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
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: $3.8M
  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
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.
The City is not alone in seeking a potential sales tax measure to raise revenues for public safety and other municipal services:

<table>
<thead>
<tr>
<th>Southern CA:</th>
<th>Central CA:</th>
<th>Northern CA:</th>
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<tbody>
<tr>
<td>• Escondido</td>
<td>• Atascadero</td>
<td>• Auburn</td>
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<td>• Fullerton</td>
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<td>• Menifee*</td>
<td>• Exeter</td>
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*Seeking to extend or increase a local sales tax already in place.
Surrounding Cities with 0.25% to 1.5% local sales taxes: