



City of
REDLANDS

Current General Fund Budget Status:

- FY 2020-21 cut \$7.6M in expenses
 - 38 full time and 42 part time positions cut, saving \$4.6M
 - Another \$3M cut from non-personnel expenses
 - No fee waiver funding

Even with these cuts in place - - - >

- FY 2020-21 is projected to require \$5.6M in reserves
- Elimination of waiver grants will impact community



City of
REDLANDS

Projections for FY 2021-22:

- Deficit anticipated of \$7.7M
 - Due to revenue trends & increases in personnel and other costs
 - To balance revenues and expenditures, untenable reductions in service levels would be required, including no fee waiver funding
- >
- Reduction of additional **24 positions** would save only \$3M towards balancing the budget



Where would the Sales Tax be spent? (likely areas)

- | | |
|---|---------------|
| • Restoring Essential Service Cuts in Safety: | \$4.8M |
| • Restoring Priority Service Cuts: | <u>\$3.8M</u> |
| Subtotal | \$8.6M |
| • Enhancements to Essential Services in Safety: | \$3.3M |
| • Funding Safety Capital Needs: | \$4.5M |
| • Enhancing Priority Service Areas: | \$0.488M |
| • Funding Priority Service Capital Needs: | \$3.0M |



City of REDLANDS

Revenue Estimates for a Local Sales Tax:

- Projections indicate \$10.7 million in revenue would be generated

The impact of the sales tax would **be shared among Redlands residents and non-residents** purchasing goods, passing through the City limits.

Auto sales to outside residents would not be subject to the tax, thus no competitive disadvantage would be created for car retailers in town.

The **average impact per capita**, not accounting for the revenue from sales tax paid by out-of-town customers, **would be roughly \$12/month** or \$150/year.



City of REDLANDS

The City is not alone in seeking a potential sales tax measure to raise revenues for public safety and other municipal services:

Southern CA:

- Escondido
- Fullerton
- Menifee*
- Montclair*
- San Bernardino*
- Victorville*

Central CA:

- Atascadero
- Auburn
- Exeter
- Goleta
- Grover beach
- Lemoore
- Paso Robles
- Turlock

Northern CA:

- Auburn
- Eureka
- Healdsburg
- Suisun City

*Seeking to extend or increase a local sales tax already in place.

