

\$BudgetWatch\$

THE CITY'S BUDGET CAN BE BALANCED WITHOUT NEW TAXES

Berkeley has the *highest tax burden* in California and the *highest staffing levels* in proportion to population in the East Bay. The City faces huge deficits and instead of looking at ways to live within our own means, you are asked to *pay more taxes*. **\$BudgetWatch\$** is working to solve our budget problems so we can be a financially healthy and diverse community. Learn how the City can balance its budget without cutting essential services. (Note: **\$BudgetWatch\$** is concerned with the City of Berkeley only. We do not address the needs, budget or financial conditions of other jurisdictions.)

OUR BASIC PRINCIPLES:

- No New Taxes
- Identify Essential Services and Establish Priorities
- City Employees must Contribute to the Budget Solution
- City must put its Fiscal House in Order and Establish a System of Evaluation and Accountability
- Long-term Reform must begin Immediately

CURRENT STATE OF AFFAIRS (partial list)

- The Oakland Tribute reports that in addition to property taxes, Berkeley property owners pay an extra \$976 per year in parcel taxes on the average single family home assessed at \$239,000. Oakland homeowners pay \$628 on an assessed value of \$193,000. Alameda homeowners pay only \$511 on an assessed value of \$246,000.
- Owners of more than half of the land in Berkeley pay little or nothing in taxes—The University of California occupies 40% of our land, which pays no taxes - another 15% is owned by non-profits.
- Over 50% of the City's current \$10 million deficit is due to health and retirement contributions on behalf of City of Berkeley employees.
- City revenues grow at a rate of around 2.7%, but recurring General Fund expenditures grow at a rate of around 5%, making continued budget problems inevitable.

CURRENT AVERAGE TAXES & FEES = \$4,880 (1900 sq. ft., \$243,000 assessed value)

PROPOSED CITY TAX MEASURES AND FEE HIKES

- Emergency Medical Services Tax, Nov. Ballot Measure M
- Utilities User Tax, Nov. Ballot Measure J
- Library Services Tax, Nov. Ballot Measure L
- Refuse Rate Increase effective July 1

...and this *doesn't* include consideration of

- Proposed Special Fire District Assessment
- Public Financing for local Political Campaigns, Nov. Ballot Measure H
- Property Transfer Tax for Youth Services, Nov. Ballot Measure K
- Fiscal Impacts from Nov. Ballot Initiatives, Measure R (Access to Medical Cannabis), Measure Q (Enforcement of State Prostitution Laws) and Measure S (Public Trees)

PROPOSED TAX MEASURES FROM OTHER JURISDICTIONS

- Berkeley School District "Bridge" Measure on Nov. ballot-Measure B
- and others: BART, AC Transit, Bay Trail, East Bay Regional Parks, all on Nov. Ballot

Should voters approve all proposed taxes, the *total will be at least \$5,240 - \$5,290* (fire district)

New homeowners of average homes will pay double this amount.

STAFFING COSTS ARE A PRIMARY BUDGET ISSUE:

Employee costs are 75% of the General Fund budget. A ratio of 1 employee to 95 residents equals 1,073 employees. Reducing over time, the number of employees from 1,641 to 1,073 would save an estimated \$32 million each year—3 times the size of the current budget shortfall. The number of Full Time Equivalent Employees working for the City has grown steadily over the years. It should be noted, the City's population has not grown and, in fact, by the year 2000 Berkeley's population had declined over levels in the 1980s.

Comparative population and staffing ratios from other cities

Bay Area City	Population	Number of Employees (FTE)	Employee to Resident ratio
Berkeley	102,000	1641	1:62
Oakland	403,000	4247	1:95
Alameda	72,000	760	1:95
Richmond	101,000	781	1:129
Albany	18,000	120	1:150
Hayward	144,000	935	1:154
San Leandro	80,000	493	1:162
El Cerrito	25,000	150	1:167
Fremont	208,000	888	1:234

\$BUDGETWATCH'S SOLUTIONS TO THE CITY'S FISCAL CRISIS:

- Implement a Service-Based Outcomes Budget so that the number and cost of all of the City's programs is understood by everyone.
- Identify essential services and fund them adequately—do not make proposed cuts in Police Department, do not eliminate Fire Department Ladder Truck and do not cut services to Seniors.
- Negotiate PILOT (payment-in-lieu-of-taxes) fees with non-profit property owners to pay their fair share of the City services they receive.
- Vigorously seek payments for City services provided to the University of California.
- Ask City employees to contribute to reducing the deficit over a 2-year period.
- Evaluate all City programs, set standards for accountability and performance.
- Do not institute new or expand existing programs without identifying funding source.
- Eliminate un-necessary drains on staff time, review Board and Commission system.
- Set goals in open meetings to establish the appropriate number of City employees.
- Accelerate to this year the City Manager's proposed savings in management and re-organization.

WHO IS \$BUDGETWATCH\$?

We are a voluntary association of Berkeley residents concerned about the City's ongoing fiscal problem. The group is an independent organization focusing on researching issues, finding practical solutions and getting the results out to the public. (Barbara Allen, Kent Brown, John Cecil, Shirley Dean, Cecilia Gaerlan, Laura Menard, Dean Metzger, Bob Migdal, Terrylynne Turner, Trudy Washburn.)

CONTRIBUTIONS ARE WELCOME AND USED ONLY TO DISTRIBUTE OUR INFORMATION!

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