



CITY OF LA PALMA

NEWS RELEASE

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For Immediate Release
June 27, 2012

La Palma Budget Approved for FY2012-13

La Palma, Calif. – On June 19, 2012, the La Palma City Council adopted a \$28.2 million total budget for the City's 2012-13 Fiscal Year, while maintaining the local Utility Users Tax (UUT) at 4% for the fifth year in a row. The \$9.7 million General Fund budget was balanced because of a projected 1.5% decrease in personnel expenditures compared to the previous year. This reduction is directly related to municipal employees paying an additional 3% towards their retirement benefits and the adoption of a two-tier retirement system where new employees receive a reduced retirement benefit and pay a greater share of the retirement costs.

The City projects it will continue to have at least a 100% General Fund reserve at the end of the 2012-13 Fiscal Year. Some noteworthy expenditures included in the budget, are:

- \$3,152,000 for arterial and residential street rehabilitation projects
- \$1,500,000 for various water system improvements, including automated meters
- \$70,000 for resurfacing the Community Center King Palm Room
- \$125,000 for intersection improvements at Walker Street and La Palma Avenue
- \$285,000 for citywide technology upgrades, including free Wi-Fi for the public at the Civic Center and Central Park

Mayor Henry Charoen said, "Because of all the hard work and dedication from our employees, we are able to maintain a lower Utility Users Tax while keeping our high level of service to the community and continuing with important projects.

The adopted budget and a variety of other financial documents are available for review at La Palma City Hall or on the City's website: www.cityoflapalma.org/finance.

About the City's Budget

The City of La Palma receives its revenues from a variety of funding sources, with sales taxes, property taxes, and the Utility Users Tax accounting for 79.8% of General Fund operating revenues. The City's strong reserve balance was accomplished through a historical pattern of constrained growth and continually seeking ways to reduce expenditures without impacting programs and services.

About the Utility Users Tax (UUT)

The UUT is assessed on all electrical, natural gas, telephone, and cable bills within the City and was ratified by La Palma residents in 2002 and amended in 2010. The UUT Ordinance gives the City Council the authority to reduce the 5% UUT rate to no less than 0.25% on an annual basis, provided that it would not create a financial hardship on the community. At the end of each Fiscal Year, the rate automatically reverts back to 5% if no Council action is taken.

About the City of La Palma

Ranked by Money Magazine in both 2007 and 2011 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 15,568 residents and 482 commercial and industrial businesses. The City was incorporated in 1955 under the name of Dairyland and has 65 full-time and 35 part-time employees.

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