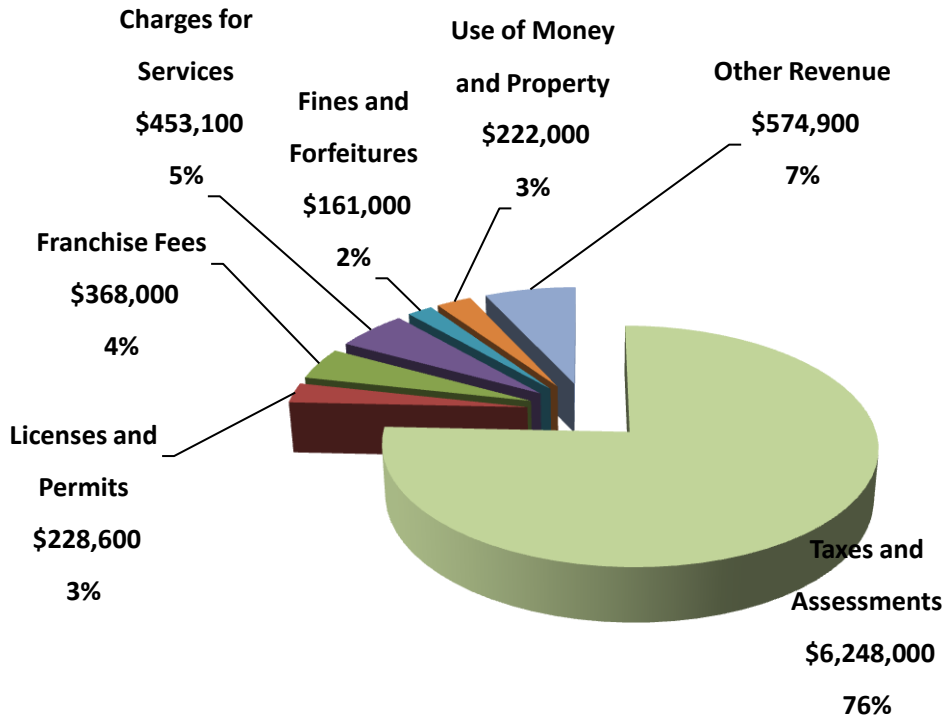




City of La Palma Financial Fact Sheet General Fund Revenue, Resources and Reserves

Where does the money come from?



Top Three Revenue Sources

FY 2012-13 Budget:

1. Property Tax: 30.1%
2. Sales Tax: 39.4%
3. Utility Users Tax: 9.8%

FY 2013-14 Budget:

1. Property Tax: 37.4%
2. Sales Tax: 21.6%
3. Utility Users Tax: 13.9%

Almost 80% of the revenue comes from only three sources...

Where does your property tax dollar go?*

Centralia Elementary School District*	29.0%
Educational Revenue Fund	15.2%
Anaheim Union High School District*	13.7%
City of La Palma	11.1%
OC Fire Authority	9.0%
North OC Community College District	5.6%
County of Orange General Fund	4.9%
OC Sanitation District	3.0%
OC Department of Education	3.0%
Other County / Special Districts	5.6%

*- This is a representative sample; your specific taxing agencies and amounts may be different.

- Total property value in La Palma is \$1.75 billion dollars.
- Did you know 17% of all properties in La Palma are still assessed using 1975 as the base year value?
- More than one-third (33%) of all properties in La Palma are assessed at base year values from 1985 or earlier.

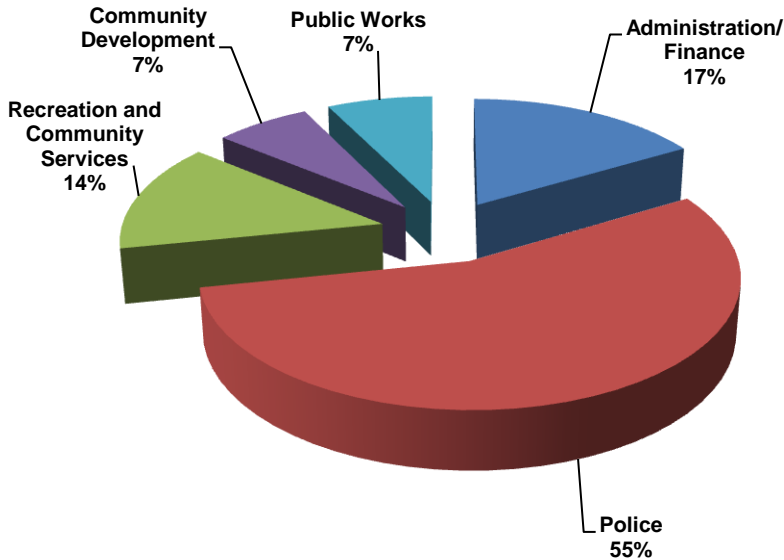
Changes and Impacts...

- City of La Palma lost its largest sales tax producer in 2012
- Signed agreement with Tesoro to share sales tax if they would locate in the City; many hurdles yet to jump before revenue begins flowing and before an exact revenue amount can be known
- FY 2013-14 Budget anticipates one fiscal quarter of revenue from Tesoro; unknown if Tesoro revenue will be more than, the same, or less than what BP/Arco produced
- Use of these new monies must be sustainable and not create the same dependency on a single source of revenue for most services which existed with BP/Arco
- Other sources of revenue are anticipated to be stable with minimal increases
- Reserves use is limited and once used, will be difficult to replenish



City of La Palma Financial Fact Sheet Providing Services: General Fund Expenditures

Where does the money go?



Fiscal Year	Full-Time Employees
1997-98	59
2002-03	70
2007-08	65
2012-13 (Adopted)	64
2012-13 (Amended)	60
2013-14 (Proposed)	54

- Proposed FY2013-14 Budget would have the *fewest full-time employees in 17 years.*
- FY2013-14 proposed Budget *reduces full-time staff by 10.0 FTE* from the FY 2012-13 adopted budget.

What are the consequences?

- Fewer staff = lower personnel costs
- Fewer staff = service impacts

Consequences and Impacts...

City Council reviewed preliminary FY 2013-14 budget plans on January 28 and March 11. The preliminary staff plan as of 04/01/2013 would impact services to residents based on these initial proposals:

- Reduction in staff by 10.0 full-time employees
- Closure of “building” counter in the afternoons; services by appointment
- Possible contracting out of Police dispatch and fewer counter hours
- Closure of the Hub for senior and teen programming
- Fewer part-time staff in Recreation, Central Park open one less hour per day
- Two fewer Summer Concerts
- Contracting out some youth recreation programs (Pee Wee sports, etc.)
- No reduction in Police patrol or investigations; retain community special events

...Requires Doing Things Differently:

Balancing ongoing operating expenditures with ongoing revenue means services and programs provided to residents will be impacted. La Palma services must be sustainable by shrinking the organization and services to fit its revenue.

FY 2013-14 proposed budget plan includes significant infrastructure spending:

- Upgrade to Police communications (i.e., 800 MHz radio system)
- Upgrades to City Hall energy systems (decreased energy consumption and lower electric bills)
- Potential for “smart roof” and photovoltaic systems (i.e., solar power) which would lessen energy consumption

Resident involvement is needed!

Upcoming City Council budget sessions:

- April 16: presentation of draft General Fund budget and the Capital Improvement Plan
- May 7: presentation of proposed budget
- May 21: continued budget discussions
- June 4: anticipated adoption of the FY 2013-14 budget