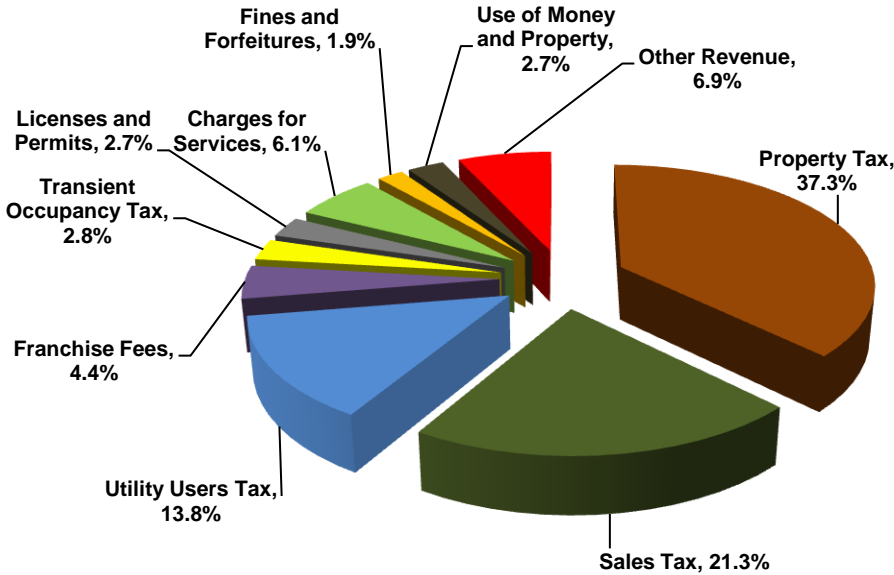


City of La Palma Financial Fact Sheet General Fund Revenue, Resources and Reserves

Where does the money come from?



Top Three Revenue Sources

FY 2012-13 Adopted Budget:

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

FY 2013-14 Adopted Budget:

1. Property Tax: 37.3%
2. Sales Tax: 21.3%
3. Utility Users Tax: 13.8%

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.

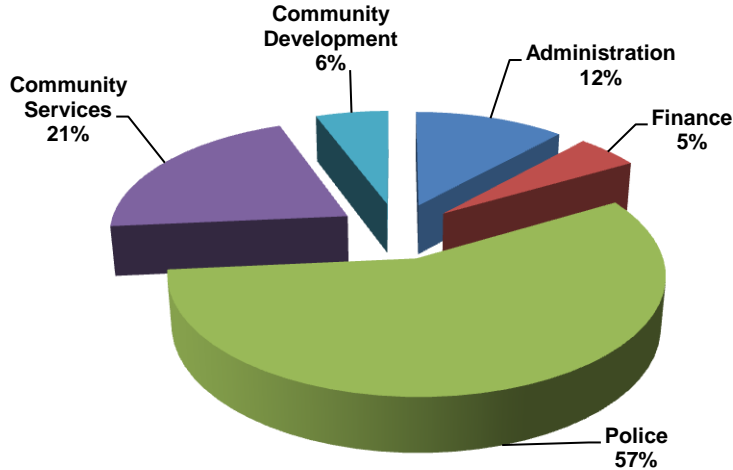
- Total property value in La Palma is \$1.75 billion dollars.
- Did you know 17% of all properties in La Palma are still assessed using 1975 as the base year value?
- More than one-third (33%) of all properties in La Palma are assessed at base year values from 1985 or earlier.

Changes and Impacts...

- City of La Palma lost its largest sales tax producer in 2012
- Signed agreement with Tesoro to share sales tax by locating in La Palma; Federal and State regulatory hurdles have been cleared... still waiting for operations to begin to see sales tax
- 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
- Dissolution of redevelopment means loss of property tax (i.e., "tax increment") previously used for road projects (approximately \$250,000 annually)
- Ongoing impacts from loss of redevelopment still being managed...

Providing Services: General Fund Expenditures

Where does the money go?



Fiscal Year	Full-Time Employees
1997-98	59.0
2002-03	70.0
2007-08	65.0
2012-13 (Adopted)	64.0
2012-13 (Amended)	60.0
2013-14 (Adopted)	57.0

- Adopted FY2013-14 Budget has *fewest full-time employees in 17 years.*
- FY2013-14 Budget *reduces full-time staff by 7.0 FTE* from the FY 2012-13 adopted budget.

What are the consequences?

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

Consequences and Impacts...

- General Fund total expenditures for FY 2013-14 reduced 11.0% from FY 2012-13 adopted budget; staffing costs reduced 9.0%
- Reduction in staff by 7.0 full-time employees
- Major reorganization, combining two departments (Public Works and Recreation and Community Services) into one: Community Services
- Closure of building services and public work counter in the afternoons; services by appointment only
- 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 adopted budget plan includes significant infrastructure spending:

- Capital improvement plan of \$2.885 million includes spending on residential and arterial road improvements (i.e., pavement), City Hall roof repair, playground upgrades, and many other necessary capital projects
- Telephone upgrade and replacement of 20 year old system
- New crime fighting and record keeping software to improve public safety responsiveness
- Potential new geographic information system (GIS) to provide increased information to residents and staff to improve customer service