



OFFICE OF THE MAYOR

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June 11, 2009

California Energy Commission
Attn: EECBG Program
1516 Ninth Street, MS-42
Sacramento, CA 95814

DOCKET

09-OII-1

DATE June 11 2009

RECD. June 17 2009

Subject: Energy Efficiency and Conservation Block Grant Program

To Whom It May Concern:

Thank you for the opportunity to comment on the guidelines currently being developed for the small jurisdiction program design elements of the Energy Efficiency and Conservation Block Grant Program.

The City of Seaside is currently faced with serious economic challenges. The lack of anticipated revenues because development projects have not moved forward as planned due to the economy, combined with greatly reduced sales and transient occupancy tax revenues, has taken a toll on our approximately \$25 million General Fund budget.

To make matters worse, recently the State of California withheld City redevelopment funding in the amount of \$850,000. Also, in order to balance the State budget, there are threats that our share of gas tax revenues (amounting to \$500,000 to \$600,000) could be kept by the state and the Department of Finance has proposed borrowing property tax revenues from the cities, which would mean an approximate \$450,000 take away from the City's General Fund budget if implemented.

To help balance our City budget, we have made significant cuts, including a hiring freeze, a 10% pay cut for employees with offsetting time off for all employees (except public safety), deferral of cost of living pay increases, reductions in line items, and cuts and reductions in programs. The current estimated revenue shortfall for 2009-10 is \$6 million or 24%.

In light of the above, the City of Seaside would welcome any funding available for energy efficiency projects which would also help stimulate the local economy. We would not be in a position to provide any matching funds, let alone the 65% match requirement proposed. Loans, even at very low or zero interest rates, are also not an option for us at this time. While it is a good idea to encourage collaborative efforts among jurisdictions, it is not practical to put together a viable partnership in the short time allowed to apply for, encumber, and expend this funding.

I understand that per capita block grants were allocated to large cities and counties with no match requirements. I urge you to provide similar funding to small jurisdictions since that is the only way the City of Seaside would be able to participate in this program.

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If you have any questions or comments, please feel to contact me at (831) 899-6702.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Ralph Rubio". The signature is written in a cursive style with a large initial "R".

Ralph Rubio
Mayor

RR:bc