



CITY OF LA PALMA NEWSRELEASE

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For Immediate Release
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La Palma Adopts FY2008-09 Budget; Lowers Utility Tax 1%

La Palma, Calif. – The La Palma City Council recently approved and adopted the City's \$24.9 million Fiscal Year 2008-09 operating budget and reduced the City's local Utility User Tax (UUT) by 1%. The City of La Palma receives its revenues from a variety of funding sources, with property taxes, sales taxes, and the UUT accounting for 63% of City revenues. Overall, revenues are expected to increase by 4% while expenditures are expected to increase by 3.9% over the 2007-08 Fiscal Year.

Continuing its tradition of placing a high priority on public safety and community-building programs, the \$9.5 million in General Fund expenditures are allocated to City departments as follows: 55% for Police, 17% for Recreation and Community Services, 15% for Administration, 8% for Public Works, and 5% for Community Development.

Other noteworthy expenditures highlighted in the Fiscal Year 2008-09 budget, include:

- \$1.3 million for various water, sewer, and storm drain system improvements
- \$0.9 million for the current year's residential pavement management program and setting aside an additional \$ 1.7 million for future years
- \$0.5 million for installation of medians on La Palma Avenue from Moody Street to Denni Street
- \$0.3 million for City Hall landscaping improvements and parking lot resurfacing

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Additionally, the City Council took advantage of an unexpected one-time Sales and Use Tax reconciliation payment from the State and unanimously approved a reduction in the City's UUT for Fiscal Year 2008-09 from the current rate of 5% to 4%. This is the second time in the past four years that the City Council has voted to lower the UUT. The UUT is assessed on all electrical, natural gas, and telephone bills within the City and was ratified by La Palma residents in 2002. The UUT Ordinance gives the City Council the authority to reduce the rate by up to 1% when sufficient funds are available.

Councilmember Waldman commented that, "It is fair and reasonable for us to reduce the utility users tax 1%, giving the citizens back some of their own money." Councilmember Rodriguez added, "We had a one-time gift and -- I hate to call it a gift when you give people their money back -- but at least one time ... I want to return that 1%."

The City has contacted all of the affected utilities; however, actual reductions in utility bills can take up to three months because of the necessary programming changes required by the various utility company billing systems.

About the City of La Palma

The City of La Palma is a 1.9 square mile general law city in northwest Orange County, consisting of 16,081 residents and 482 commercial and industrial businesses. The City was incorporated in 1955 under the name of Dairyland and has 65 full-time and 53 part-time employees.

Contact Information

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