

## **Breakout Session 2: Government Finance & Trends**

### Sales taxes & property taxes

- these taxes are the majority of municipal revenue sources

  - sales taxes are declining

### Property taxes slow to recover after recession

- new trend in California:

  - expenses that were state responsibilities to local government, but revenue isn't following

### Deferred infrastructure backlog creating huge liabilities

- Saving \$1 yesterday is costing \$4-5 today

- Crushing burden of retirement cost increases

### San Jose:

- 10 year period, 37% increase in the police budget with a 14.7% decrease for staffing

- 98% of payroll pension contribution for firemen & policemen

### Redding:

- 74% increase in budget, 34% decrease in police staffing pension funds rely on assumptions for the future

  - a lot of funding is being taken and allocated elsewhere