

WHO SAYS EAST PALO ALTO HAS THE MONEY TO INCORPORATE?

- SRI International (independent study contracted by EPACCI)
- Angus McDonald and Associates (independent study contracted by the San Mateo Local Agency Formation Commission)
- Recht Hausrath and Associates (independent study contracted by the San Mateo Board of Supervisors)
- County Manager of San Mateo (independent study of the fiscal feasibility of incorporation)
- San Mateo Local Agency Formation Commission (majority vote based upon a thorough review of the financial studies)
- San Mateo Board of Supervisors (unanimous vote based upon a thorough review of the financial studies)
- Speaker of the California State Assembly, Willie Brown; Congressman Pete McCloskey; Congressman Tom Lantos; State Senator Marz Garcia; Assemblyman Byron Sher
- The majority of cities in San Mateo County
- The East Palo Alto Citizens' Committee on Incorporation (EPACCI)

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WHO SAYS PROPERTY TAXES WON'T BE RAISED?

THE STATE LAW SAYS SO. Proposition 13 prohibits tax rate increases by local government. The new city cannot raise your property tax.

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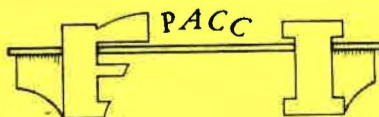
WHO SAYS SERVICE FEES WON'T BE RAISED?

WE, THE PEOPLE SAY SO. Financial studies indicate that our new city will have a surplus of \$348,000 to \$634,000 over the next ten years. There is no need to raise service fees.

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WHERE WILL OUR NEW CITY GET ITS FUNDS?

The vast majority of funds to be received by our new city are already being paid by us and spent by the County of San Mateo. Our new city will also get revenues from the State which all cities are entitled to receive.

<u>SOURCES OF REVENUE</u>	<u>% OF TOTAL CITY BUDGET</u>
- Local Property Tax	29%
- State taxes (sales, gas, alcohol, cigarettes, vehicle)	23%
- Federal/State grants (revenue sharing and AB 90)	8%
- City Services (water, sanitation, lights, etc.)	35%
- Other (interest, licenses, vehicles fines, etc.)	5%
TOTAL	100%

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HOW WILL OUR NEW CITY SPEND ITS FUNDS?

The city will provide much better services and with better coordination.

<u>TYPES OF EXPENSES</u>	<u>% OF TOTAL CITY COSTS</u>
- City Administration	10%
- Public Safety (police)	39%
- Community Development (planning and land-use)	5%
- Community Services (recreation, youth, seniors, etc.)	6%
- Public Works (water, sanitation, lights, roads, etc.)	32%
- Other contracted services (animal control, garbage collection, civil defense, etc.)	8%
TOTAL	100%

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WHAT IS OUR CITY BUDGET?

(in thousands)

	1982/83	1983/84	1984/85	1985/86	1986/87
Revenues	2,243	4,073	4,006	3,929	3,844
Expenses	1,609	3,496	3,496	3,496	3,497
Annual Balance	634	577	510	433	348

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