



CITY OF LA PALMA

NEWS RELEASE

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For Immediate Release
June 23, 2015

City of La Palma Budget - Approved for FY2015-16

La Palma, Calif. – On June 16, the La Palma City Council adopted a 2015-16 Fiscal Year municipal budget, with total expenditures of \$22.7 million, including a General Fund operating budget of \$10.5 million. To balance the City's General Fund budget, the use of \$106,800 of fund balance was authorized by the City Council. The budget was approved on a three to two vote, with Mayor Peter Kim and Mayor Pro Tem Gerard Goedhart, opposing adoption.

The City's current fiscal situation is largely caused by a few drivers triggering lower revenues and higher expenditures. The adopted budget reduces, suspends, or eliminates many cherished local programs, including: Fit-N-Fun, Police Interaction with Youth, Mosaic newsletters (reduced to three editions each year), and the Source Neighborhood Watch newsletters (reduced to bi-monthly). Some of these programs may return if additional funding is achieved. The City's signature event, *La Palma Days*, was spared for 2015, but the planning committee was tasked with off-setting 20% of the events cost from donations or program reductions. Finally, three additional full-time positions were also eliminated from the City's workforce, which has been reduced from 65 employees in Fiscal Year 2010-11, to just 52 full-time positions authorized next Fiscal Year.

City Manager Ellen Volmert said, "The City of La Palma is at a financial crossroads and continues to face a very challenging economic environment. This budget is primarily driven by significant long-term expenditure increases and revenue decreases associated with rising retirement costs from prior unfunded liabilities; growing insurance costs; reductions in oil-related sales tax; and, the change of La Palma Intercommunity Hospital to non-profit status. The City faces an uphill battle to reach long-term sustainability, but the difficult decisions in this budget put us on the path."

Going forward, the La Palma City Council is establishing the *Citizen Committee on La Palma's Sustainability and Future*, which will meet at least monthly, starting in August; and is tasked with providing concrete recommendations to the City Council by February 2016. Any resident, business owner, or person who works in La Palma can apply for consideration. More information and application materials are available on the City's website, www.cityoflapalma.org/sustainability or at La Palma City

Hall. Completed applications must be returned to the City Clerk's Office by 5:30 p.m., Tuesday, July 7, 2015. The adopted budget and a variety of other financial documents are available for review on the City's website www.cityoflapalma.org/finance or at La Palma City Hall.

About the City of La Palma

Ranked by Money Magazine in 2007, 2011, and 2013 as one of America's Best Places to Live, the City of La Palma is a 1.9 square mile general law city in northwest Orange County, consisting of over 15,568 residents and approximately 300 commercial and industrial businesses. The City was incorporated in 1955 under the name of Dairyland and has 52 full-time and 35 part-time employees.

Contact Information

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