



# STANDARDS OF COVERAGE: FISCAL OUTLOOK

**December 12, 2023**

**SAN MARCOS**  
DISCOVER LIFE'S POSSIBILITIES

# TODAY'S WORKSHOP

- Where we started
- Steps already taken
- New and emerging needs
- Prioritizing long term fiscal sustainability

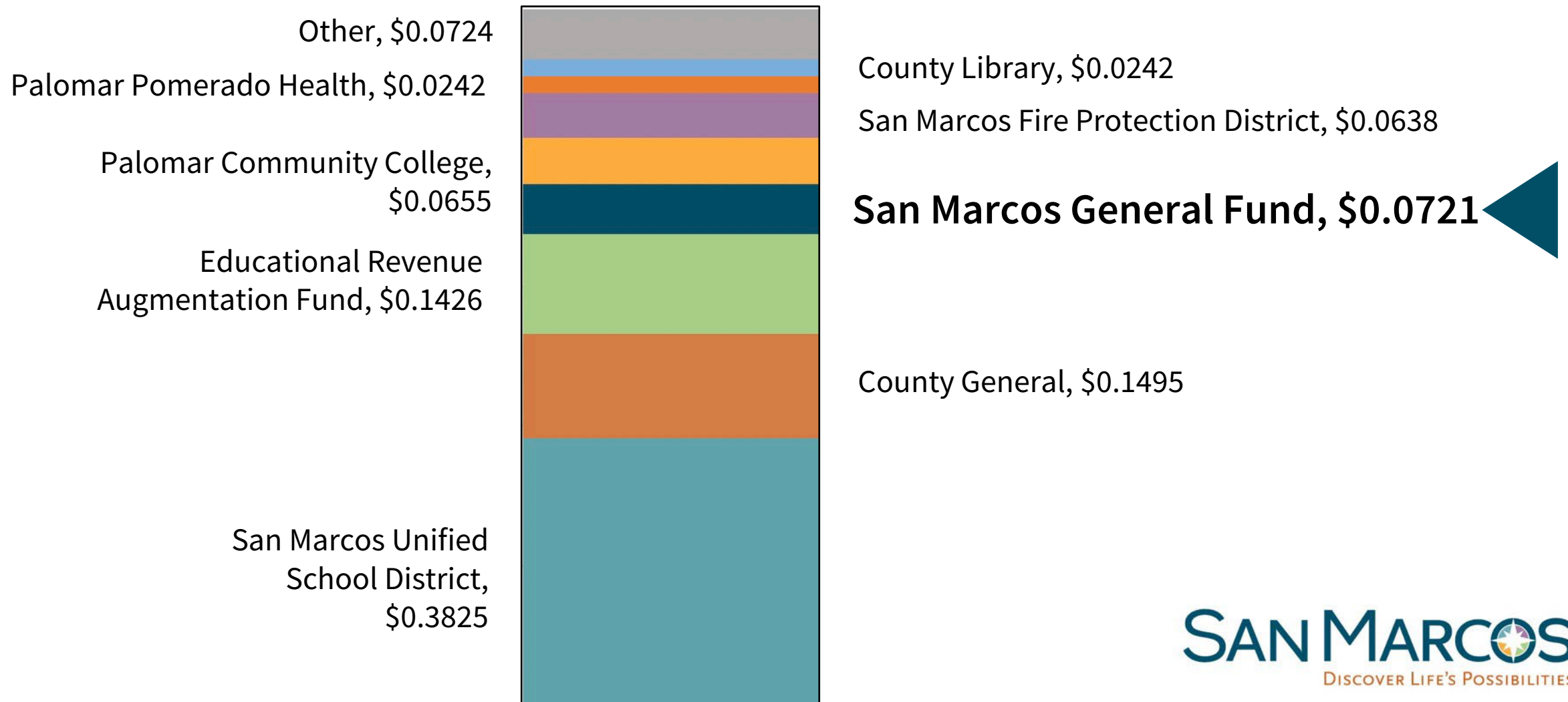




WHERE WE STARTED

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# PROPERTY TAX DOLLAR ALLOCATION



# FOR EVERY PROPERTY TAX DOLLAR ...



**7 cents**  
for City Services



# PROPERTY TAX SHARE – NEIGHBORING CITIES



## THE CITY OF SAN MARCOS

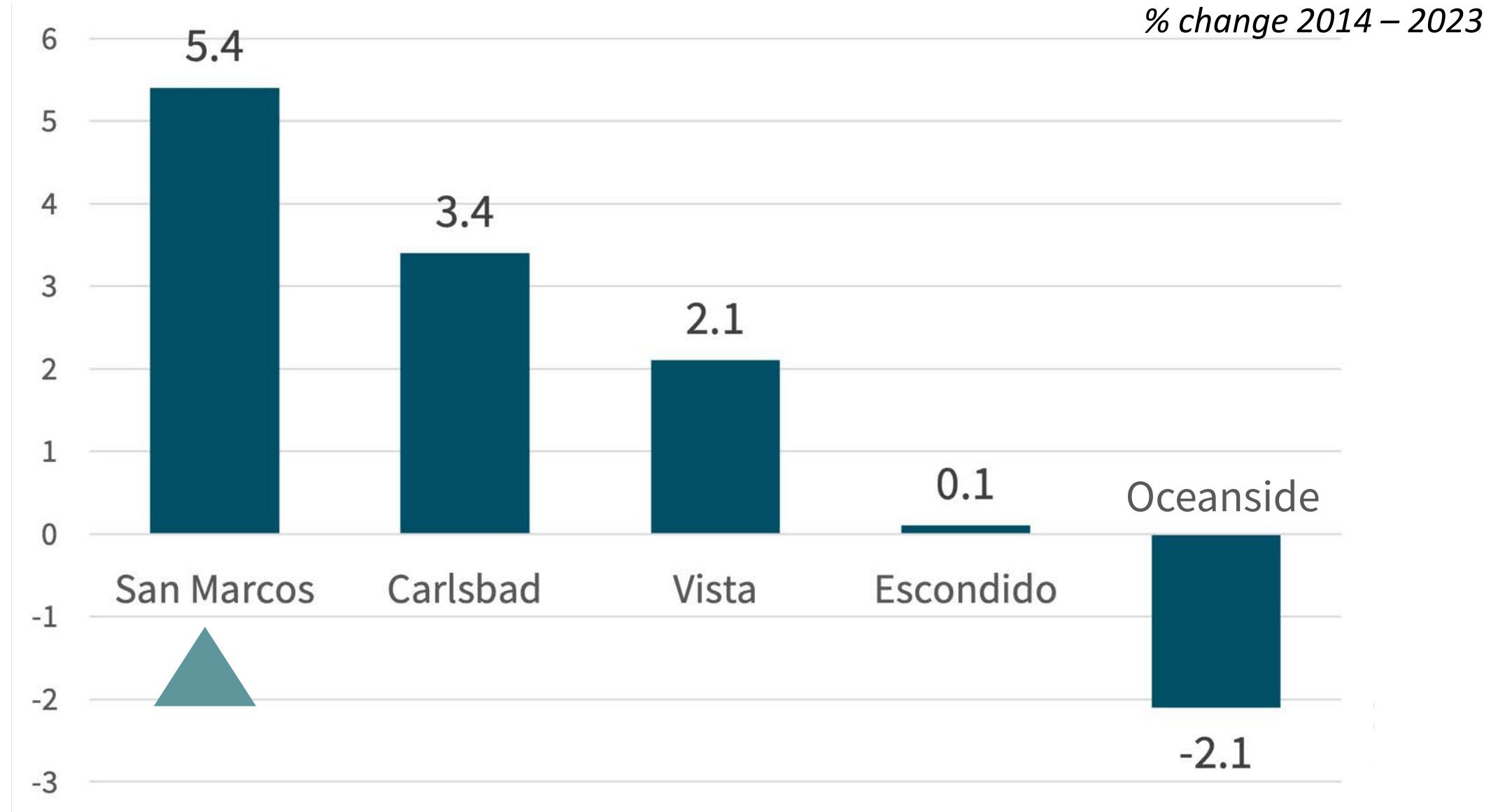
### 2023/24 ONE PERCENT WEIGHTED TAX SHARE

General Fund ATI Share for all Non-SA TRAs within each Agency - ERAF Adjusted

City	GF Share	GF Related Share	Total GF Share
Coronado	31.23%		31.23%
Encinitas	23.90%	0.61%	24.51%
Imperial Beach	20.86%		20.86%
Poway	4.81%	15.78%	20.59%
Santee	19.74%	0.63%	20.37%
Oceanside	18.94%		18.94%
National City	17.94%		17.94%
Solana Beach	15.98%	1.90%	17.88%
San Diego	17.03%		17.03%
Carlsbad	16.73%		16.73%
Lemon Grove	13.84%	1.20%	15.04%
Del Mar	14.78%		14.78%
Vista	14.09%		14.09%
Chula Vista	12.19%		12.19%
La Mesa	10.99%		10.99%
El Cajon	10.85%		10.85%
Escondido	10.15%	0.01%	10.16%
San Marcos	6.60%	0.00%	6.60%

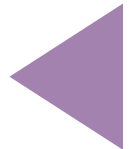


# 10 YEAR POPULATION TRENDS



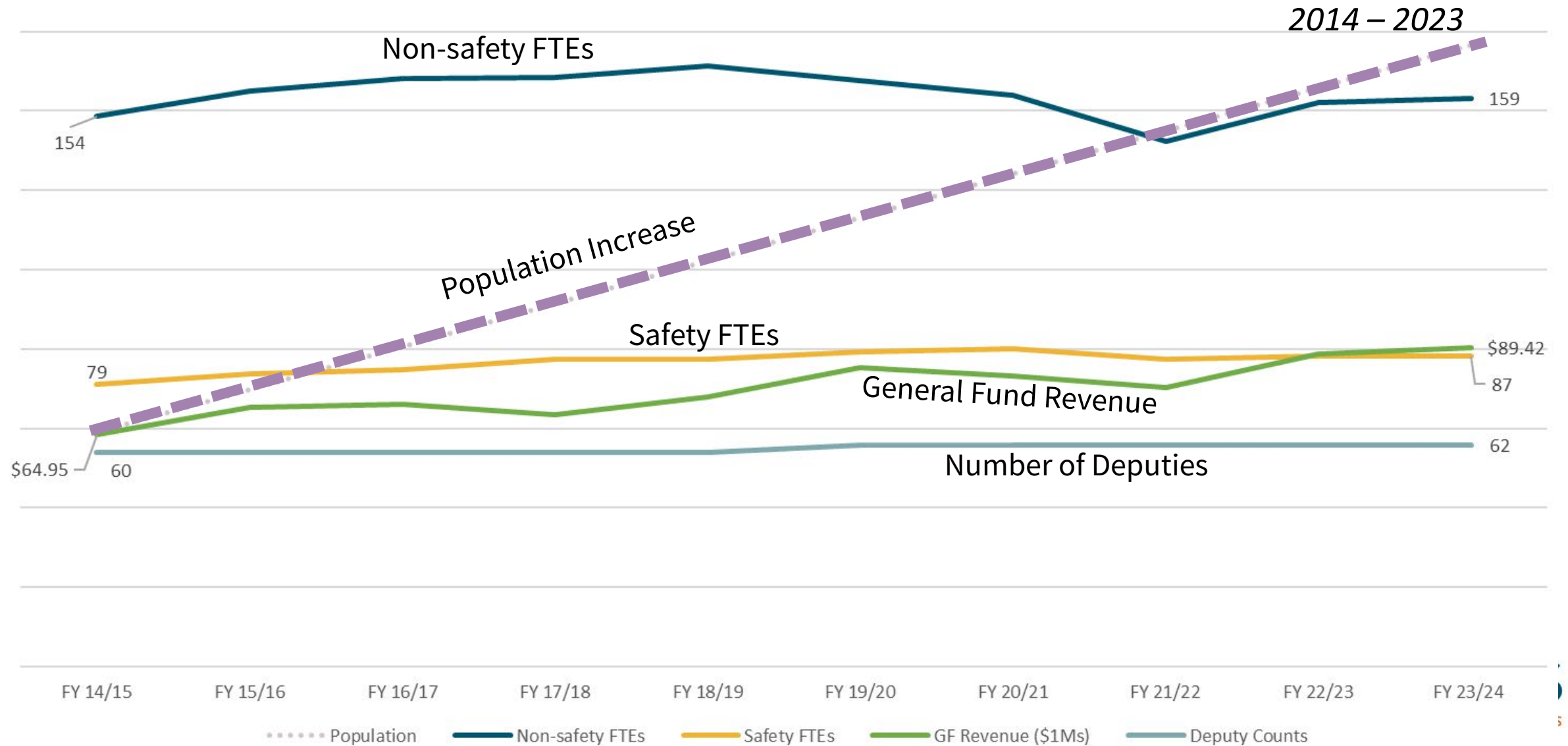
# KNOWN COST INCREASES

Fuel Expenditures	\$90,000
Utility Expenses	\$170,000
Park Maint & Custodial Contract Increase	\$200,000
Sheriff's Agreement	\$812,000
CalPERS UAL Payment	\$1,200,000
Employee Benefits & Contract Costs	\$1,600,000
	<b>\$3,972,000</b>



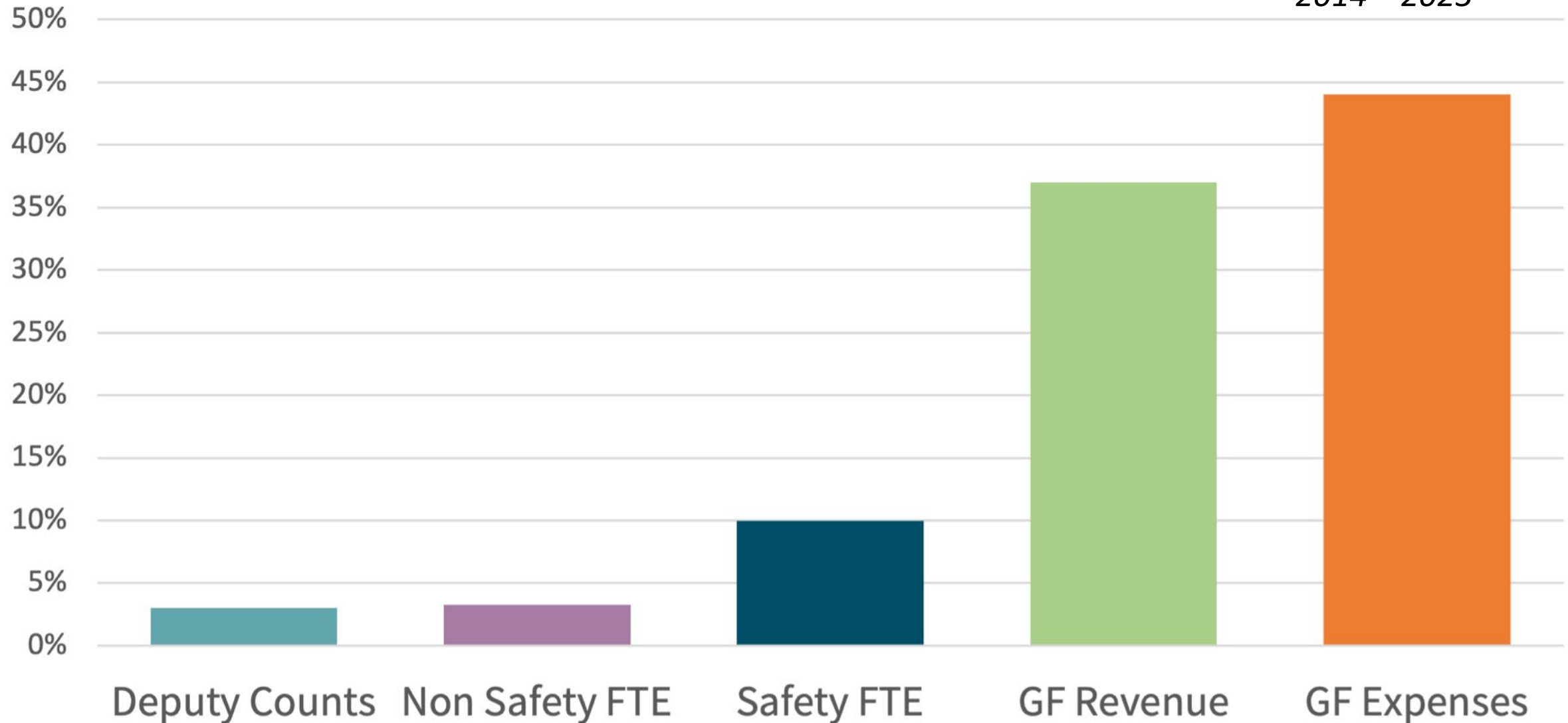


# POPULATION OUTPACING RESOURCES



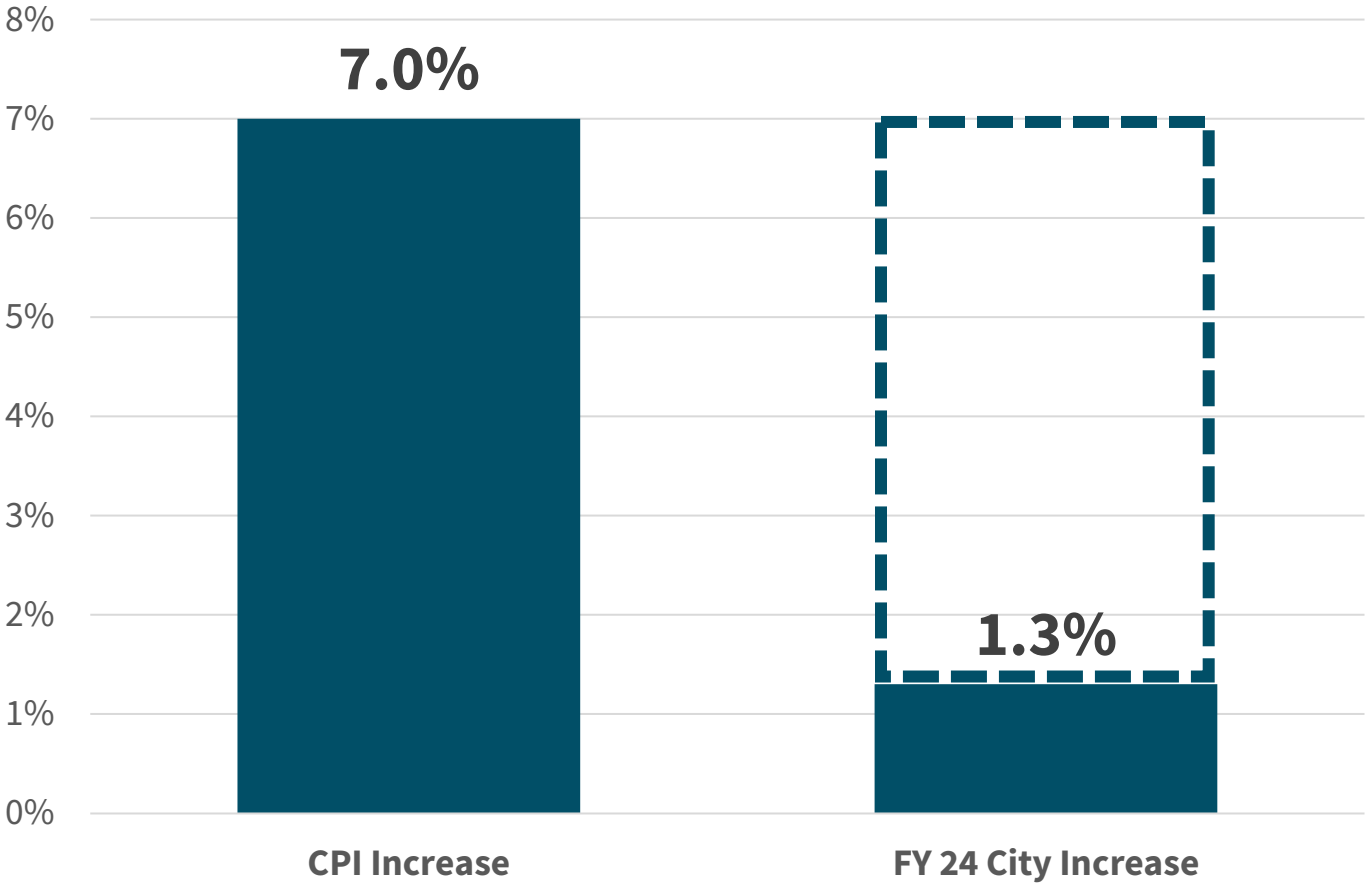
# PERCENTAGE INCREASE

2014 – 2023



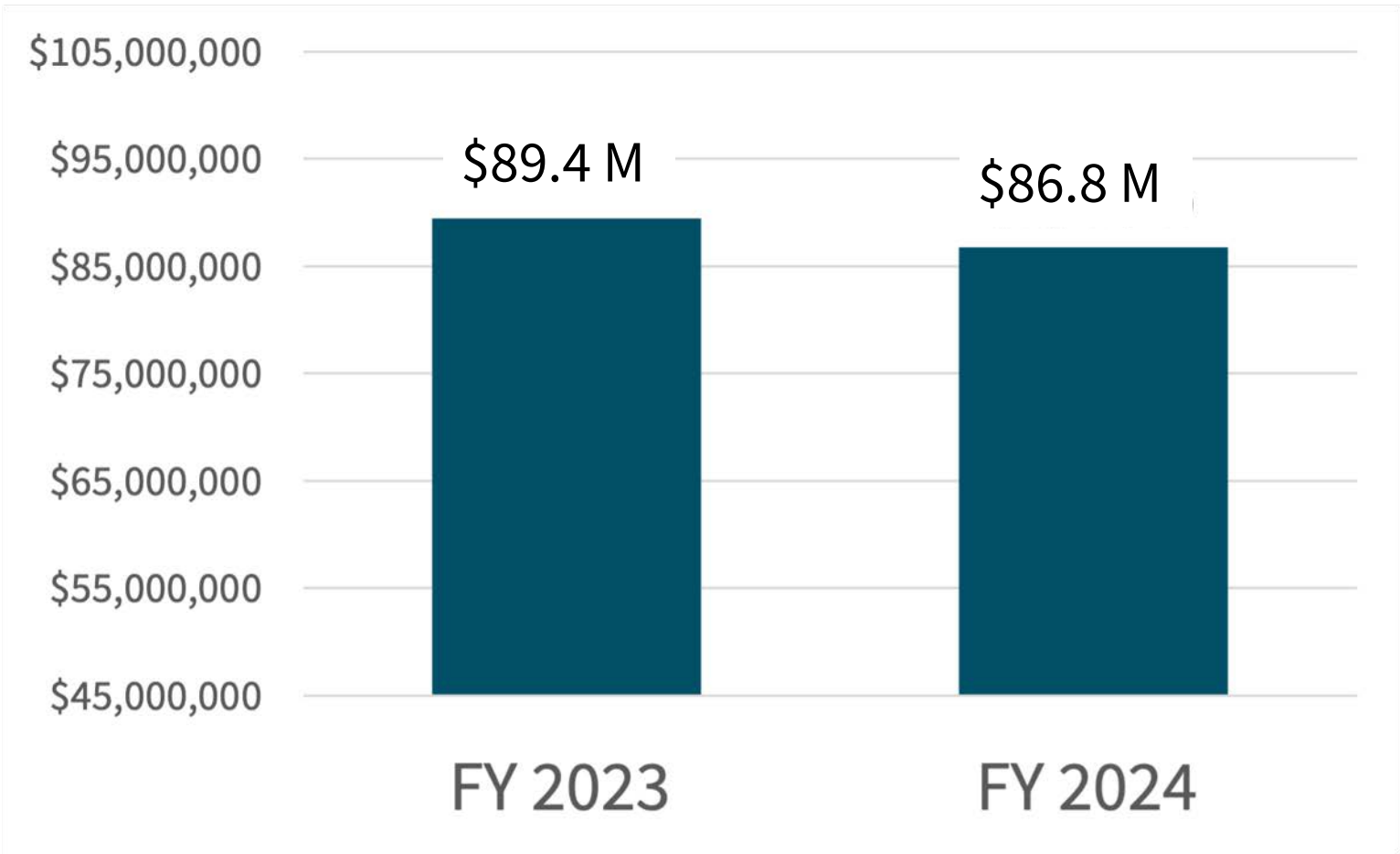


# EXPENDITURE INCREASE





# REVENUES DOWN 3%







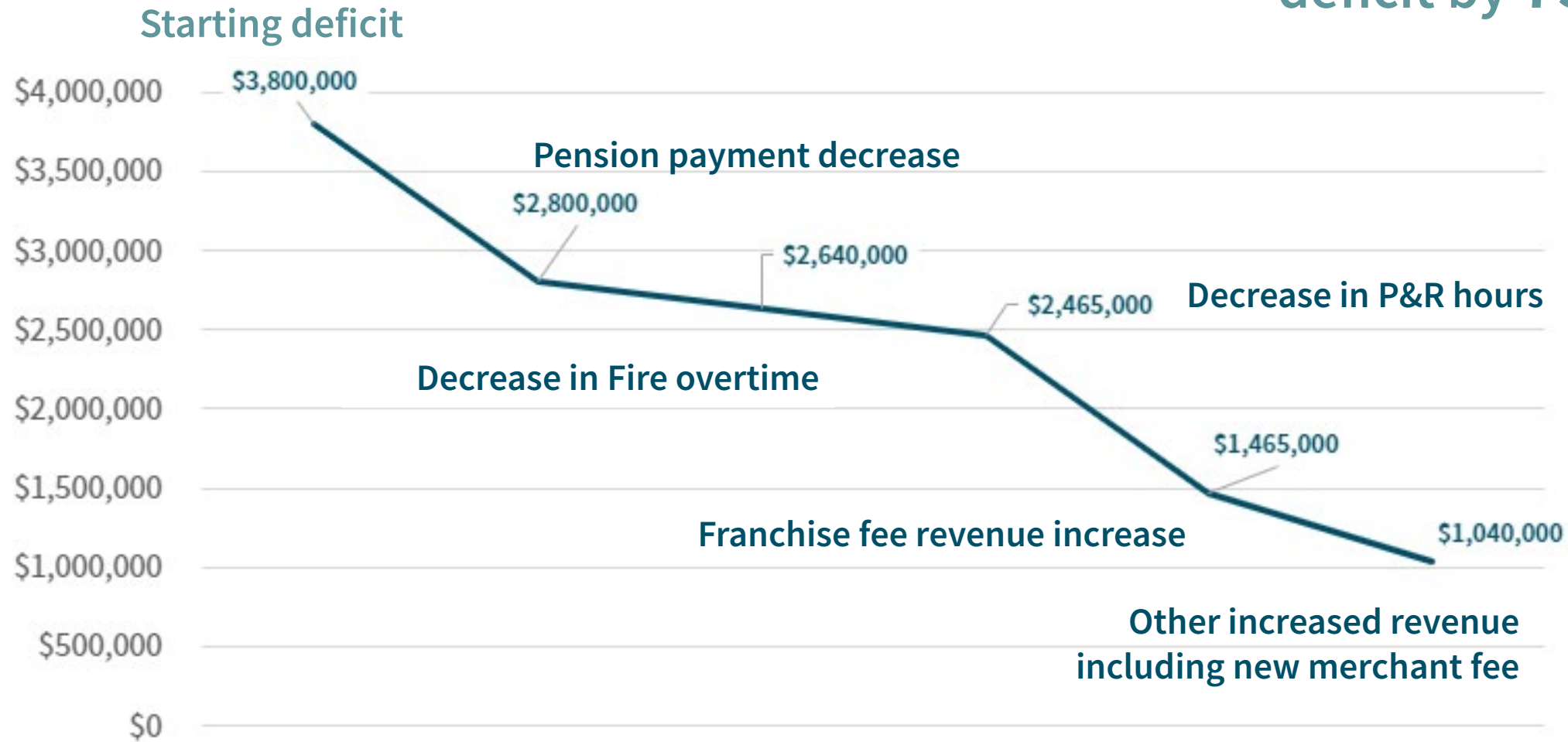
WHERE WE ARE

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# MIDYEAR BUDGET UPDATE

Reduced current  
deficit by **73.6%**

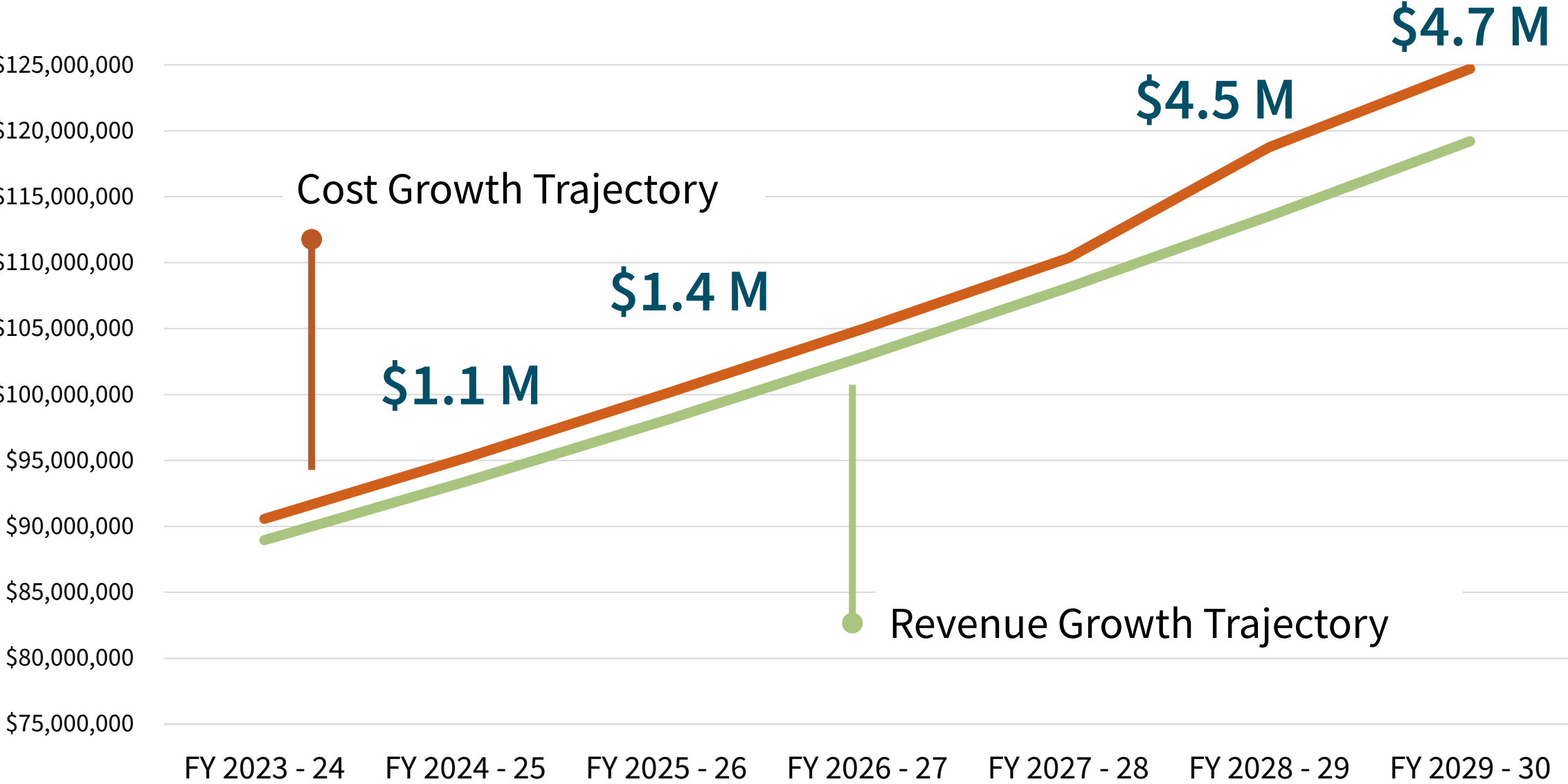




# WHERE WE ARE GOING

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# PROJECTED DEFICITS



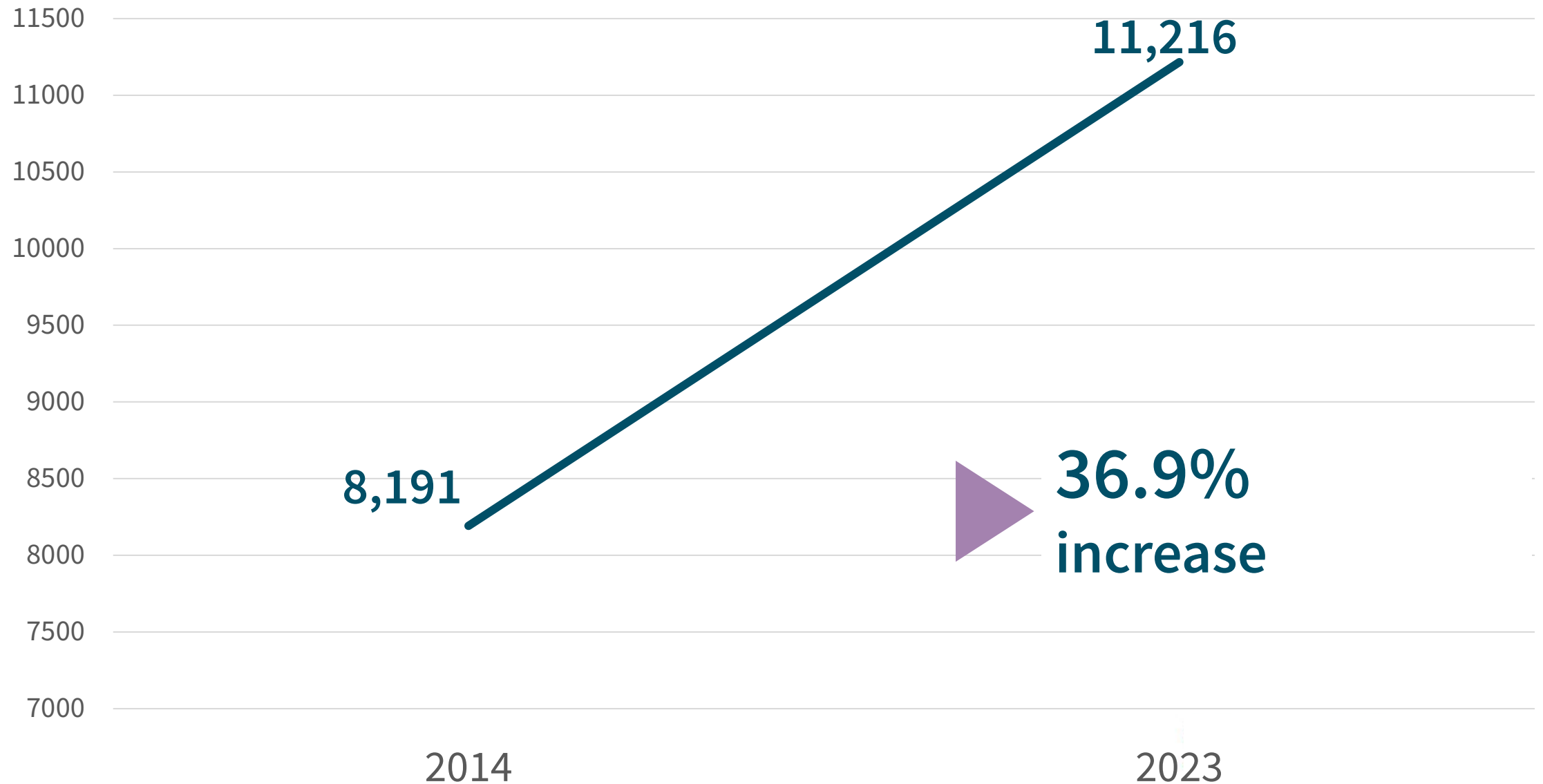




# KNOWN COST INCREASES

- Increase in PERS UAL \$1.2M above FY 2024 Actuals
- Increase in Sheriff Contract \$812K
- Increased Public Safety Needs
  - 2 Deputies added in past 10 years
  - No added fire stations in 15 years

# FIRE AND EMERGENCY SERVICE CALLS



*Service call numbers as of December 12, 2023*

# FIRE AND EMERGENCY SERVICES

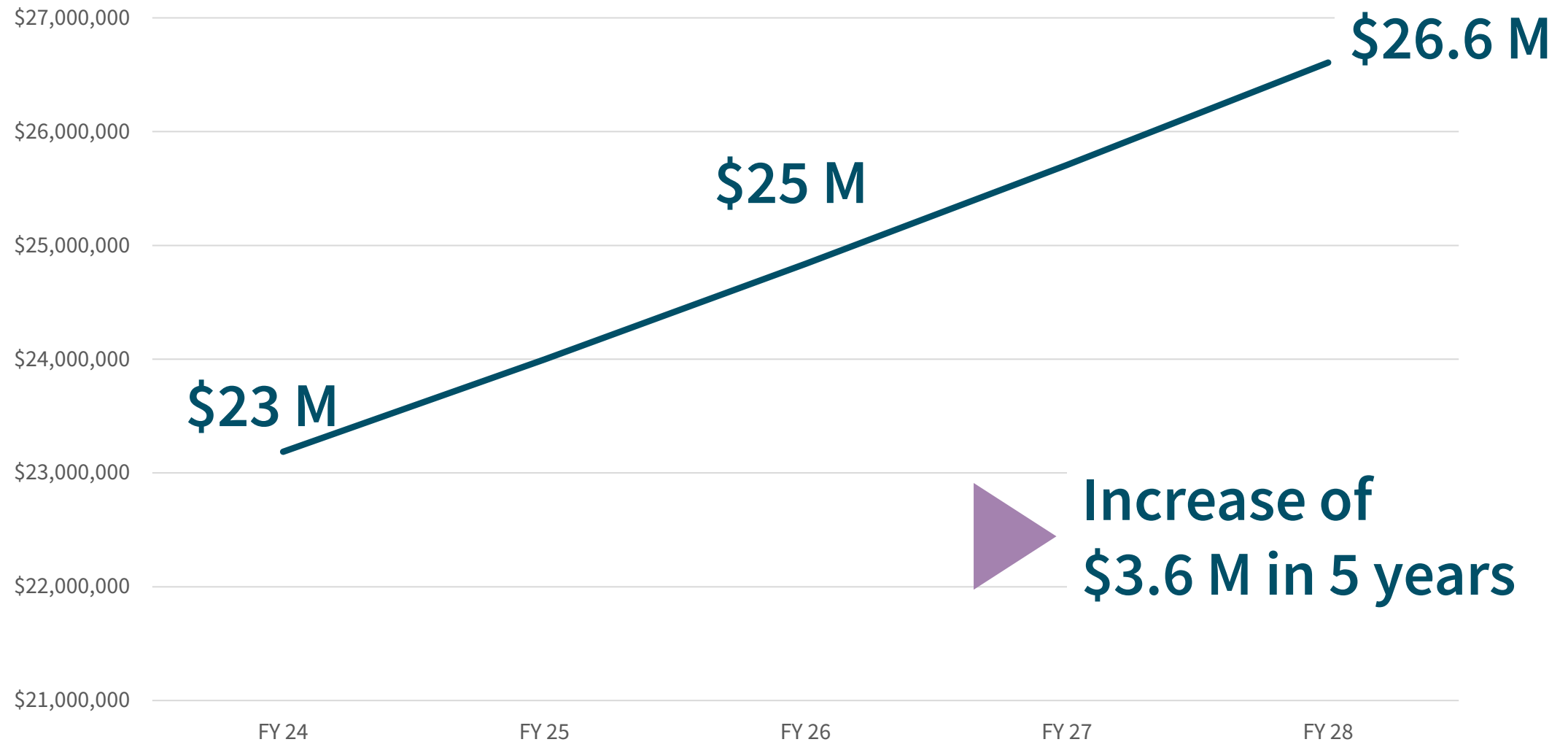
Fire and Emergency Services require additional investments to maintain industry standards as a Class 1 Department and manage the increased call volume.



## **Fire Station 5**

Construction and outfitting	\$26.6M
Ongoing	\$2.9M

# SHERIFF SERVICE COST INCREASES



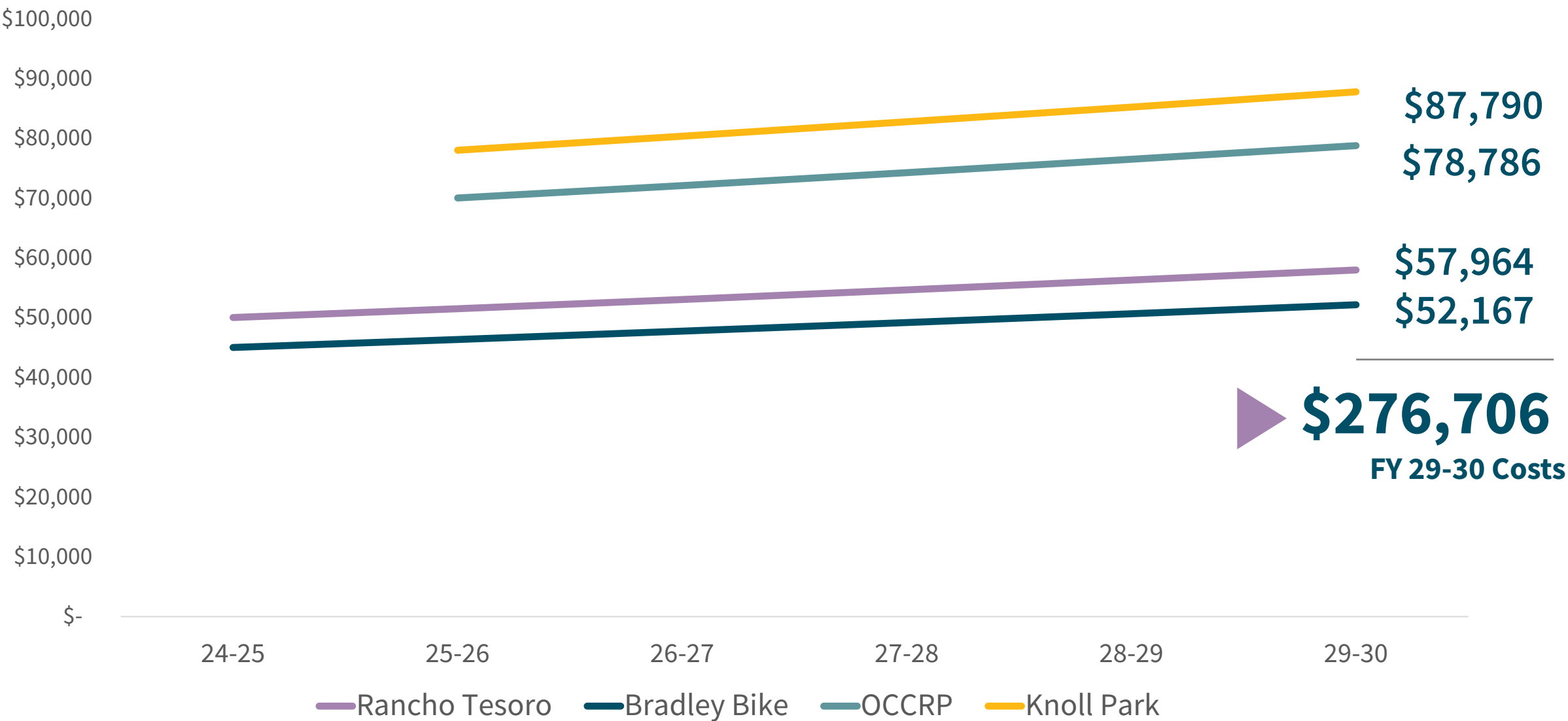


# SAN PARKOS: FACILITY OPENINGS

PLANNED	PARK NAME	YEAR OPENED	TOTAL ACRES
	Connors Park	2014	4.66
	Innovation Park	2017	0.97
	Richmar Park	2017	2.63
	Senior Center Fitness Zone	2019	0.24
	Southlake Park	2023	36.61
	Las Abejas Park	2023	1.17
	Rancho Tesoro Park	ETA 2025	9.6
	Bradley Bike Park	ETA 2025	3.3
	Old California Restaurant Row	ETA 2026	1.7
	Knoll Park	ETA 2026	10
	TOTAL ACRES	BY 2026	70.88



# ONGOING MAINTENANCE COSTS FOR NEW PARKS





# BUILT TO LAST

Long-Term Fiscal Sustainability Plan

# POTENTIAL REVENUE OPPORTUNITIES



## BEST VALUE ANALYSIS

Evaluate costs of outsourcing vs in house services



## CITY FEES

Business License Fees

User Fee Study



## SPONSORSHIPS

Consider City assets and events for sponsorship (\$10,000)



## REVENUE MEASURES

Research options for revenue measures to be considered by voters (\$9.5-10.5M)



# RECAP & DISCUSSION

- Have previously balanced budget with one-time money
- Population and costs are increasing
- Further cuts would affect services, talent retention
- Recommend creating a long-term plan for ongoing fiscal sustainability
- Return in March with options for City Council's consideration





QUESTIONS?

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# CITY SALES TAX RATES

City	Rate	City	Rate
Carlsbad	7.75%	Lemon Grove	7.75%
<b>Chula Vista</b>	<b>8.75%</b>	<b>National City</b>	<b>8.75%</b>
Coronado	7.75%	<b>Oceanside</b>	<b>8.25%</b>
<b>Del Mar</b>	<b>8.75%</b>	Poway	7.75%
<b>El Cajon</b>	<b>8.25%</b>	Rancho Santa Fe	7.75%
Encinitas	7.75%	San Diego	7.75%
Escondido	7.75%	San Marcos	7.75%
<b>Imperial Beach</b>	<b>8.75%</b>	Santee	7.75%
Julian	7.75%	<b>Solana Beach</b>	<b>8.75%</b>
<b>La Mesa</b>	<b>8.50%</b>	<b>Vista</b>	<b>8.25%</b>

*Incorporated city or towns only*

# Sales Tax Scenarios

Category	Item Price	Tax at Current rate	Tax at New Rate	Change
Grocery Store Food Items	\$ 100	\$ -	\$ -	\$ -
Going to a movie theater (Family of 4)	\$ 55	\$ 4.26	\$ 4.54	\$ 0.28
Purchasing gasoline (small SUV)	\$ 68	\$ 5.27	\$ 5.61	\$ 0.34
Eating at a restaurant (Family of 4)	\$ 72	\$ 5.58	\$ 5.94	\$ 0.36
Online Purchase	\$ 100	\$ 7.75	\$ 8.25	\$ 0.50
Department Store Purchase	\$ 200	\$ 15.50	\$ 16.50	\$ 1.00
Electronics Purchase*	\$ 500	\$ 38.75	\$ 41.25	\$ 2.50
Home furniture purchase*	\$ 2,000	\$ 155.00	\$ 165.00	\$ 10.00
RV purchase (Class C)	\$ 108,200	\$ 8,385.50	\$ 8,926.50	\$ 541.00

*\*Does not include other state required taxes or fees*