



## FAQ – Frequently Asked Questions

### **1. If Bradbury houses are worth so much money and property taxes go to the City, why is the City struggling financially?**

Simply stated, the City receives only \$0.06 of every dollar in property tax paid (before ERAF Education Revenue Augmentation Fund) takeaways). The remaining \$0.94 of every dollar goes to the State of California or the County of Los Angeles. Thus, on a \$1,000,000 property the City of Bradbury receives only \$600 in property taxes to provide City services, including police.

Further, properties purchased after Proposition 13 are only assessed at a higher value once they have been sold. Houses purchased prior to Prop 13 experience the normal 2% or less per year growth in valuation permitted under Prop 13.

Secondly, while the City's property tax revenue has increased very slightly over the years, it has simultaneously been faced with ever increasing State takeaways of property tax revenue. While the State continues to struggle with its financial difficulties it has often found its solutions but taking funds from local government.

### **2. If the City needs money why doesn't it just annex the Royal Oaks Manor?**

In 2004 the City Council considered the annexation of the Royal Oaks Manor, which is an unincorporated island belonging to Los Angeles County. After much deliberation the City Council voted not to go forward with the annexation as it was believed the residents of the manor had very different interests than those of the community. Further, the City would incur additional expenses to care for a community that was to pay no property tax as the Manor is operated by a non-profit corporation.

### **3. Why does the City use so many consultants and what do they do?**

Consultants or Contract staff are used when State or Federal law regulations requires a certain expertise, training and knowledge which does not exist with City staff. The City contracts with other agencies for various governmental services including Building and Safety, Engineering, Planning, Maintenance and Policing. Since the 1950s when the City of Lakewood created the contract city model it has served many communities choosing their independence to be cost effective, efficient and a successful form of municipal government.

Were the City to eliminate all use of consultants, it would need to double or triple the existing staff, which would cost more. Similarly, while the use of volunteers can be a preferable alternative, many times the City must meet specific timeline and use of an individual who has the proper licensing and credentials to perform the task. It is not always possible to find volunteers meeting these criteria that can or will perform the work by the required deadline.

Many regulations the City of Bradbury must comply with including water quality, sewer regulations, storm water regulations apply equally in scope to all cities, whether City is the size of Bradbury or Los Angeles. In many cases only an outside consultant possesses the expertise required to meet these regulations and ensure the City stays in compliance. Failure to comply may result in penalties ranging anywhere from a few hundred dollars a day to thousands of dollars a day, which in the long run make the cost of non-compliance a more costly proposition. In order to provide some context as to what the City uses consultants for, the following is a list:

- ✓ Storm Water Project Management
- ✓ General Engineering
- ✓ Traffic Engineering
- ✓ Construction of City Projects
- ✓ Street Project Design and Construction
- ✓ Fee Study
- ✓ Code Enforcement Compliance
- ✓ Pest Control Services
- ✓ Animal Control Services
- ✓ Police Services
- ✓ Special Repair of Equipment
- ✓ Construction Management
- ✓ Architectural and Design Services
- ✓ Plan Checking
- ✓ Building and Safety Inspections
- ✓ Long-term Planning Documents
- ✓ Housing Element Preparation
- ✓ Community Development (Planning) Services
- ✓ Traffic Studies
- ✓ Computer Support and Maintenance for IT infrastructure
- ✓ General Legal Services
- ✓ Special Legal Services (code enforcement, redistricting, litigation)
- ✓ Website Development and Maintenance
- ✓ Transit Programs
- ✓ Tax Audits
- ✓ Filing of State Financial Reports
- ✓ Mandated Cost Reimbursements
- ✓ Road and Street Maintenance and Repairs
- ✓ Housekeeping
- ✓ Landscape Maintenance and Repairs
- ✓ Trail Maintenance and Repairs
- ✓ Tree Trimming
- ✓ Compliance with Environmental Issues

**4. Why did the City spend money on building the new Civic Center if funds are so tight?**

The City of Bradbury had been looking at a new Civic structure for over ten years. Following a needs assessment study the previous facility did not meet the City's standards. It was not in compliance with today's building, fire and safety standards, the facility was not compliant with the American Disabilities standard nor was it functional for government and community operations.

The facility was originally built in the 1940's and added on to in the 1950's. The facility was not on public sewer and plumbing needed replacement. HVAC (heating and air conditioning) unit and duct work needed replacement due to age and inefficient design. Lighting was poor and not energy efficient. The electrical power system could not meet the demands on power for current and future technology.

Overall the building was significantly out of compliance with today's public facility standards. The new facility addresses all of these issues while maintaining the appearance and character of the neighborhood. The new facility will serve the City and community well into the future.

**5. Why is the City spending so much money on paving streets and improving Mount Olive Drive?**

In 2008 the City approved the Street Resurfacing Project working with a street inventory/maintenance needs assessment completed by the City's Engineer. Without regular maintenance, asphalt pavement deteriorates, as sun, wind, traffic and water erode the pavement surface. Overtime this can be a City's number one expensive project to complete. Poorly maintained streets negatively impact property values and contribute to increased claims for property damages and injuries reported to the City.

Fortunately, the City was able to pool its existing resources through a variety of programs (Prop 1B, Measure R and Prop C) and complete some much needed work. All City streets were slurry-sealed. Slurry-seal prolongs the life of asphalt pavement and is done to prevent pavement from deterioration to the point where far more costly maintenance is needed. In essence slurry seal is preventive maintenance for the streets. Additionally, as a result of these restricted funds the City was able to fully repair the most damaged streets in the community and Mount Olive Drive and Lemon Avenue were resurfaced with a new cape seal.

The funds used for these projects could not be used for any other purpose; they were restricted in use to transportation system improvements.

**6. Bradbury is a small city, not very busy why do we need City employees?**

Although Bradbury is a small city, it still has to comply with the same water quality standards, storm water run-off regulations, recycling mandates, accounting standards, training levels and other rules, regulations and laws that apply to larger cities. In fact,

largely because the City is so small many of these costs are more expensive because while the job scope is smaller, the requirements that must be met are the same. Indeed, with only 3 full-time employees, each individual City employee is actually busier in Bradbury than in a full-service city because each person is responsible for 4-5 different things, rather than a narrower area of expertise as with the case in bigger cities.

#### **7. What happens if the City just stops paying for all these mandates?**

Each of the various mandates (finances, housing, stormwater etc.) the City is required to do as a local government agency is overseen by a different Department in Sacramento. These various Departments during various times of the year require cities to report information to them on compliance issues. If a City is out of compliance in any one area they are subject to fines and violation notices. Some on these fines are very steep up to \$10,000 a day. If the City does not pay the fines after issued, the State simply just takes the funds out of remittance payments due to the city from other taxes and fees. Other issues for non-compliance can involve the City being sued by various advocate and non-profit groups for these same violations as well, and then on top of the violation fee the City has to pay litigation costs for themselves and other party if found guilty.

#### **8. What would happen if the City doesn't meet its fiscal obligations?**

Fortunately, the City has a modest reserve (savings) it has been able to maintain through fiscally responsible practices to date. The amount is equal to one full years operating costs. If the City is unable to meet its financial obligations from year to year it will have to use the funds in reserve but at approximately \$120,000 a year and without a major disaster such as a fire or flood, the city will deplete these funds to zero in 5-6 years. After that the City will become insolvent.

#### **9. Why does the City need the additional funding, and why can't the City just "tighten their belt"?**

Fundamentally, the reasons identified for this were that the City already operates efficiently, general fund revenues have remained flat over the past five years, when adjusted for inflation, and city operating costs continue to increase faster than inflation. This means the City has basically the same total general fund revenue stream today that existed five years ago with greater expenses. Many of these expenses are due to State and Federal Mandates. Although the City has become more efficient in its operations to make up the difference between revenues and expenditures, further reductions in operational expenditures would result in a corresponding reduction in services to the community.

Historically, the City has managed its finances well and the proof of this is that we have maintained City services without the need for additional revenue until 2011. However, now with the realignment in services to local governments like cities, in order for Bradbury to maintain its local control additional revenue is needed to meet obligations.

**10. What other San Gabriel Valley cities have local taxes?**

<b>City</b>	<b>Applied</b>	<b>UUT Rate</b>	<b>Other Tax (parcel, assessment)</b>
Unincorporated LA County	Communications, Electricity and Gas	4.5%	Homeland security tax ½ cent charge to persons renting storage facilities
Arcadia	Telephone, Wireless, Electricity and Gas	5%	No
Azusa	Water, Electricity and Gas	Res. 4% NonRes 8%	No
	Telephone, Wireless, Cable, Water, Electricity and Gas	5.5%	No
South Pasadena	Telephone, Wireless, Cable, Water, Electricity and Gas	8%	Library assessment. \$24 for > less 2000 sq ft. \$36 for 2000-4000 sq ft and \$48 for bigger than 4000 sq ft
Sierra Madre	Telephone, Wireless, Cable, Water, Electricity, Gas, Solid Waste & Trash	10%	No
San Marino	Telephone, Electricity, Gas, Cable and Water	5%	Public Safety Tax. \$335 for police & fire & \$60 for paramedics
San Gabriel	All telecommunications, Electricity, Gas and Water	8%	No
Pasadena	Telephone Electricity Gas Video Water	8.28% 7.67% 7.9% 9.4% 7.67%	Sewer fee not to exceed \$57.43 a year. Street light tax 5% of electric bill. Several benefit districts.
Glendale	Telecommunications Electricity, Gas and Water	6.5% 7%	No
Irwindale	Telephone, Electricity, Gas, Video and Water	7.5%	No
LaVerne	Telephone, Electricity and Gas	6%	Paramedic fee of \$1.75 per house/unit per month
Monrovia	No		Pensions 1/8 of 1% of assessed property values Library \$62 per parcel Wilderness Preserve Area \$44 per parcel

Duarte	No		No
Baldwin Park	Telephone, Gas, Cable, Water and Electricity	3%	\$250 Bedroom tax
El Monte	Communications. Electricity & Gas	6.5% 7%	
Covina	Telephone, Electricity, Gas and Water	6%	No

### 11. How does a UUT work?

The amount actually paid by each household will vary depending upon utilities used by the household. The following chart shows how based upon average residential usage per month the formula would be calculated.

<i>Residential</i>	<i>Phone</i>	<i>Electricity</i>	<i>Gas</i>	<i>Water</i>	<i>Sewer</i>	<i>Cable</i>	<i>Trash</i>	<i>Total per month</i>
Avg. Bill	67.99	181.13	63.63	59.87	15.00	65.00	33.72	486.34
6% UUT	4.08	10.87	3.82	3.59	.90	3.90	2.02	29.18
8% UUT	5.44	14.46	5.09	4.79	1.20	5.20	2.70	38.91
10% UUT	6.80	18.11	6.36	5.99	1.50	6.50	3.37	48.63
12% UUT	8.16	21.74	7.64	7.18	1.80	7.80	4.05	58.37

### Estate Average Usage Per Month

<i>Estate</i>	<i>Phone</i>	<i>Electricity</i>	<i>Gas</i>	<i>Water</i>	<i>Sewer</i>	<i>Cable</i>	<i>Trash</i>	<i>Total per month</i>
Avg. Bill	96.31	1,898.51	103.11	1,133.23	0	187.96	344.71	3,763.83
6% UUT	5.78	113.91	6.19	67.99	0	11.27	20.68	225.82
8% UUT	7.70	151.88	8.25	90.66	0	15.04	27.58	301.11
10% UUT	9.63	189.85	10.31	113.32	0	18.80	34.47	376.38
12% UUT	11.56	227.82	12.37	135.99	0	22.56	41.37	451.67

### 12. Is a Parcel Tax deductible?

Maybe. According to the IRS “deductible real estate taxes are generally any state, local, or foreign taxes on real property. They must be charged uniformly against all property in the jurisdiction and must be based on the assessed value.” However, if the parcel tax is not “based on the assessed value of the property”, rather, it is assessed uniformly across all property in the City it is not deductible.