



Special Edition ...

FogCutter

Your community newsletter
Vol. 9 No.3 Community Values and Priorities Special Edition — Fall, 2009

A message from the City Manager ... a community conversation to identify values and priorities.

Daly City, like cities, counties, and school systems across California, must adapt to the most significant economic downturn this country has experienced in generations. Business as usual is no longer a viable option for local government agencies hoping to achieve long-term sustainability. As we look to 2010 and beyond, the City must thoughtfully evaluate the services it provides to the community. Change is inevitable if we are to overcome the fiscal challenges facing our City.

An important first step in the process of this change is to carefully consider the values of the community we serve. Daly City's policymakers, the City Council, and staff want to know what is important to you. You have the ability to influence decisions regarding the future of city-provided services and the method by which these services are delivered. The City Council must ultimately decide how to best utilize the available resources, but they are counting on the community to participate in the decision making process.

You will have at least two opportunities to directly participate in identifying community values and priorities. The first is a brief survey found in this special edition of the FogCutter. Please take a moment to complete the survey. You can return your completed survey in the enclosed postage-paid envelope, or take the survey online and save the City the cost of postage! Feel free to complete the survey as a household, family, or as an individual. Discussing the survey with family members or roommates is a good way to begin a dialogue about the City-provided services and programs that you value the most. You'll have an opportunity to continue the conversation about community values and priorities at one of the four upcoming community forums (the meeting schedule is on page 8 of this newsletter).

The City Council welcomes community input and appreciates fresh perspectives and innovative ideas that will lead to more efficient and effective services. Community input is especially welcome as the City Council begins to prioritize services and programs based on the community's core values. This approach to allocating resources is fundamentally different than what has been done in the past. Many local government agencies, including Daly City, have addressed budget imbalances by making incremental cuts to services and programs. The problem with making incremental budget cuts is that it fails to consider the community's values, priorities, and expectations. Daly City will use a Zero-based Budgeting (ZBB) method for the 2010-12 two-year budget, and will make value-based decisions to determine funding levels for the services and programs deemed to be most important.

Cities across the country are facing tough new economic realities. The financial crisis gripping the nation has had an especially harsh impact in California. The jobless rate is approaching 11%, home foreclosures remain high, and businesses across many sectors have been forced to close down. Daly City's two top revenue sources — sales and property taxes — have declined sharply, while operational costs continue to increase. The time has come to retool local government services and programs.

The Daly City of tomorrow is going to be decidedly different from the Daly City of the past. We sincerely hope that you will join us in defining how we will shape the future of our community. Change is sometimes difficult, but it can also be refreshing and rewarding. Together, we can embrace this opportunity to make Daly City a better place to live, work, and play.

Patricia E. Martel, City Manager



Pat Martel,
City Manager

Involving the community ...

Adapting to California's new economic reality

... you can also play an important role.

Cities and counties across California are reeling from the recession. The costs for providing essential local government services are rising disproportionately to the resources available to many cities. Consequently, it is becoming increasingly more difficult to maintain historic service levels. An imbalance between revenues and expenditures could endanger Daly City's long-term sustainability unless the City acts decisively to close the gap.

Residents will have an opportunity to help shape the City's future by participating in the process of identifying the community's core values. A series of public forums to discuss our community values is scheduled in the coming weeks. Daly City residents are encouraged to attend at least one of the forums (see the schedule at the right).

The process of identifying the community's core values will provide the City Council with a context for developing spending priorities for the coming years. Daly City remains committed to preserving a high standard of service, but must do so within its financial means. You have two unique opportunities to help influence and shape the City's future budget priorities: Attend one or more of the Community Forums, or complete and return the survey found on pages 5 and 6 of this newsletter.

Local governments rely on a variety of funding sources to pay for basic operational expenses for things such as police and fire services, street repairs, libraries, park maintenance, and recreation programs. Revenue is derived primarily from

**Community Values
Public Forums**

Saturday, Sept. 26
11:00 a.m. to 1:00 p.m.
Bayshore Community Center – 450 Martin St.

Thursday, Oct. 1
6:30 p.m. to 8:30 p.m.
Gellert Clubhouse – 50 Wembley Drive

Tuesday, Oct. 20
6:30 to 8:30 p.m.
War Memorial Activity Room – 6655 Mission St.

Saturday, Oct. 31
11:00 a.m. to 1:00 p.m.
Larcombe Clubhouse – 99 Lake Merced Blvd.

fees and taxes. The City's General Fund Operating Budget maintains a balance between expenditures – the costs for providing services and programs – and revenues – the funding that allows the City to pay the operational costs.

Nearly half of Daly City's General Fund revenue is derived from two sources: property tax (34%) and sales tax (13%). The recent and continuing downturn in the economy has had a tremendous impact on the City's sales tax and property tax revenue. Local sales taxes are shrinking and many retail stores are struggling to survive. The demise of large retailers such as Mervyn's, Circuit City, and Linens 'N Things took a sizeable bite out of the City's sales tax pie.

The subprime mortgage crisis is another contributing factor to Daly City's revenue dilemma. Daly City has had more foreclosures than any other city in San Mateo County. Homeowners on the brink of foreclosure are often delinquent in paying property taxes. If the County Assessor's Office is unable to collect property taxes, the City does not receive its share. The problem is compounded when the house is resold. Foreclosed properties are sometimes sold well below market rate. Lower home prices, while good news for prospective

— continued ... see *New Economic Reality*, page 7

Contents

Message from the City Manager <i>Identifying community values/priorities</i> ...	1
California's new economic reality	2
Understanding the City's budget	3
Daly City community services	4
Community Survey	5-6
Community Calendar	8

... be a part of the process.

Understanding the City's budget process

Guidelines for the future of our City.

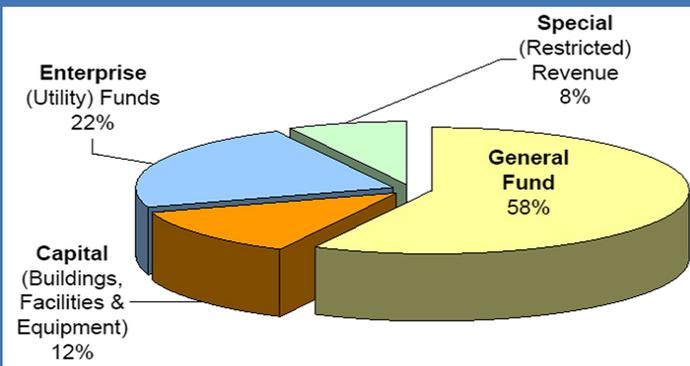
Each year the City Council adopts an Operating Budget and a Capital Budget. The Operating Budget establishes the funding limitations for expenses related to government operations – including things like employee salaries, materials, supplies, and other contractual obligations (such as animal control services). The Capital Budget includes funding for the purchase of major equipment and the costs associated with repair, renovation, and construction of City facilities (such as community centers, fire stations, libraries, and streets). Both budgets span a 12-month period known as the Fiscal Year. In Daly City, the Fiscal Year runs from July 1 to June 30 of the following year.

The Operating Budget includes discreet funds that have varying legal restrictions dictating how they can be used. Of all the funds, only the General Fund can be allocated mostly at the discretion of the City Council. It is the General Fund budget that pays for most of the basic programs and services provided by the City.

and Recreation (\$8.42 million), General Government (\$7.1 million), Public Works (\$5.61 million), Library (\$3.67 million), Economic and Community Development (\$3.57 million), and other expenses (\$2.47 million).

Balancing the City's budget has become increasingly difficult in recent years. The State of California "borrowed" a portion of the City's property tax revenue, compounding the impacts related to the ailing national economy and mortgage crisis. Fortunately, the City Council and staff reacted quickly to make budgetary adjustments to offset the revenue losses. Many City employee groups voluntarily agreed to take 9 unpaid furlough days between April 1 and December 31, 2009 to help reduce expenditures. Additionally, many employees agreed to forgo salary and benefits increases, saving the City hundreds of thousands of dollars. The City also eliminated more than 40 full-time positions.

Total City Expenditures by Fund - 2008-09



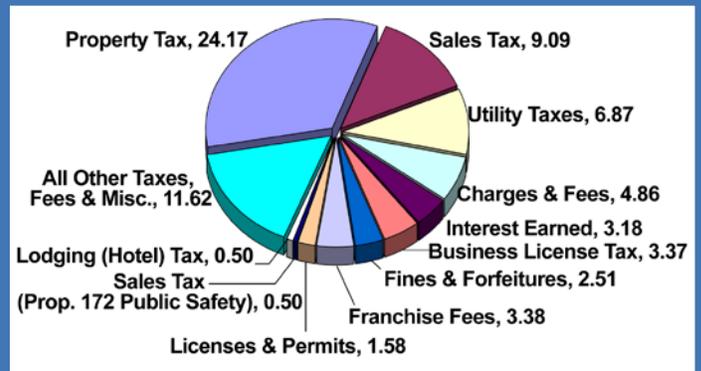
Revenues - Where the Money Comes from to Pay for Services

General Fund expenditures are based on projected revenues. Tax revenues are used to directly fund many of the government delivered programs and services available in Daly City. Local revenue sources include property taxes, sales taxes, utility user's taxes, business license taxes, franchise fees, and motor vehicle registration fees.

Expenditures - Funding Daly City's Basic Services and Programs

Daly City's adopted General Fund Operating Budget for the current fiscal year is approximately \$72 million. More than half of the City's General Fund expenditures are related to public safety. The operating budgets of the Police Department (\$26.58 million) and Fire Department (\$14.41 million) account for 57% of the City's total General Fund expenditures. The remainder of the General Fund budget is allocated to Parks

Daly City's General Fund Revenues - 2008-09 (millions)



— continued ... see *City Budget Process* page 7

We need your opinions. Be sure to complete and return the questionnaire on pages 5 - 6

Reaching out to the community ...

The services your City delivers ...

What exactly does Daly City do for its residents? Sometimes it's difficult to navigate through the many layers of government that our tax dollars fund. Daly City, as a municipal government, provides essential services at the local level. The City doesn't run public schools or local hospitals, but does provide a full array of services that directly affect your quality of life.

The **Police** Department is the primary law enforcement agency in the City. It provides enforcement of traffic laws, responds to 911 calls, coordinates criminal investigations, catalogues and maintains evidence, and participates in regional special operations and task forces.

The **North County Fire Authority** serves Daly City, Brisbane, and Pacifica. Daly City has five fully staffed fire stations and stands ready to respond to emergencies 24/7, every day of the year. Your fire department provides advance life saving paramedics at every medical emergency call and maintains state-of-the-art firefighting equipment, trucks, and engines.

Public Works maintains City streets, sidewalks, traffic signals, and all City-owned facilities, including City Hall, libraries and community centers.



Fire/Paramedics ...



Public Safety ...



Public Works ...



Recreation Facilities ...



Youth/Teen/Adult Sports ...



Libraries ...

... and much, much more.

— continued ... see *City Services*, page 8

We want to know what you think. Please complete and return this questionnaire.



Copies of this survey are also available in Tagalog, Spanish, and Chinese.

這份問卷調查有菲語，西班牙語和中文版本提供。索取一份合適你的語言的問卷調查，請與策劃部聯絡，電 (650) 991-5526

Copias de ésta encuesta estan disponibles en Tagalo, Español y Chino. Para una encuesta traducida, por favor llame (650) 991-5527
Mga kopia sa Katanungan ay magagamit sa Tagalog, Espanyol at Chinese. Sa naisalin na mga Katanungan, tumawag sa (650) 991-5528

Please return by September 25, 2009

CITY OF DALY CITY COMMUNITY PRIORITIES QUESTIONNAIRE (side 1 of 2)

The answers you provide will help us make Daly City an even better place to live.

1. Please identify your connection to Daly City.

- Business owner Property owner Homeowner
 Renter Employee Other _____

2. Please indicate your age group.

- Under 18 years 18 to 30 31 to 45 46 to 65 Over 65

3. Is it convenient for you to communicate with the City via the Internet? Yes No

4. How satisfied are you with Daly City as a place to live?

- Very satisfied Somewhat satisfied Not satisfied Very dissatisfied

5. Please rank the five (5) factors that are most important to you in evaluating your quality of life in Daly City.

1st _____ 2nd _____ 3rd _____ 4th _____ 5th _____

- | | | |
|-----------------------------|--|--|
| A. Location | F. Recreational programs | K. Housing cost |
| B. Open space | G. Quality of schools | L. Sense of community |
| C. Employment opportunities | H. Public safety | M. Streets & infrastructure |
| D. Transportation | I. Physical design | N. Cleanliness of streets and public areas |
| E. Library services | J. Community amenities (shopping, dining, entertainment, etc.) | |
- Other: _____

6. To what extent do you believe the City's ability to provide services to the Daly City community have been affected by the current financial crisis?

- Not at all Minimally Moderately Significantly Severely

7. How you feel about Daly City:

	Excellent	Good	Fair	Poor	Not sure
As a place to live	<input type="checkbox"/>				
Quality of life in Daly City	<input type="checkbox"/>				
As a place to raise children	<input type="checkbox"/>				
As a place to work	<input type="checkbox"/>				
As a place to retire	<input type="checkbox"/>				
Quality of services provided by the City	<input type="checkbox"/>				
Value of services provided by the City for the taxes and fees you pay	<input type="checkbox"/>				

This survey can be completed online; www.dalycity.org

CITY OF DALY CITY COMMUNITY PRIORITIES QUESTIONNAIRE (side 2 of 2)

8. How would you rate the following:	Excellent	Good	Fair	Poor	Not sure
Fire department services	<input type="checkbox"/>				
Police protection	<input type="checkbox"/>				
Maintenance of City parks & recreational facilities	<input type="checkbox"/>				
Hours, services & programs provided by the library	<input type="checkbox"/>				
Quality of drinking water	<input type="checkbox"/>				
Maintenance and repair of City streets & sidewalks	<input type="checkbox"/>				
Youth recreational programs and service	<input type="checkbox"/>				
Senior programs and services	<input type="checkbox"/>				
Removal of graffiti	<input type="checkbox"/>				
Crime awareness and prevention programs	<input type="checkbox"/>				
Code enforcement (weed abatement, removal of abandoned vehicle, property violations, etc.)	<input type="checkbox"/>				

9. What three things are the most important to you in making Daly City a great place to live (check no more than 3 boxes)?

- Removal of graffiti and litter
- Crime awareness and prevention programs
- Expanded public transportation
- Recreation programs and facilities
- Library programs and facilities
- Affordable housing opportunities
- Stricter code enforcement

Other: _____

10. Please list your top three community priorities: _____

11. What City services would you give up or reduce to pay for your top three priorities? _____

Please visit the City's website at www.dalycity.org for information about your community.

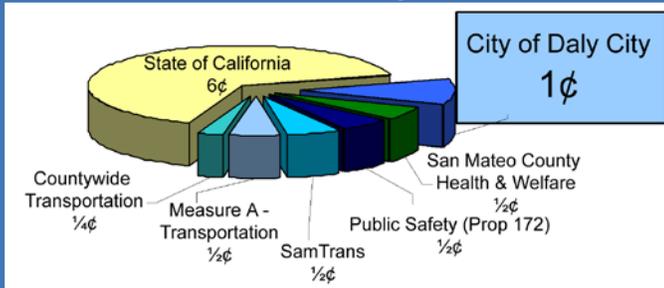
This survey can be completed online; www.dalycity.org

City budget issues

City Budget Process ...from page 3

Daly City's share of both sales tax and property taxes are relatively small. For every dollar of property tax paid in Daly City, only 17 cents revert back to your municipal government. Forty-four percent of local property taxes go to the State of California (including school districts). San Mateo County takes 22%, special districts 9%, and redevelopment agencies 8%.

Shares of 9.25% Sales Tax for each \$1 spent



Sales tax dollars are also split between the State, County, City, and public transportation agencies. San Mateo County's current sales tax rate is 9.25%. For every taxable dollar you spend in Daly City, you pay 9.25 cents in sales tax. Daly City receives only one cent of the sales tax.

Although Daly City has the largest population of all 20 cities in San Mateo County, its tax revenue is among the lowest when measured on a per capita basis (a ratio of revenue to the number of residents). Other cities simply have more revenue relative to their respective populations. Daly City's reputation of doing more with less is well known in the Bay Area.

Daly City's Operating budget is available online at: www.dalycity.org/budget

General Revenue Per Resident San Mateo County Cities



New Economic Reality ...from page 2

buyers, means lower property tax rates for the City, County, and school districts.

While economists debate whether the recession is coming to an end or getting worse, most agree that its effects will linger for many years to come. Some analysts have been using the words "new normal" to describe the post-recession economy. Daly City's "new normal" appears to be considerably different than the "old normal" – or in other words, business as usual is no longer possible. The City must adapt to changes in the economy to meet the service needs of the community.

Daly City is not alone in the current fiscal crisis. Municipalities throughout California and the world are facing the tough economic difficulties. Daly City has weathered more than one economic downturn in its storied history. The community is resilient and will emerge stronger than ever.

Your Property Tax Dollar

Only 17 cents of each property tax dollar you pay directly funds Daly City services and programs



FogCutter

The Fog Cutter is the community newsletter of the City of Daly City. Please address inquiries to:

Community Information Office

CITY OF DALY CITY

333-90th Street, Daly City, CA 94015

For information about Daly City activities and programs, please check our web site: www.dalycity.org

© 2009 City of Daly City. All rights reserved.

We need your opinions. Be sure to complete and return the questionnaire on pages 5 - 6

Fog Cutter
City of Daly City
Community Information Office
333-90th Street
Daly City, CA 94015

PRST STD
U.S. POSTAGE
PAID
Daly City, CA
Permit # 1394
ECRWSS

Postal
Customer



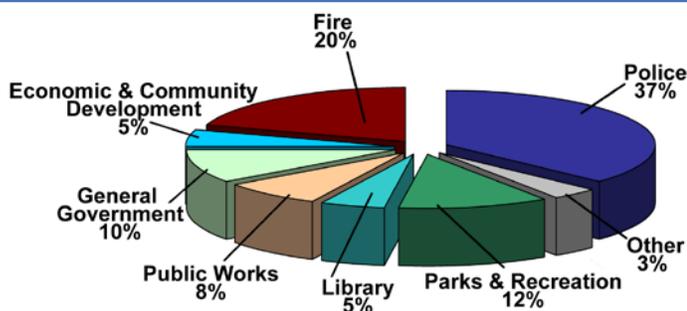
Fog Cutter

Your community newsletter

Vol. 9 No. 3 Special Edition — Fall, 2009

City Services ... from page 4

Daly City's General Fund Expenditures - 2008-09



Daly City has four **Public Libraries**: the Serramonte Main Library, Westlake Branch, John Daly Branch (at the War Memorial Community Center), and Bayshore Branch. Each has computer terminals for public use and a variety of reading programs for children, teens, and adults.

The **Parks and Recreation** Department provides activities and programs for children, teens, adults, and seniors at neighborhood parks, tot lots, clubhouses and community centers – including the War Memorial Community Center and the Bayshore Community Center. Parks and Recreation also works closely with the school districts to provide youth sports and aquatics programs.

The **Water and Wastewater Resources** Department delivers millions of gallons of clean drinking water to Daly City homes every day. And treats millions of gallons of raw sewage, too!

Daly City's "other" services include the City Attorney's Office, City Clerk's Office, City Manager's Office, Economic and Community Development, Finance, and Human Resources.

Daly City Community Calendar

City Council Meetings

City Hall – 7:00 p.m.
2nd and 4th Monday of each month

Planning Commission Meetings

City Hall – 7:00 p.m.
1st Tuesday of each month

COMMUNITY VALUES PUBLIC FORUMS

Bayshore Community Center – 450 Martin St.
Saturday, September 26
11:00 a.m. to 1:00 p.m.

Gellert Clubhouse – 50 Wembley Dr.
Thursday, October 1
6:30 p.m. to 8:30 p.m.

War Memorial Activity Room – 6655 Mission St.
Tuesday, October 20
6:30 to 8:30 p.m.

Larcombe Clubhouse – 99 Lake Merced Blvd.
Saturday, October 31
11:00 a.m. to 1:00 p.m.

Fall Festival

Doelger Center – 101 Lake Merced Blvd.
Sunday, October 4
8:30 a.m. to 2:00 p.m.

Make a Difference Day

National Day of Volunteering
City-wide
Saturday, October 24
9:00 a.m. to 12:00 p.m.
Register online at www.dalycity.org