



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

SAN MARCOS

DISCOVER LIFE'S POSSIBILITIES

PROPERTY TAX DOLLAR ALLOCATION

Other, \$0.0724

Palomar Pomerado Health, \$0.0242

Palomar Community College, \$0.0655

Educational Revenue Augmentation Fund, \$0.1426

San Marcos Unified School District, \$0.3825



County Library, \$0.0242

San Marcos Fire Protection District, \$0.0638

San Marcos General Fund, \$0.0721 

County General, \$0.1495

FOR EVERY PROPERTY TAX DOLLAR ...



7 cents
for City Services

PROPERTY TAX SHARE – NEIGHBORING CITIES



THE CITY OF SAN MARCOS

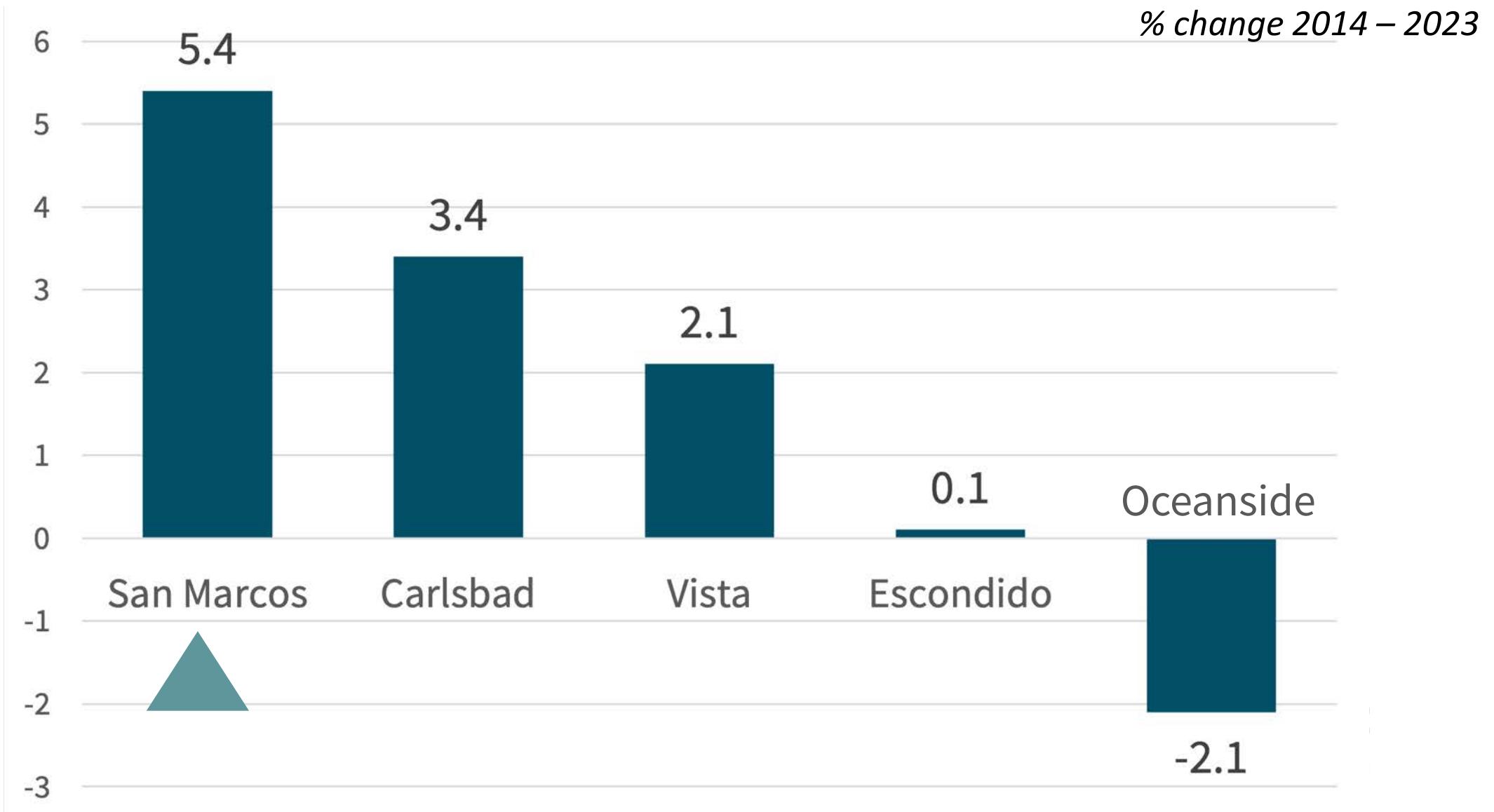
2023/24 ONE PERCENT WEIGHTED TAX SHARE

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

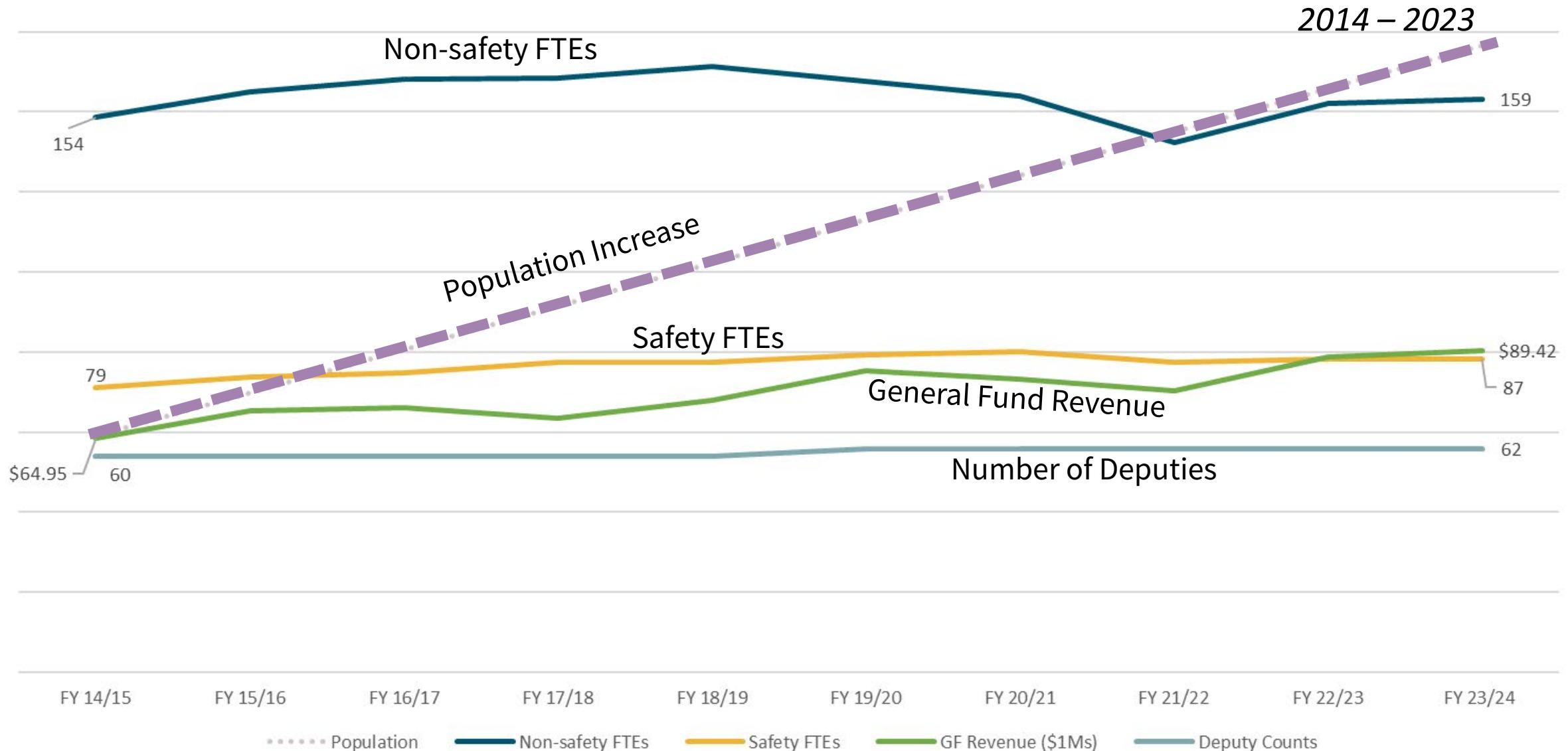


KNOWN COST INCREASES

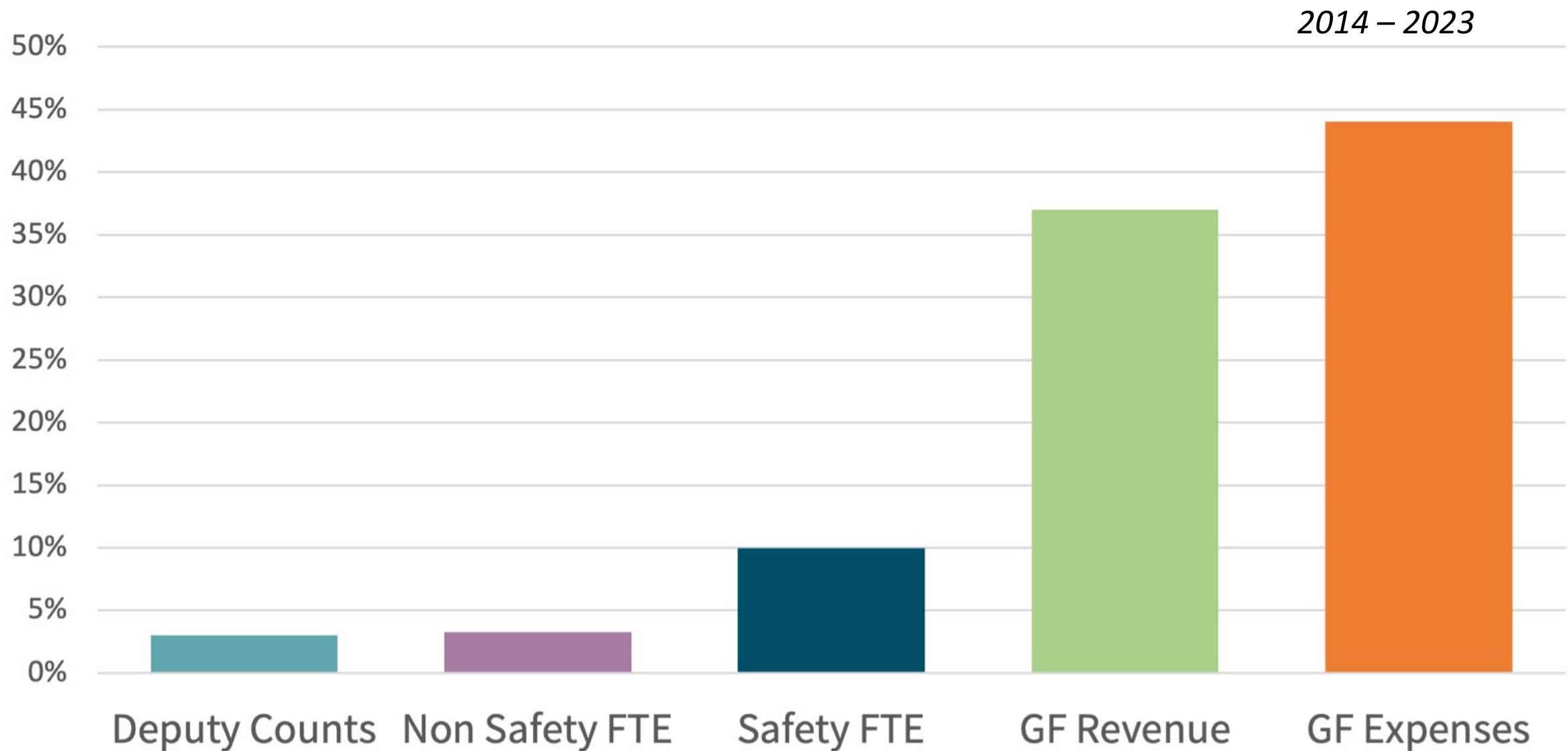
Fuel Expenditures	\$90,000
Utility Expenses	\$170,000
Park Maint & Custodial Contract Increase	\$200,000
Sheriff's Agreement	\$812,000
CalPERS UAL Payment	\$1,200,000
Employee Benefits & Contract Costs	\$1,600,000
	\$3,972,000



POPULATION OUTPACING RESOURCES

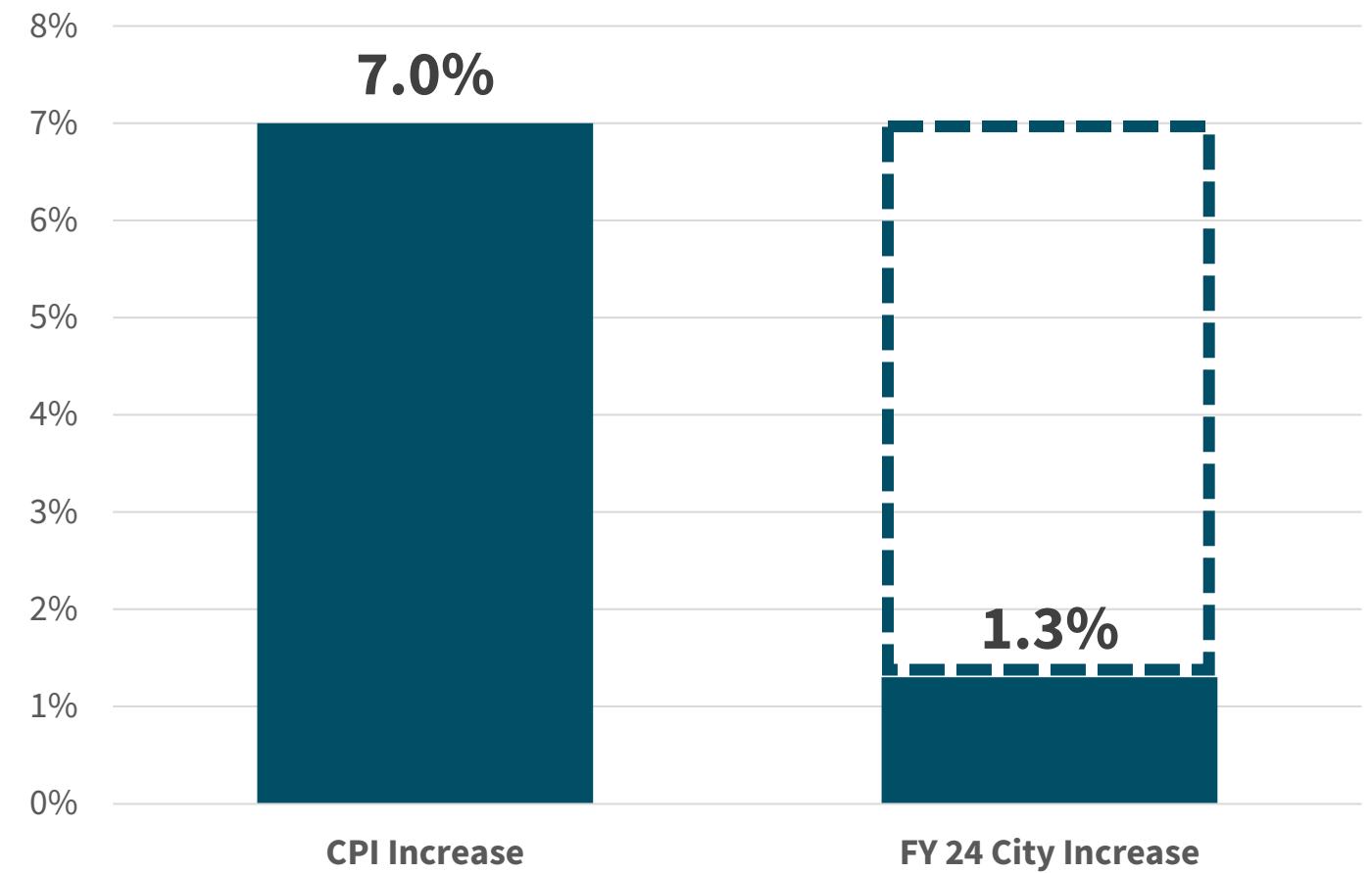


PERCENTAGE INCREASE



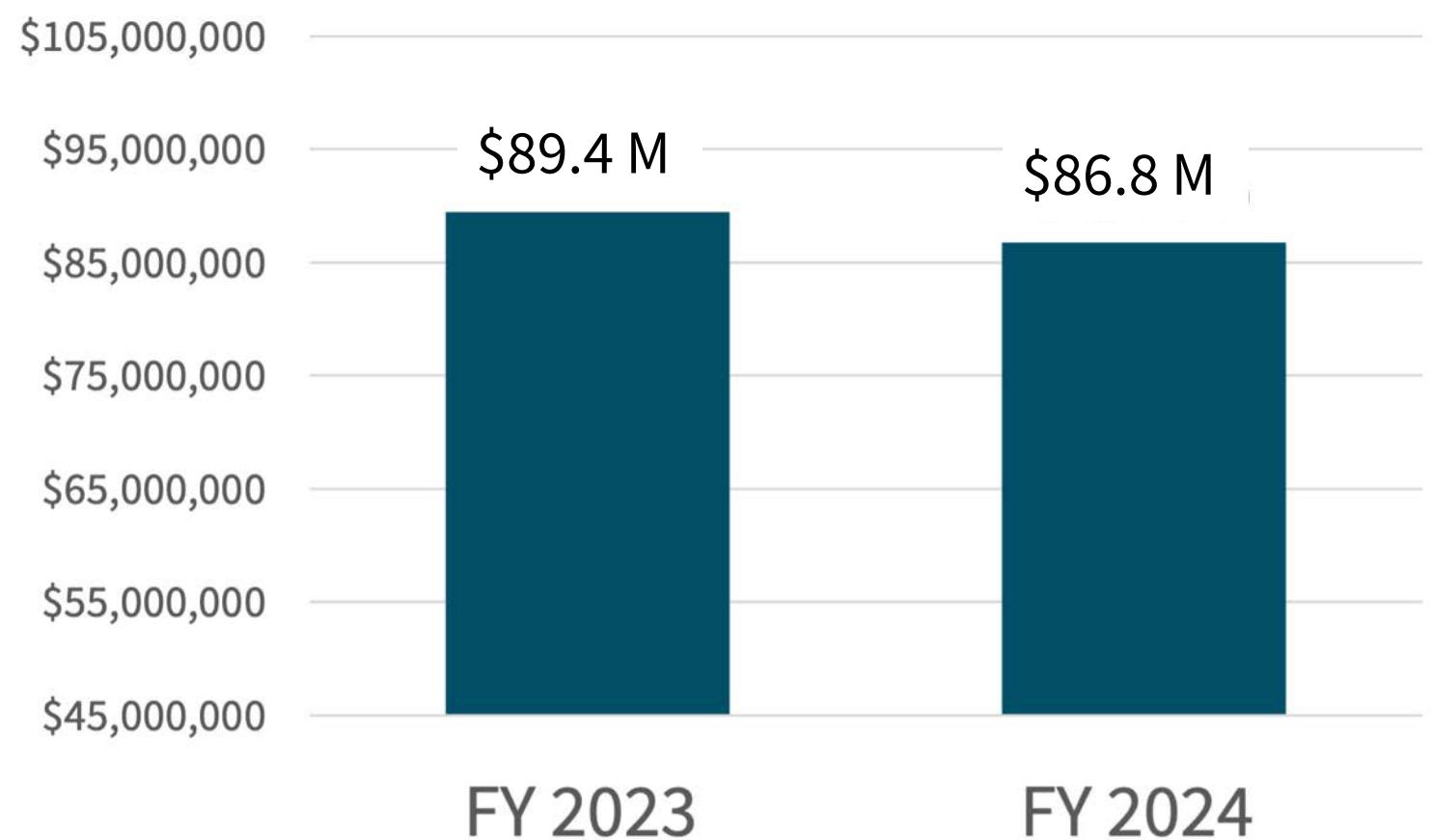


EXPENDITURE INCREASE





REVENUES DOWN 3%



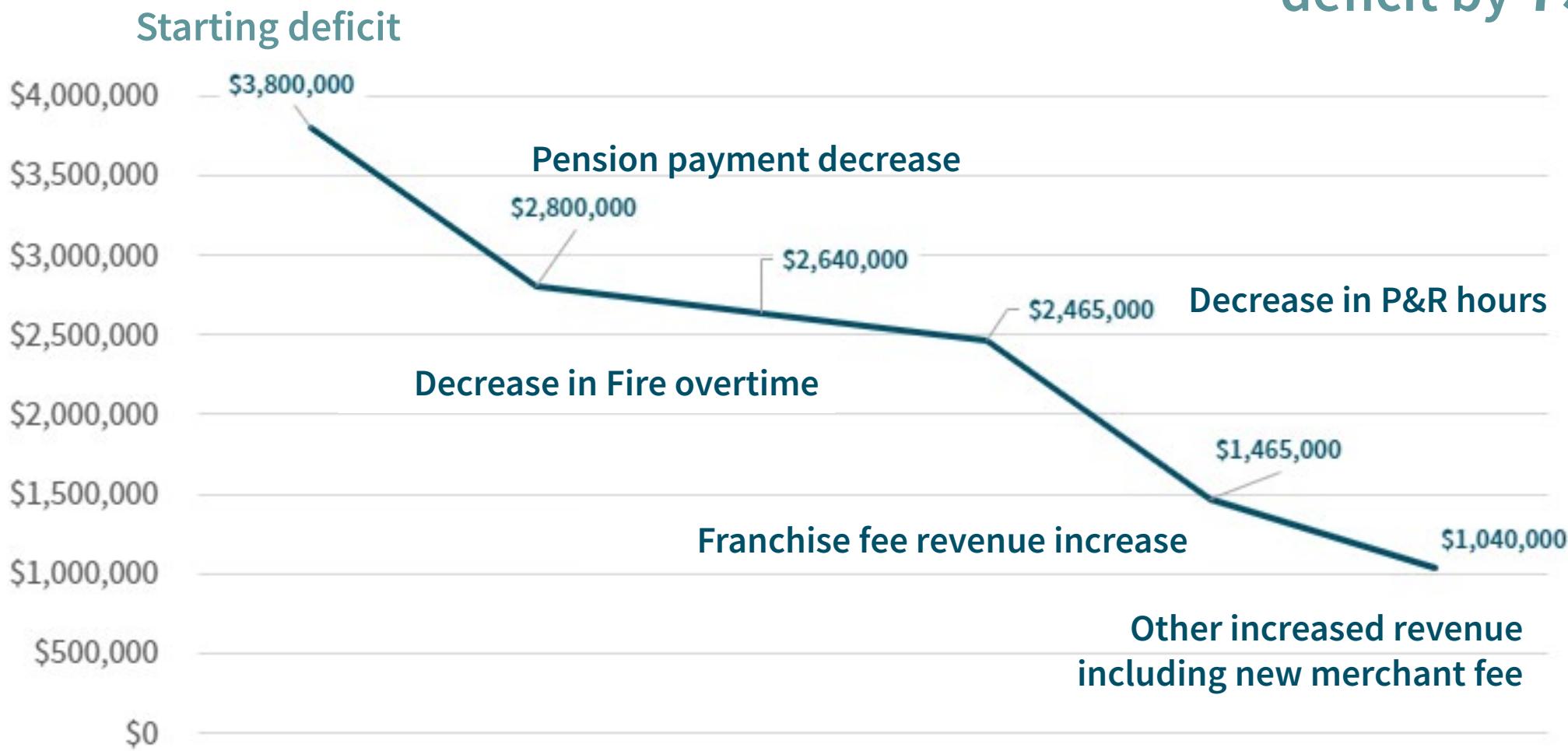


WHERE WE ARE

SAN MARCOS
Discover Life's Possibilities

MIDYEAR BUDGET UPDATE

Reduced current deficit by 73.6%

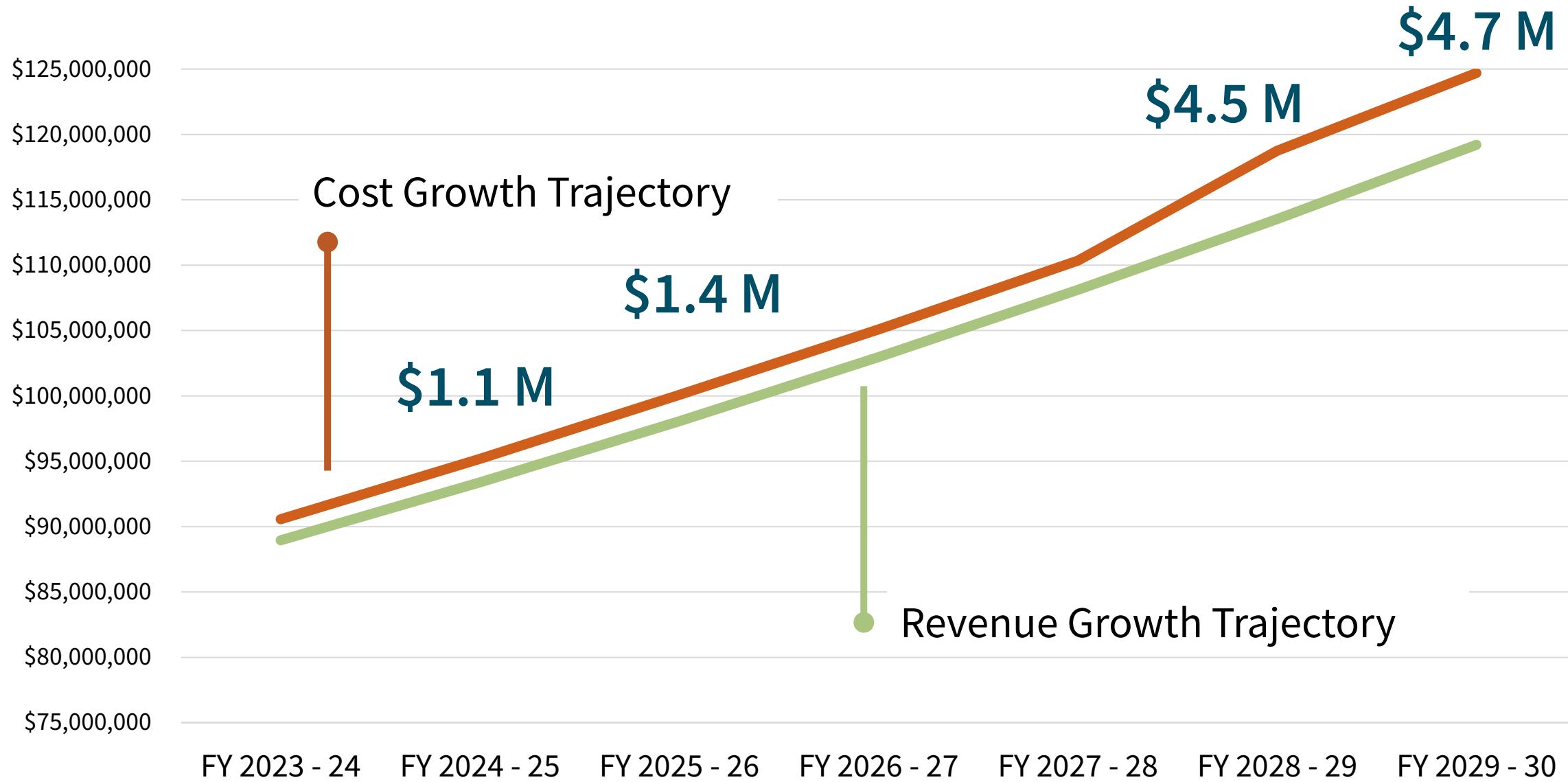




WHERE WE ARE GOING

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PROJECTED DEFICITS

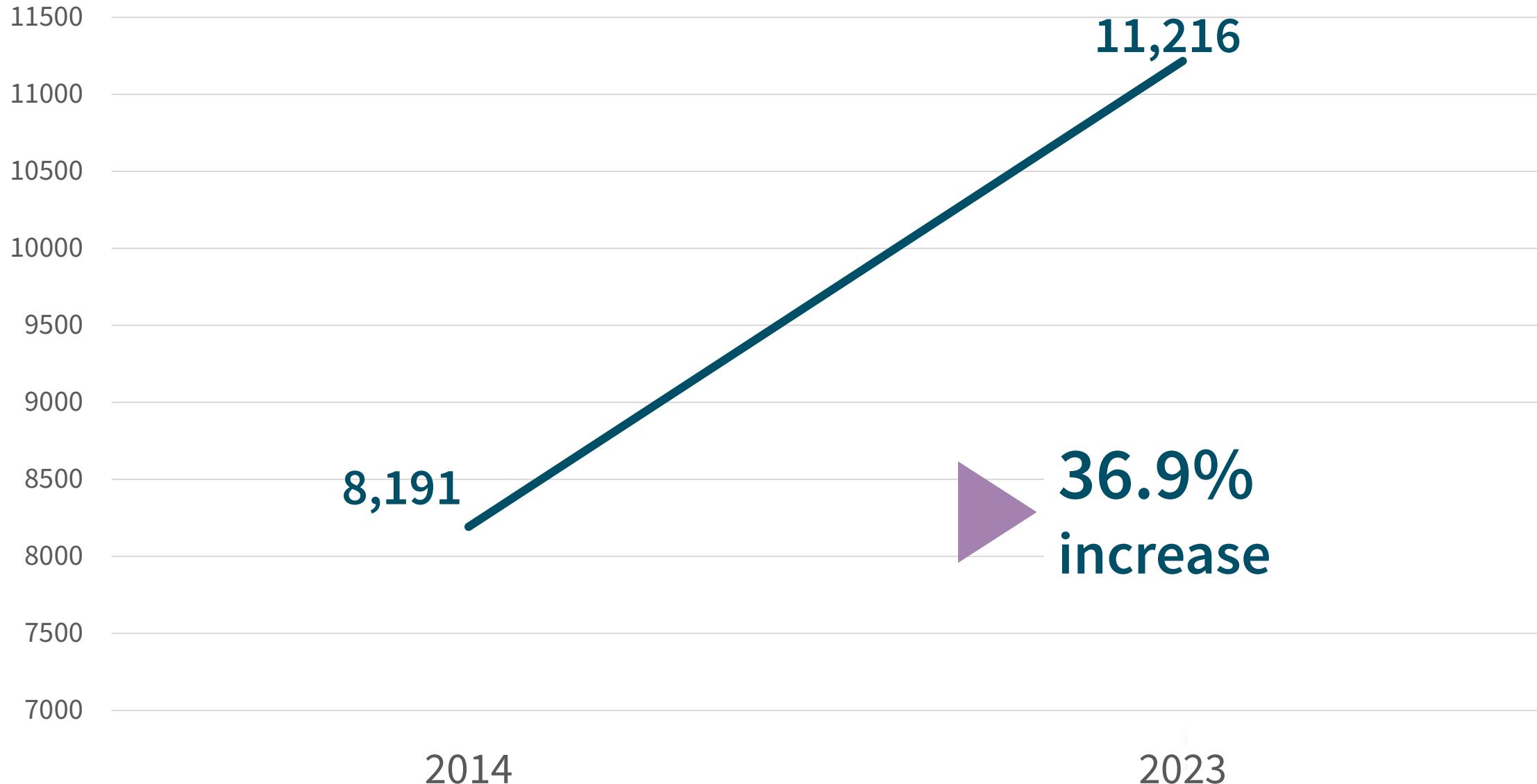




KNOWN COST INCREASES

- 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

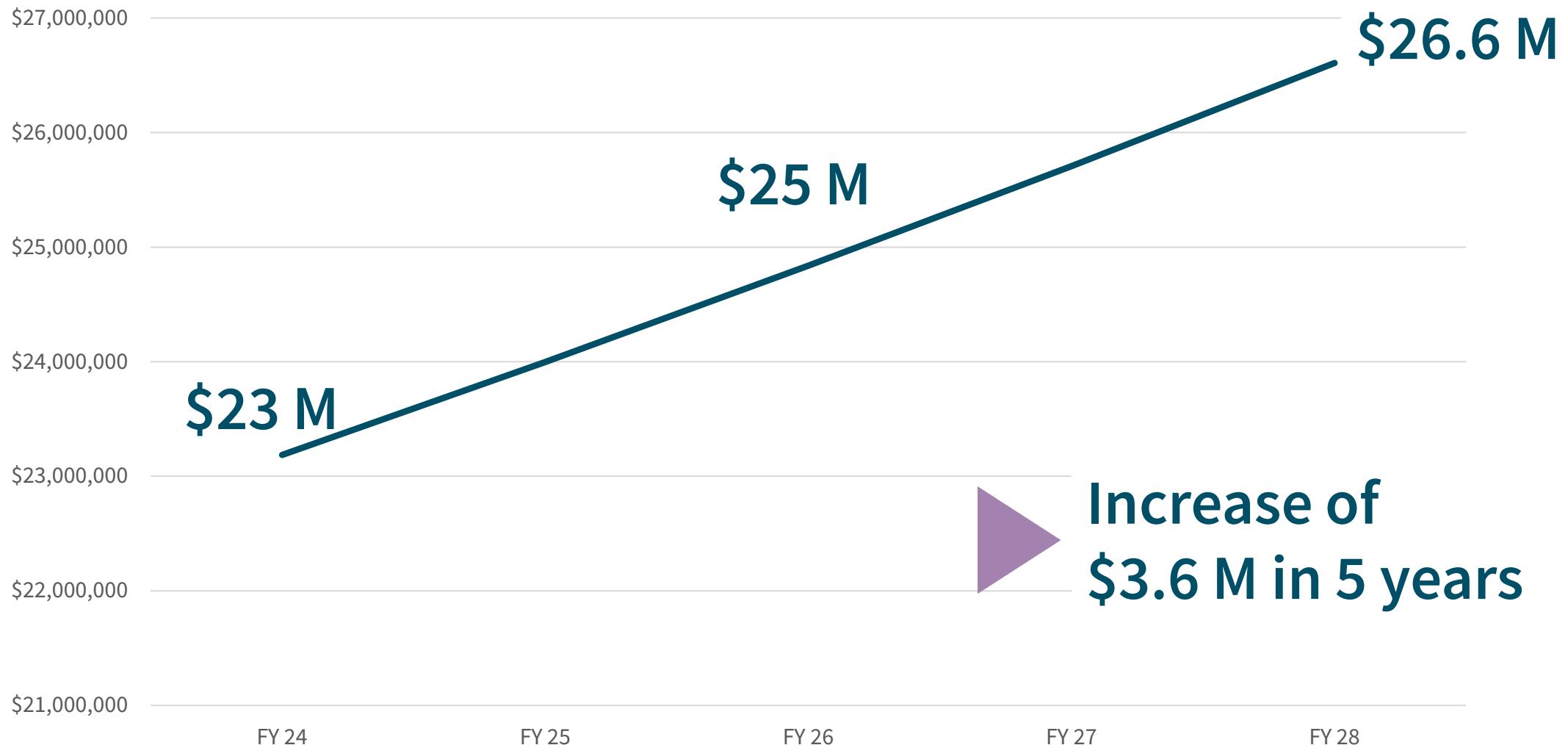
Fire and Emergency Services require additional investments to maintain industry standards as a Class 1 Department and manage the increased call volume.



Fire Station 5

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

SHERIFF SERVICE COST INCREASES

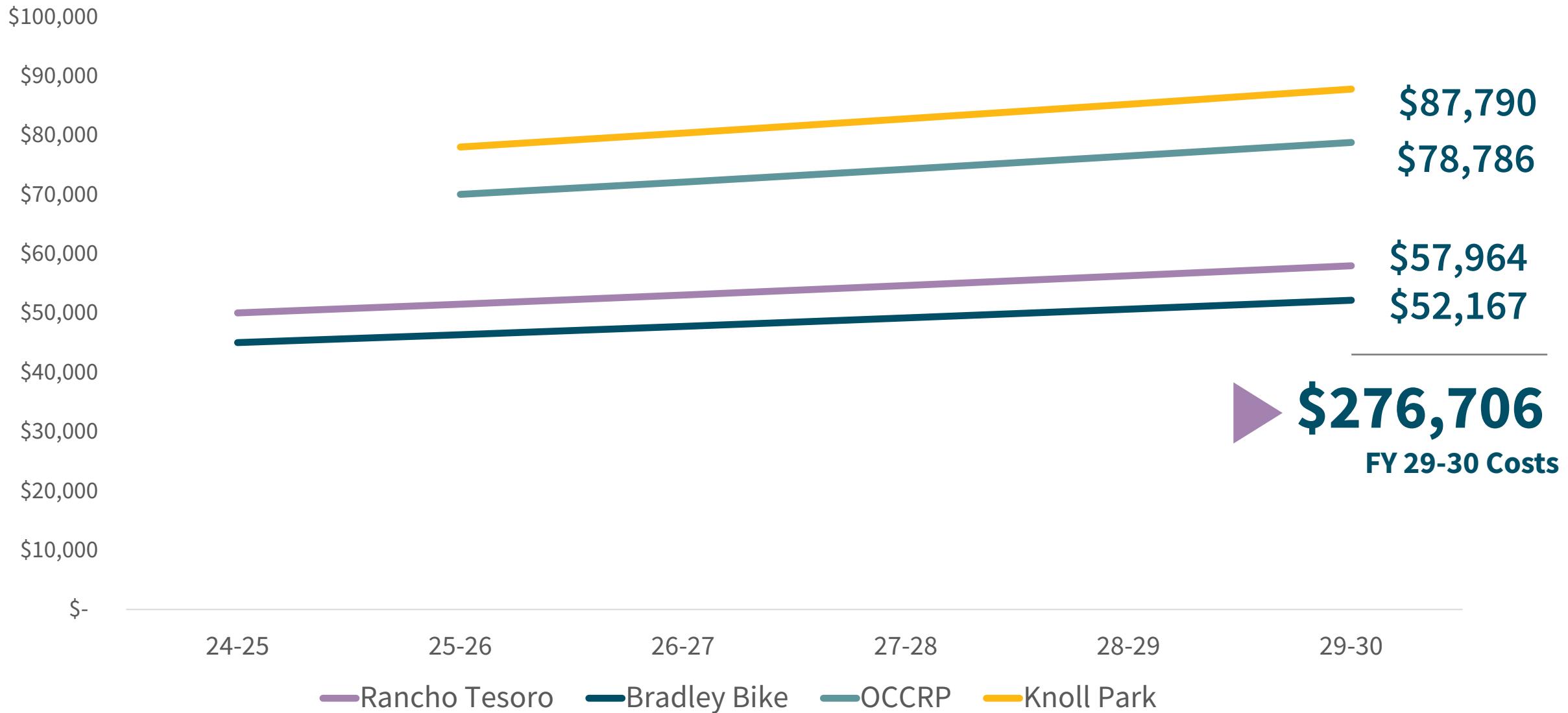


SAN PARKOS: FACILITY OPENINGS

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

SAN MARCOS
DISCOVER LIFE'S POSSIBILITIES

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%
Chula Vista	8.75%	National City	8.75%
Coronado	7.75%	Oceanside	8.25%
Del Mar	8.75%	Poway	7.75%
El Cajon	8.25%	Rancho Santa Fe	7.75%
Encinitas	7.75%	San Diego	7.75%
Escondido	7.75%	San Marcos	7.75%
Imperial Beach	8.75%	Santee	7.75%
Julian	7.75%	Solana Beach	8.75%
La Mesa	8.50%	Vista	8.25%

Incorporated city or towns only

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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*