

You pay fees and taxes to government
but . . . How much
goes to cities?
How do they
spend it?



A look at California city finance
from the view of the taxpayer

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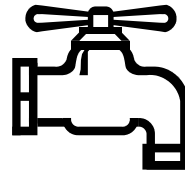
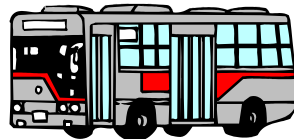
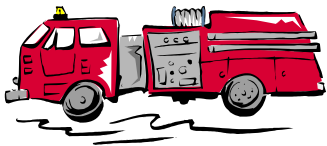
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Cities . . .



- ◆ are general purpose local governments
- ◆ provide essential frontline municipal services tailored to meet the unique needs of the communities they serve
- ◆ are funded mostly by locally enacted revenues
- ◆ provide land use planning and control



Counties . . .

◆ Hybrid local/state



- state/federal social service & health programs
 - Aid to families (CalWORKS), food stamps, foster care, In-Home Support Services

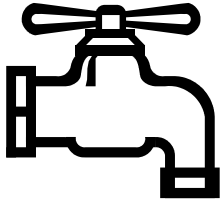


- countywide local services
 - jails, courts, elections, indigent aid, property tax collection

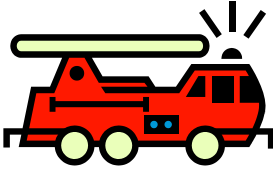


- “city” services to unincorporated areas
- ## ◆ More mandates, less discretionary \$, more vulnerable to state budgetary action

Special Districts . . .



- ◆ some “dependent”
 - ✓ some “independent”



- ◆ some are enterprise (water, irrigation, sanitation) - some are not (parks & rec, mosquito abatement, fire)



- ◆ where they provide services instead of city or county, they may get a cut of the property tax



- ◆ **redevelopment agencies** are dependent special districts

Property Tax:

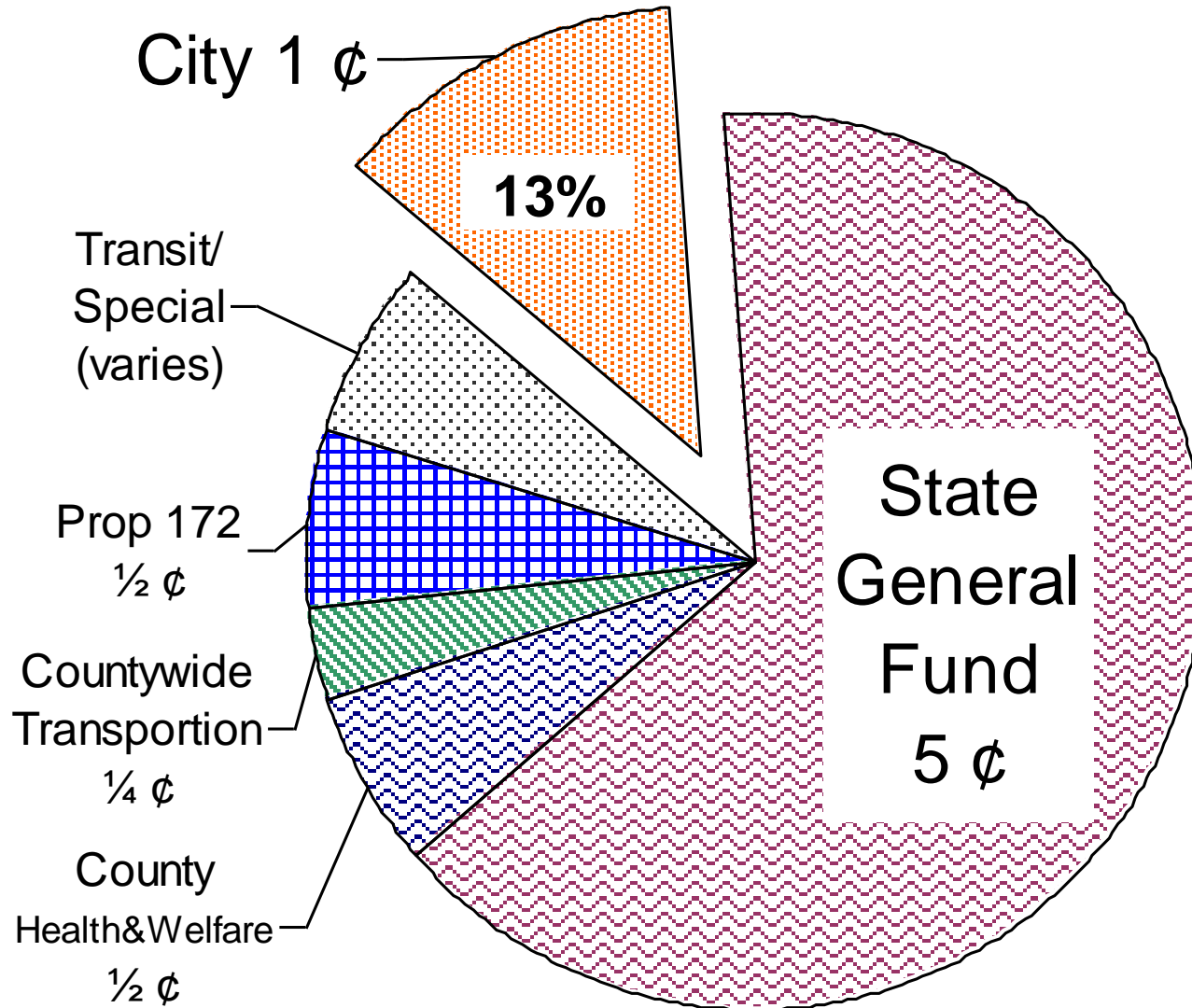
How much goes to your city?

Typical homeowner in a full service city and not in a redevelopment area.

Includes Property Tax in-lieu of VLF.

Sales Tax:

For each taxable dollar you spend, you pay sales tax to

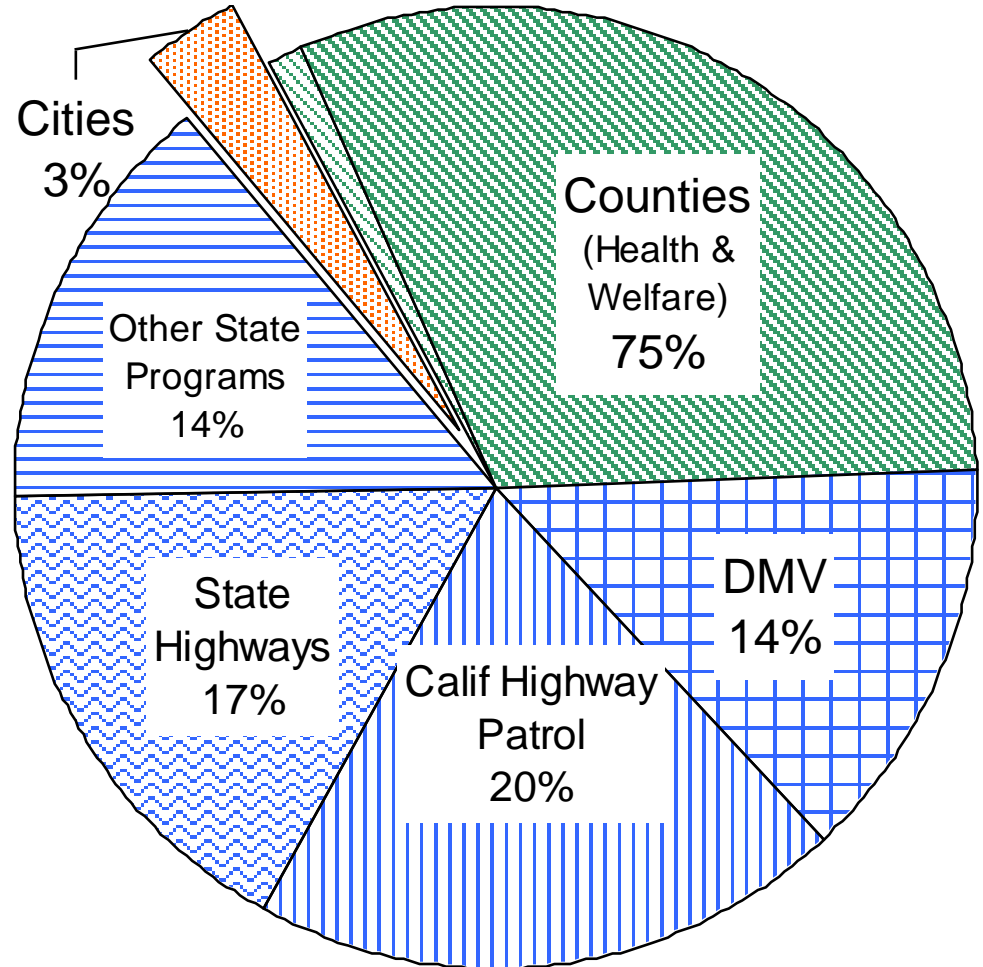


SOURCE: Calif State Board of Equalization

Vehicle License & Registration Fees

Where do they go?

	millions		
Cities	\$ 164	3%	} VLF*
Counties (Health & Welfare)	\$ 1,496	31%	
DeptMotorVeh	\$ 650	14%	} Fees
Calif Highway Patrol	\$ 970	20%	
State Highways	\$ 800	17%	
Other State Programs	\$ 680	14%	
Total	\$ 4,815		

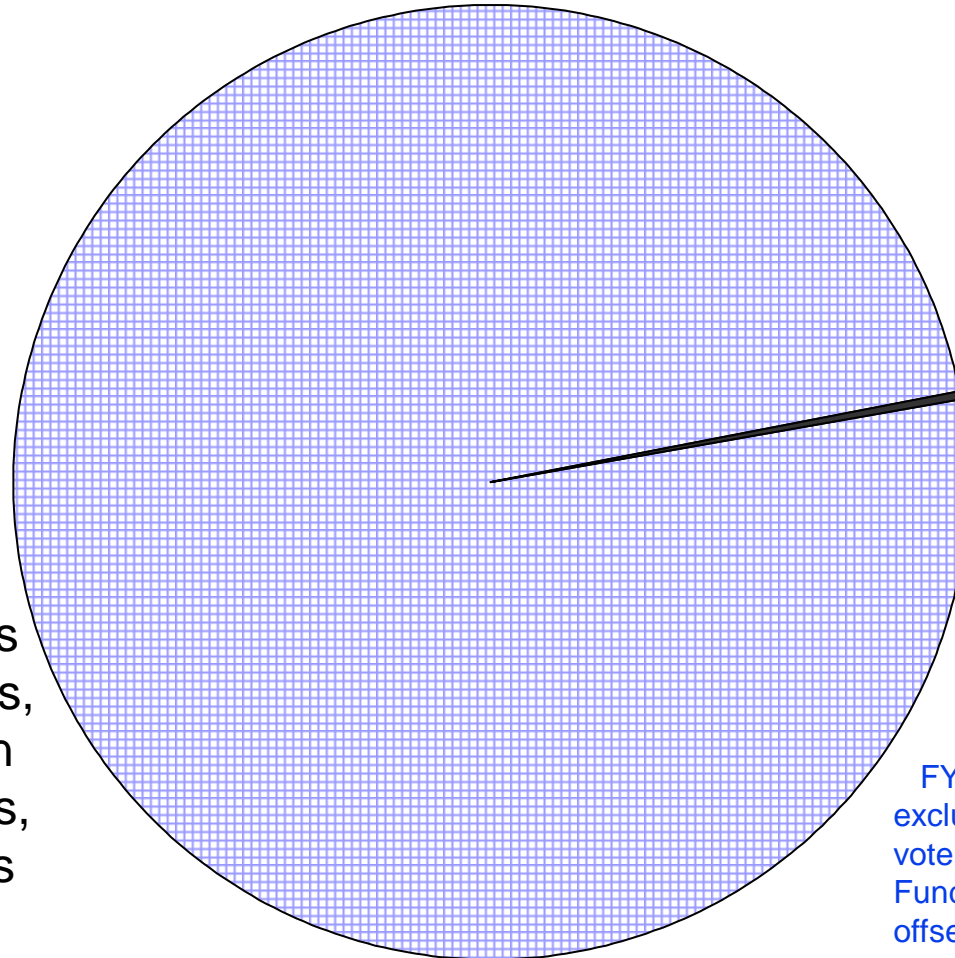


*0.65% Vehicle License Fee or "car tax" in lieu of local property tax.

Source: Coleman Advisory Services calculations from Calif Dept of Finance and DMV data.

State General Revenues

including State Income Tax, State Sales&Use Tax:
How much goes to your city?



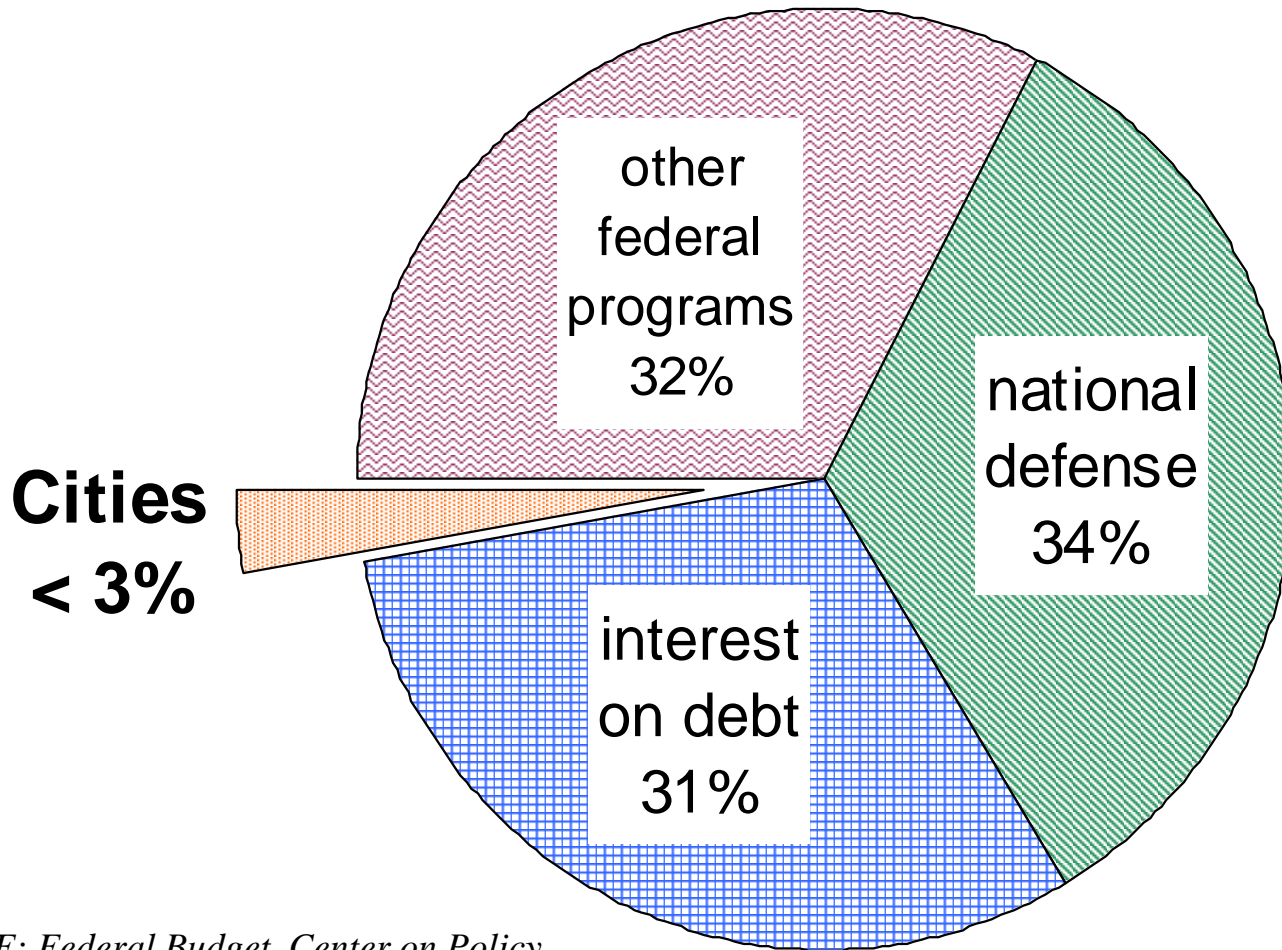
To Cities
less than
1/5 of 1%

State program
funding includes
schools, colleges,
health & human
services, prisons,
tax relief, courts
and others.

FY04-05 Adopted General Fund Budget
excluding bond proceeds. Does not include
voter approved Prop 172 Local Public Safety
Fund = \$150m to cities which only partially
offsets ERAF property tax shifts.

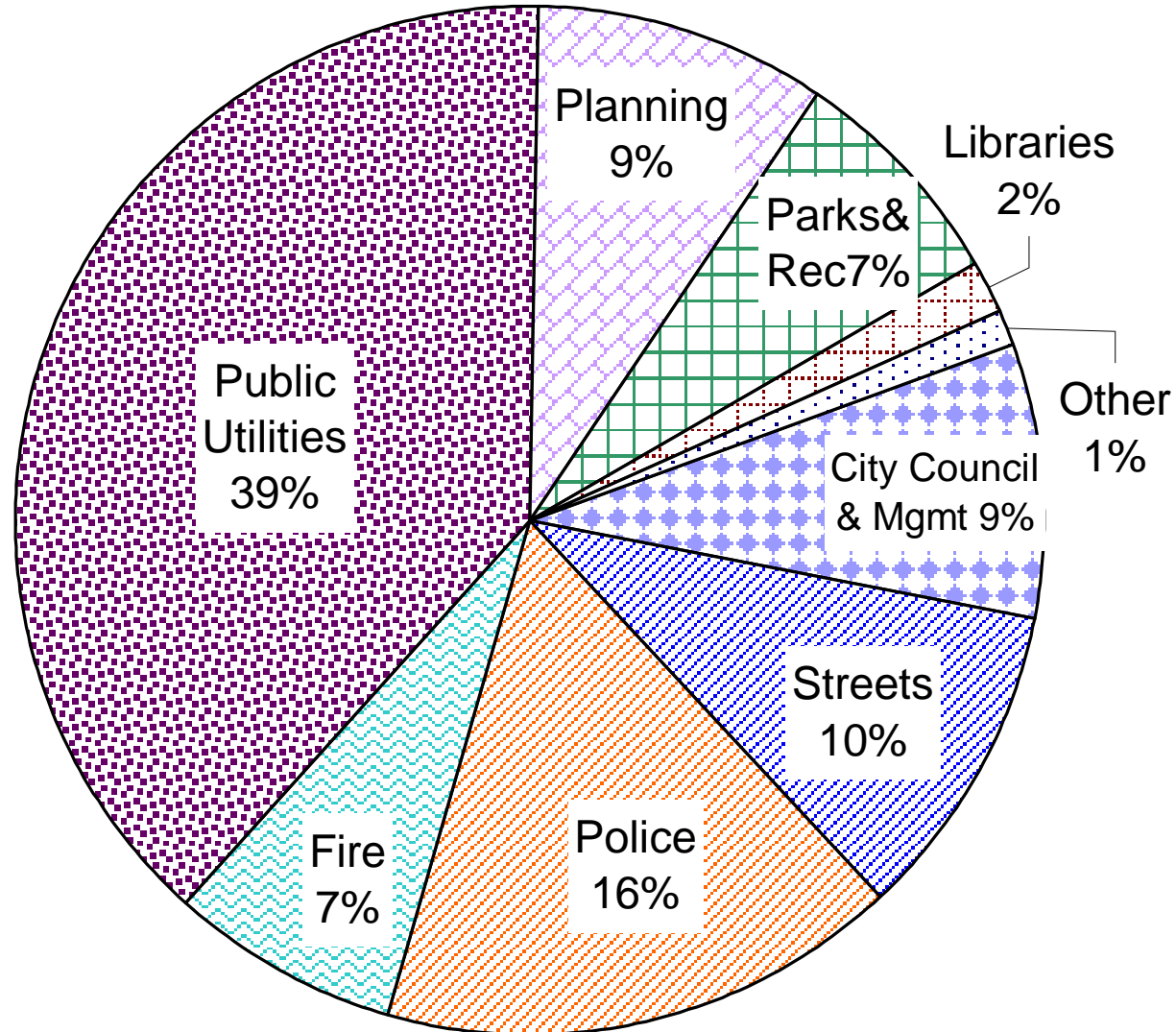
\$90 Billion State General Fund

Federal Income Tax: How much goes to your city?



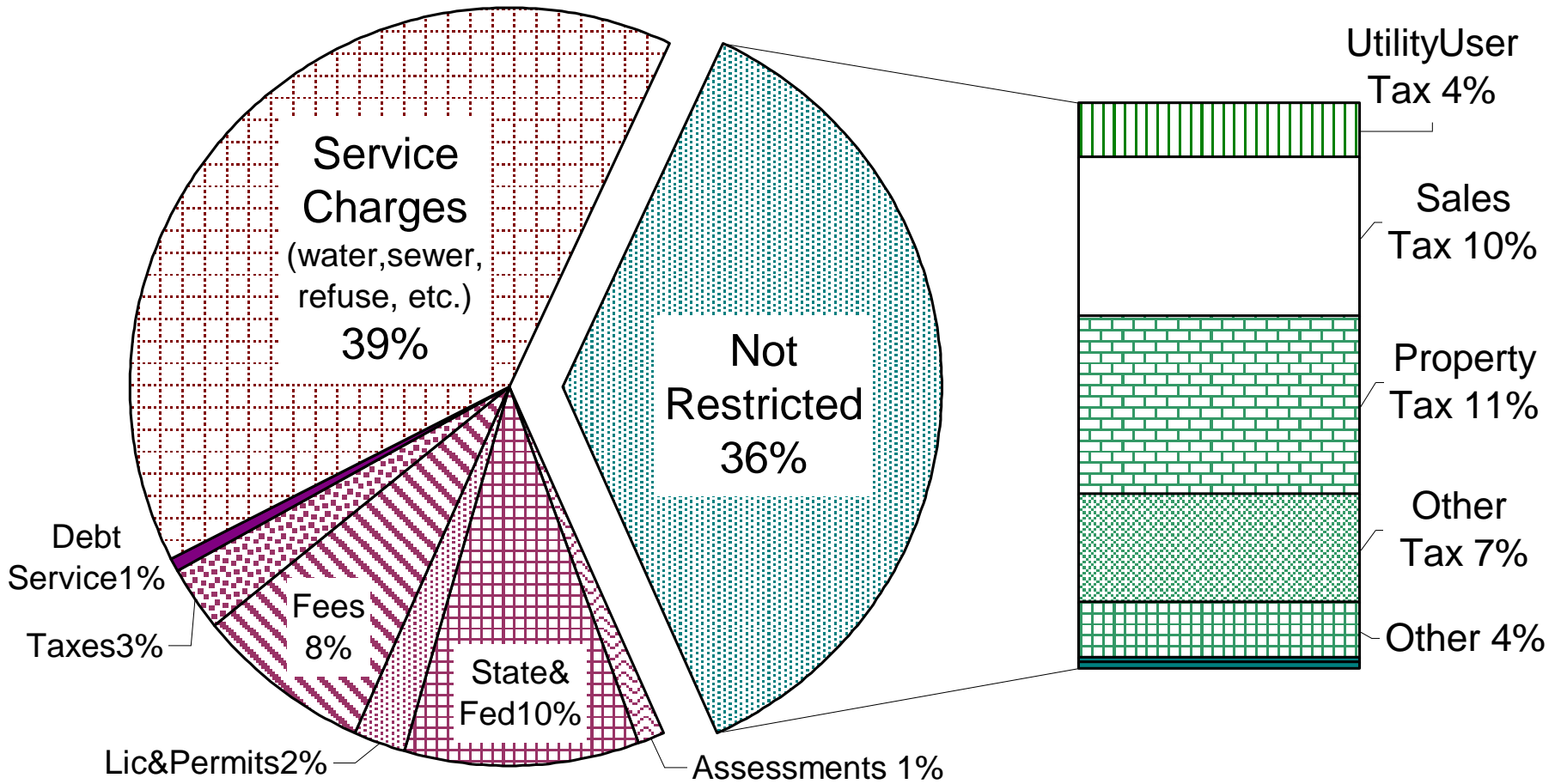
*SOURCE: Federal Budget, Center on Policy
Priorities, Coleman Advisory Services*

California City Spending



Source: State Controller. Excludes San Francisco

California City Revenues

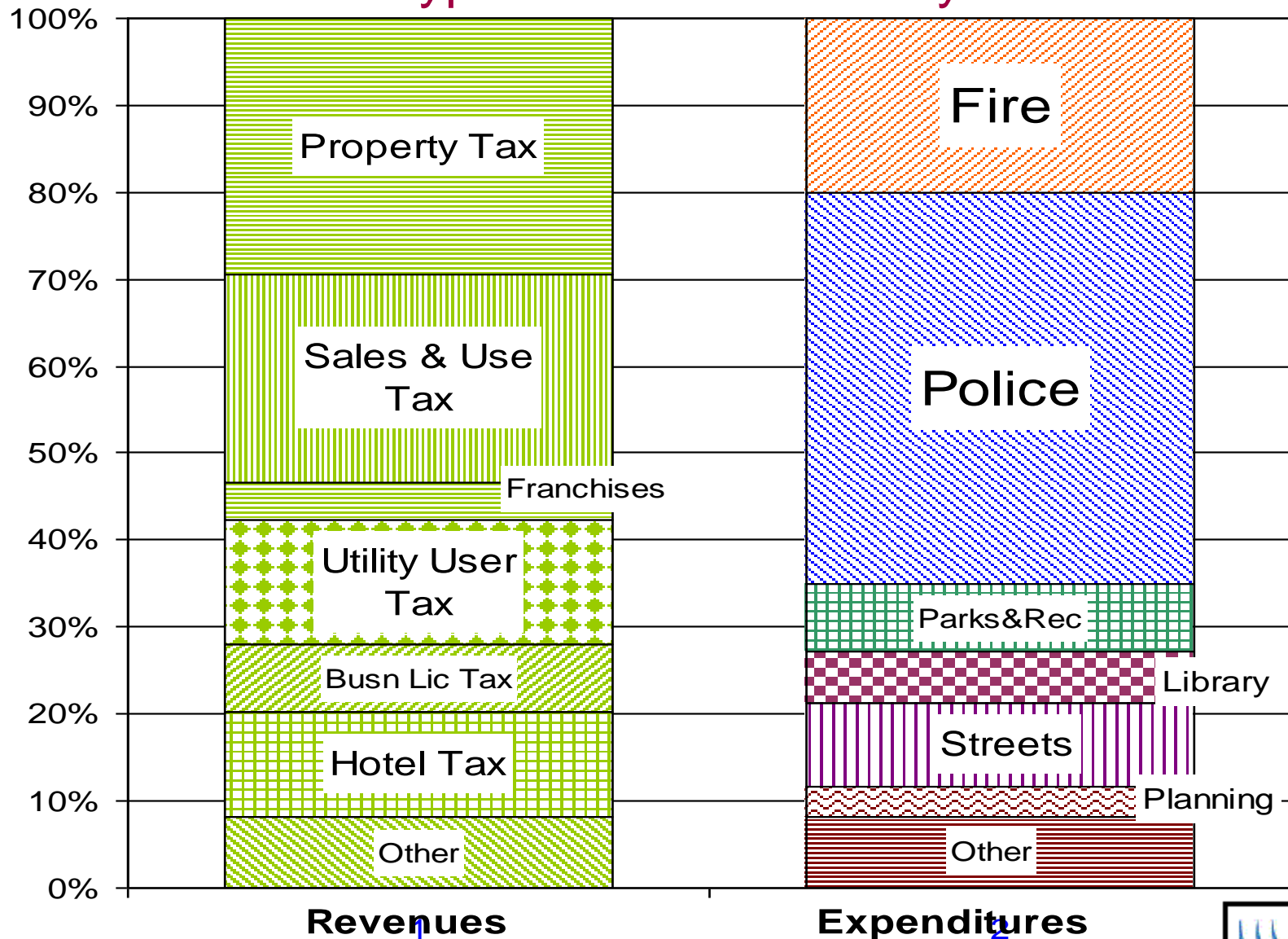


*Source: Coleman Advisory Services, State Controller.
FY01-02 data adjusted for 2004 VLF – PropTax swap.*



Discretionary Revenues and Spending

Typical *Full Service City*



The Value of City Services

- ◆ The average city resident pays \$59.25/month for city services (not including fee-funded public utilities such as water, sewer, flood control and garbage collection provided by many cities)

- ◆ \$59.25 pays for one of these:
 - One month of cable TV service
 - Two or three hardback books
 - One month at the gym
 - Three compact disks
 - Dinner for two
 - Movie and snacks for a family of four

- ◆ Or... \$59.25 pays for all of these:
 - 24 hour police and fire protection
 - Well-groomed parks and trees
 - Safety lighting for streets
 - Community events
 - Community economic development
 - Paved and maintained city streets
 - Community library system
 - A well-planned, zoned community
 - Professional management of a citizen's tax investment in the community