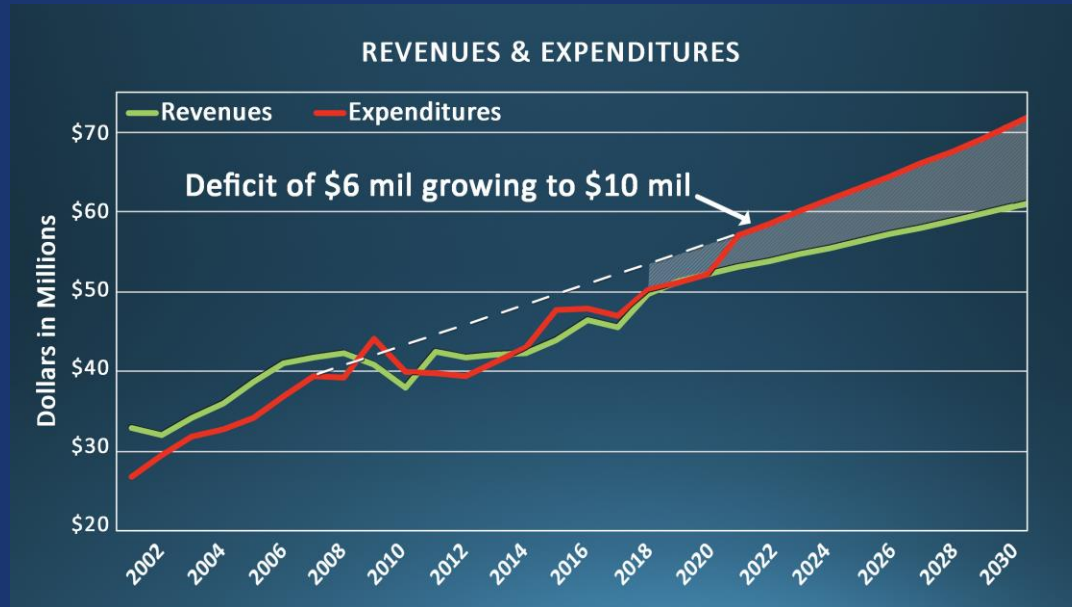




# **Measure L Citizens Oversight Committee**

**Wednesday September 17, 2024**

# Measure L Background



- For several years prior to Measure L being passed (March 2020), the city's expenditures were growing faster than revenues
  - Three reasons: loss of local control of our funding, flattening of revenues and rising cost of doing business

# The Challenge: Preserving the “Lakewood Way”

- Maintaining our local quality of life, keeping local property values high, keeping our streets well-maintained, maintaining our quality parks and recreational programs and protecting our public spaces and neighborhoods that keep our community a desirable place to live, do business and raise a family.

# Lakewood's Fiscal Responsibility

- In keeping with Lakewood's tradition of living within our means, the City had to make cuts and delays to critical projects to make ends meet
- On top of that, there is also a critical need to maintain our existing infrastructure that was literally falling apart



# Measure L

- After considering all options on the table, the City Council decided to place the ballot measure for the voters to decide
- Measure L passed with 64% of the vote
- Revenues received from Measure L are intended to maintain the quality of life in Lakewood, including preservation of the Lakewood Way and to address infrastructure needs

# Measure L Citizens Oversight Committee

*6932. Citizens Oversight. The City Council shall appoint a Citizens Oversight Committee to review revenues generated pursuant to this Chapter, and the expenditure thereof, as part of the City's budget preparation process.*

Committee's Mission: To provide additional transparency through oversight of Measure L by reviewing revenues and expenditures generated by the measure.

# A Field Guide to Local Governments

## Cities

- ✓ general purpose
- ✓ essential frontline services tailored to needs of their communities
- ✓ are funded mostly by locally enacted revenues
- ✓ provide land use planning & control

## Special Districts

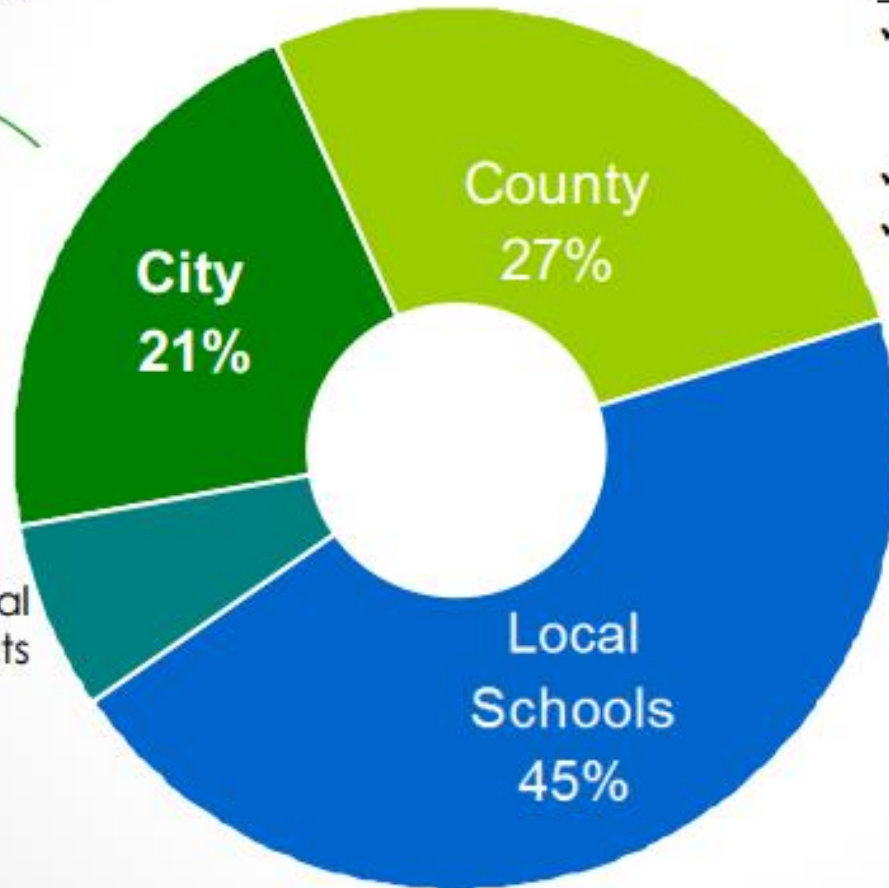
- ✓ “dependent” / “independent”
- ✓ Enterprise: water, irrigation, sanitation
- ✓ & not: parks & rec, mosquito abtmt, fire
- ✓ many get a cut of the property tax

## Counties

- ✓ Hybrid local/state
  - state/federal health & social srvc (CalWORKS, foster care, IHSS, etc.)
  - countywide local services (jails, courts, elections, indigent aid, etc.)
  - “city” services to unincorp. areas
- ✓ More mandates, less discretionary \$



# Where Your Property Tax Goes

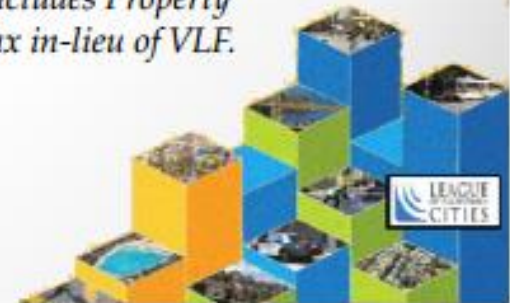


## Shares Vary!

- ✓ Non-Full service cities: portion of city shares go to special districts (e.g. fire)
- ✓ Pre-prop13 tax rates
- ✓ Everyone gets Prop-Tax In Lieu of VLF shares – except new cities since 2004.

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

*Includes Property Tax in-lieu of VLF.*

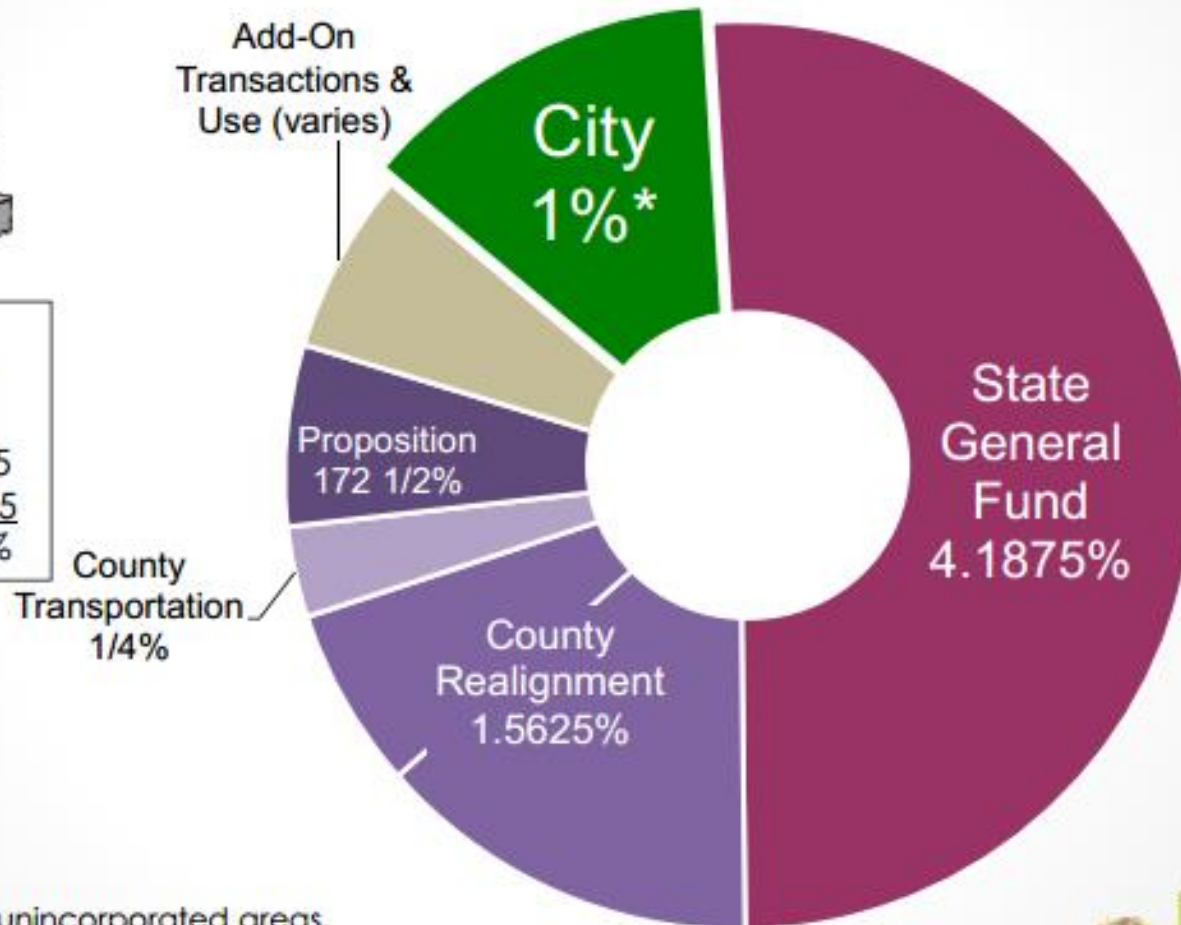




# Where Your Sales Tax Goes



City*	1.00
Co Transp	0.25
Prop172	0.50
Co Realign	1.5625
State GF	<u>3.9375</u>
Total Base	7.25 %



\* For taxable sales in unincorporated areas, the local 1% rate goes to the county.

\*\* Does not include the temporary 1/4% Prop30 state sales tax which expires 12/31/2016

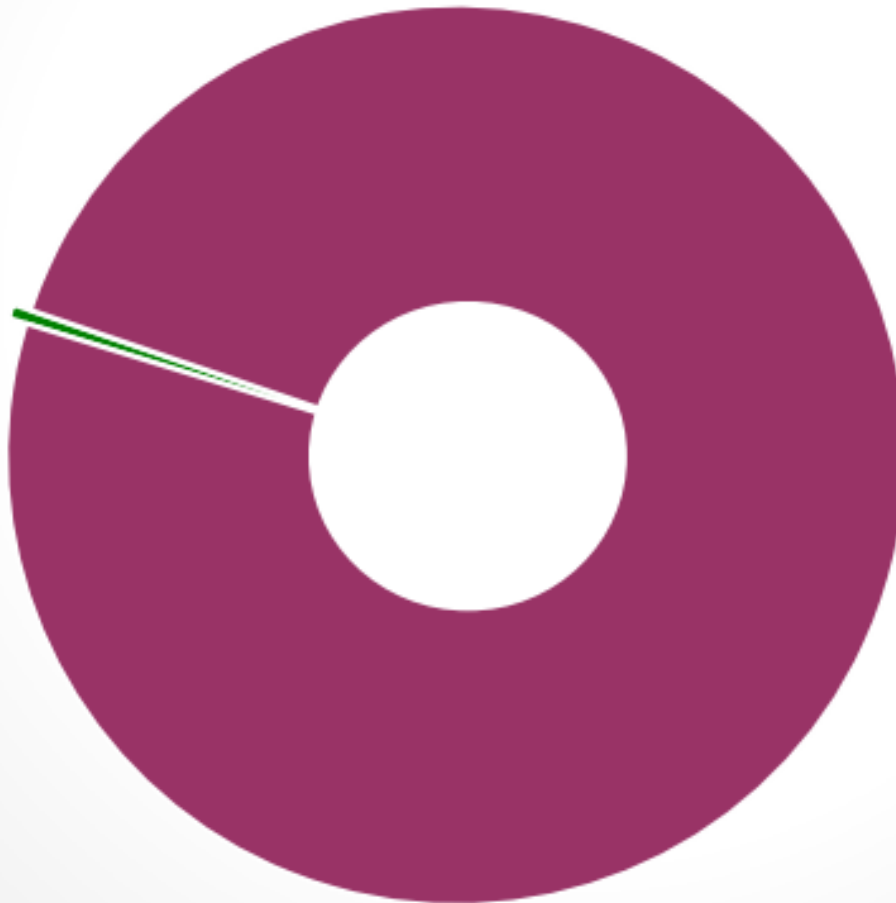


# State General Revenues

including state income tax, state sales tax

## How much goes to your city?

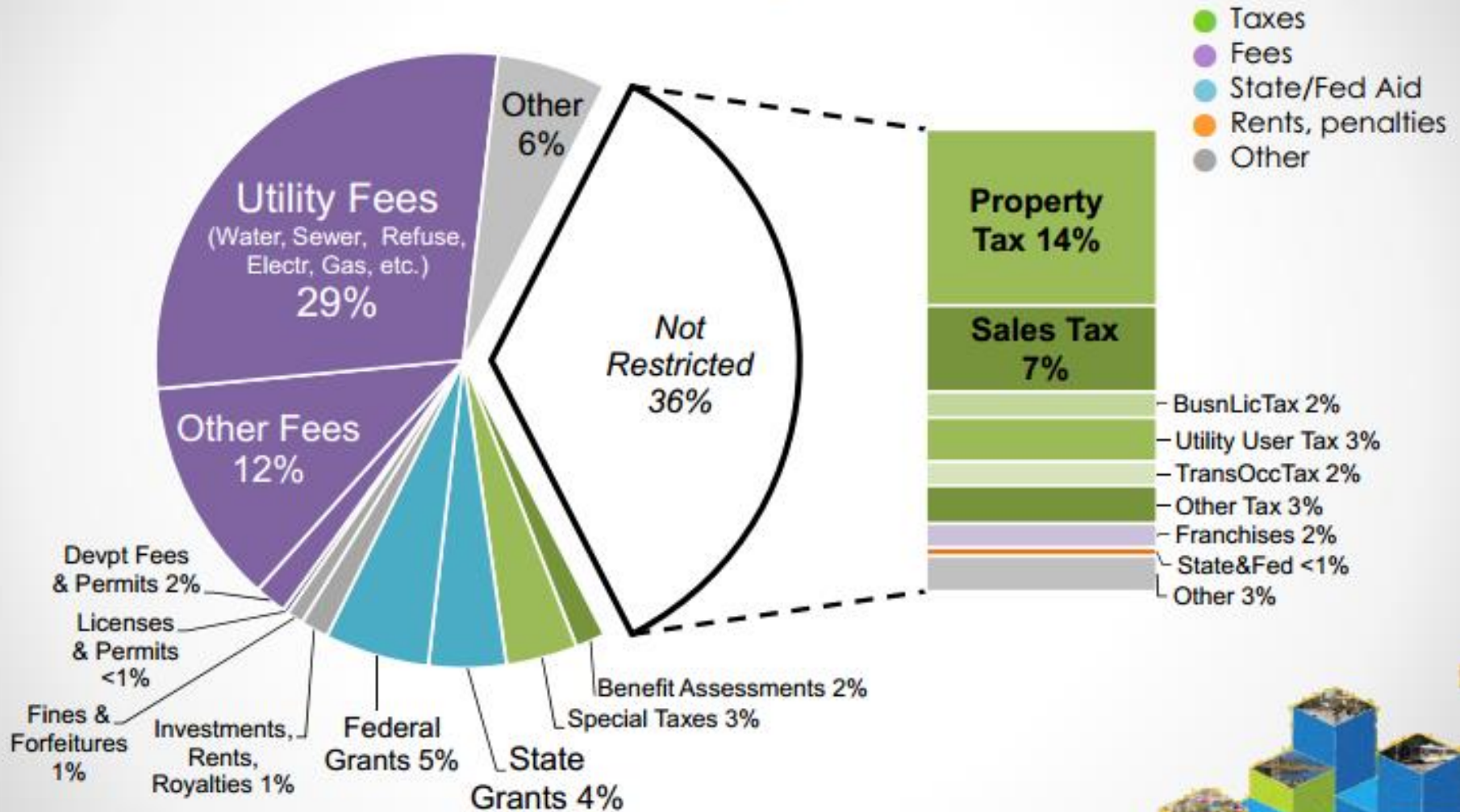
To cities: less than 1/5 of 1%



Major programs supported by state general funds include schools, colleges, health & human services, prisons, tax relief, courts.

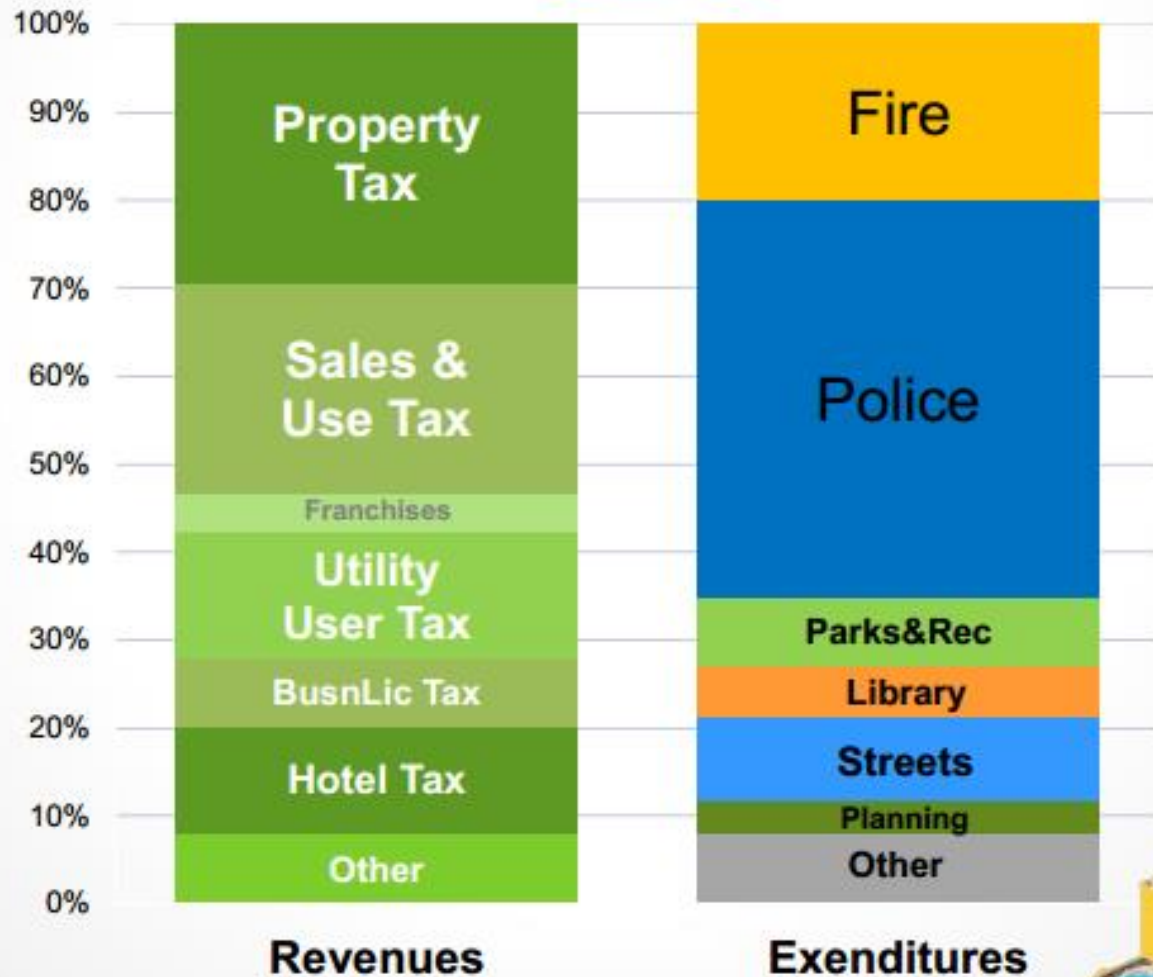


# California City Revenues



# Discretionary Revenues and Spending

Typical Full Service City



Source: Author's computations from State Controller reports

# Lakewood Budget Principles

- **Prudent Fiscal Management**
- **Strong Financial Oversight**
- **Living Within Our Means**

# CITY OF LAKEWOOD: General Fund Budget

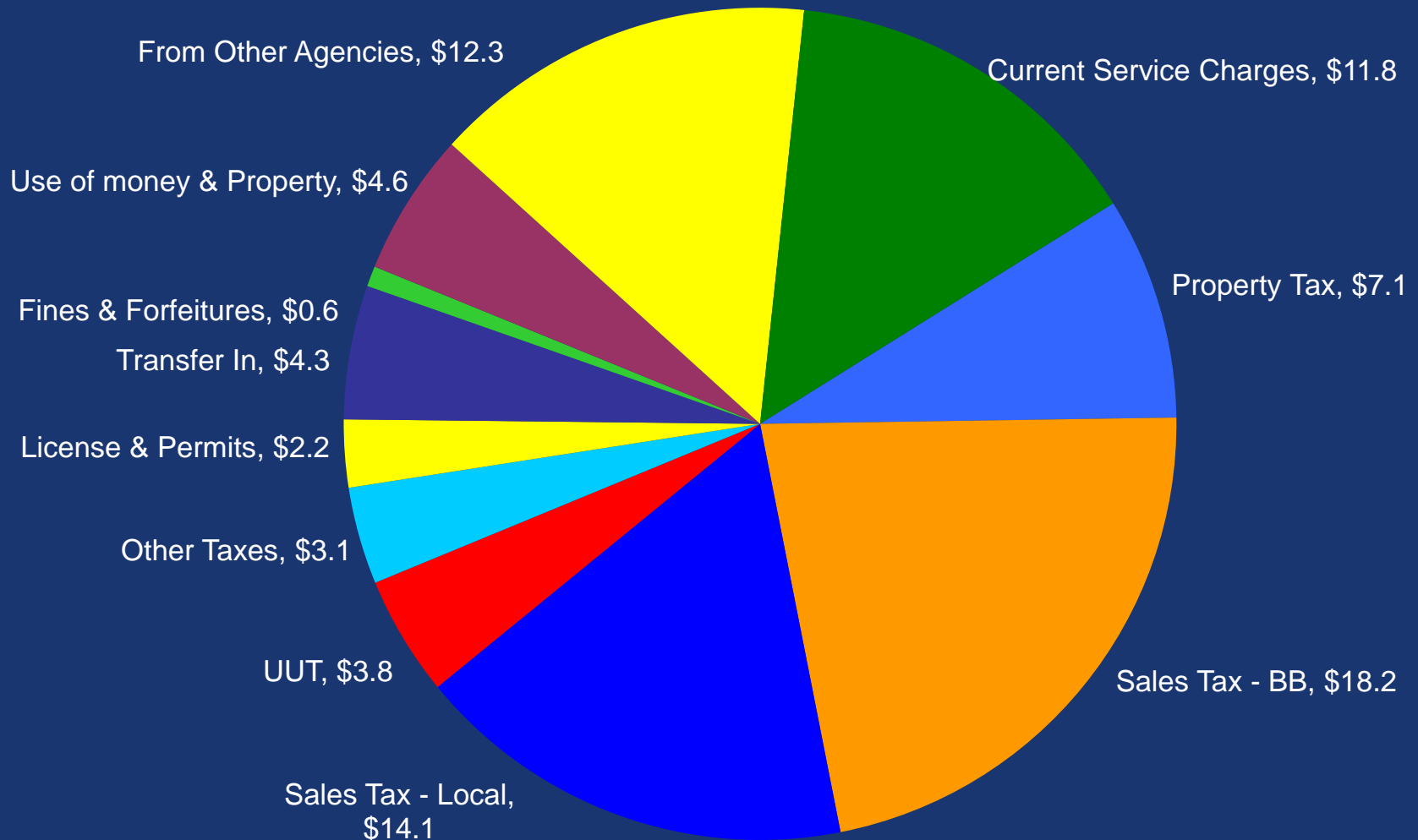
	Final Estimate FY 2023-24	Adopted FY 2024-25	Adopted FY 2025-26
Sources:			
General Fund Revenues	\$ 76,047,250	\$ 77,777,080	\$ 79,112,750
<u>Transfers In</u>	4,326,200	4,274,200	4,274,200
Total Sources	80,373,450	82,051,280	83,386,950
Uses:			
Departmental Expenditures	73,936,650	76,602,961	78,756,687
<u>CIP Set-aside</u>	3,500,000	3,500,000	3,500,000
Total Uses	77,436,650	80,102,961	82,256,687
<b>Projected Surplus</b>	<b>\$ 2,936,800</b>	<b>\$ 1,948,319</b>	<b>\$ 1,130,263</b>

# Financial Outlook

- **FY 2023-24 Projected surplus: \$2.9 million**
  - Actual amount will be known in Oct/Nov
  - Reserves: 70% of annual operating exp. Available
- **Measure L: Not too late....or too soon**
  - Continuation of City services
  - \$3-\$3.5 million in CIP funding each year
- **Year-end surplus allows long-term fiscal security**

# FY 2024-25: General Fund Revenues

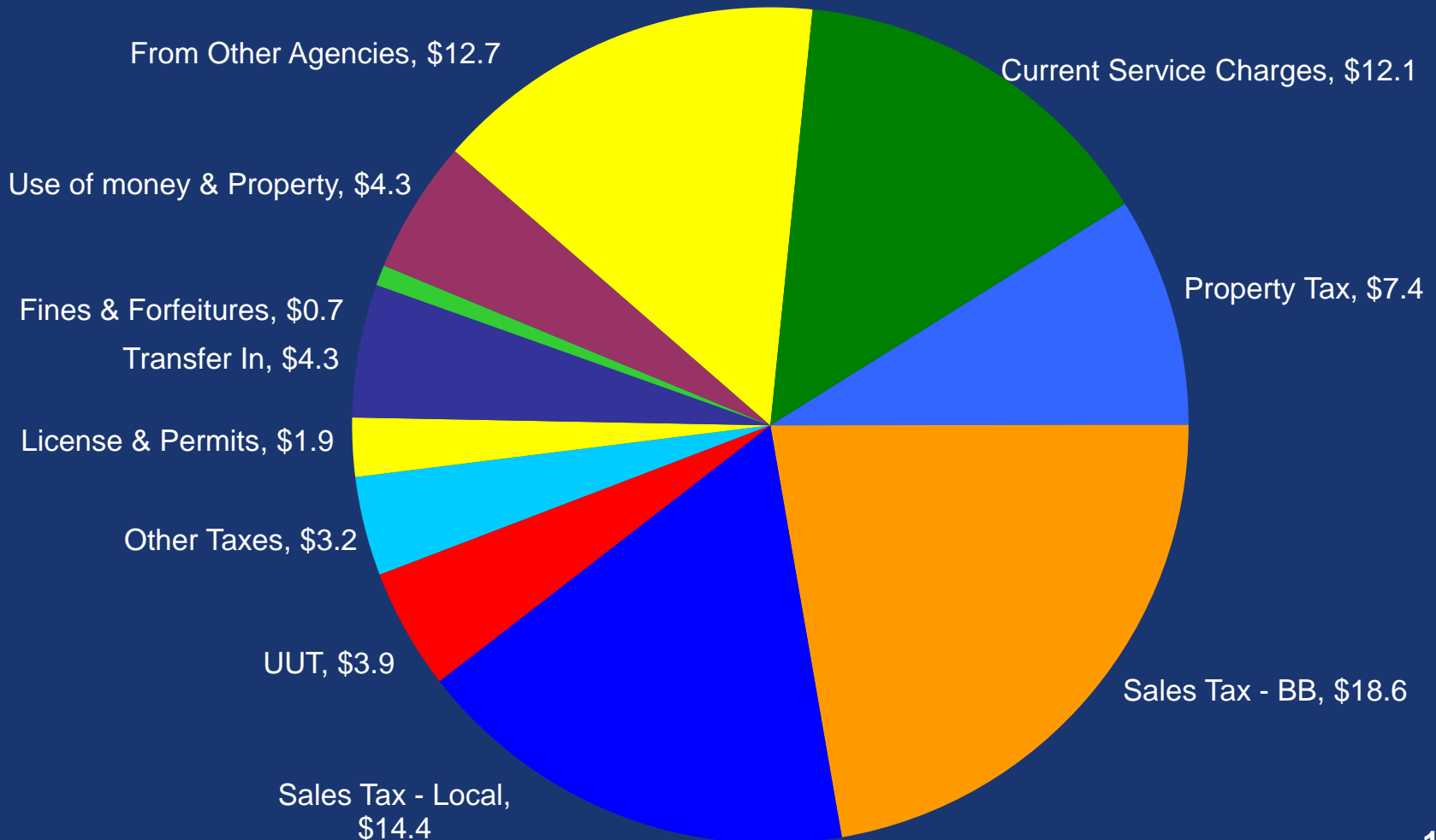
**\$82.1 Million**





# FY 2025-26: General Fund Revenues

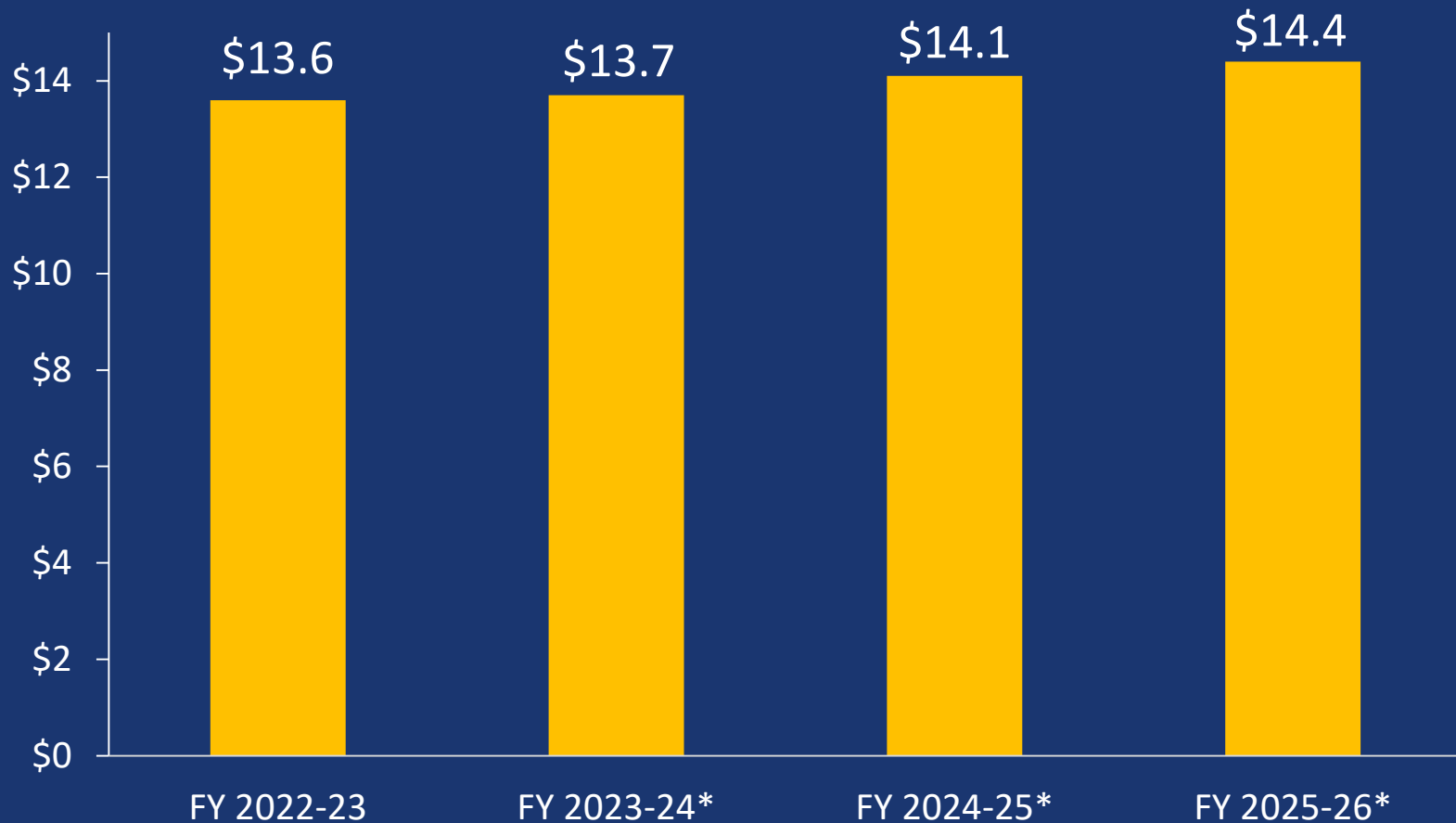
**\$83.4 Million**



# Measure L

## Sales Tax Revenue

(In Millions of \$)

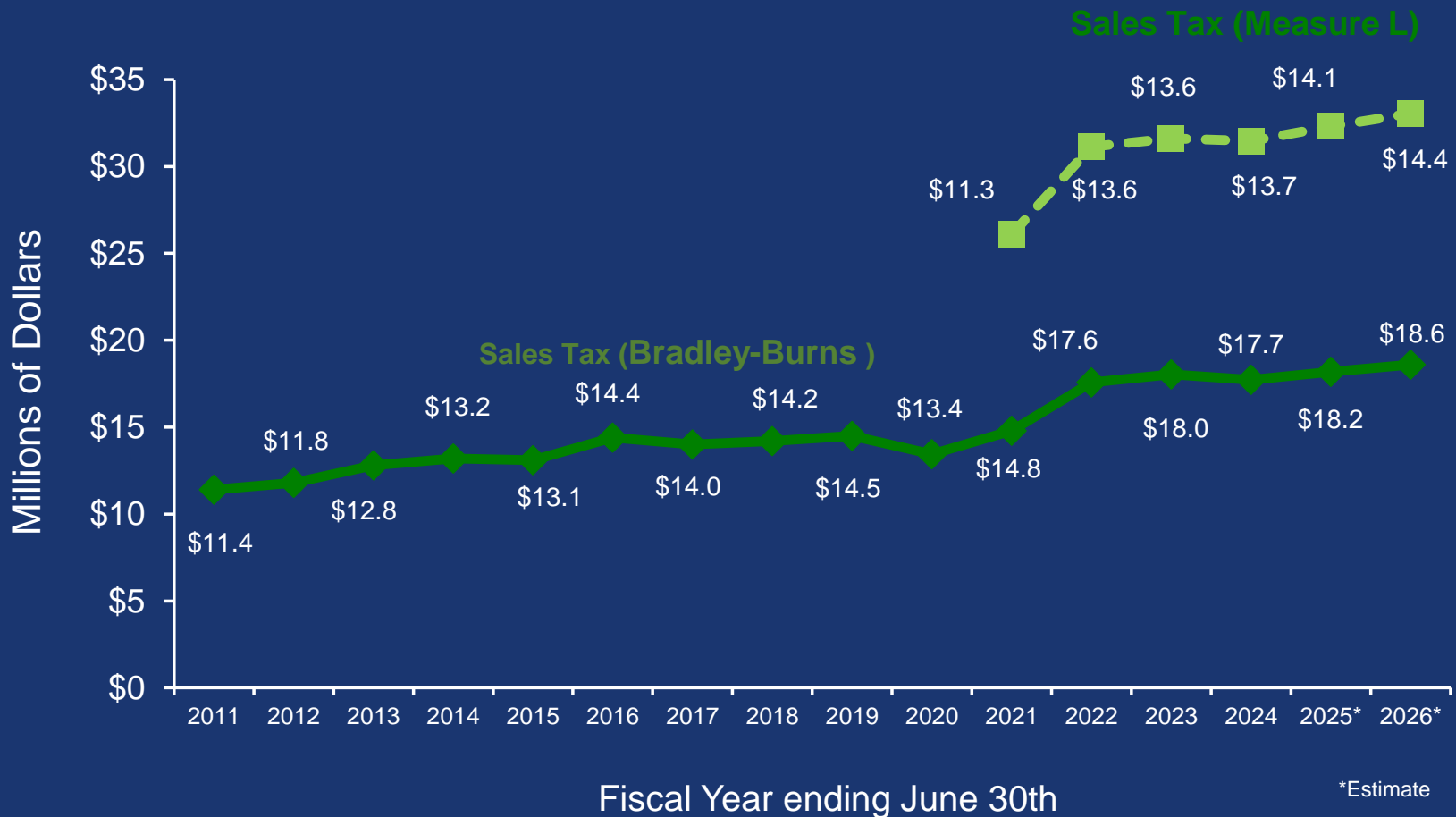


\*Budget

# Sales Tax Revenue History

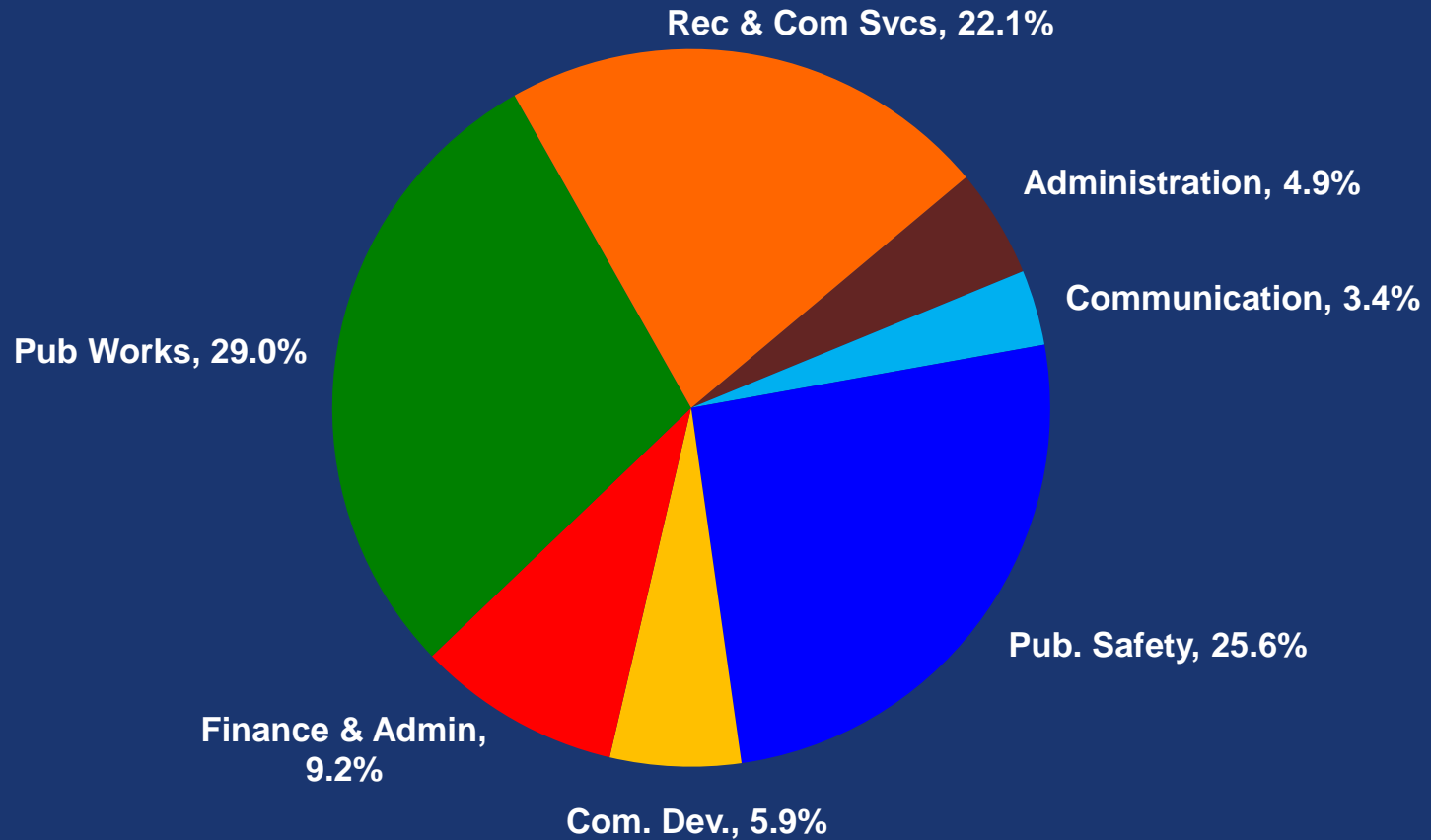
## FY 2011 to FY 2026

(in millions of \$)



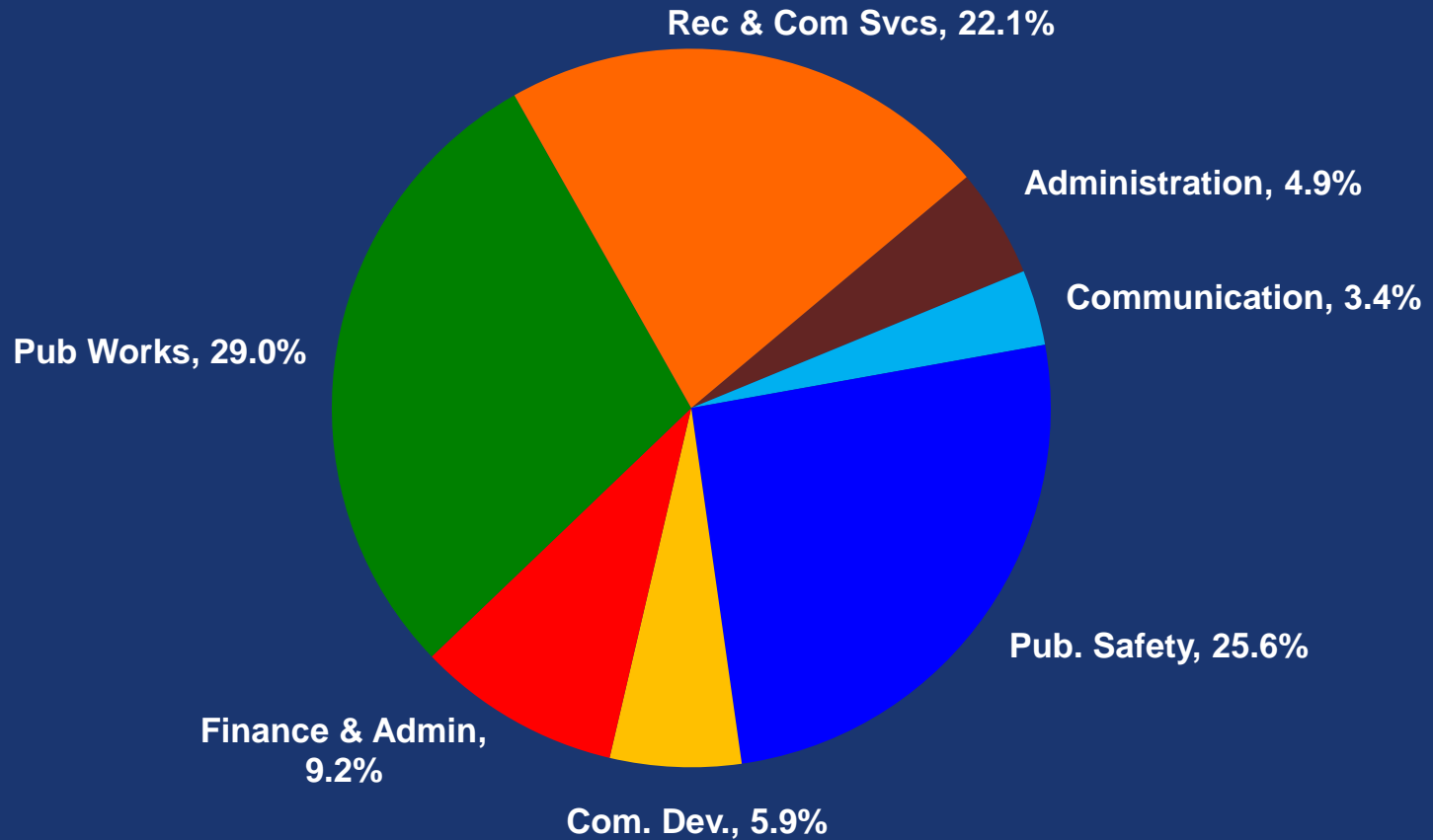
# FY 2024-25: Departmental Expenditures

**\$80.1 Million**



# FY 2025-26: Departmental Expenditures

**\$82.3 Million**



# Budget Summary

- **City is well-positioned financially**
- **Maintain City programs/services**
- **Annually setting aside funds for needed infrastructure improvements**
- **Budget surpluses anticipated & part of long-term stabilization strategy**



# **Measure L Citizens Oversight Committee**

**Wednesday September 17, 2024**