

*Community Workshop
Spring 2024*



Budgeting for Our City

What Services Does the City Provide as a Full Service City?



Police and Public safety



Fire and Emergency Services



Water and Wastewater Services



Public Works - street maintenance, park maintenance, graffiti removal



Development Services - construction, building, business, permits, occupancy



Parks & Recreation programs for all ages



Library Services

Full Service City – Escondido Statistics



6,000 acres of active & passive parkland



10,000 park trees



139 City-owned buildings
(1 million sq ft)



256-mile storm drain system



20 mini, pocket, community, and regional parks



58,000+ street trees



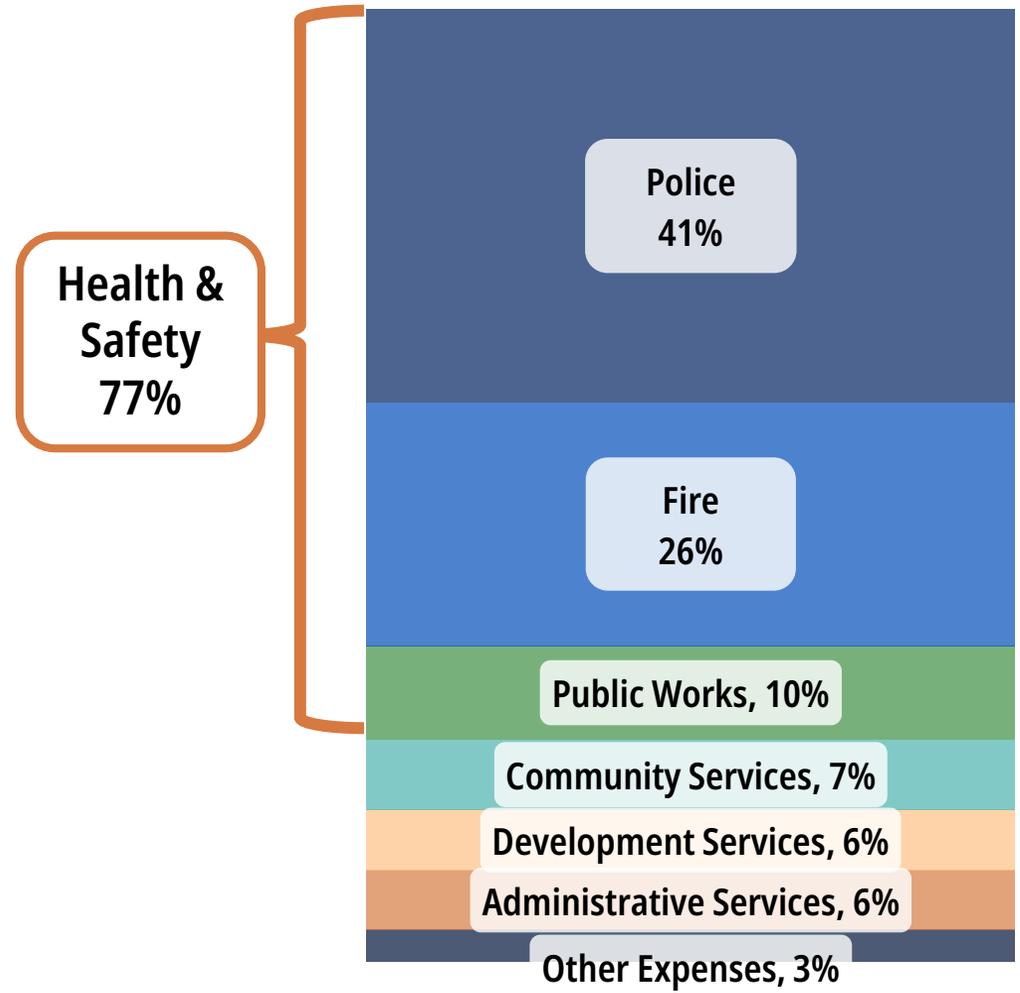
900 lane miles of roads



6,560 street lights

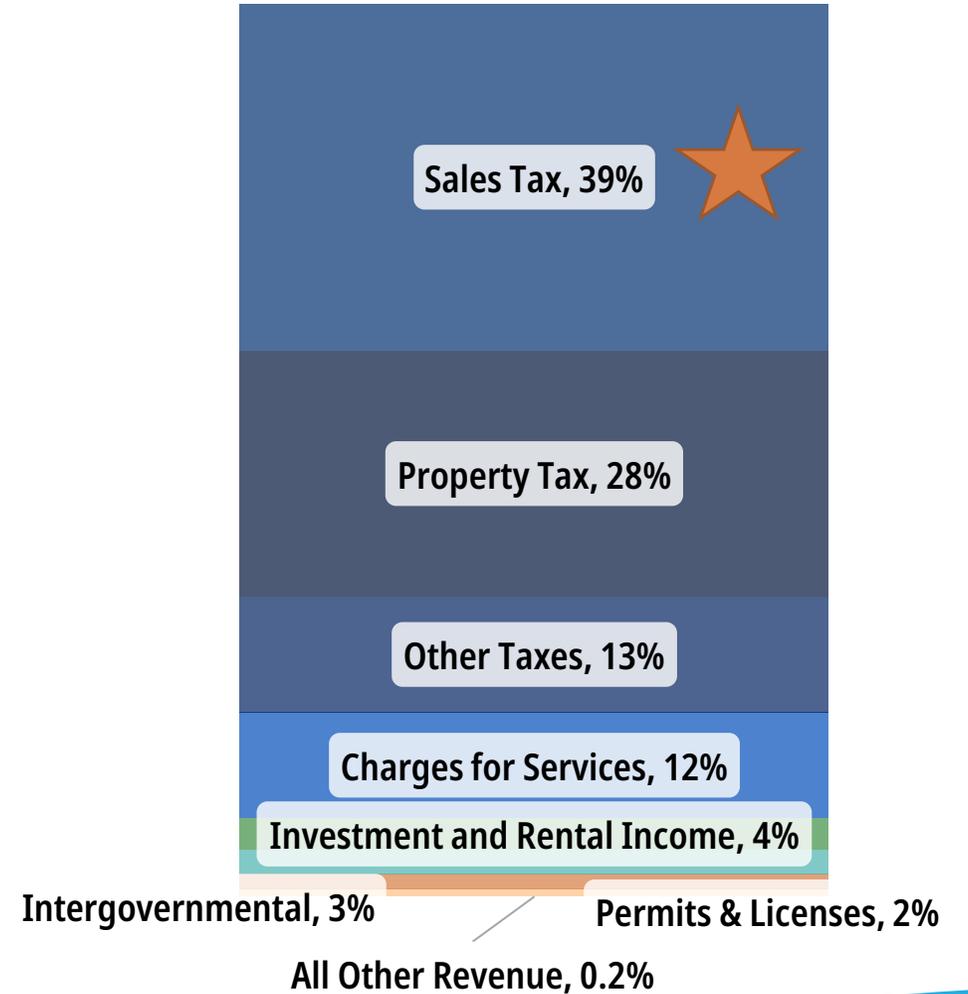
General Fund Expenses

| Department | FY2023/24 Projected Expenses |
|----------------------------|---------------------------------|
| Compensation & Benefits | \$77,056,540 |
| Pension Costs | 29,268,400 |
| Maintenance & Operations | 23,814,920 |
| All Internal Services | 19,440,620 |
| Allocations to Other Funds | (18,688,410) |
| Total Expenditures | \$130,892,070 |



General Fund Revenues

| Department | FY2023/24 Projected Revenues |
|--------------------------------|---------------------------------|
| Sales Tax | \$49,507,600 |
| Property Tax | 35,068,340 |
| Other Taxes | 16,483,370 |
| Charges for Services | 15,083,000 |
| Intergovernmental | 3,506,250 |
| Permits & Licenses | 2,145,500 |
| Fines & Forfeitures | 873,000 |
| Investment & Rental Income | 4,474,000 |
| Other Revenue | 262,000 |
| Total Operating Revenue | \$127,403,060 |



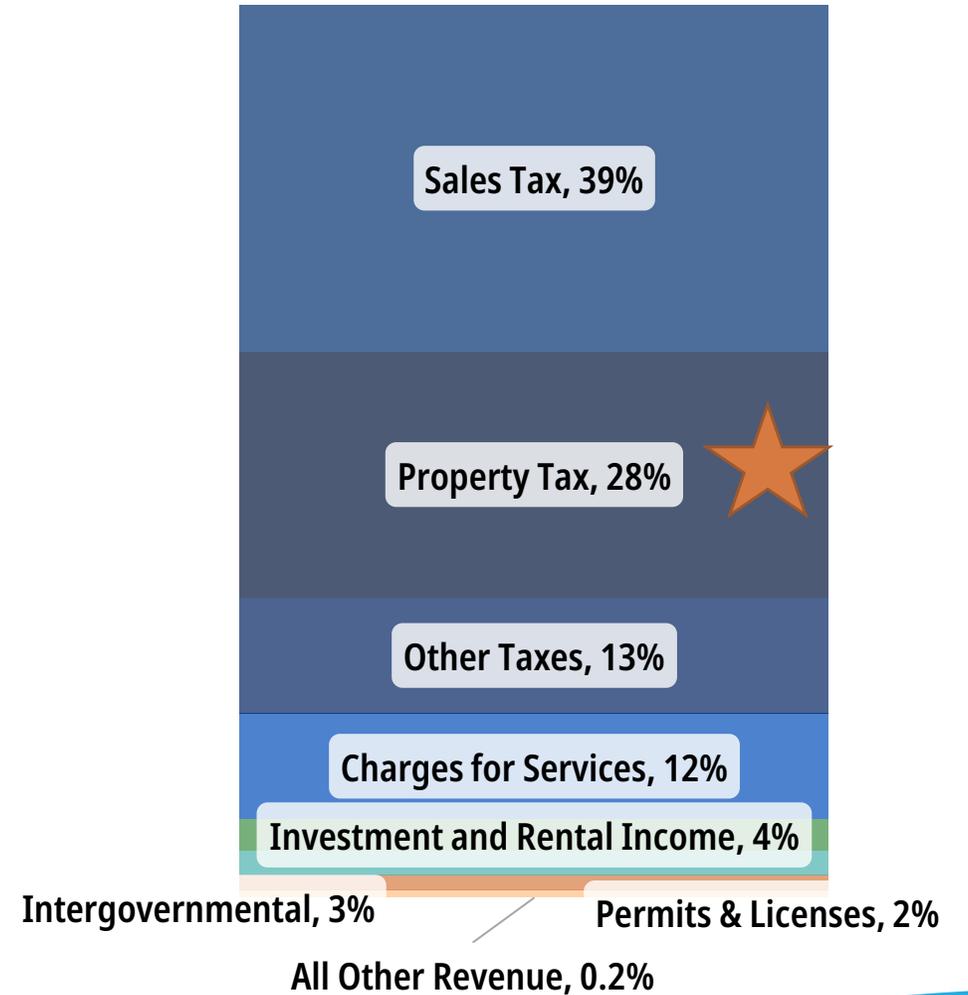
General Fund Revenues – Sales Tax 7.75%

Sales Tax Collected
\$7.75



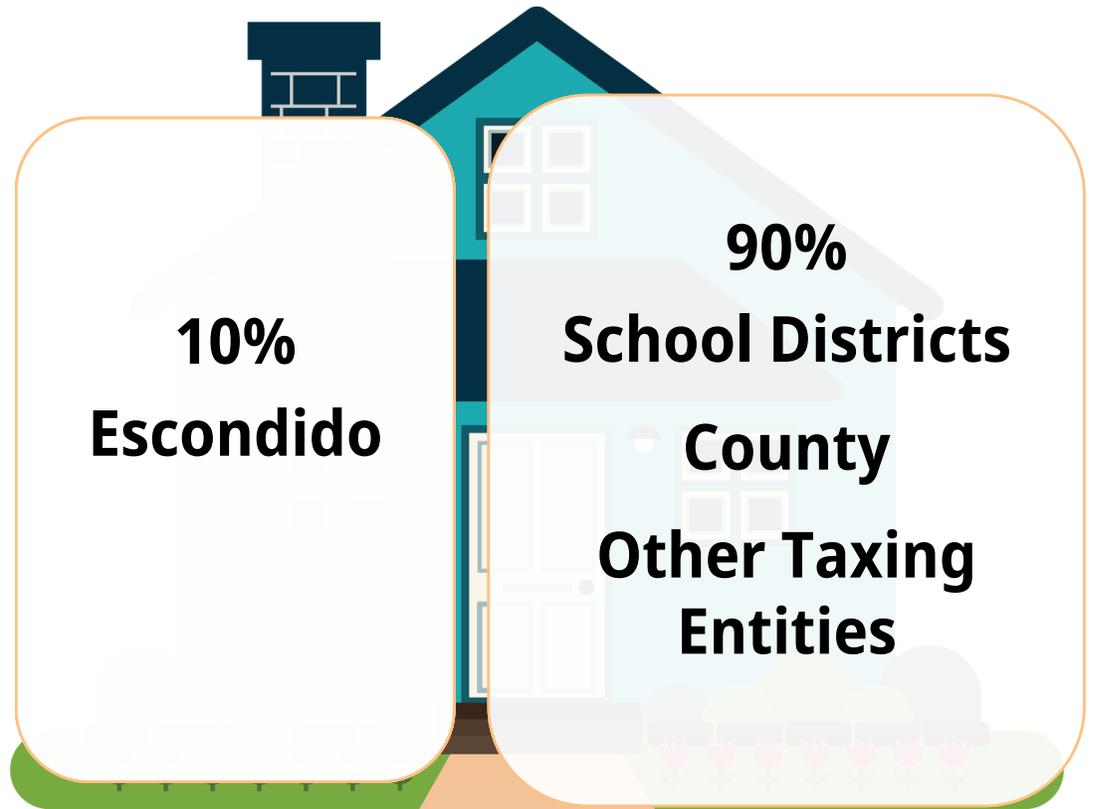
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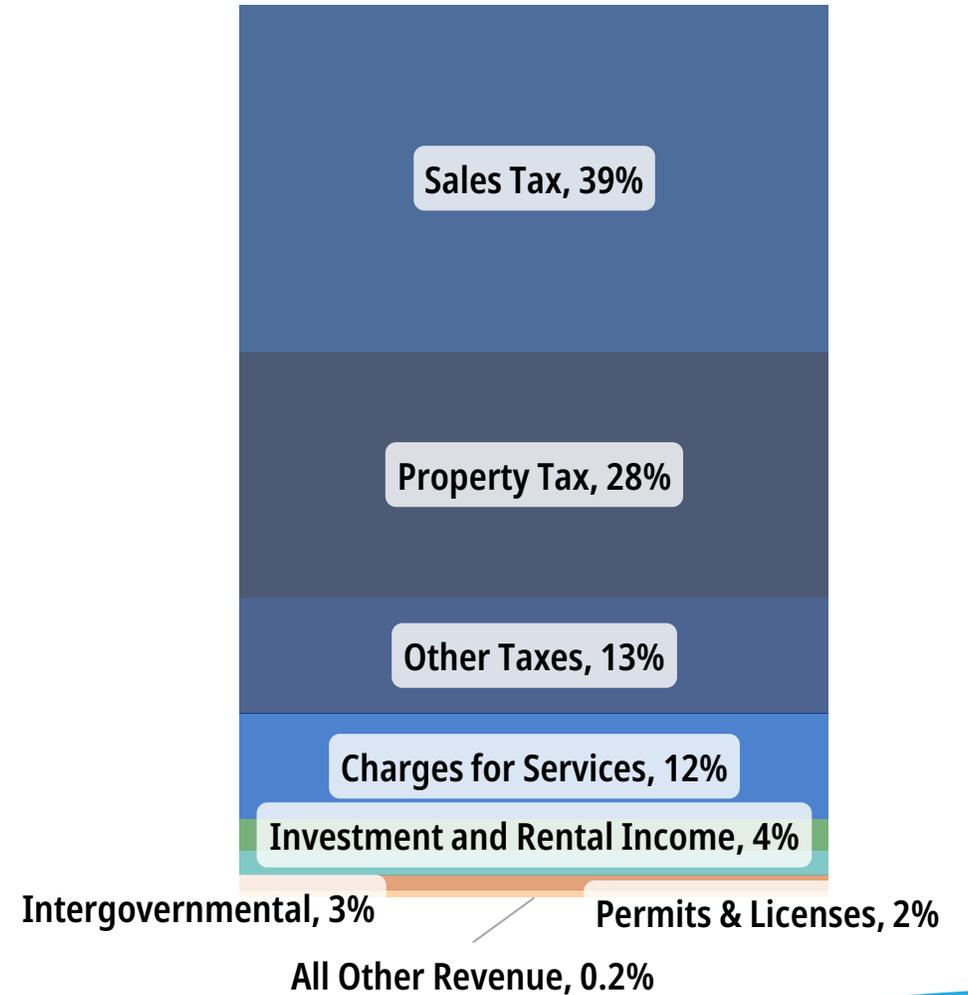
General Fund Revenues – Property Tax

**Property Tax Rate =
1% of Assessed Value**



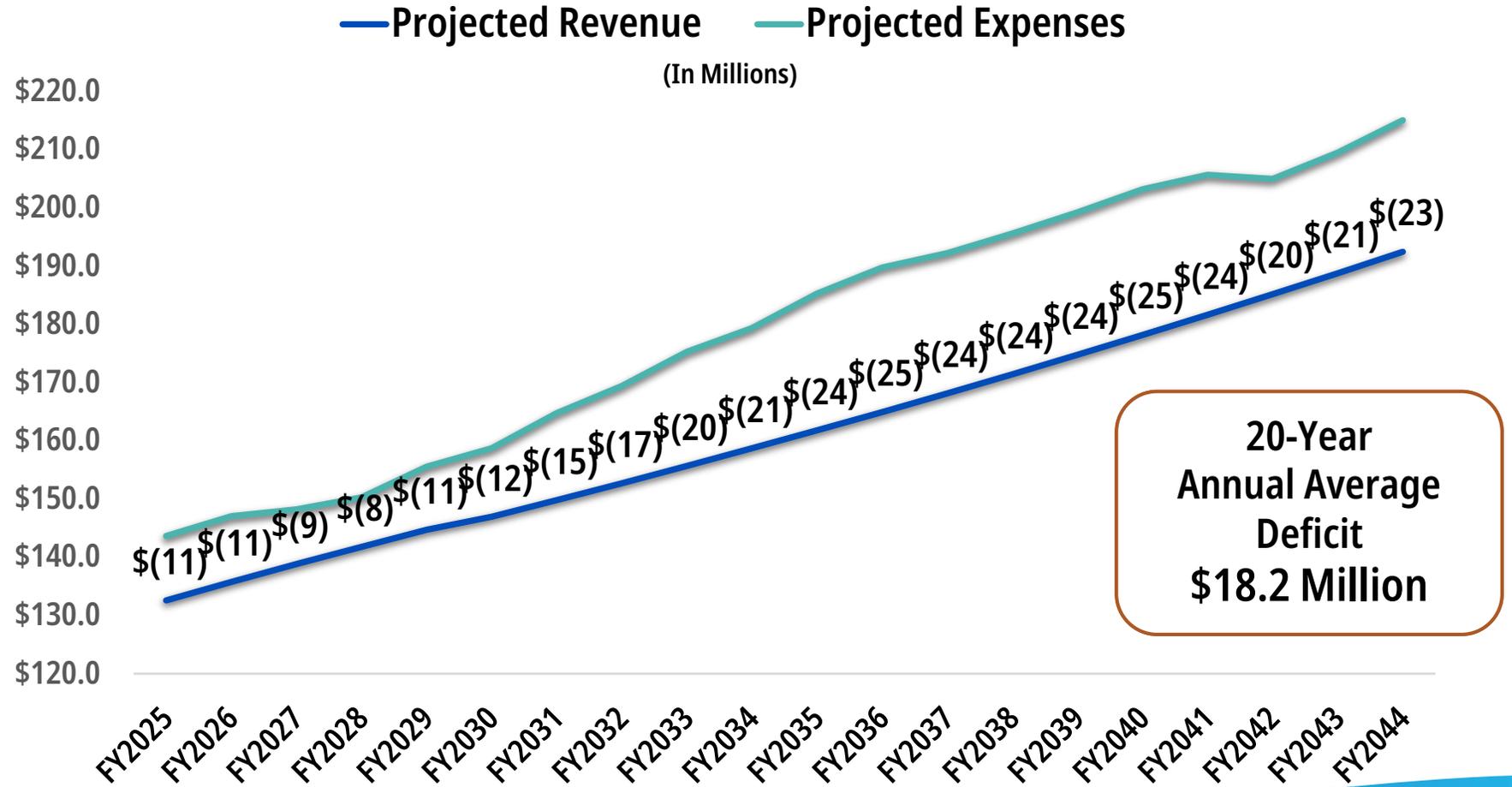
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General Fund Structural Budget Deficit

*Resources
Needed to
Maintain
Current City
Services*



General Fund Structural Budget Deficit

Cost Saving Measures

**Reducing City
staff by over
106 Full-Time
employees**

**Controlling
pension and
employee
benefit costs**

**Formed
strategic
partnerships
to provide
services**

**Investing in
technology**

**Deferring
Maintenance
on the City's
Infrastructure**

General Fund Structural Budget Deficit

One-Time Sources of Funds Used to Close the Budget Gap

Section 115 Pension Trust - \$1,550,640

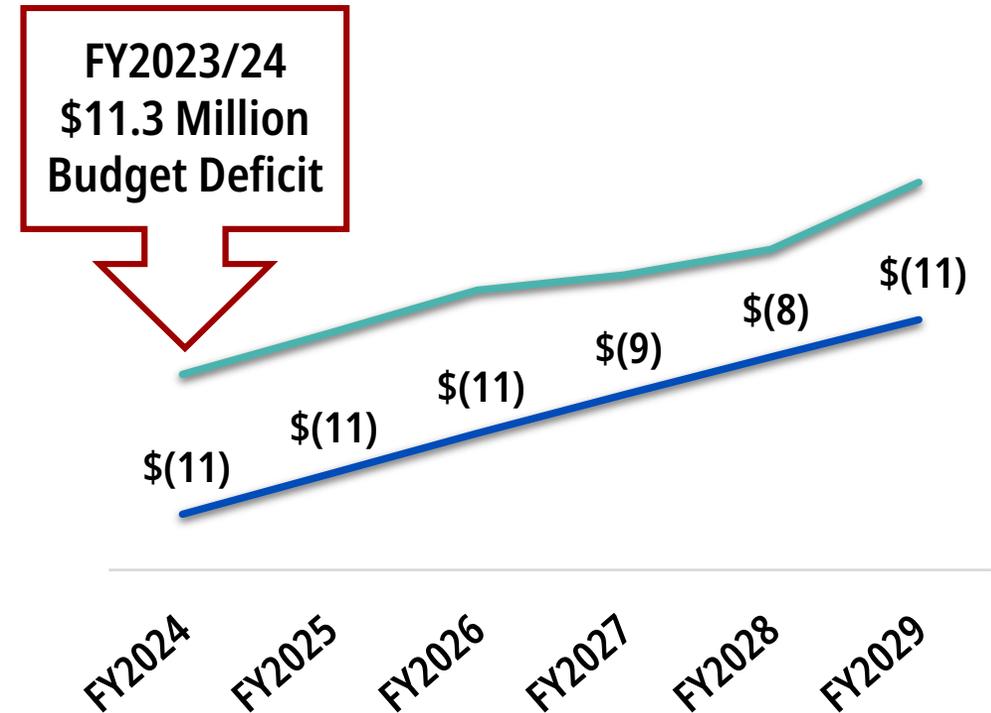
General Liability Fund - \$2,995,840

Vehicle Replacement Fund - \$1,148,800

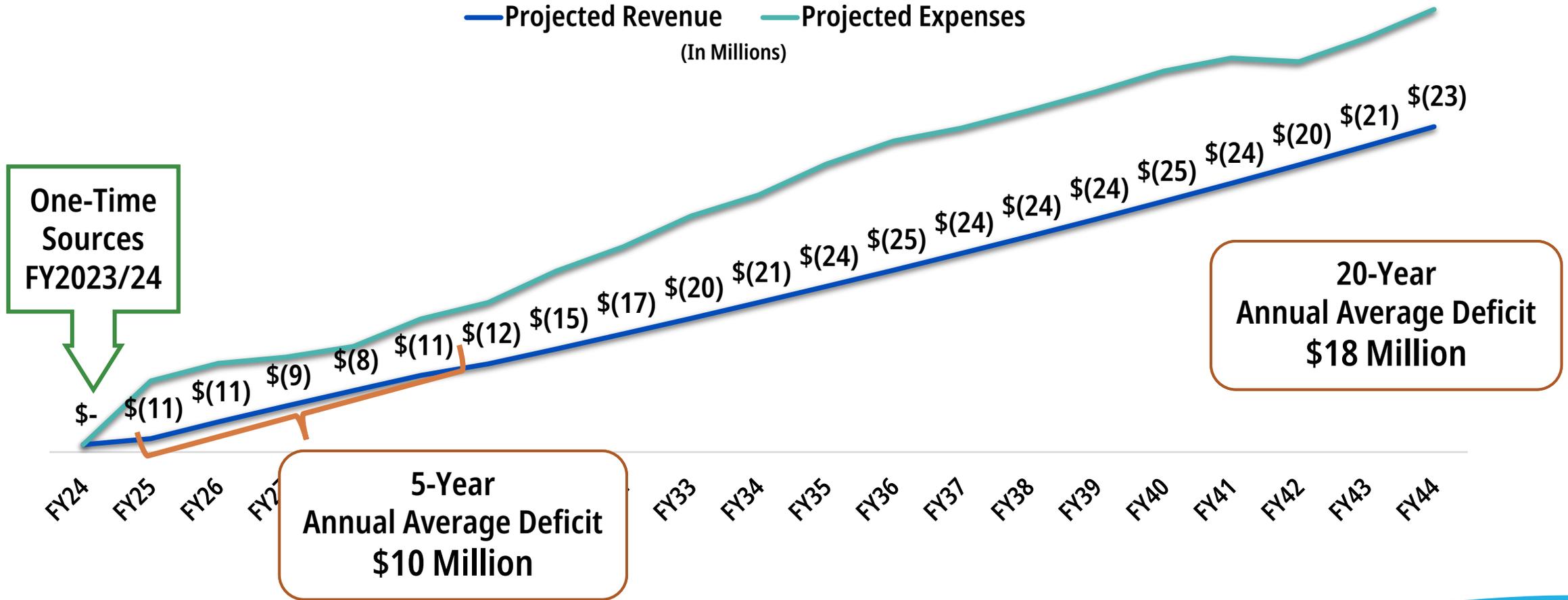
American Rescue Plan Act Funds - \$1,440,490

Deferred Vehicle & Equipment Replacements - \$3,610,070

—●— Projected Revenue —●— Projected Expenses
(In Millions)

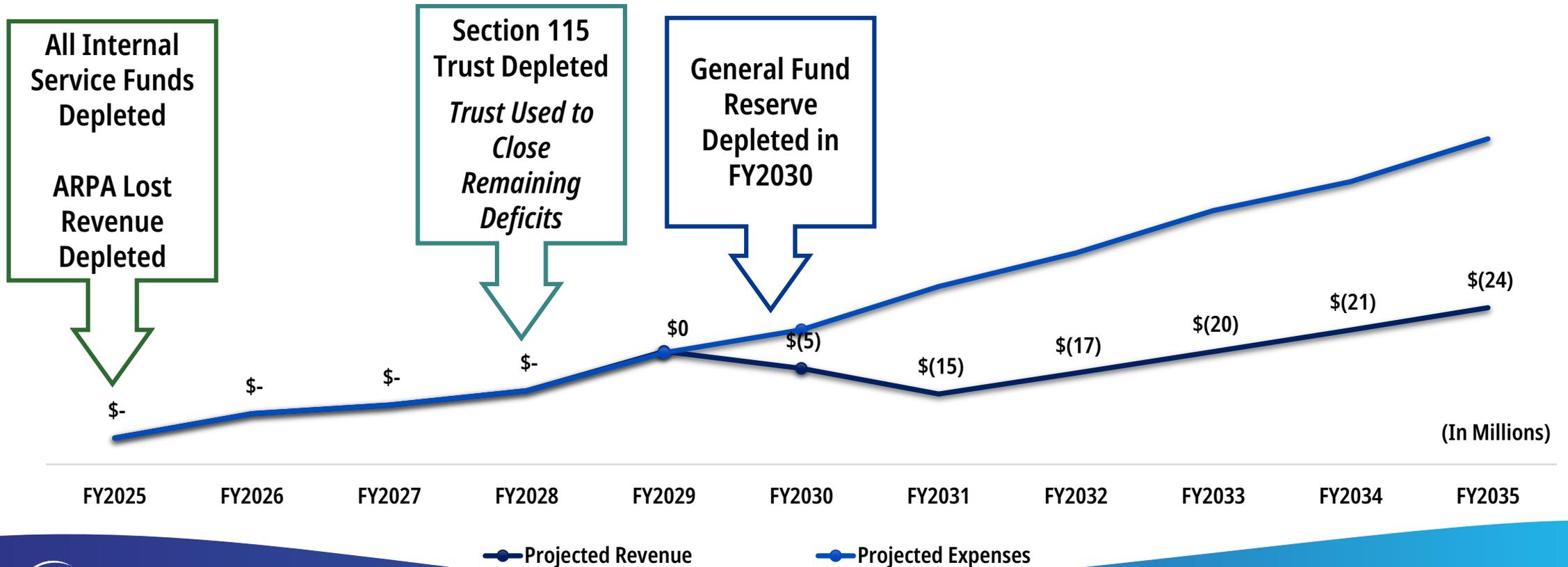


General Fund Structural Budget Deficit



General Fund Structural Budget Deficit

Forecast Using Available One-Time Sources



In community surveys and through public engagement, residents identified the following community service priorities:

Addressing homelessness

Attracting businesses and jobs to the City

Improving public safety and police services

Maintaining and repairing local streets, roads and sidewalks

Keeping public areas clean and free of graffiti



We want to hear from you!
Share your priorities for City services.



City Council Visioning and Structural Deficit Strategy Workshop

ESSENTIAL SERVICES



POLICE SERVICES



FIRE/EMS SERVICES



LAND USE/ DEVELOPMENT



KEEP CITY CLEAN



PUBLIC WORKS



CLEAN WATER



PARKS FACILITIES



SEWER

CITY COUNCIL PRIORITIES



ELIMINATE THE STRUCTURAL DEFICIT



ENCOURAGE HOUSING DEVELOPMENT



IMPROVE PUBLIC SAFETY



RETENTION AND ATTRACTION

General Fund Departments



ELIMINATE THE
STRUCTURAL
DEFICIT



| Department | FY2023/24 Projected Expenses |
|--|---------------------------------|
| General Government Services | \$8,258,700 |
| Community Services | 10,835,430 |
| Development Services ✓ | 8,343,060 |
| Public Works ✓ | 12,398,470 |
| Police ✓ | 54,083,660 |
| Fire ✓ | 33,528,860 |
| California Center for the Arts | 3,247,370 |
| Total General Fund Expenditures | \$130,695,550 |



ELIMINATE THE
STRUCTURAL
DEFICIT



Community Services

**Eliminate Recreation Programs as a City Service =
Net Budget Reduction of \$2,048,370** (Expenses Less Program Revenue)

Eliminate 16 Staff Positions:

- 14 Full-Time Staff Positions
- 2 Regular Part-Time Staff Positions

Eliminate ≈100 Temporary Part-Time Staff Positions

Close City Facilities*:

- East Valley Community Center
- Escondido Sports Center
- Don Anderson Building
- Mathes Center
- Oak Hill Activity Center
- Washington Park Recreation Building

**Unless Operated & Resourced by Another Entity*



ELIMINATE THE
STRUCTURAL
DEFICIT



Community Services

Eliminate the Senior Nutrition & Older Adult Services Program = Budget Reduction of \$1,051,450

Eliminate 11 Staff Positions:

- 3 Full-Time Staff Positions
- 8 Temporary Part-Time Staff Positions

Close City Facilities*:

- Park Avenue Community Center

**Unless Operated & Resourced by Another Entity*



ELIMINATE THE
STRUCTURAL
DEFICIT

General Administrative Services

| Department | Description | Budget Reduction |
|---------------------|---|------------------|
| City Manager | 2 Positions – Economic Development & Contract Expenses | \$409,540 |
| City Attorney | 1 Position | 142,000 |
| City Clerk | 1 Administrative Position | 82,930 |
| Treasurer | 1 Accountant | 103,000 |
| Finance | 1 Accountant | 103,000 |
| Human Resources | 1 Senior Human Resources Analyst | 117,720 |
| | 1 Department Assistant | 56,000 |
| Information Systems | 1 Network Engineer | 120,970 |
| | 1 Geographic Analyst Position | 128,360 |
| | Staff Overtime | 4,000 |

**Additional
Reduction in Staff
(10 positions) and
Other Expenses**

**Budget Savings
\$1,267,520**





ELIMINATE THE
STRUCTURAL
DEFICIT



Library

Close the Library = Budget Reduction of \$3,033,490

- The Library is owned by the City and operated by Library Systems & Services (LS&S) under a Management Agreement
- The term of the agreement is through June 30, 2027:

| Fiscal Year | Management Fee |
|-------------|----------------|
| FY2024/25 | \$3,033,490 |
| FY2025/26 | 3,124,500 |
| FY2026/27 | 3,218,230 |

Temporary Funding

January 31, 2024 City Council approved the use of American Rescue Plan Act Funds for FY2024/25 and FY2025/26



ELIMINATE THE
STRUCTURAL
DEFICIT



California Center for the Arts

Close the CCAE Facility = Budget Reduction of \$2,388,410

Operations and Financial support is provided by the City through a Management Agreement:

- A management fee for the operation of the Center,
- Gas and electric utility bills for the campus, and
- City Support Services, including Building Maintenance and Network Support

| | |
|--|--------------------|
| Management Fee | \$660,000 |
| Gas & Electric Utilities | 1,177,300 |
| City Support Services | 1,210,070 |
| Total Center for the Arts | \$3,047,370 |
| Estimated Remaining Expenses* | (658,960) |
| Net Reduction to the General Fund | \$2,388,410 |

**Will still incur some expenses in a vacant building*

Temporary Funding

January 31, 2024 City Council approved the use of American Rescue Plan Act Funds for FY2024/25



ELIMINATE THE
STRUCTURAL
DEFICIT

General Fund Structural Budget Deficit

| Program/Services | Budget Reduction |
|-------------------------|----------------------|
| Library | (\$3,033,490) |
| CCAE | (2,388,410) |
| Recreation Services | (2,048,370) |
| Administrative Services | (1,267,520) |
| Senior Services | (1,051,450) |
| TOTAL | (\$9,789,240) |

**Budget
Reduction
Target of
\$10,000,000**

**Manageable
Budget Gap**





ELIMINATE THE
STRUCTURAL
DEFICIT

Revenue Options

Direction to Pursue New Revenue:

- Cannabis
- Short-Term Rental Program (TOT)
- Parcel Tax for Library Services

Full Cost Recovery Fee Study

- Calculate and Consider Full Cost Recovery for all City User Fees



What is NOT in the Budget?

Deferred Maintenance of More than \$8,000,000 Annually

- Parks
- Recreation Centers
- Street Paving & Maintenance
- Playgrounds
- Pools
- Sidewalks
- Library
- Storm Drains
- Bridges

Rising Service Demands

- 30%+ increase in Public Safety and 9-1-1 Calls for Service since 2008
- Impact of homelessness
- Graffiti Eradication and Gang Response
- Aging population
- Response times for quality of life concerns



Thank you