

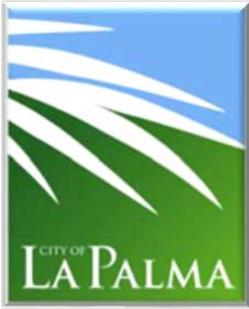
2016 State of the City

Preserving La Palma's Future

MAYOR GERARD GOEDHART

APRIL 26, 2016





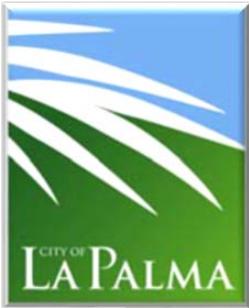
City Council

Mayor Pro Tem Michele Steggell

Council Member Steve Hwangbo

Council Member Peter Kim

Council Member Steve Shanahan



Other Elected Representatives

Congresswoman Linda Sanchez' office

Field Representative Michael Voung

Assemblywoman Young Kim's office

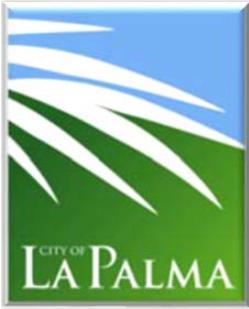
Field Representative Whitford Marin

Assemblywoman Ling Ling Chang's office

Field Representative Tara Campbell

Supervisor Michelle Steel's office

District Representative Jeremy Tran



City Management

City Manager Laurie Murray

Interim Police Chief Mike McCrary

Community Services Director Mike Belknap

Community Development Dir. Douglas Dumhart

Administrative Services Director Sea Shelton

Corporate Connection

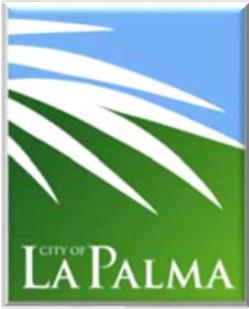


Business Sponsorship
Opportunities with the
City of La Palma

2016

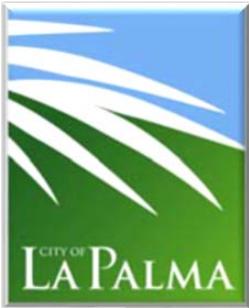


Thank You to our Corporate Connection Partners



Thank You Gold Partners





Thank You Silver and Bronze Partners

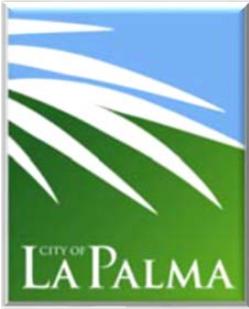
STEPPING CHILDREN'S CENTER STONES



**West Coast
Arborist**







Ambassador for Peace Medal



**Ron Mac Iver receives
Ambassador for Peace Medal**



Major General Shin

**Frank St. Germain is also a
recipient of the Ambassador
for Peace Medal**

Preserving La Palma's Future

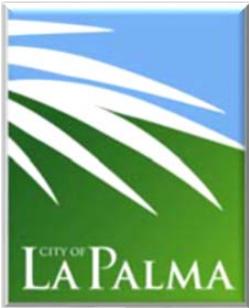
TOWN HALL MEETING



Preserving La Palma's Future

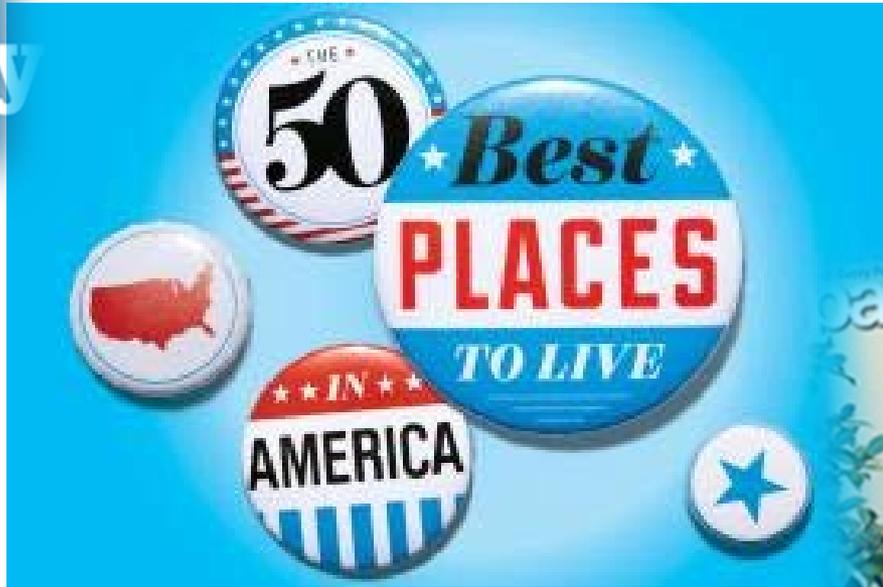
**2015 AWARDS AND
ACCOMPLISHMENTS**

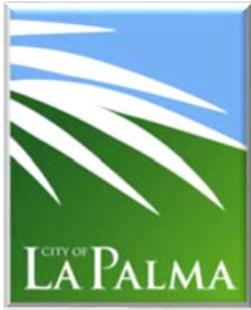




Awards

Money





Accomplishments Billboard Project

□ February Agreement with Foster Interstate Media

□ \$204,000/year

□ Construction
anticipated in early
2017

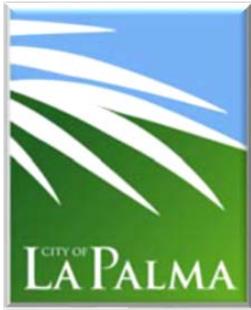




Accomplishments Labor Negotiations

- ❑ No Cost of Living Increases
- ❑ 5% Annual Salary Decrease
- ❑ Overtime Reform
 - ❑ Safety Employees
 - ❑ Supervisors
- ❑ \$226,000 Savings in FY 2016-17
- ❑ \$379,000 Savings over the 2-Year term of the Agreements

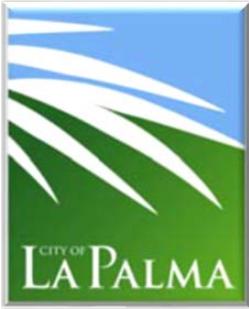




Accomplishments School District Boundaries

□ Progress on La Palma children attending La Palma schools



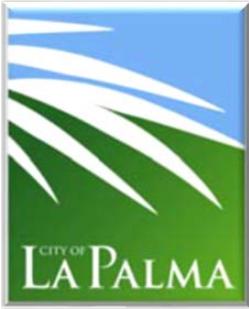


Accomplishments

41 Year Old Cold-Case Homicide Solved

Patricia Ann Ross





Accomplishments La Palma Streets

Residential Pavement Rehabilitation

- Completion of 7 Year
Program

Arterial Pavement Rehabilitation

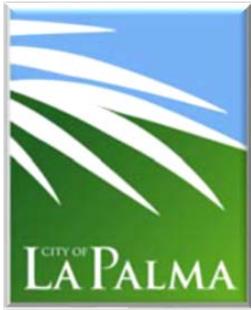
- Completion of 7 Year
Program in 2017



Americans with Disabilities Act (ADA)

- Pedestrian Ramp
Upgrade

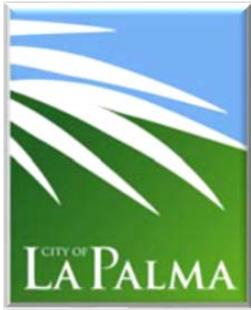
- Funded through Grants



Accomplishments Energy Projects

- ❑ Community Center
 - ❑ Lighting and HVAC Upgrades
- ❑ LED Lighting Upgrades
- ❑ Irrigation Controllers

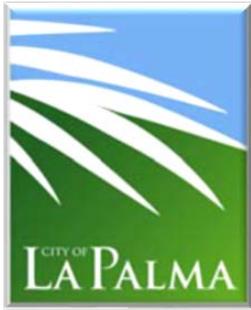




Accomplishments Central Park

□ Central Park Playground Equipment

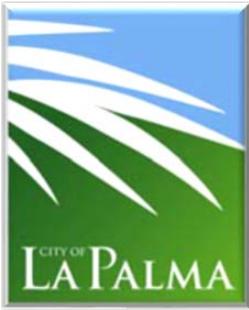




Accomplishments New Businesses

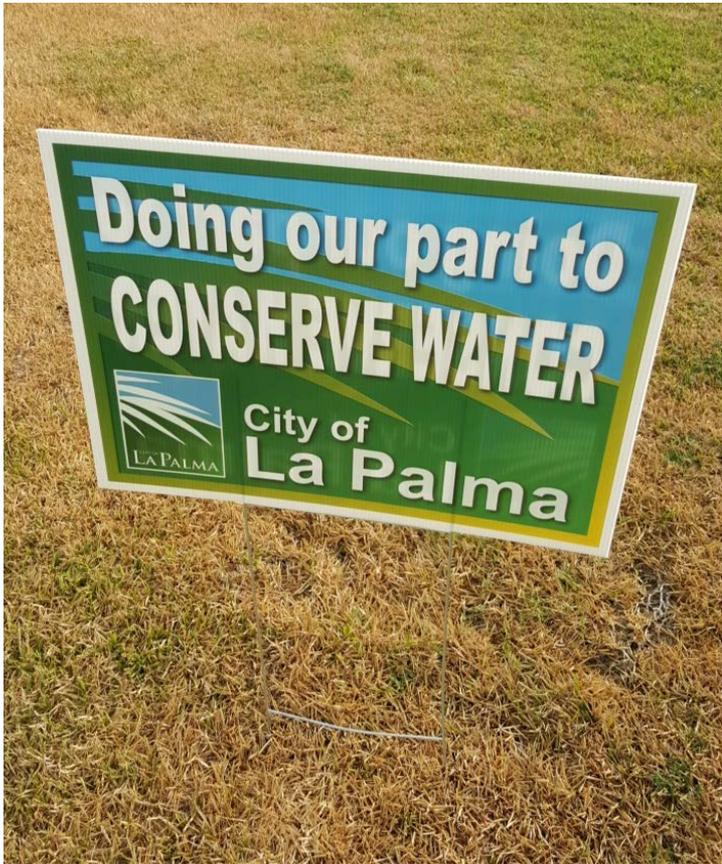
- ☐ Coffee Bean and Tea Leaf
- ☐ Mega Western Sales
- ☐ The Bead Factory
- ☐ United HealthCare
- ☐ Tocalo
- ☐ Thyssenkrupp Industrial
- ☐ 12 Centerpointe Retail Center





Accomplishments Utilities

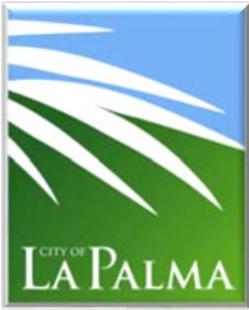
**21.8% Reduction
in Water Use**



Preserving La Palma's Future

STATE OF SCHOOL ISSUES

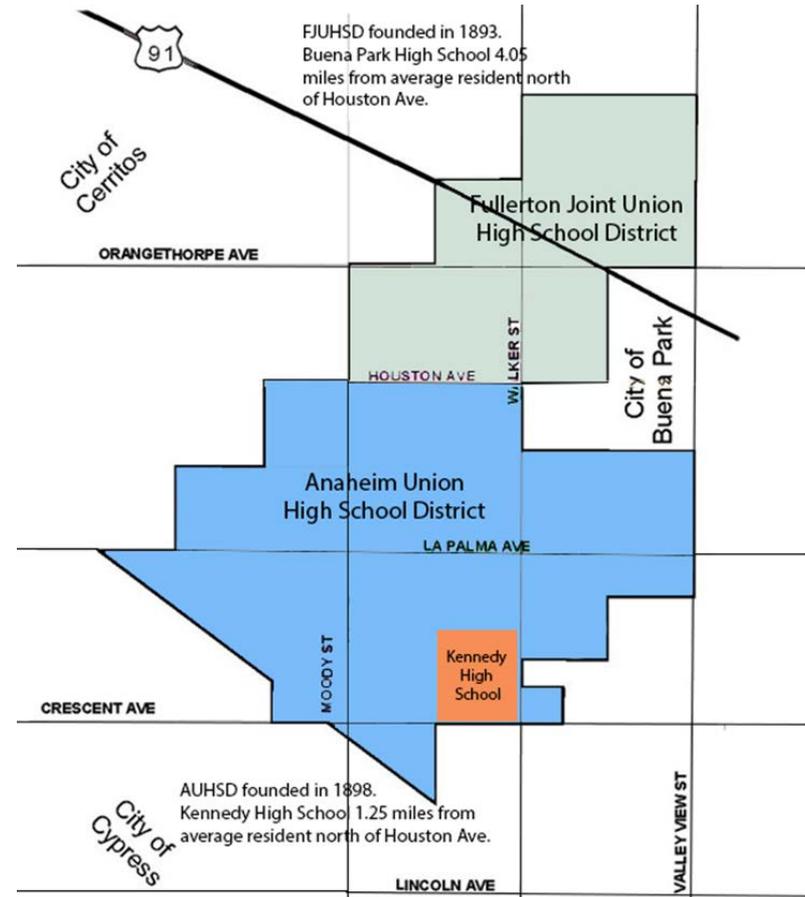


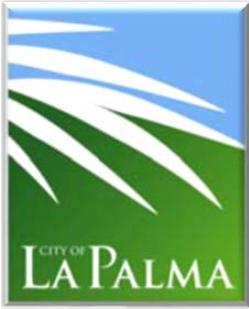


School Situation

Why a La Palma Issue?

- ❑ 5 School Districts
- ❑ 3 with schools within La Palma city limits
- ❑ 2 with schools in Buena Park
- ❑ Buena Park High School is 3.5 miles from the closest La Palma students

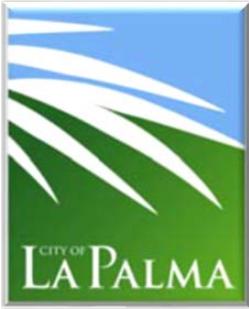




School District Boundaries

- **Assembly Bill 523**
- **Introduced by
Assemblywoman
Young Kim**



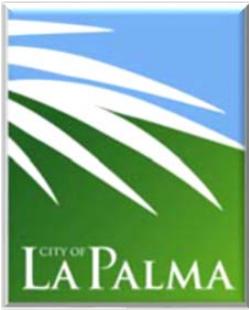


School District Boundaries

□ District of Choice

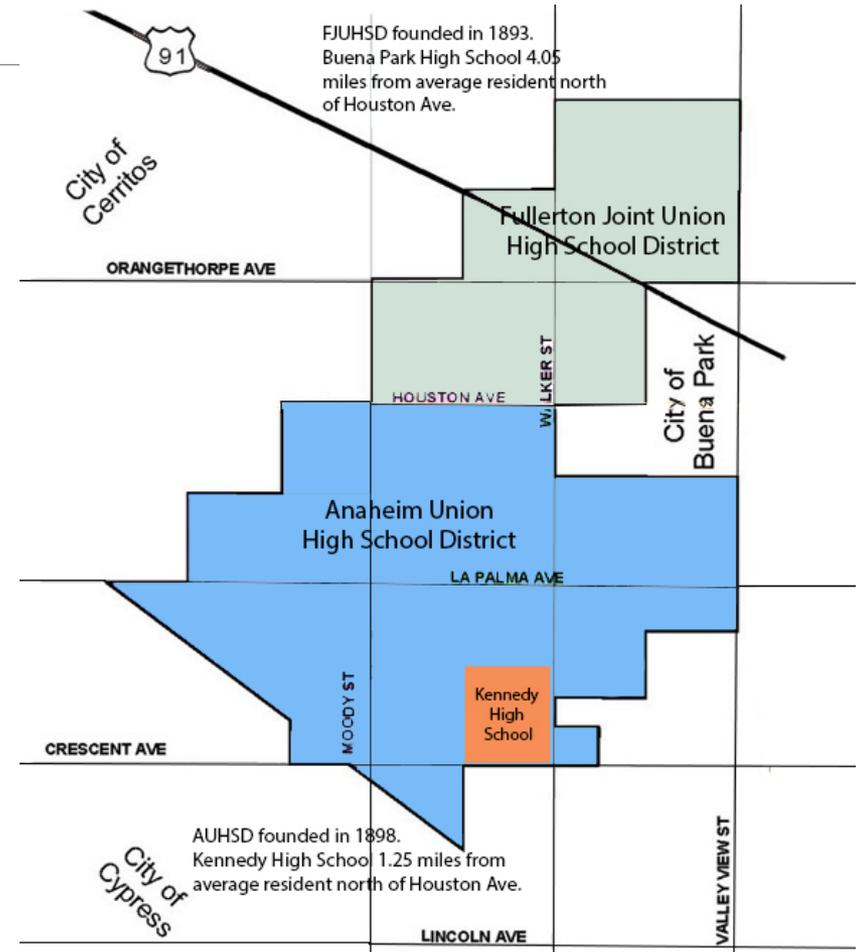
- Resolution requesting Anaheim Union High School District to formally become a District of Choice adopted April 5





School District Boundaries

- Meetings with Anaheim Union High School District
- District of Choice
- Other Options
- A Solution is in Sight



Preserving La Palma's Future

**STATE OF THE POLICE
DEPARTMENT**



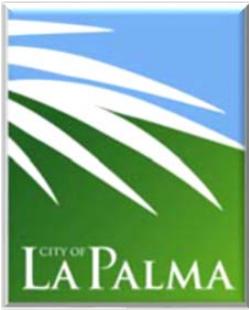


Police Department – History of Reductions



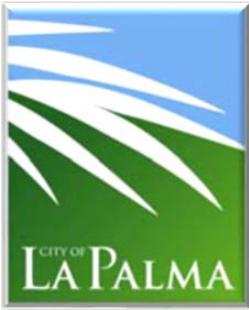
- ❑ 2010/2011 - Administrative Support Bureau Sergeant position eliminated
- ❑ 2012/2013 - Management Analyst position eliminated
- ❑ 2014/2015 - Detective Sergeant position eliminated
- ❑ 2015/2016 - Motor Officer position eliminated and full-time Records Clerk changed to a part-time Records Clerk





Organizational Study

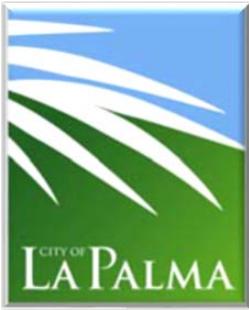
- ❑ Key is to identify how to balance operational needs with the budget/resource constraints and determine how to maintain service levels
- ❑ Conduct an analysis of the organizational structure, management practices, staffing levels and operational effectiveness
- ❑ While the City is forced to reduce the budget, community expectations (services levels) are not diminished



Current Environment

- ❑ 12,000 calls for service in 2015
- ❑ The past few years has been a difficult time for the Department
- ❑ Low crime rate
- ❑ Response time of less than three minutes

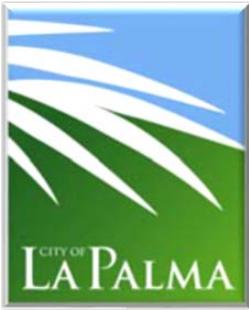




Current Environment

- Culture of service to the community
- Employee turnover stabilized
- Restructuring
 - Recommendation being prepared for City Council consideration

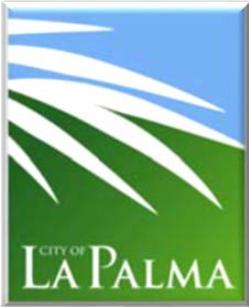




Current Environment

- Updating Emergency Operations Plan
- Expanded use of Volunteers
- Studying alternatives for Police Dispatch
- Identifying future staffing needs

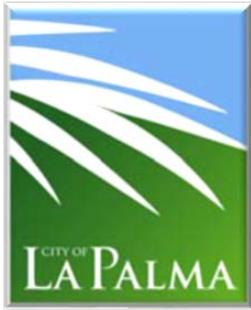




Current Environment



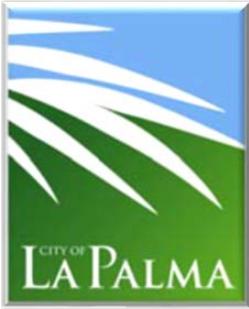
- Community Based Policing philosophy
- Improving organizational effectiveness
- Preparing the organization for a new Police Chief



What About Contracting for Police Services

- Contracting for Police Services:
 - Sheriff's Department
 - Municipal Police Department
- No cost savings for same level of service





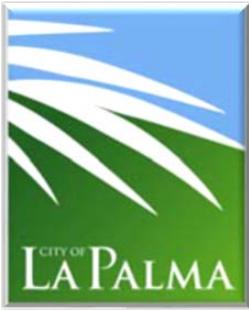
Compensation Comparisons

Nine City Comparisons

Police Sergeants: Ranked 8th of 9 like cities in Orange County

Police Officers: Ranked 8th of 9 like cities in Orange County

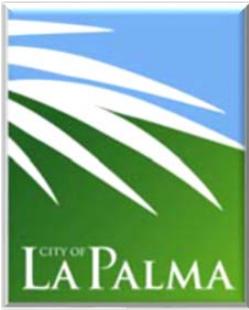
Police Dispatchers: Ranked 6th of 7 like cities in Orange County



What About Contracting for Police Services

- Issue is service levels:
 - Patrol Coverage
 - Response Time
 - Investigative Follow-up
 - Management/Supervision
 - Community Programs
 - Local Access
 - Local Control of Quality
- Community decides service levels





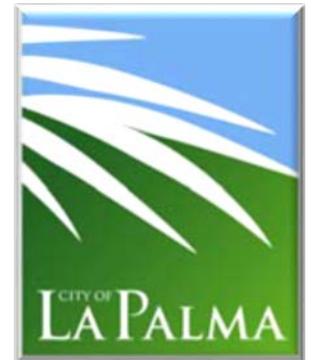
It Takes a Team

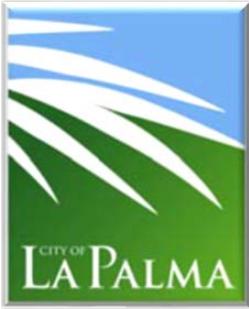
- ❑ Quality of life for our residents is not limited to just public safety:
 - ❑ Recreational programs
 - ❑ Parks
 - ❑ Street maintenance
 - ❑ Code Enforcement
 - ❑ Planning



Preserving La Palma's Future

**STATE OF
THE CITY'S FINANCES**





Fiscal Status – Current Budgets

Fiscal Year 2015-16

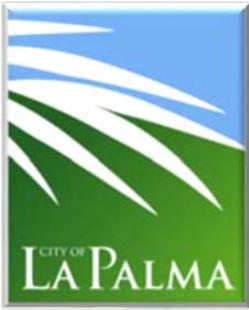
Projected Deficit of \$612,000

Fiscal Year 2016-17

Projected Deficit of \$771,800

Projected Revenues - \$9,785,600

Projected Expenditures - \$10,557,400



Fiscal Status – Revenue Sources

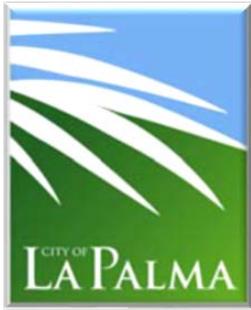
37% Property Tax - \$3.6 Million

20% Sales Tax - \$1.9 Million

11% Utility Users Tax - \$1.1 Million

8% Franchise Fees/Transient Occupancy Tax - \$0.8 Million

24% All Other Revenues - \$2.3 Million



Fiscal Status – Revenue Sources



Property Tax - \$3.6 Million



Sales Tax - \$1.9 Million

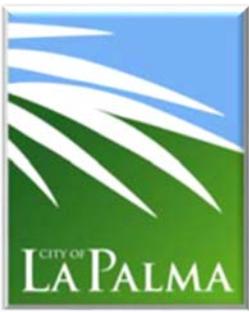
REVISED 10 Year Financial Forecast - (Actions Taken to Date and Revised Revenue Forecast)



DEFICIT \$771,800



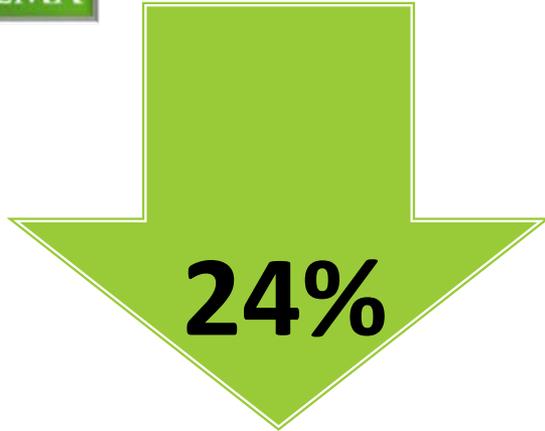
\$1.5 Million



How Did we Get Here?

Revenue Losses

- Sales Tax (Loss of Major Business & Oil Price Decline)
- Property Tax
- Redevelopment



Expense Increases

- Pension Costs
- Insurance





How Did we Get Here?

Revenues

Loss of Business
\$1.6 Million

Declining Oil Prices
\$400,000

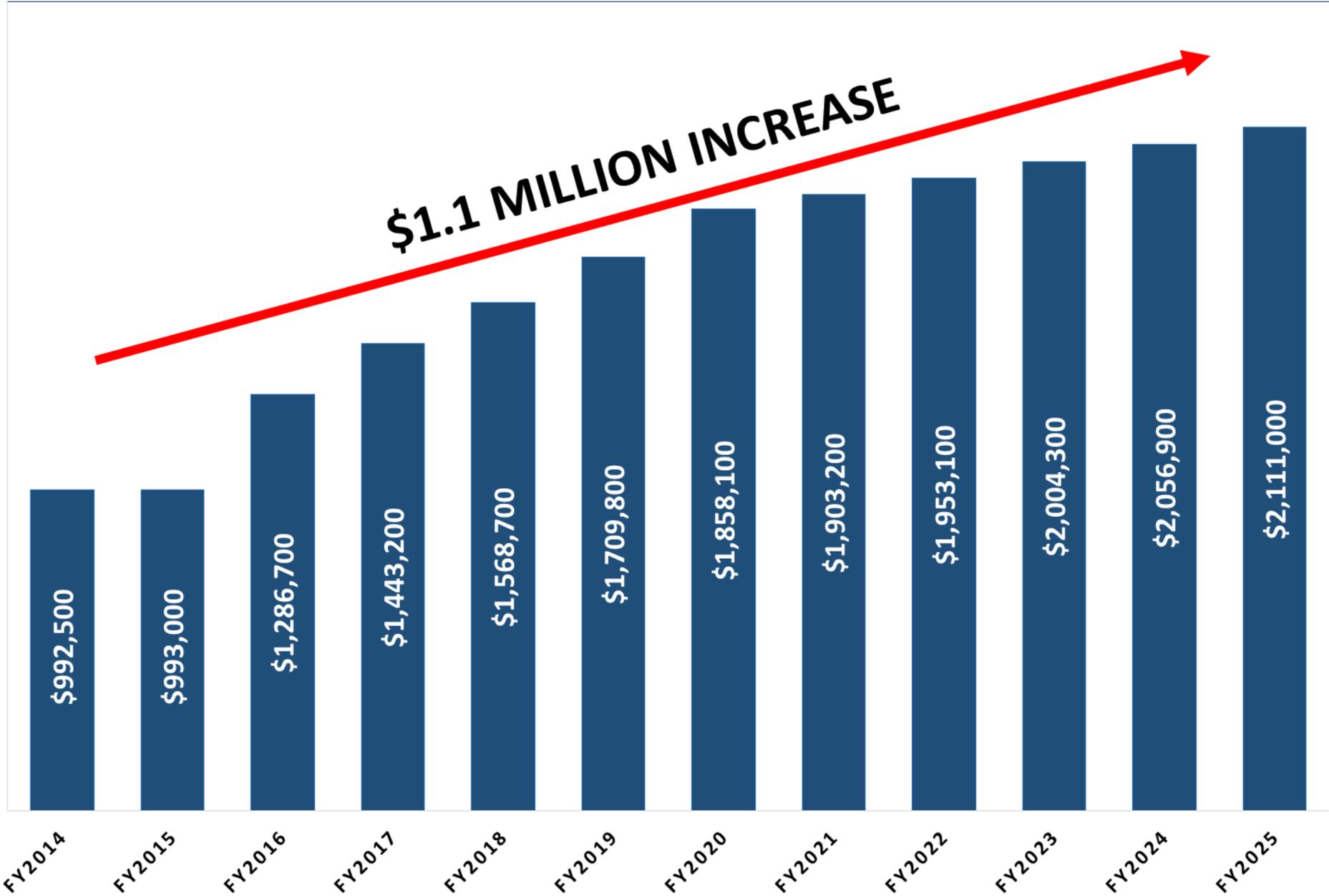
**Business Model
Change**
\$200,000

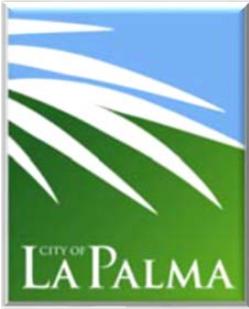
Property Tax
\$158,000

Redevelopment
\$550,000

24%
**Drop in
Revenues**

PENSION TOTAL COST (PAST & PROJECTED)

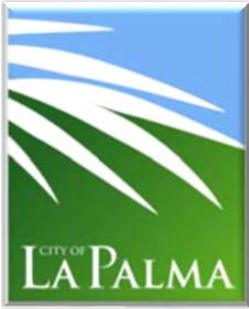




What has the City done? \$1.77 Million in Cuts

- ❑ 20% Workforce Reduction
 - ❑ Ongoing Savings \$1.2 Million
 - ❑ 65 to 52 Employees
 - ❑ 6 Departments to 4
- ❑ Labor Savings
 - ❑ Fiscal Year 2016-17 \$226,000
- ❑ Miscellaneous Cuts of \$345,000





Unfunded Future Needs

Del Amo Bridge Widening

\$7.5 Million of \$20 Million Project Cost

Seismic Retrofitting/Rebuilding Aging Civic Center

Retrofit \$8.2 Million

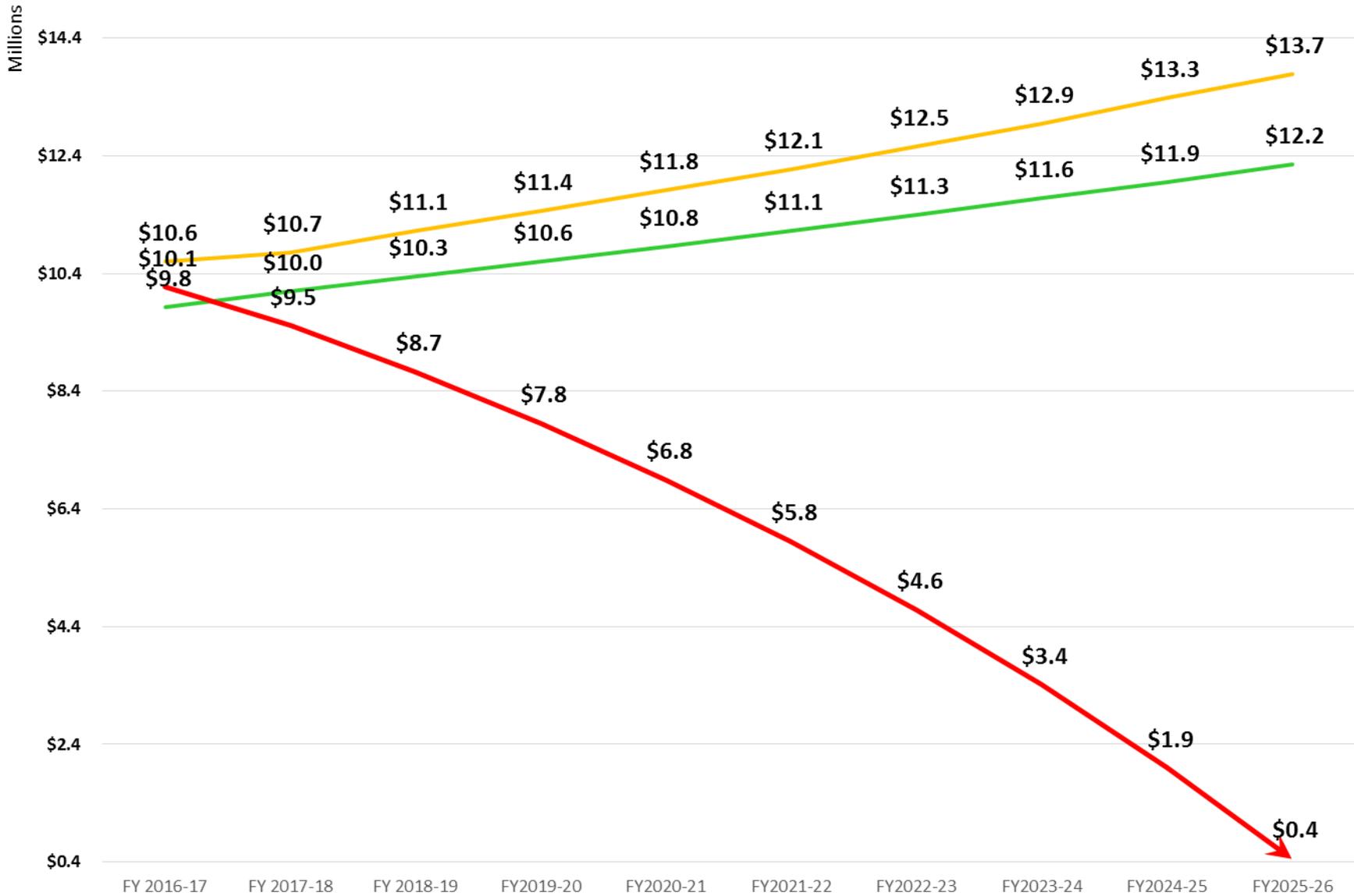
Rebuild \$13.4 Million

Pension Liability

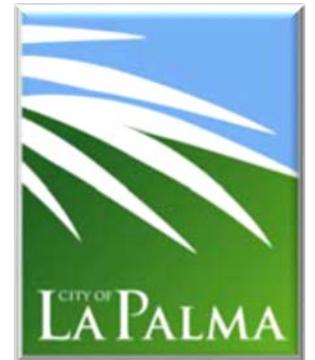
\$11.5 Million

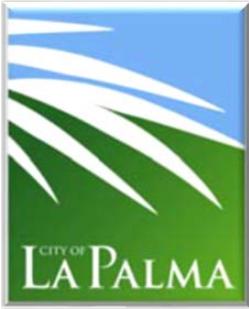


REVISED 10 Year Financial Forecast - (Actions Taken to Date and Revised Revenue Forecast)



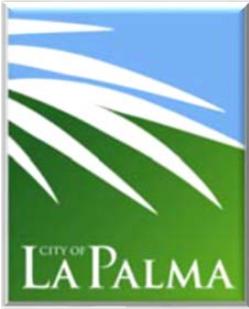
The Future of La Palma





What's Next

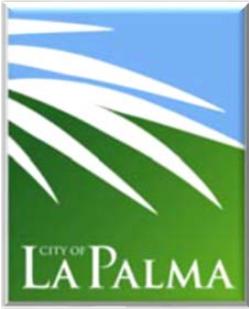




What are the Options

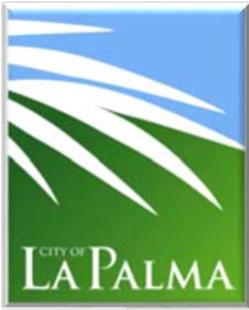


- Continue to Cut Expenses
- Raise Revenue



Options to Further Decrease Expenses

- Contract Out Police Department**
- Close Recreation/Central Park**
- Decrease Maintenance Citywide**



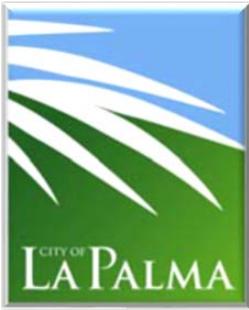
What are Options to Raise Revenues



- Sales Tax – 1%**

- \$1.5 Million**

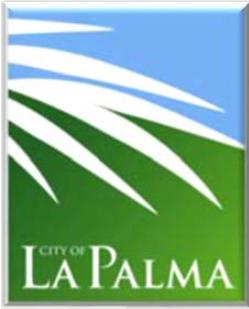
- Cost to consumer on \$1,000 purchase = \$10**



What are Our Revenue Options



- Property or Parcel Tax**
- Paid by property owners**
- To generate \$1.5 Million**
- \$350 Cost to average property owner per year**



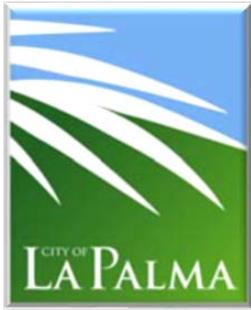
What are Our Revenue Options?



Utility Users Tax

Increase from 5% to 11.7%

Paid by Residents and Businesses

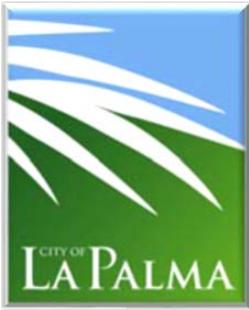


What are Our Revenue Options?



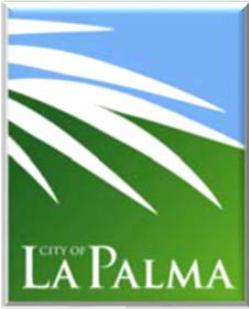
- Transient Occupancy Tax**
 - Have to Increase from 8% to 40% to generate \$1.5 Million**





What is Our Vision for The Future of La Palma ?

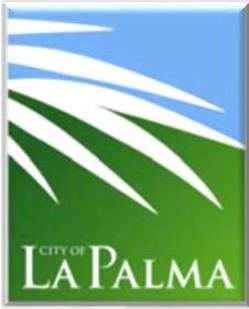
- Continue to Cut Expenses**
 - Decreased Services**
 - Decreased City Events**
 - Decreased Infrastructure Maintenance**
 - Decreased Public Safety**
 - Decreased Property Values**
 - Decreased Quality of Life**



What is Our Vision for The Future of La Palma ?

- Increase Revenues
 - Restore Services
 - Bring Back City Events
 - Maintain Infrastructure Maintenance
 - Strong & Responsive Police Department
 - High Property Values
 - Maintain Quality of Life

**LA PALMA'S
FUTURE
IS UP TO YOU...**



Audience Participation

