

City Finances

This is the second in the series of reports on the J. B. Hanauer survey of incorporation for East Palo Alto. Last week we outlined the procedure for incorporation. This week we will give sources of revenue found in the report and the proposed first year budget of such a city.

CHAPTER 2

According to the J. B. Hanauer report, an incorporated city derives its income from the following sources:

1. Taxes.
2. Licenses and permits such as business licenses, building permits and amusement permits.
3. Franchises and privileges which include gas and electricity; water and garbage.
4. Subventions and grants, including the in lieu motor vehicle licenses, the gas tax, the alcoholic beverage licenses and traffic safety with its fines and forfeitures.
5. Miscellaneous, such as trailer tax and city sales tax.

TAX LIMITED

City taxes are personal property taxes with a maximum limit of \$1 per 100 dollar assessed valuation in a sixth class city; additional taxes must be approved by the vote of the people.

Income from business licenses.

We think P.A.G. is really quite ideal.

Our neighbors are delightful
(We've never heard them fightful)

All the children are as "normal" as can be.

There is help when it is needed.
(Sometimes advice is heeded)

We really live in tractable harmony.

We're glad our kids can see the needs

Of different races, different creeds,

And consider each the same as you and me.

The Rec program so varied
Has made **THIS** Ma less harried

And given the boys some real group therapy.

They have learned a sense of fair play,

Learned to do things other than their way,

And best of all, they do it cheerfully.

We think Brentwood's quite superior.

How could it be inferior
With the personnel and principal we love so?

So, with due consideration
We extend our admiration

To our teachers and, of course, to Mr. Grenbeaux!

Well, it's time to give up rhyming,

We are running short of timing.

Guess I better give up typing if next week, so

If you'll drop in for a cup of cheer
I'll promise you that when you're here

I'll not ramble on **QUITE** so much when I speak so!

building permits and amusement permits are self-explanatory.

Cities grant franchises and privileges to gas and electricity companies, such as the P.G. and E., the garbage company and the water companies, and in return charges them.

State funds returned to a city, include the Alcoholic Beverage License fees collected within the incorporated limits of that city, which total approximately 90 per cent of these fees. These fees go into the general fund.

Motor Vehicle License fees is a tax imposed on all motor vehicles that are required to be registered under the State Vehicle Code. It is on an "ad valorem" basis and is in lieu of local personal property taxes on motor vehicles. Proceeds from the tax are returned to cities and counties on a population basis. The apportionment is made semi-annually, and in the past two years has been a little over \$5 average per inhabitant.

These fees may be expended for law enforcement, regulation and control of highway traffic, fire protection of highway traffic and any other state purpose.

STREET FUNDS

Gasoline Tax funds are used for expenditure on city streets. A sum equal to five-eighths of one per cent per gallon tax on gasoline is made available from the state for these expenditures. At least 60 per cent must be expended for construction purposes on the major city street system. The remaining 40 per cent must be expended for maintenance purposes on any city street. However, with approval of the State Department of Public Works, 100 per cent may be spent on construction of the major city street system. These funds are kept separate from the general fund for better accounting.

The city receives an additional revenue from the state for engineering costs and administrative expenses in respect to the city streets, with the prescribed amount for cities over 10,000 at \$2000.

Motor vehicle fines and forfeitures are of two types. When the arresting officer is a member of the city police force, all such fines and forfeitures, less a small percentage under the penal code, go into the city treasury. If the arresting officer is a state officer, the city receives 50 per cent with the remaining 50 percent transferred into a special road fund of the county, which is used for traffic signs, signals, markings and other traffic control devices; purchase of patrol cars, motorcycles, police radio equipment and any other item used by the city for the principal purpose of traffic law enforcement and accident prevention; cost of maintenance, improvement or construction of public streets, bridges and culverts; compensation of school crossing guards not regularly full-time members of the police department of a city; side

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Next Monday:

CARD PARTY

The public is invited to the afternoon card party of the East Palo Alto Women's Club next Monday, February 17, which will be held at the clubhouse, Bay road at Oakwood drive, starting at 1 p.m.

Chairman Mrs. Dewey Lang announces that cake and coffee will be included in the 50 cents score card charge.

Proceeds go into the club building fund.

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Bearing these above sources in mind, the Hanauer company proposed the following budget for the first year of a city:

BUDGET

TYPICAL BUDGET 1957 Records ESTIMATED INCOME	
GENERAL FUND	
Licenses and Permits	\$ 8,750
Franchise and Privileges	
P.G.&E.	3,500
Water	750
Garbage	2,500
Subventions and Grants	
Alcoholic Beverages	18,750
Total General Fund	\$ 18,750
Motor Vehicle (In Lieu)	\$ 62,280
Gas Tax (including Airport)	37,960
Engineering	2,000
Fines and Penalties	4,000
	\$106,240
TOTAL REVENUE OTHER THAN TAX	
	\$ 8,750
	18,750
	106,240
	\$133,740
ESTIMATED EXPENDITURES	
City Clerk	\$ 5,000
Expense	1,000
Legal Advertising	500
Office Supplies	700
Dues and Miscellaneous	300
Finance Officer and Accounts	500
Attorney's Salary	2,000
Reserve for Contingencies	2,500
City Engineer	2,000
Insurance and Bonds	1,000
Other General Accounts	
Planning Commission:	
Salaries and Expense	1,000
County Assessor	50
Elections:	
Salaries and Expense	500
City Hall:	
Furniture and Fixtures (1500/3 yrs.)	500
Rent and Repair	2,500
Expense	1,000
Protection, Persons and Property:	
Police Department	73,300
Streets and Roads:	
Construction and Reserve	22,950
Maintenance	15,000
General Reserve and Overhead	1,430
TOTAL EXPENDITURES	\$133,740

As you can see, this budget "balances" without property taxes. Next week we will tell of the county services available to a city and their costs.