

SALES TAX FEASIBILITY SURVEY

CONDUCTED FOR THE
CITY OF SAN MARCOS

PRESENTED BY
TIMOTHY McLARNEY PH.D.

3/12/2024



PURPOSE OF STUDY

- Determine if a local sales tax measure is feasible
- Identify how to create a measure consistent with community priorities
- Gather information needed for communications & outreach



METHODOLOGY OF STUDY

- **How did we select voters to survey?**
 - Stratified & Clustered Random Sample of likely November 2024 voters using age, gender, partisanship, household party type, and sub-geographies
 - Ensures balanced, representative sample of likely voters
- **How did we recruit participation?**
 - Personalized email, text, and telephone calls
 - PINs to restrict access and ensure one complete per respondent
- **How were voters able to share their opinions?**
 - Secure, PIN-protected website that scales to the device
 - Telephone (land line or mobile)
 - English & Spanish
- **What was the sample size?**
 - 814 completed interviews
 - Overall margin of error of $\pm 3.4\%$ @ 95% level of confidence

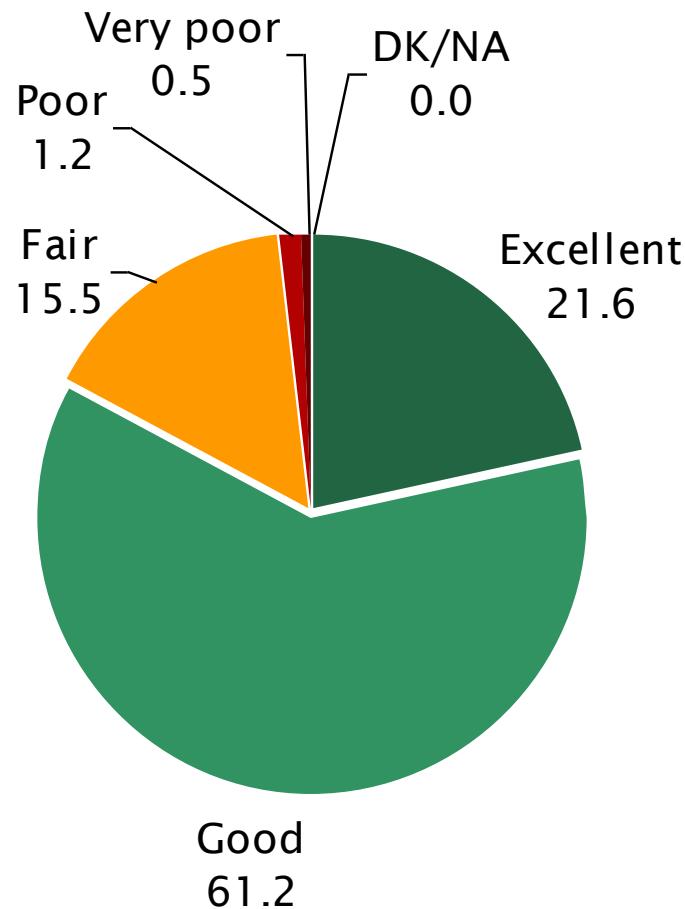


UNIVERSE/SAMPLE COMPARISON

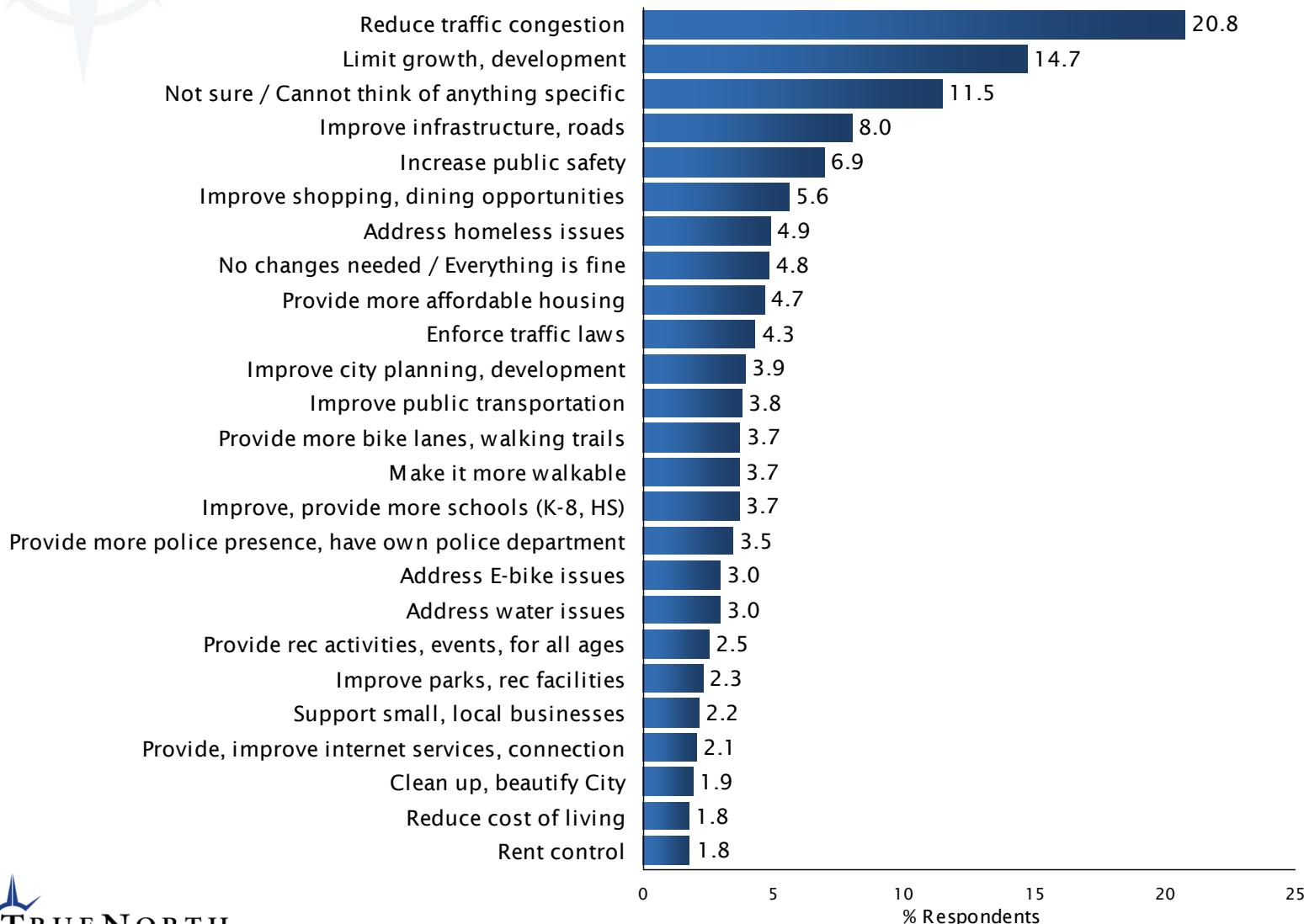
	Likely Nov 2024 Voter Universe	Sample of 814 Likely Nov 2024 Voters
Age		
18 to 29	18%	20%
30 to 39	16%	15%
40 to 49	18%	18%
50 to 64	25%	25%
65 and older	23%	22%
Party		
Dem	40%	38%
Rep	30%	29%
Other	7%	9%
DTS	23%	24%
Household Party Type		
Single Dem	18%	18%
Dual Dem	12%	11%
Single Rep	11%	11%
Dual Rep	11%	9%
Other	19%	21%
Mixed	28%	29%
Homeowner in Voter File		
Yes	61%	66%
No	39%	34%
Council District		
One	16%	16%
Two	29%	29%
Three	26%	26%
Four	28%	28%



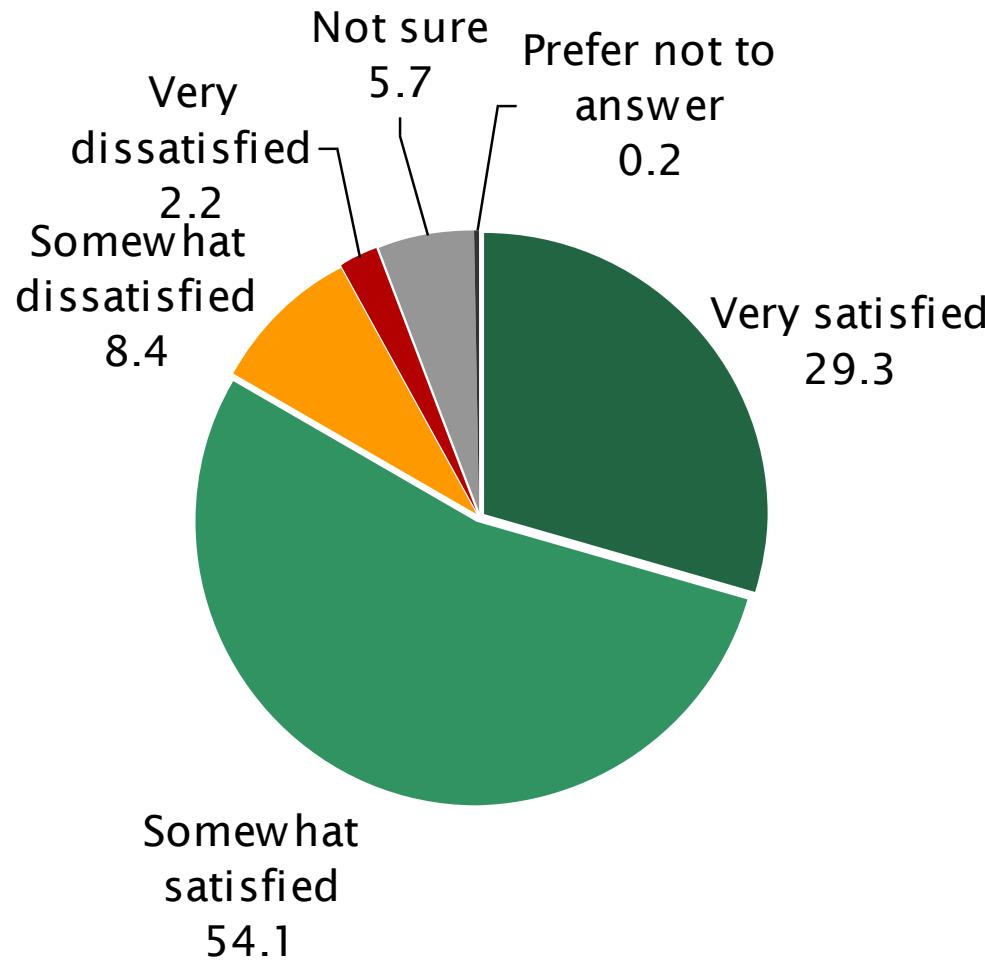
QUALITY OF LIFE



CHANGES TO IMPROVE CITY



OVERALL SATISFACTION





INITIAL BALLOT TEST

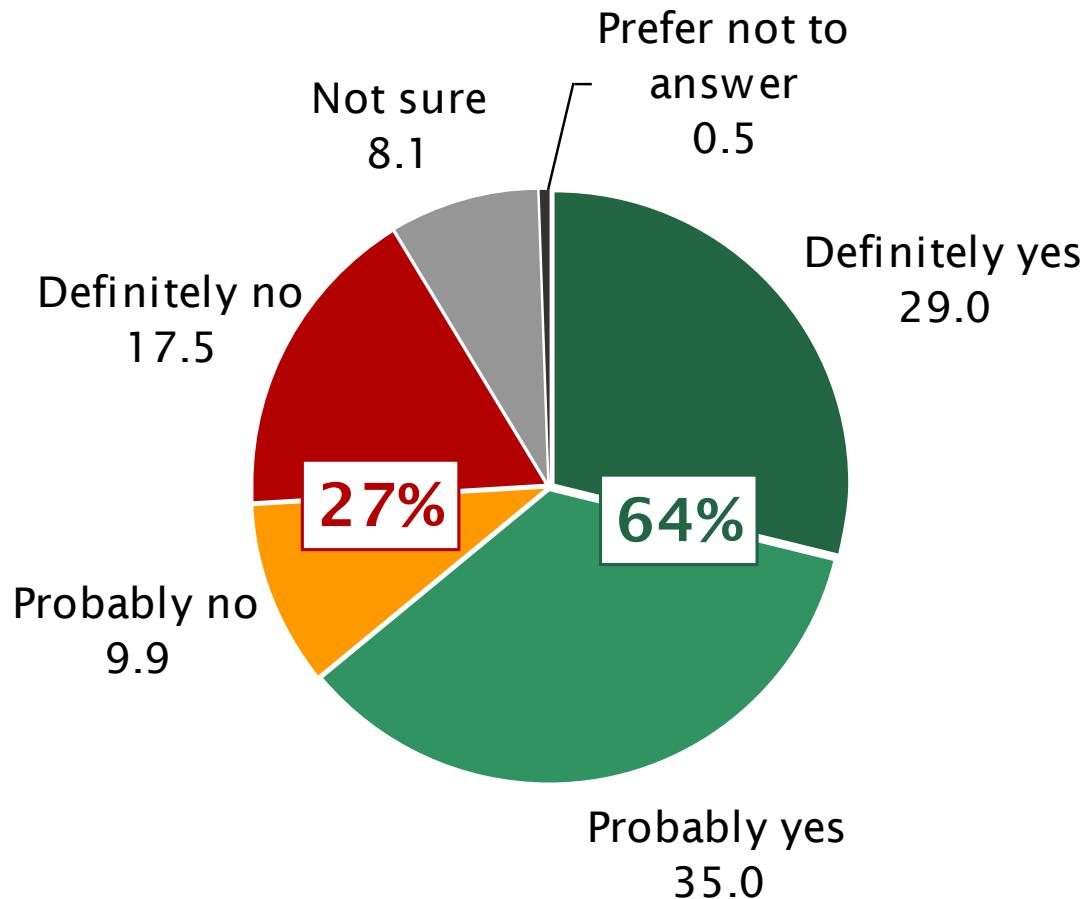
To provide funding for city services in San Marcos, such as:

- Fire protection, paramedic, and 9-1-1 emergency response
- Law enforcement and crime prevention
- Fixing potholes
- Maintaining streets and infrastructure
- And keeping local parks, trails, playgrounds, and community facilities safe, clean, and well-maintained

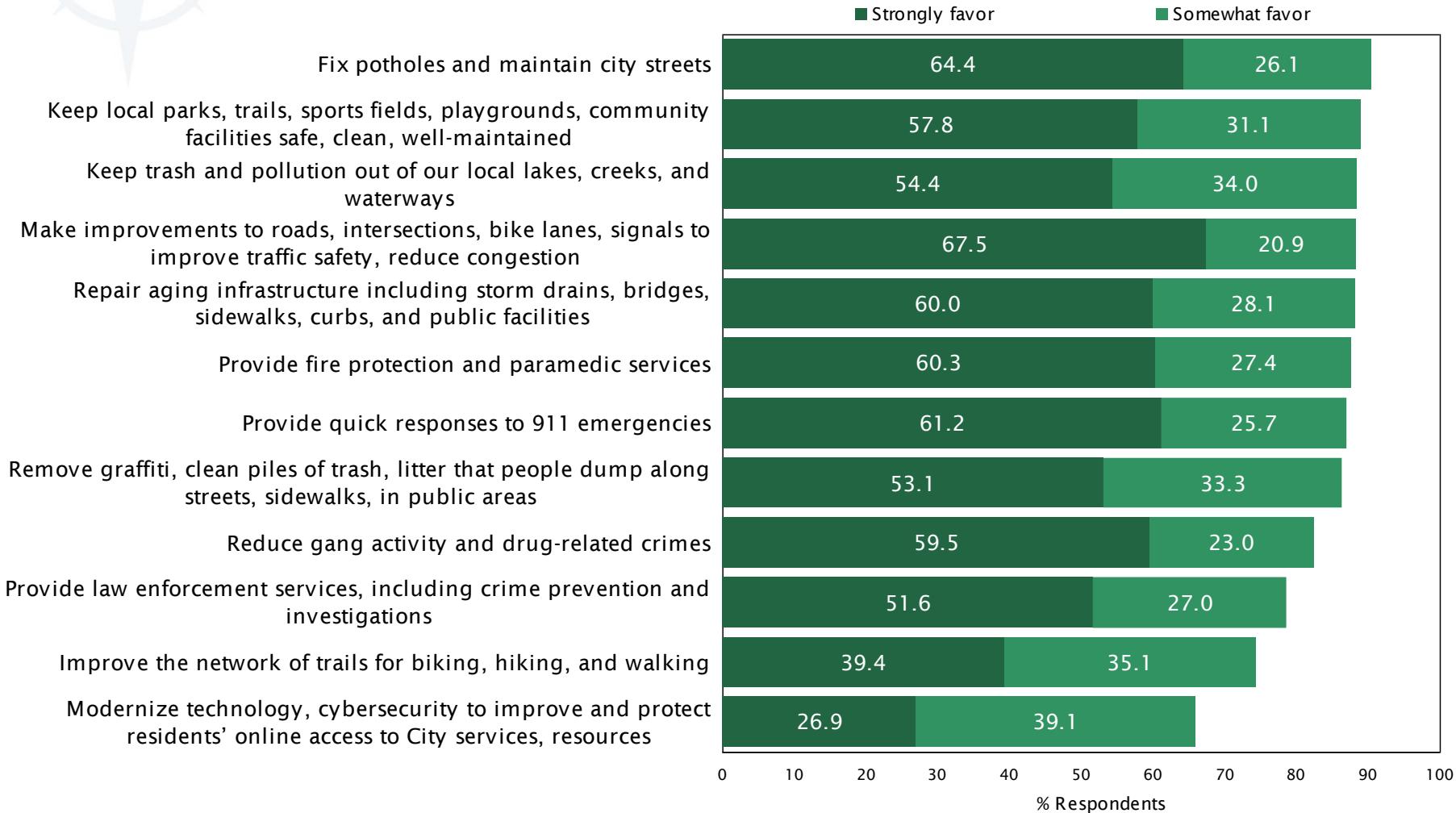
Shall City of San Marcos' ordinance establishing a one-half cent sales tax be adopted, providing 11 million dollars annually for general government use for 10 years, with citizen oversight, independent audits, and all money locally controlled? If the election were held today, would you vote yes or no on this measure?



INITIAL BALLOT TEST



PROJECTS & SERVICES



POSITIVE ARGUMENTS

Storm drainpipes were installed ~50 yrs ago, starting to fail, creating sink holes, flooding that can damage streets, private properties; measure provides funding to fix, maintain storm drains

Fast response times for 911 critical for saving lives; measure will ensure enough firefighters, paramedics, deputies, dispatchers, facilities to respond quickly to 911 emergencies

City maintains 204mi of streets, 126mi of storm drains, 70 acres of parks, playfields; measure will keep streets, infrastructure, parks in good condition; if we don't take care of it now, more expensive to repair in future

Most sales tax generated locally goes to State, County, SANDAG; measure ensures higher percentage of dollars stay here, we have control over how funds are spent

City has fewer firefighters, paramedics, law enforcement officers than needed to keep growing community safe; measure will ensure we have firefighters, paramedics, deputies, dispatchers, facilities to respond quickly to 911 emergencies

Every dime will be reinvested back into community to fund essential services, facilities here in San Marcos; by law, money can't be taken away by State

By keeping city safe, clean, well-maintained, measure will help protect quality of life and keep San Marcos a special place to live

City among most financially conservative in region; lowest number of staff of any N County city, kept costs down by deferring maintenance, cutting back on services; no more room to cut if we want to keep community safe, clean place to live

Measure will provide funding to avoid cuts in all service areas, public safety, 911 response times, maintenance of streets, parks, facilities, programs for youth, seniors

Measure will improve local parks, sports fields, recreation opportunities that help keep residents of all ages active, healthy

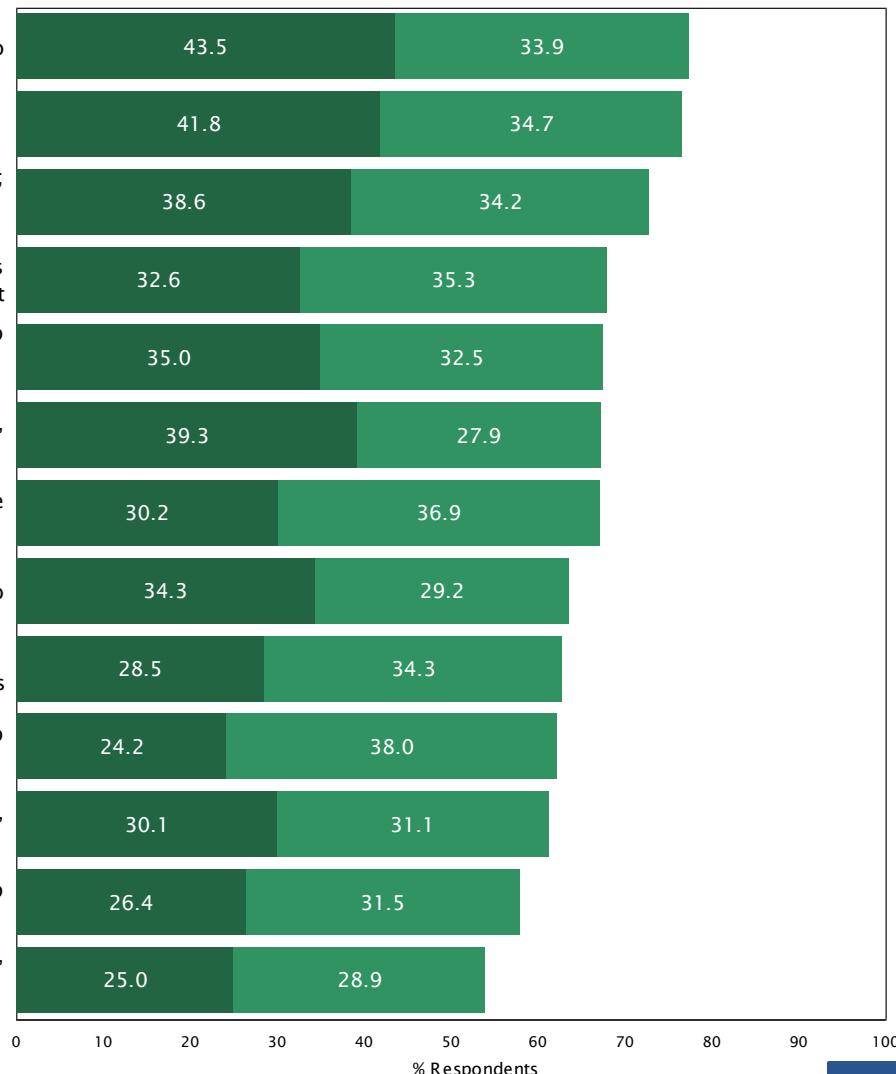
Measure includes a clear system of accountability including citizen oversight, independent audits, public disclosure of how all funds are spent

Measure will improve local parks, sports fields, recreation opportunities that help keep kids, teens on right track, away from drugs, gangs, crime

A sizeable percentage will come from people who visit or pass through San Marcos, but don't live here; measure will make sure they pay their fair share for facilities, services they use

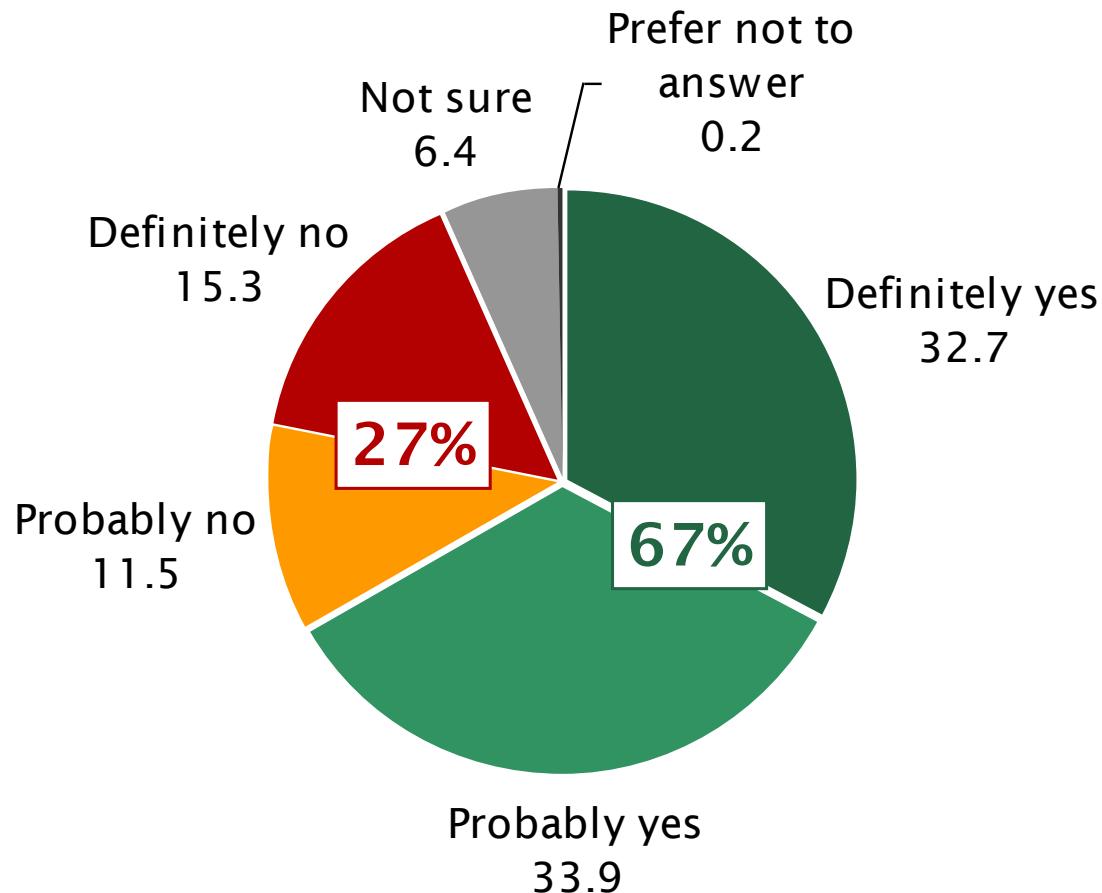
■ Very convincing

■ Somewhat convincing





INTERIM BALLOT TEST



NEGATIVE ARGUMENTS

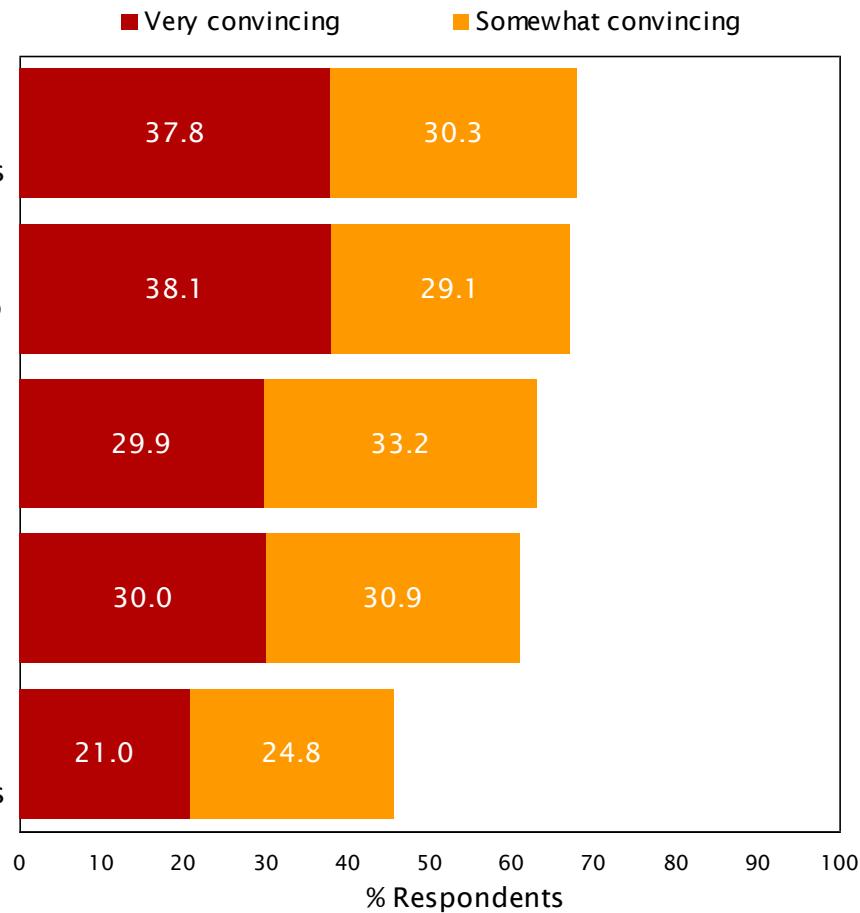
Local businesses, residents hit hard by pandemic, now facing high gas prices, runaway inflation; many struggling to stay afloat; now is not the time to raise taxes

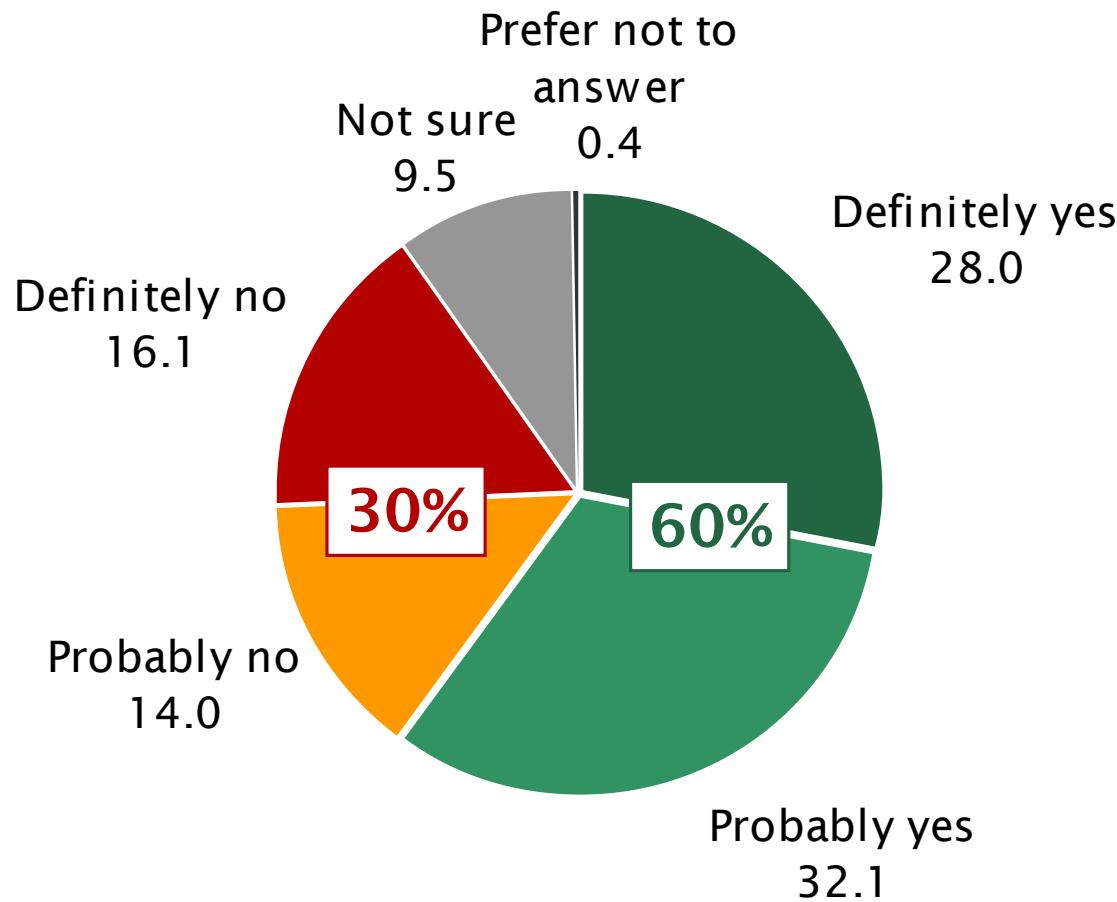
Everyone is coming after us for tax increases, state, county taxes, school bonds, other taxes that will be on ballot next year; enough is enough; we can't afford to keep raising taxes

No guarantees how funds will be spent, means City can divert money to pet projects without any say from voters; we can't trust City with tax dollars

San Marcos is an expensive place to live; passing tax will make it even less affordable

City employees making too much money in salary, pensions, benefits - that's the problem; City needs to tighten its belt before asking residents to pay more taxes







KEY CONCLUSIONS

- Does a local sales tax measure appear to be feasible for November 2024? **Yes.**

Positive Signs

- Voters value the quality of life in San Marcos and the services they receive from the City, but also see room for improvements
- Solid natural support for measure to fund city services (64%)
- Popular projects and services
- Positive arguments resonate
- All ballot tests are well above the simple majority (50%+1) required for passage of general tax, even after opposition arguments

Challenges

- Receptiveness to potential opposition arguments (-7%)
- Electoral climate: Hyper-partisanship, statewide initiatives & overlapping local measures

Unknowns

- Trajectory of economy, inflation, other measures



OBSERVATIONS & RECOMMENDATIONS

- **Snapshot in time, not a crystal ball**
- **Service Priorities:** Street and infrastructure repair/maintenance, maintenance/protection of parks & public facilities, water quality, fire/EMS, 911 response, traffic improvements.
- **City Communications:** Begin a conversation with the community to build awareness of ongoing needs and consensus on a proposal.
- **Independent Campaign:** Need to have solid independent campaign to navigate through the election cycle, communicate key messages, turn out supporters, and weather uncertainties.