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San Diego Taxpayers Association

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SAN DIEGO TAXPAYERS ASSOCIATION
1971 ANNUAL REPORT

In 1971 the San Diego Taxpayers Association was faced with issues running the gamut of subject areas. Some of the most complicated problems of society are concentrated at this local level where the people are, and at least during the past year, the proposed solutions were inevitably expensive.

But the accomplishments of the Association during 1971 did fall into three principal areas.

First, in early February an ad hoc Association committee began reviewing the Association's heretofore defined role, policies and procedures. How should we operate in our second-quarter century? Many specific recommendations resulted from the study...but the central theme was that the Taxpayers Association must continue to provide a strong, responsible taxpayers voice in San Diego governmental affairs, and necessary support must be found. Consistent with these recommendations, on July 16th the Board of Directors approved the first Associate level staff increase since 1947, along with a program to provide funding.

Secondly, in January an Association Public Personnel Committee composed of management negotiators from the business sector recommended techniques to allow effective Association input into the recent State-mandated meet and confer "negotiations" process between government management and employee unions. As a result we were able to successfully influence salary setting in the interests of the taxpayer. We successfully opposed unwarranted 2½% across-the-board City midyear salary increases in February costing $780,000, even though $500,000 had been budgeted for that contingency. We successfully supported a 4.2% average City increase in June in spite of recommendations from the City's own Civil Service Commission for 5.5% – saving $550,000. Using the same techniques, we saw 4% teacher salary increases adopted against staff recommendations for 5%, saving $750,000. We now approach 1972 salary setting in hopes that inter-agency coordination can be achieved to minimize whipsawing resulting from variations in salaries granted for comparable positions.

The third major area, of course, related to the budget process. For the second year the name of the annual budget game was "tax rate". By June, (1) San Diegans had seen no property tax reform from Sacramento; (2) we had experienced the largest tax rate increase on local record the prior year; (3) we had seen a high assessed valuation increase the prior year; and (4) the voters' inclination was clear in the 60% rejection of $235 million in School and County proposed general obligation bonds in early June. The taxpayer apparently wanted no tax increase!

At this point, in response to a County proposed budget up $67 million, or 28%, requiring an 86c tax rate increase, and School recommendations suggesting a 15c additional rate, we began extensive budget review sessions, meeting with officials and continual attendance at all budget conferences. There is no question that we were instrumental in major reductions. The County Board of Supervisors labored for six weeks to reduce the rate increase to 19c, and the School Board adamantly refused any increase. The City Council also adopted a no tax rate increase budget which resulted in a 15c reduction when the assessed valuation increase was reported. It must be emphasized that the Association's role was to provide background information recommendations and encouragement, and to focus taxpayer concern on public officials who were already struggling to respond to the taxpayer mandate.

But the Association was also involved in a miscellaneous assortment of other issues.

Midyear we strongly supported City management in reducing manning levels of certain fire-fighting equipment located in selected low risk areas of the City, resulting in better equipment coverage and improvement of the City's American Insurance Association fire risk classification. As a result your fire insurance rate remains lower without increased staffing costs of $480,000.

We continued to urge firm business-like negotiations on the part of public agencies which were being pressured to fund the privately owned San Diego Sports Arena. As a result, a new operator emerged agreeing to financial arrangements substantially improved in the interest of the taxpayers.

During the County budget process we recommended implementation of new State legislation allowing revised retirement system funding. As a result, at least $1 million of the County's annual funding costs will be offset to future years so long as the system exists. This deferred savings totalled $500,000 the first year due to implementation time requirements.

We spoke specifically to the Port Commission recommending budget accounting techniques to safeguard against the use of reserve funds which could hasten a future return to property tax support. We successfully recommended a Port District planned capital outlay program to allow future operation and maintenance cost projections.

More recently we faced our responsibility to tell it like it is by taking stands on two very controversial issues. We unsuccessfully opposed the recent County Board of Supervisors redistricting plan which changed elected representatives of more than 50% of County residents and withheld support of the very popular Proposition A on the November ballot due to a lack of prior consideration of all capital building needs of the City to truly determine priorities.

Finally, on December 9 we successfully urged the new City Council to continue funding the City's share of water facility construction costs from the user's water rate, rather than the property tax rate. That decision alone could have increased next year's property tax requirements over $5 million.

These are only a few of our 1971 activities, but we think the point is clear. To accomplish savings, we the taxpayers, **must stay involved.**

SAN DIEGO TAXPAYERS ASSOCIATION
HISTORY, PURPOSE AND STRUCTURE

In September of 1945 a group of progressive San Diego business men formed the San Diego Taxpayers Association to provide an informed taxpayer voice on matters affecting the expenditure of public funds in the San Diego Metropolitan area.

The men who built the foundation for the Association knew well that San Diego's post-war tax problems would be many and complicated, that expenditures of local governments would tend to rise rapidly, and that the resulting taxes could well strangle the economic life of the community. The founders believed that the only kind of organization which could do **a proper job for the taxpayers** was one built on developing factual information as a basis for Association recommendations, presenting the facts and recommendations on their merits to government, avoiding partisan and political activities, hysterical tactics and emotionalism.

Over the past 26 years the purposes of the Association have remained unchanged – to constructively aid, encourage, and promote efficiency and economy in the administration of public business and the expenditure of public funds. The Association works with public officials rather than against them, and it endeavors to assist them in overcoming difficulties rather than censoring them for mistakes. This policy has proven that it achieves the best results, and insures a long productive life for the Association as well as substantial tax savings for its members and the community as a whole.

The Association conducts year round studies of governmental budgets, salaries, programs, service levels, capital outlays, and planning. It makes recommendations, disseminates information, and stimulates public discussion of local governmental budgets, programs and fiscal policies. Receiving the **full time attention** of the Association are the: City of San Diego, County of San Diego, County Department of Education, San Diego Unified School District, San Diego Community College District, and San Diego Unified Port District. State legislative programs which directly reflect the expenditure of local tax funds (welfare, education, courts, etc.) are also studied with recommendations presented to San Diego's legislative delegation.

The Association can proudly point to major accomplishments in the interest of sound, efficient and economically administered local government as the following: consolidation of the City and County Health Departments; establishment of the position of County Chief Administrative Officer; joint purchasing by the City, County and School District; reorganization of the costly City police and fire retirement system; operation of the School cafeteria system on a self-supporting basis; reorganization of the County Welfare Department placing more control under the Board of Supervisors; and governmental use of performance budgeting to provide a more accurate picture of local government workloads and cost of services.

The policy of the Association is set by a 25 member Board of Directors elected annually by the membership, plus 8 past presidents. Nine officers are elected each year by the Board and constitute membership of the Association's Executive Committee. Each year special committees are appointed by the President to study in detail the annual budget proposals of the City, County, School and Port District.

The Association operates on an annual budget of $42,000 which supports the employment of a full time staff trained in governmental research and relations. Membership of the Association is composed of 375 firm and individual members. Annual membership dues range from a minimum of $50 to a maximum of $2,400.

Without question, an investment through membership in the San Diego Taxpayers Association is sound, and above all has produced and will continue to produce actual financial returns far in excess of the amount contributed for its support.

SAN DIEGO TAXPAYERS ASSOCIATION
POLICY GUIDELINES ON ASSOCIATION SCOPE OF ACTIVITIES

a. The San Diego Taxpayers Association may, with priority attention given to the City of San Diego, County of San Diego, San Diego Unified School District, and San Diego Unified Port District, (1) encourage and recommend economies consistent with efficiency in the operations of public agencies in San Diego County; (2) consider and make recommendations on local programs, taking into account necessity, adequacy, and fiscal feasibility; (3) review the collection and expenditure of public moneys to ensure that equitable and economical procedures are followed by local governmental agencies.

b. The Association may consider and make recommendations on State of California programs and legislation which particularly affect local governmental programs and taxation in San Diego County.

c. The Association may consider and make recommendations on local ballot measures which are within the areas of guideline (a), and on other measures that are considered to be a prime tax related issue of concern to the taxpayers of San Diego County. Activities of the Association on ballot measures endorsed or opposed may include authoring official ballot arguments and organizing and actively engaging in civic efforts in support of the recommendations of the Association.

d. The Association may consider such other matters as the Directors from time to time believe that the Association is particularly qualified to consider and act upon.

e. The Association shall not engage in programs which would involve: (1) representation of individuals or groups of Association member; (2) examination and questioning of assessments on specific privately owned property as applied by the County Assessor; and (3) property zoning proposals that relate to the use of specific privately owned property.

MAGNITUDE OF ASSOCIATION ACTIVITY AREA

PUBLIC AGENCY	1971-72 BUDGET	NUMBER OF EMPLOYEES
COUNTY OF SAN DIEGO	$288,410,860	8,840
COUNTY DEPARTMENT OF EDUCATION	7,485,283	297
SAN DIEGO UNIFIED SCHOOL DISTRICT	136,117,091	13,550
SAN DIEGO COMMUNITY COLLEGE DISTRICT	25,217,951	3,250
CITY OF SAN DIEGO	135,499,213	6,110
UNIFIED PORT DISTRICT	15,049,358	230
TOTALS	$607,779,756	32,227

POWER OF THE PENNY

A 1c TAX RATE WILL RAISE

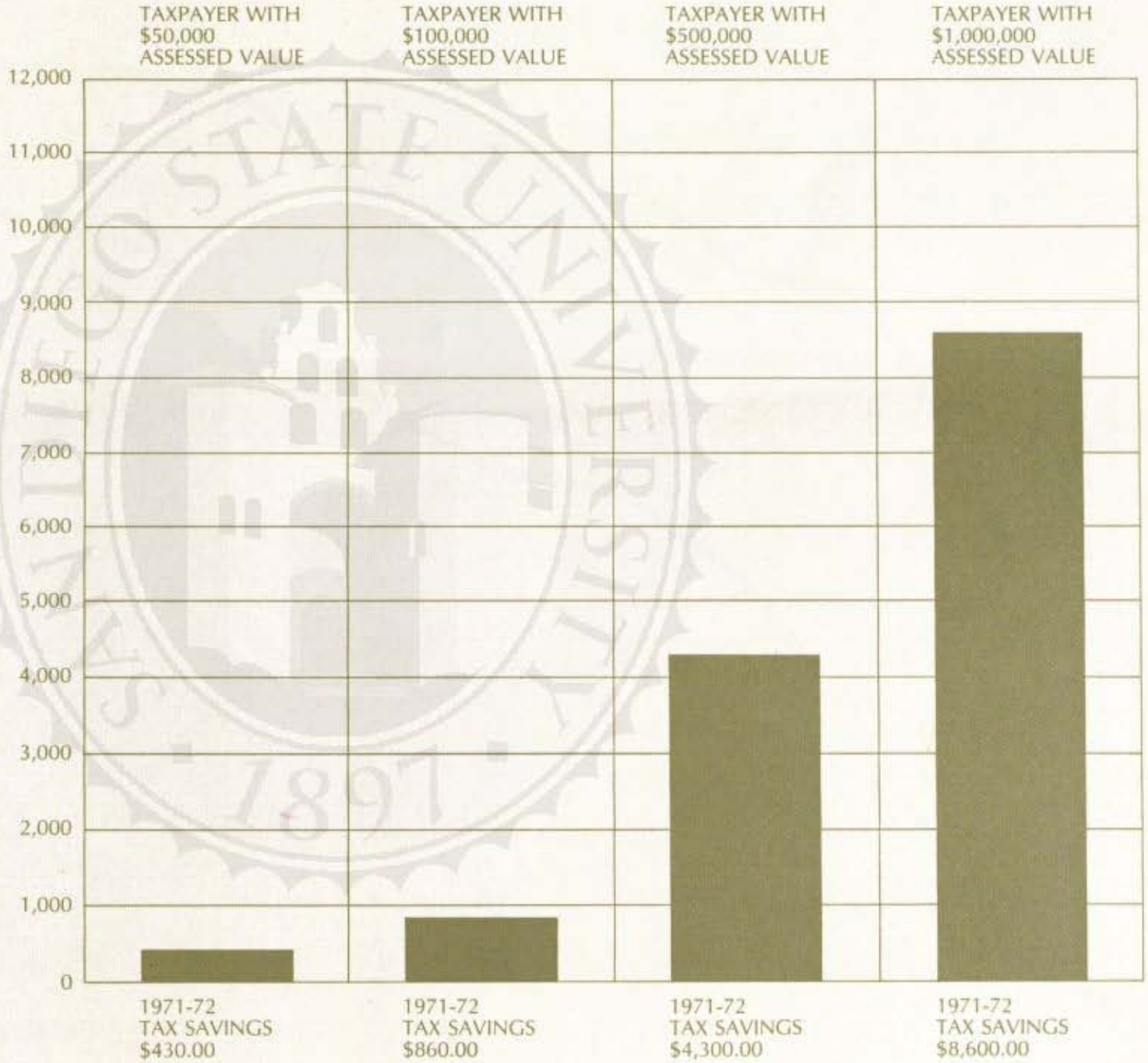
COUNTY OF SAN DIEGO	$323,000
COUNTY DEPARTMENT OF EDUCATION	323,000
*UNIFIED PORT DISTRICT	194,000
CITY OF SAN DIEGO	163,000
SAN DIEGO UNIFIED SCHOOL DISTRICT	152,000
SAN DIEGO COMMUNITY COLLEGE DISTRICT	152,000
	$1,307,000 TOTAL

*The San Diego Unified Port District currently (1971-72) is not funded by property tax revenues.

ANNUAL SAN DIEGO PROPERTY TAX LEVY SAVINGS

TOTAL SAN DIEGO RATE AND AVERAGE TOTAL RATE OF THE OTHER 9 LARGEST CITIES IN CALIFORNIA

1971-72 TAX SAVING FROM ASSOCIATION ACTIVITIES



TEN YEAR RECAP OF TAX SAVINGS FROM ASSOCIATION ACTIVITIES

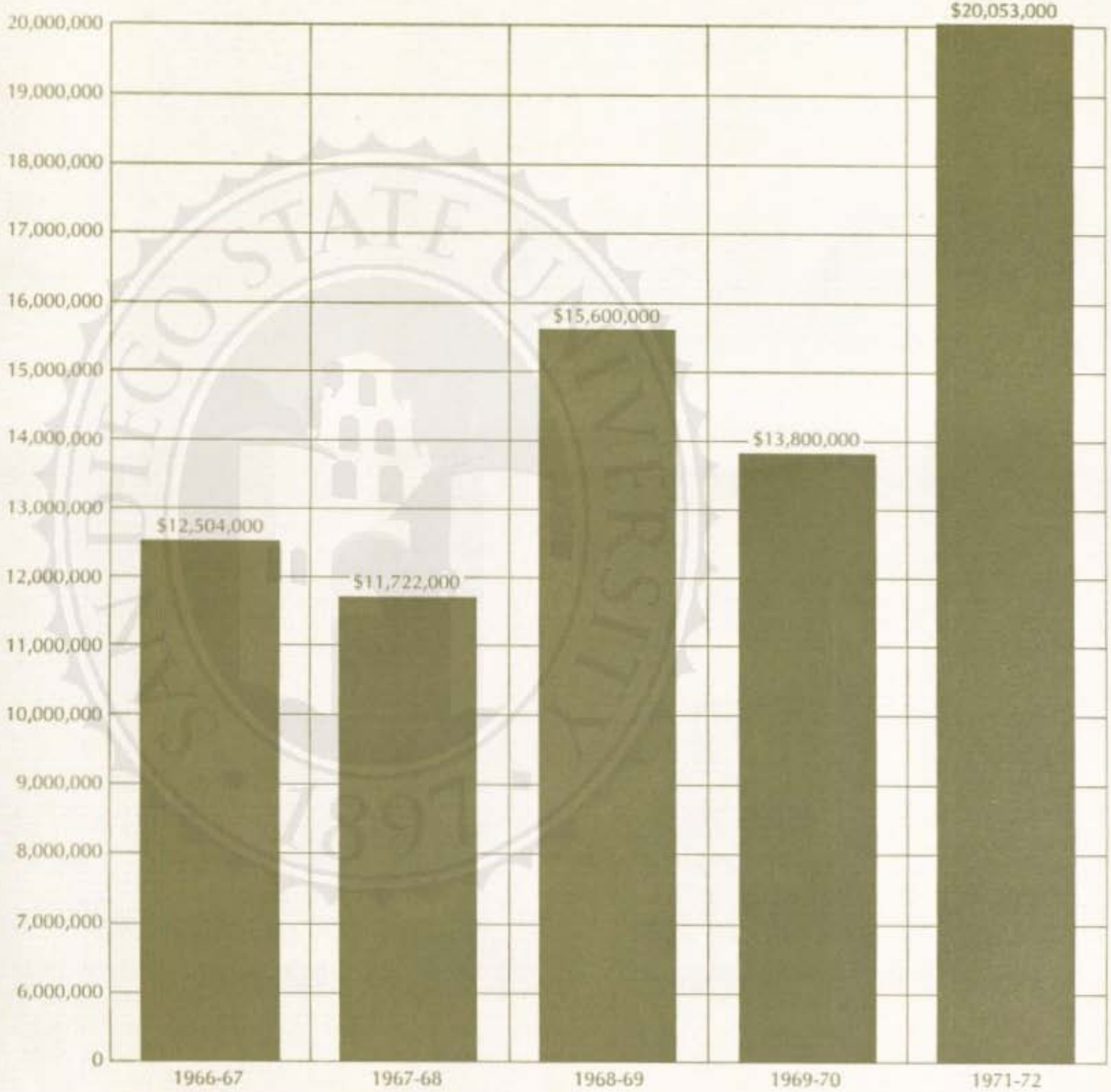
YEAR	TAX SAVINGS	TAX RATE EQUIVALENCY	% OF TOTAL TAX RATE
1961	5,010,000	.56	7.4
1962	8,258,000	.93	11.7
1963	8,200,000	.89	11.2
1964	5,500,000	.64	7.9
1965	8,061,000	.71	10.9
1966	9,309,000	.95	10.7
1967	12,504,000	1.15	13.7
1968	11,722,000	.90	10.2
1969	15,600,000	1.03	11.5
1970	13,800,000	.90	8.9
1971	20,053,000	.86	8.4

TOTAL 10 YEAR TAX SAVINGS – $113,007,000

AVERAGE ANNUAL TAX RATE SAVINGS – 89.6c

AVERAGE % OF TOTAL TAX RATE SAVINGS – 10.5%

5 YEAR RECAP OF TAX SAVINGS FROM ASSOCIATION ACTIVITIES



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