local Emergency relating to the COVID-19 pandemic;

**WHEREAS**, subsequently, in order to deter and contain the rapid spread of COVID-19, and the need to protect the public's health and safety, Executive Order N-33-20, issued by the Governor of California on March 19, 2020, and the Safer at Home Order for Control of COVID-19, issued and revised by the County of Los Angeles Department of Public Health on March 21, 2020 (herein, collectively, "Orders") - which amongst the issuance of various orders and directives - ordered businesses to close immediately unless a business falls under the categories of an Essential Business, a provider of Essential Services, part of the Essential Business, Essential Infrastructure, and/or Critical Infrastructure Sector;

**WHEREAS**, these Orders are applicable to all businesses located in the City of Commerce and within its boundaries, and further, the City of Commerce adopted the Orders pursuant to Resolution No. 20-23;

**WHEREAS**, consistent with said Orders and Resolution No. 20-23, multiple businesses have been closing and ceasing operations, including but not limited to, the two largest economic generators in the City, the Commerce Casino, which has been closed since March 14, 2020, and the Citadel Outlets, which has been closed since March 18, 2020;

**WHEREAS**, the City of Commerce will imminently, and has commenced, experiencing serious and detrimental financial and budgetary impacts because of the COVID-19 pandemic and the resulting closure of the City's businesses, including the two main sources of the City's General Fund revenue;

**WHEREAS**, as a result, the City is assessing all potential cost-saving measures on a continuous basis in an effort to address the imminent financial emergency, while also making law enforcement, fire protection, public safety, and public infrastructure a priority which must be maintained at the highest service levels to protect the City's residents and neighborhoods, especially during this state of local emergency;

**WHEREAS**, the City of Commerce has entered into two (2) separate Memorandum of Understanding with the City of Commerce Employees Association /AFSCME Local 773, AFSCME Council 36, which covers mid-management and non-management full time employees (herein, "Full-Time Employees MOU"), and separately covering part-time employees (herein, "Part-Time Employees MOU"), both effective for the fiscal years of 2018-2021 (collectively, "MOUs");

**WHEREAS**, Section 4, “Economic Emergency Re-opener,” of Article XVI, “Modification” of the Part-Time Employees MOU, and Section 4, “Economic Emergency Re-opener,” of Article XIII, “Modification,” of the Full-Time Employees MOU has the following same and similar provision, which states:

Due to the uncertainty surrounding gaming revenues for the City, rising pension liabilities and health care costs, and in order to ensure the City is fiscally viable so that it can honor its current and future commitments to employees, the parties agree that during the term of the Agreement, bargaining shall be re-opened, at the City's option, if it declares an economic emergency. The parties agree that any changes are subject to mutual agreement;

**WHEREAS**, the closure of the Commerce Casino, the City General Fund's major revenue source, the shutting down of a majority of the City's sales tax revenue generators, along with a downturn in most economic activity as a result of businesses' closure as discussed hereinabove, the City of Commerce is projected to lose approximately \$4 million per month;

**WHEREAS**, if this holds true for the remainder of the fiscal year, the City's General Fund shortfall for the fiscal year of 2019-2020 is projected to be approximately \$12 million or greater;

**WHEREAS**, these conditions and events warrant and necessitate the City to declare an Economic Emergency that meets the criteria or conditions described in the MOU and noted above.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:**

**SECTION 1:** The City Council of the City of Commerce hereby finds and declares that the foregoing recitals are true and correct, and incorporates them herein as findings and as a substantive part of this Resolution.

**SECTION 2:** The City Council of the City of Commerce hereby declares an Economic Emergency, and if necessary, the City Council may amend any provision of this Resolution to address any on-going detrimental financial and budgetary impacts as a result of the ever-changing conditions and circumstances resulting from the COVID-19 pandemic, including declaring broader fiscal emergencies.

**SECTION 3:** Consistent with Section 4, “Economic Emergency Re-opener,” of Article XVI, “Modification” of the Part-Time Employees MOU, and Section 4, “Economic Emergency Re-opener,” of Article XIII, “Modification,” of the Full-Time Employees MOU, the City Council of the City of Commerce hereby directs and authorizes the City Manager, and/or his designee(s), to meet and confer with City of Commerce Employees

Association /AFSCME Local 773, AFSCME Council 36, for purposes of re-opening bargaining.

**SECTION 4:** The City Council directs the City Manager and/or his designee to report to City Council any modifications to the Part-Time Employees MOU and/or the Full-Time Employees MOU that have been mutually agreed to, subject to final City Council consideration and approval.

**SECTION 5.** The City Council directs the City Manager and/or his designee to investigate and recommend further actions that may be necessary to mitigate and address the financial and budgetary impacts to the City's budget and General Fund as a result of COVID-19, and all Orders relating to same, including the financial impacts as a result of the current closure of the Commerce Casino, Citadel Outlets, hotels, and all other businesses.

**SECTION 6.** The City Council further directs the City Manager and/or his designee to propose the implementation of any available or potential cost-saving measures in efforts to address the current constraints of the City's budget and General Fund, by also evaluating the immediate and long-term needs of each City Department, and identify unfunded immediate and long-term needs.

**SECTION 7.** If any section, subsection, paragraph, sentence, clause, phrase, or portion thereof, of this Resolution is declared by a court of competent jurisdiction to be unconstitutional or otherwise invalid, such decision shall not affect the validity of the remaining portions of this Resolution. The City Council declares that it would have adopted this Resolution, and each section, subsection, paragraph, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, paragraphs, sentences, clauses, phrases, or portions thereof, be declared invalid or unconstitutional. To this end, the provisions of this Resolution are declared to be severable.

**PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, this 25th day of March, 2020.**

  
John Soria, Mayor

ATTEST:

  
Lena Shumway, City Clerk