

PUBLIC NOTICE • CITY CITIZEN ELECTOR • PUBLIC NOTICE

If there is any desire to maintain and protect the renter's/homeowner's residential-property-tax-producing systems for most California cities (and especially local government agencies) with the power to tax, city budgets should be easily understood by the average citizen!

With many thanks to the Howard Jarvis Taxpayers Association former President Joel Fox and Steve Frates, Ph.D. of the Claremont-McKenna Colleges, the following material is now public information under the banner of the City Citizen Non-Partisan Elector. Both Fox and Frates addressed problems that are overly common for California cities, due to their budget process.

Non-Partisan Budget Clarity Issues

1. In the first few pages of the budget there should be a chart showing the total number of city employees and the total amount allocated for salaries and benefits. This chart should show the relevant figures for the current (or proposed) budget and the figures for the last 10 years.

REASON: *Pensions are debt obligations for taxpayers. With 70% of budgets made up of salaries, city "charting" allocation is important!*

2. At the start of each departmental budget section, an organization chart should be provided simply showing the number of personnel and within each employment category.

REASON: *This information helps to give a more precise understanding, with the evaluation of each department's operations and efficiency.*

3. A comprehensive schedule showing all Joint Powers Authorities (JPAs) in which the city is involved should be provided, along with a clear, concise narrative describing what each JPA does, the nature of the city's relationship with the JPA, and who is on its governing board. In addition, have a schedule showing, at a minimum, each JPA's revenues, expenditures, structured debt and debt repayment. This schedule should cover the entire history of the JPA, and note the date incurred and purpose for "any" debt involving the JPA. A similar comprehensive schedule should clearly be provided for the Community Redevelopment Authority (CRA).

REASON: *The issue here is debt without a vote. Also, personnel can go unnoticed in these independent governments. Accountability for city JPAs and CRAs is important, including issues of abetted property tax increments which are denied to schools, cities and counties.*

4. A comprehensive schedule showing all Certificates of Participation (COPs) and lease revenue arrangements in which the city is involved should be provided, along with a clear, concise narrative describing what each COP involves. The composition and board membership of any COP-related entity with which the city is involved, and all relevant revenue flows, should be clearly stated!

REASON: *Lease/purchase costs are often hidden in department budgets. City controllers have recently expressed concern about this issue.*

5. A comprehensive summery schedule of the city's debt structure should be provided. At a minimum, this schedule should clearly show all service and debt obligation of the city, any JPAs involving the city, and any debts the city is responsible for retiring.

REASON: *All debt must be accounted for: General obligation bonds, revenue bonds, COPs, etc. We must know the revenue source for each instrument and when the debt is due to be retired. Bond revenue must be used for its expressed purpose. This will prevent problems exemplified such as within a city when bond money for its-intended-purpose is used for any-unintended-purpose.*

6. A comprehensive schedule showing all elements of the city's capital plant, associated values and associated useful life projections of all elements of the capital plant should be provided. The locations of all major buildings and facilities should be listed, preferably grouped by geographic area and defined by zip code.

REASON: *This is needed to properly understand issues of infrastructure and replacement or repair.*

Quite simply, the foregoing material addresses honesty.

Sincerely,

Lou Filipovich

PAID FOR BY SAN LEANDRO CITY CITIZEN NON-PARTISAN ELECTORS