



CITY OF LA PALMA

NEWS RELEASE

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For Immediate Release
May 6, 2015

La Palma Budget Workshop Scheduled for May 11th

LA PALMA, Calif. – The City of La Palma is encouraging the community to attend the City Council Budget Workshop on Monday, May 11, at 6:00 p.m., in the City Council Chambers of La Palma City Hall, 7822 Walker Street.

The Budget Workshop is being held because the City is projected to have a substantial general fund budget deficit next Fiscal Year and into the future. As noted by City Manager Ellen Volmert, “the City cannot continue to provide current services, the way they are provided, with current revenues. While significant action has already been taken by the City Council and City staff, more is needed for La Palma to have a sustainable financial future.”

The City began the current budgeting process with an over \$700,000 gap in expenditures over revenues, largely due to four drivers threatening the City’s sustainability. Those drivers are: a significant drop in sales tax revenue due to the decline in oil prices; a drop in property tax revenues due to the move of a major property owner to non-profit status; a rise in California Public Employees Retirement System (CalPERS) costs over the next five years due to required payments for the City’s prior unfunded pension liabilities; and rising insurance costs for both general liability and workers compensation. The deficit is not a one year problem and long term financial forecasting indicates that the current level of revenues and expenditures is not sustainable into the future.

In an effort to close the gap, the City Council has tentatively authorized the reduction or suspension of many La Palma programs, including: La Palma Days, the Fit-n-Fun afterschool program, the Police Interaction with Youth (PIY) program, and one summer concert. The City is also considering the reduction of City full-time personnel from 55 employees to 52, including: the Police motorcycle Traffic Enforcement Officer, a vacant Maintenance Worker position, and Police Record’s Clerk position. This reduction in personnel takes the City to pre-1985 staffing levels.

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In looking at what options remain for the City, the City Council will take into consideration what the City has already done to address its declining financial situation. Some significant changes over the last five years include:

- Changes in the City's labor agreements with all employees now paying their full employee contribution towards retirement, no salary cost of living adjustments in four of the past five years, and no employer increases towards increasing health insurance premiums.
- Reductions in full-time staff from 63 full-time employees in 2012, to 55 employees in 2014.
- Restructuring of four City Departments into two Departments with a corresponding reduction in management staff.

After the May 11 Budget Workshop, the community can continue to provide public input at the May 19 regularly scheduled City Council Meeting and at the tentatively scheduled Public Hearing for Budget Adoption on June 2. Additional information about the City current and previous budgets, are available on-line at the City's website: www.cityoflapalma.org/finance.

About the City of La Palma

Ranked by Money Magazine in 2007, 2011, and 2013 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 over 15,568 residents and approximately 300 commercial and industrial businesses. The City was incorporated in 1955 under the name of Dairyland and has 55 full-time and 35 part-time employees.

Contact Information

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