



City of Daly City Budget-at-a-Glance

Understanding Local Government Finance -- March 2008

Dear Daly City Taxpayer:

Every two years the City of Daly City adopts a City Budget that presents a spending plan for how to best use expected revenues to provide vital services to the community. This newsletter is intended to give you a brief overview of our City's finances, including where most of our funds come from and how these are currently being spent.

In the spring the City Council will hold a series of public meetings to plan for the 2009 and 2010 budgets. The City Council has adopted these Guiding Principles that the next Budgets need to support: Community Building/Communication, Aesthetics, Quality of Life and Economic Vitality/Sustainability. Each City department is focusing on these when preparing their budget requests.

Your input and participation in the coming budget process is welcome and encouraged. If you have any questions concerning the information found in this newsletter, please contact me at (650) 991-8127.

Patricia E. Martel
City Manager

Daly City Departments by the Numbers

Parks and Recreation annually provides over 250 classes for 10,000 participants, serves 1,500 participants in adult sports; 3,000 youth sport participants; and serves over 30,000 meals to seniors, along with other services and activities. The City has 27 developed parks and tot lots totaling 103 acres, four open space areas, the Thornton Beach Vista, and more than 8,200 trees to maintain.

The City's **Public Library** serves over 42,000 patrons in any given month through four branches. Nearly 630,000 books, videos and other materials are checked out annually.



Daly City **Police** respond to over 90,000 calls for service each year, providing residents with highly effective community policing. Daly City is one of the safest cities over 100,000 population in the State of California.

In 2007, the **North County Fire Authority** handled over 10,000 emergency and non-emergency incidents: Only 5% of these were for fires while 66% were medical/paramedic advanced life support (ALS) calls; the remainder (34%) were traffic accidents, hazard mitigation incidents and other services.



The **Building Division** issued approximately 1,758 building permits and performed over 9,000 inspections in 2007.

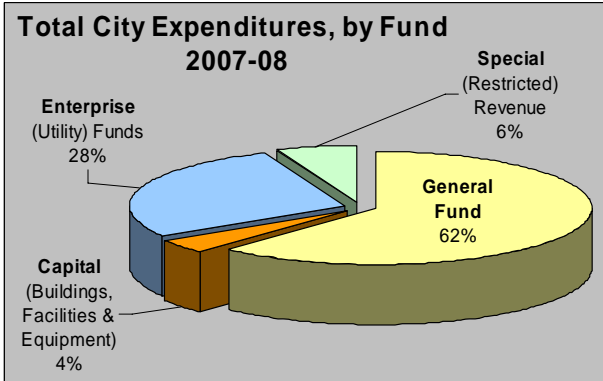
Each year the **Public Works** department inspects and maintains 3,200 street lights; sweeps a total of 40,000 curb miles of street and removes more than 6,000 cubic yards of debris from both streets and storm drains; maintains 220 miles of sidewalks and 10,000 regulatory street and parking-related signs, and paints more than 10,000 linear feet of traffic lane striping, crosswalks, and other pavement markings.



Water & Wastewater distributes 7.6 million gallons of water per day to homes and businesses, through 205 miles of water mains. A three-day water supply, 23 million gallons, is stored for emergencies in 10 reservoirs. A recently completed recycled wastewater treatment facility has a rated capacity of 2.77 million gallons a day.

The **Community Services Center** handled over 17,056 requests for assistance, (food, shelter, clothing, transportation, care, crisis, employment, etc.) for 6,352 needy residents in 2007.

Budget Basics The *Operating Budget* pays for the daily operations of City departments including salaries, materials, supplies, and outside services. The *Capital Budget* is for the purchase of major equipment, major maintenance and repair projects for City facilities and construction of new public facilities.



The Operating Budget

The Operating Budget is segregated into *Funds*, which have different restrictions on how the money may legally be spent. Of the three major types of City operating funds (General, Special and Enterprise), only General Fund Revenue can be allocated largely at the City Council's discretion.

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The General Fund is the operating fund that pays for **basic City services**. The City budgeted \$68.4 million for General Fund operations in FY 2007-08 including:

Public Safety: \$37.6 million

- Police \$24 million
- Fire \$13.6 million

Public Works: \$6.2 million.

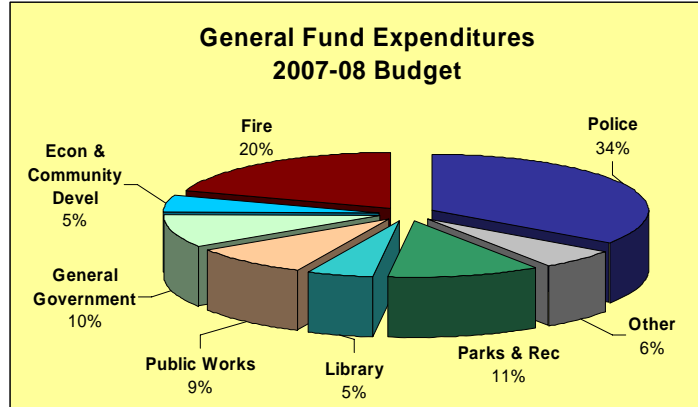
Parks & Recreation: \$7.9 million.

General Government: \$6.6 million.

Economic & Community Development: \$3.4 million.

Library: \$3.3 million.

Other/Nondepartmental: \$4 million (includes an operating contingency fund and miscellaneous expenses).



Public Safety (Police & Fire) make up more than half (54%) of the General Fund's expenditures.

Special Revenue Funds cover programs or activities funded by money *restricted* for a *special purpose*. The source of this money is mostly grants and federal government programs.

Gas Tax: \$2.1 million (operating portion). Provides for maintenance of streets, streetlights and traffic signals.

CDBG: \$1.7 million. (Federal Community Block Grant Funds) Provides low-income residents with a variety of helpful programs, services and facilities.

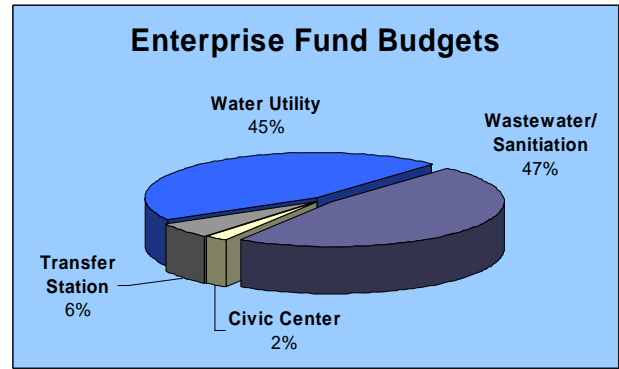
Home: \$570,000. (Federal) Provides improvements to existing housing for low-income residents.

Senior Center: \$1.1 million (Donations/Fundraising). Provides support for senior adult services to supplement those funded in the general fund.

Redevelopment Agency: \$1.4 million. Provides for commercial development and revitalization along the Mission Street and Junipero Serra commercial corridors and in the Bayshore Neighborhood.



The Gas Tax Fund pays for improvements to City streets and traffic controls



Enterprise Funds are operated like a business. They generate their own revenues and do not rely on the City's General Fund. Enterprise Funds are maintained for Water Service and Sanitary Sewer Service, as well as for City owned facilities that are leased out to others.

Water Utility: \$13.7 million. Provides water service to all City residential and businesses customers.

North San Mateo County Sanitation District: \$14.4 million. Provides sanitary sewer system maintenance and wastewater treatment.

Leased Facilities: \$2.5 million. Leases for the Mussel Rock (garbage) Transfer Station and Civic Center office buildings.

The Capital Budget & Plan

The City's Capital Budget and Five Year Plan is to construct new and improve existing public facilities and infrastructure and purchase major equipment. In FY 2007-08 the following Capital expenditures were budgeted:

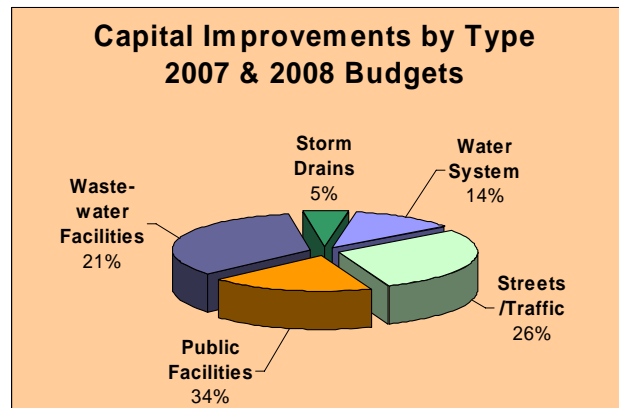
Gas Tax Fund: \$5.2 million (capital portion). Improvements to streets and traffic controls including bike lanes and pedestrian routes.

CDBG Fund: \$1.4 million. (Federal Community Block Grant Funds) Public facilities improvements benefiting low-income and disabled residents.

Capital Outlay Fund: \$29.8 million. (This represents the Capital portion of the General Fund Budget). Provides for major construction of and renovations to public facilities.

Water Fund: \$10.8 million. Major maintenance and replacement of critical components of City water system.

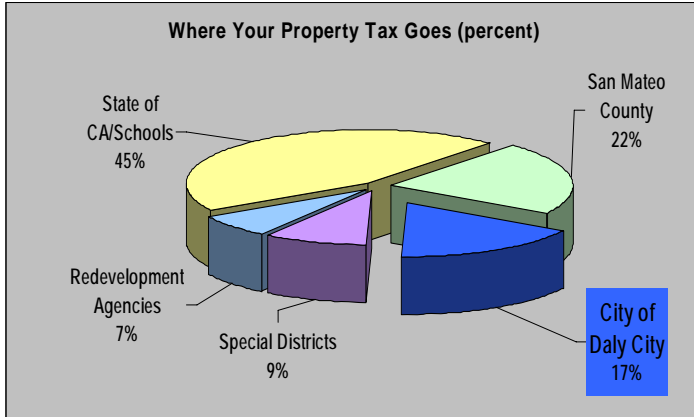
Sanitation Fund: \$5.8 million. Major maintenance and replacement of critical components of sanitary sewer system and wastewater treatment plant.



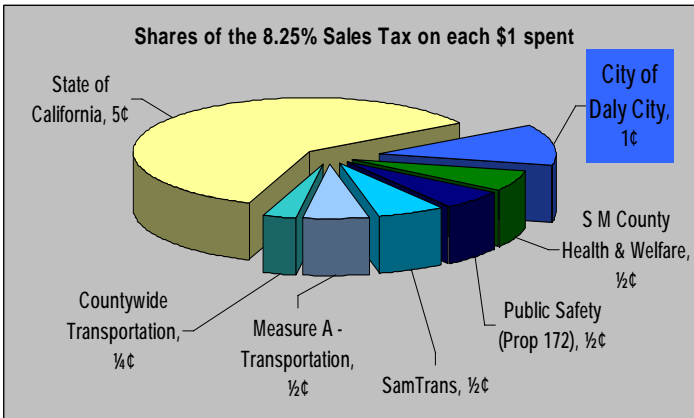
Where the Money Comes From to Pay for Local Government Services

Services in the General Fund are paid for almost entirely from taxes and fees. The City receives only a small portion of the Property Tax, Sales Tax and other Taxes you pay.

Property Taxes:



Sales Tax:

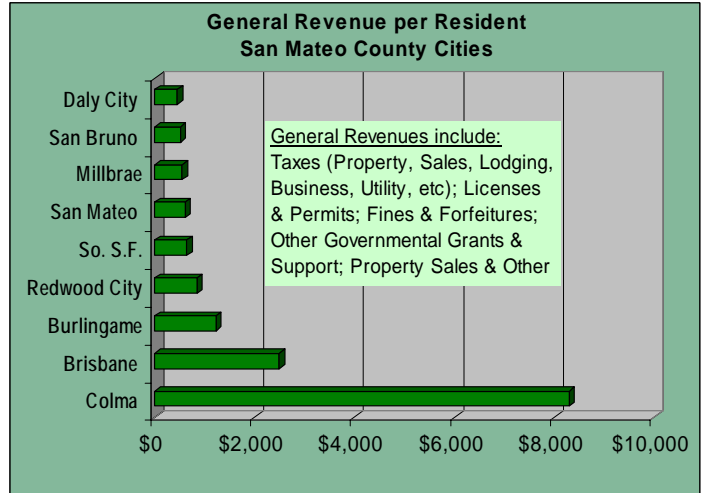


Sales Tax notes: 1) Daly City only gets a share of the tax collected on sales within the City limits. 2) The City also receives a portion of the Measure A (which are restricted for street, traffic and transportation uses and are included in the Gas Tax Capital Budget) and Public Safety (Prop 172) funds.

| Daly City General Fund Revenues | |
|------------------------------------|---------------|
| Anticipated in 2007-08 | |
| | (in millions) |
| Property Tax | 21.97 |
| Sales Tax | 9.02 |
| Utility Taxes | 6.43 |
| Charges & Fees | 5.56 |
| Interest Earned | 3.16 |
| Business License Tax | 3.09 |
| Fines & Forfeitures | 2.69 |
| Franchise Fees | 2.91 |
| Licenses & Permits | 1.46 |
| Motor Vehicle Registration | 0.79 |
| Sales Tax (Prop 172 Public Safety) | 0.50 |
| Transient Lodging (Hotel) Tax | 0.44 |
| All Other Taxes, Fees & Misc. | 10.39 |
| Total | 68.41 |

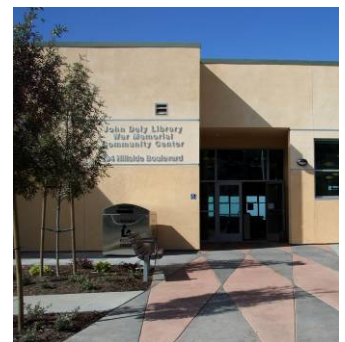
Rich City vs. Poor City

Although Daly City is the largest city in San Mateo County, our tax revenue is lower than neighboring cities when looked at on a per resident basis. This is because we are mostly residential and have no industry or tourism. It means that Daly City has to use its resources more efficiently.



| City | General Revenues | Population | Revenue Per-Capita |
|------------------|-------------------|----------------|--------------------|
| Colma | \$13,012,345 | 1,567 | \$8,304 |
| Brisbane | 9,293,644 | 3,724 | 2,496 |
| Burlingame | 34,801,128 | 28,280 | 1,231 |
| Redwood City | 63,904,324 | 75,986 | 841 |
| So. S.F. | 39,777,877 | 61,661 | 645 |
| San Mateo | 56,885,644 | 94,212 | 604 |
| Millbrae | 11,408,333 | 20,708 | 551 |
| San Bruno | 21,423,077 | 42,215 | 507 |
| Daly City | 47,265,465 | 104,661 | 452 |

Source: Cities Annual Report F/Y 2004-05, State Controller's Office



The new War Memorial Community Center & John Daly Library was funded by a combination of State Park Bond funding, special one-time funds, developer fees and state library funds

We hope you find this outline of Daly City Budget basics helpful. For additional information, you can review a copy of the City of Daly City's Comprehensive Biennial Budget for 2006-07 and 2007-08 on the city's website www.dalycity.org or at any of the City libraries.

The schedule for City Council Budget study sessions will be posted online as well as on Cable Channel 27



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DALY CITY: BRINGING LOCAL SERVICES TO YOU

INSIDE: Budget-at-a-Glance -- Your Tax Dollars at Work
Understanding Local Government Finance -- March 2008



The new War Memorial Community Center and John Daly Library are already being well used!

*If you would like to receive regular news updates on items of community interest, please **sign up** for our new community news Email Subscription Service on our website: www.dalycity.org*