

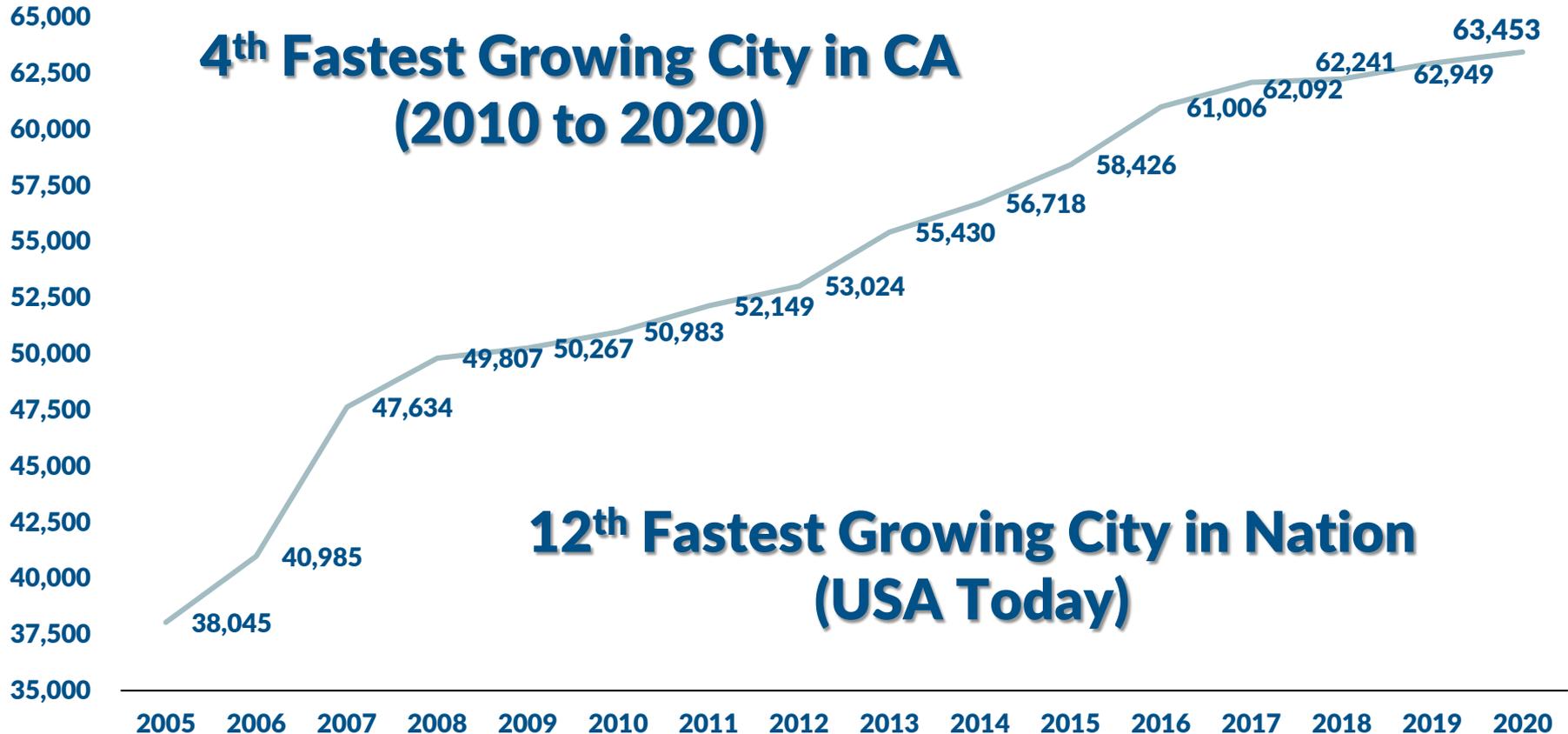
LOCALLY CONTROLLED SALES TAX FOR LAKE ELSINORE CITY SERVICES

*Placement of One-Cent Transactions and Use Tax on the
November 3, 2020 General Municipal Election Ballot*

Tuesday, July 28, 2020

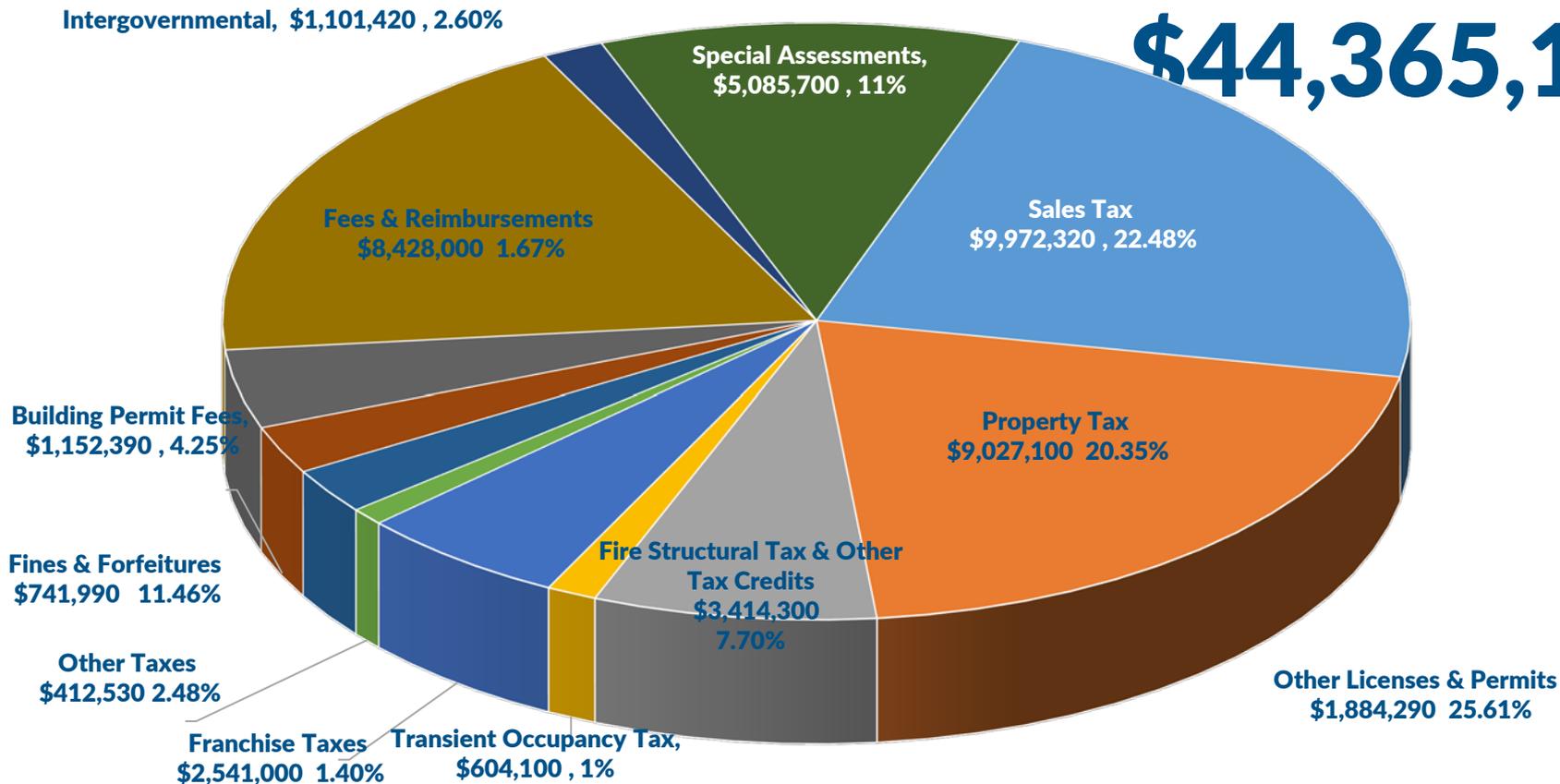


Population Growth



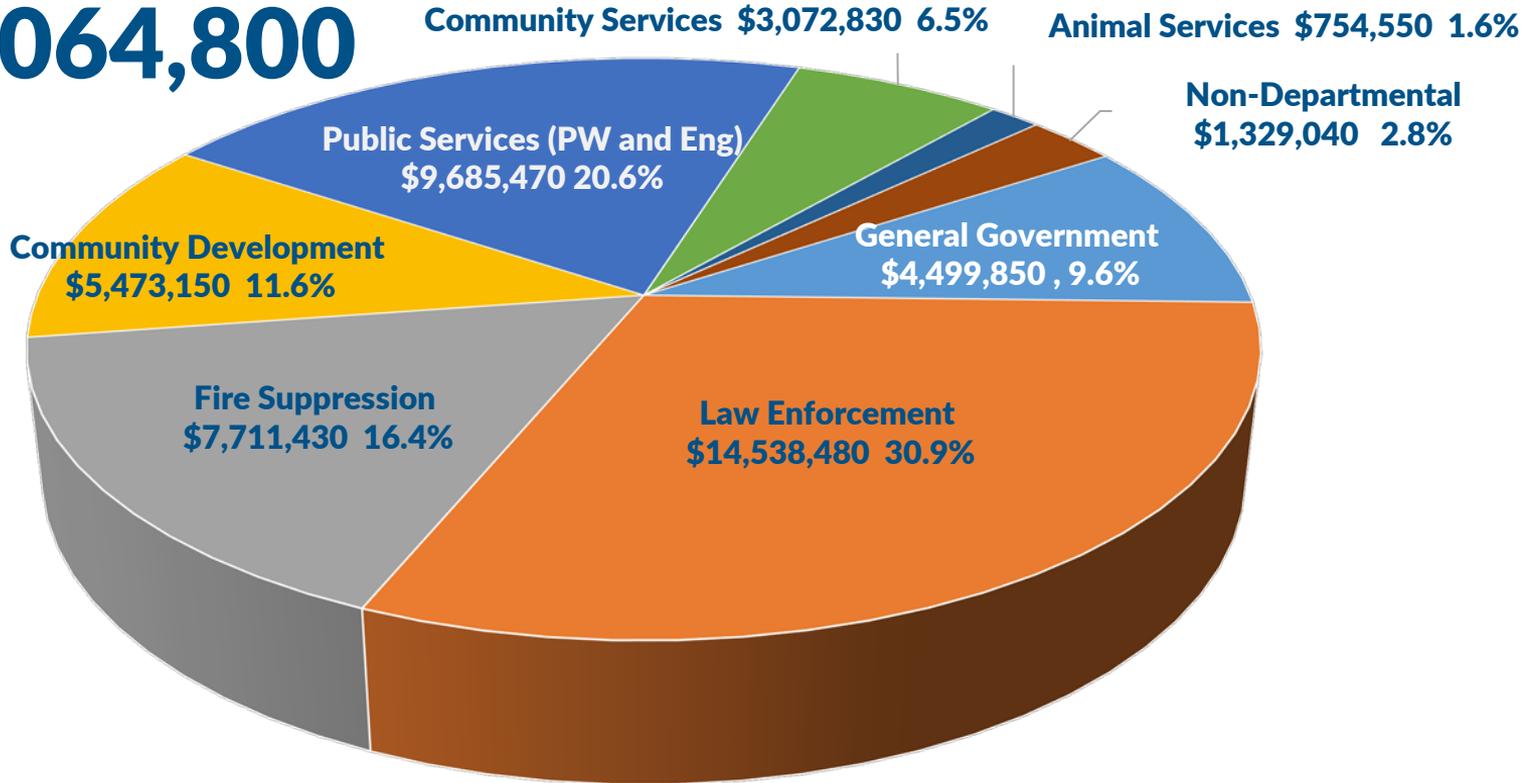
FY2020-2021 Estimated Revenues

\$44,365,140



FY2020-2021 Appropriations

\$47,064,800



City Finance 101: Revenue Sources

<u>Revenue Type/Source:</u>	<u>Amount</u>
Sales Tax	\$ 9,972,320
Property Taxes	
<i>Property Tax - Secured, Unsecured</i>	\$ 3,142,310
<i>Property Tax In-Lieu of VLF</i>	5,884,790
<i>Fire Structural Taxes & Tax Credits</i>	<u>3,414,300</u>
TOT - Transient Occupancy Taxes	604,100
Franchise Taxes	2,541,000
Other Taxes	412,530
Intergovernmental	1,101,420
Building Permit Fees	1,152,390
Other Licenses & Permits	1,884,290
Fees & Reimbursements	8,428,000
Fines & Forfeitures	741,990
Special Assessments	5,085,700
Total	<u>\$ 44,365,140</u>

City Finance 101: Sales & Use Taxes

- Sales & Use Tax is charged on all tangible personal property sold to a consumer (end user).
- The Sales & Use Tax Rate in the City is 7.75%. Taxable purchases of \$100 would be \$107.75 including “Sales Tax.”
- The City receives 1% of the 7.75%. For example, if someone purchases \$100 in taxable purchases, the City receives \$1.00.

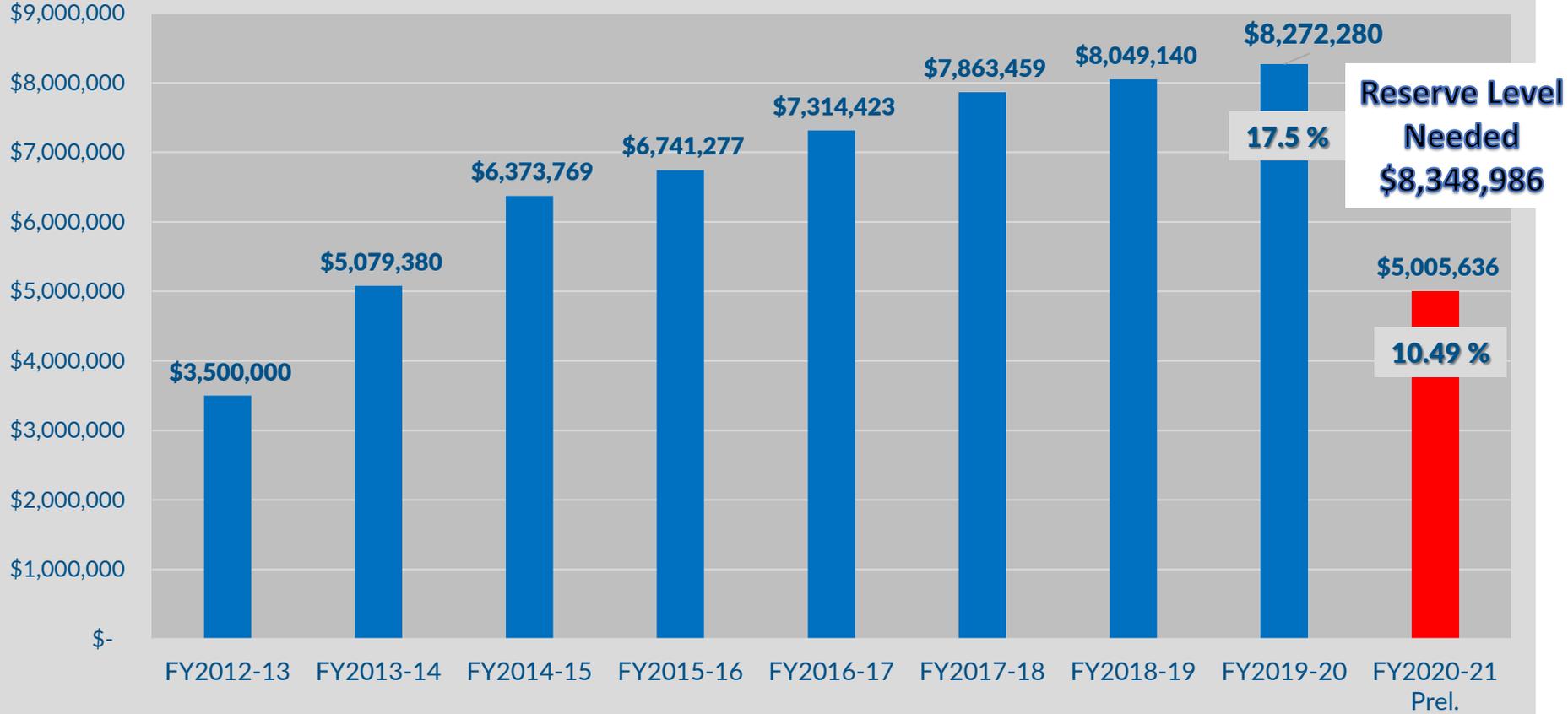
City Finance 101: Property Taxes

- City receives only a small amount of the property taxes paid by property owners. Depending on where property is located, the City receives between 4.5% to 11% of the base amount of property taxes paid under Proposition 13.
- For example, a person owns a home with an Assessed Valuation of \$300,000. Their base property tax amount is 1% of the Assessed Valuation or \$3,000 per year. The City receives between \$135 and \$345 dollars of that amount.
- The balance goes mostly to the State, County and School District(s).

City Budget vs. Actual

Fiscal Year End	Budgeted	Actual
June 30, 2015	-2,074,760	217,708
June 30, 2016	-3,178,800	423,966
June 30, 2017	-1,754,103	214,244
June 30, 2018	-1,537,601	-769,914
June 30, 2019	-1,990,023	305,670
June 30, 2020	-2,358,067	-2,358,067
June 30, 2021	-3,343,350	-3,343,350

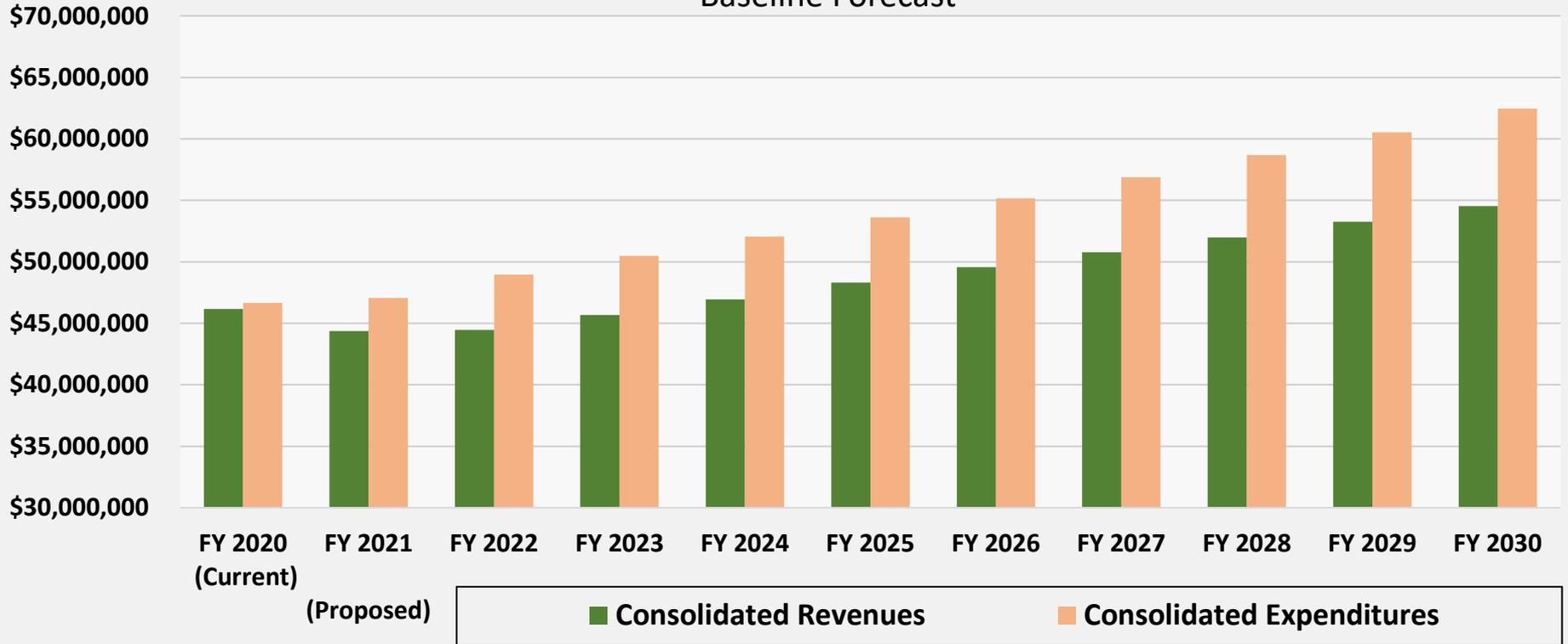
Economic Uncertainty Reserve



10-Year Financial Outlook

Net Revenues and Expenses

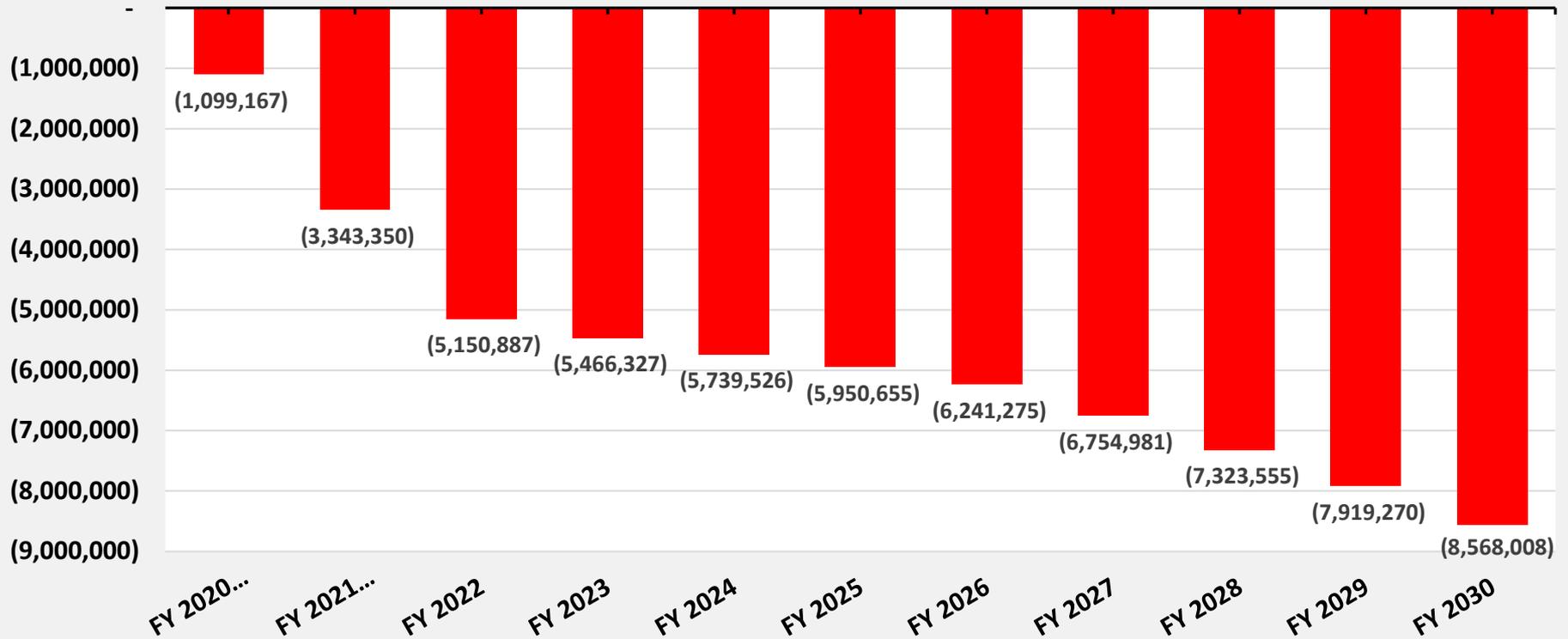
Baseline Forecast



10-Year Financial Outlook

Annual Operating Surplus/(Deficit)

Baseline Forecast



The Need

- **Rising Costs and Increasing Demands**
 - Unsustainable Public Safety Increases
- **State and County Takeaways**
 - State shifting of revenues and divesting of services (ERAF I & II- \$1,473,851)
 - State services pushdown
 - Economy subject to Global and National Politics
- **County Sales Tax Threats**
- **Provides an Equitable Funding Source that Ensures Visitors Pay Their Fair Share too.**



Funding Measures in Riverside County

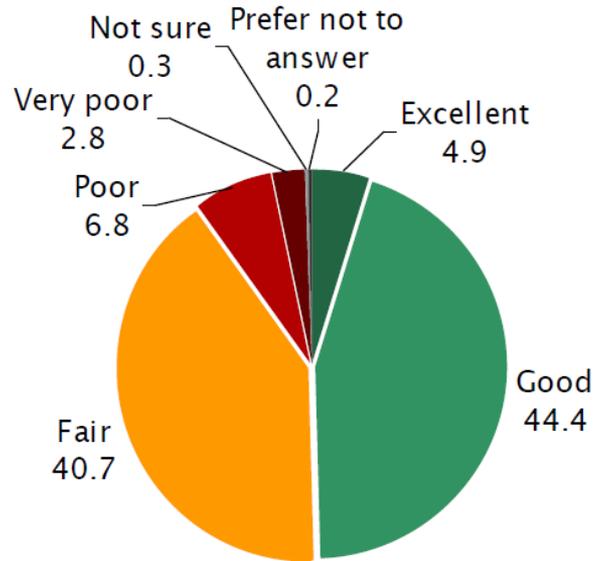
All Surrounding Cities have Adopted Funding Measures

- Temecula
- Murrieta
- Wildomar
- Canyon Lake (Utility User Tax)
- Menifee
- Hemet
- Corona – Approved for Voter Consideration in 2020

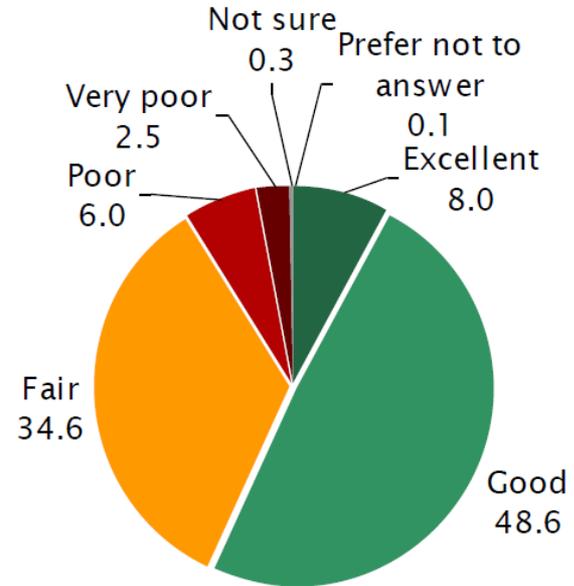
Community Satisfaction Survey

HOW DO YOU RATE THE QUALITY OF LIFE IN LAKE ELSINORE?

APRIL 2019



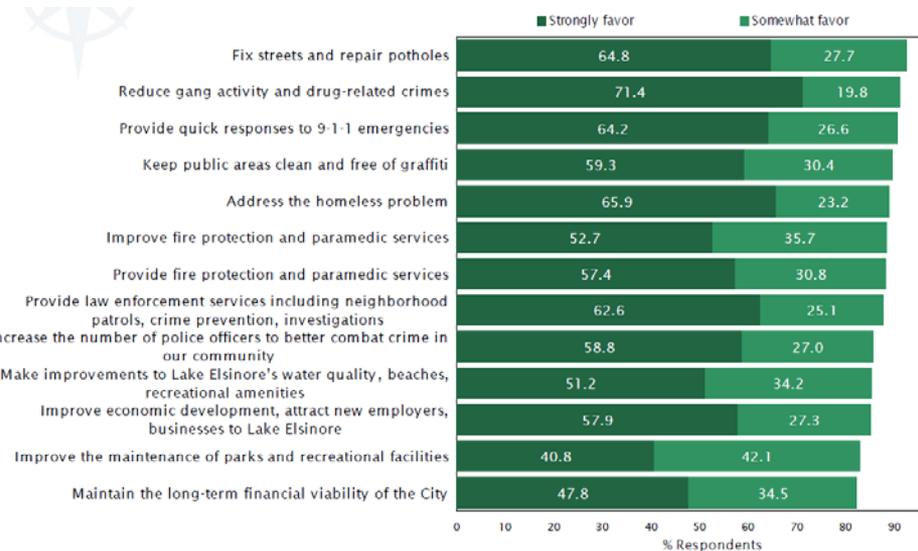
JULY 2020



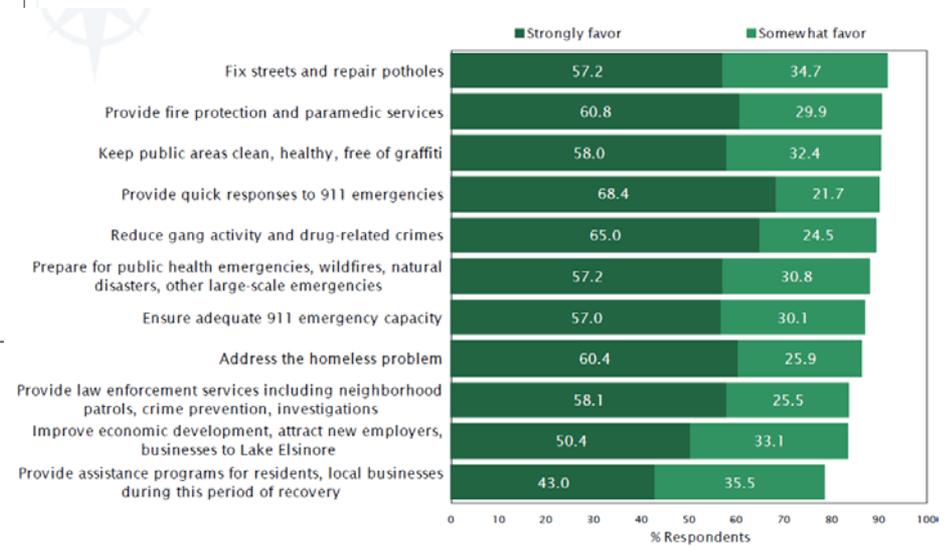
COMMUNITY SATISFACTION SURVEY

SERVICE PRIORITIES

APRIL 2019

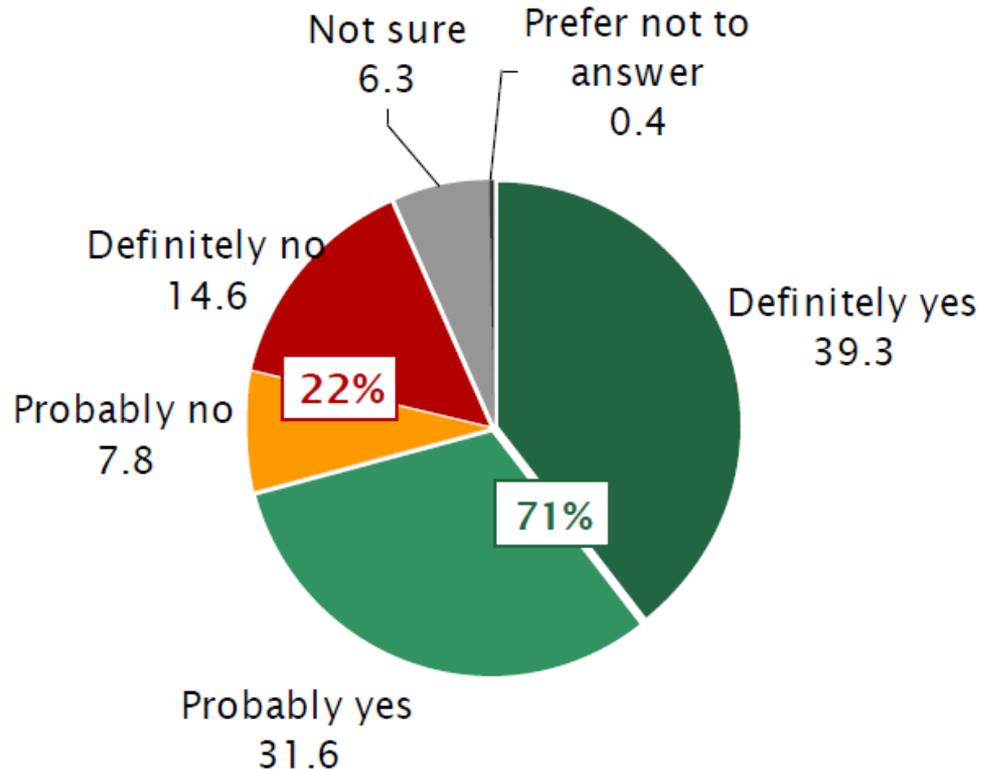


JULY 2020



2020 Community Satisfaction Survey

POTENTIAL BALLOT TEST RESULT



Let's Talk Lake Elsinore

- Residents urged to complete print and/or online surveys.
- Outreach efforts included:
 - Presentations
 - Mailers
 - Social Media
 - Advertising
- 840+ surveys completed.

REPORT BACK TO THE COMMUNITY ON THE FUTURE OF LAKE ELSINORE

Dear Neighbour,

Thank you for continuing to do your part to keep our community healthy and safe, and thank you to the hundreds of residents who responded to Let's Talk Lake Elsinore - to tell us your local recovery and relief needs for the future of our City.

The following are what some of your neighbors have identified as their local recovery and relief priorities:

- Preparing for any type of public health or catastrophic emergency
- Having adequate 9-1-1 emergency capacity
- Continuing to address homelessness and supporting residents and families in transition
- Improving fire protection and paramedic services
- Keeping public areas safe, healthy and clean
- Continuing law enforcement services including effectively staffed neighborhood patrols
- Supporting residents and local businesses through our local recovery

Although we may physically be distant during these times, it is more important than ever that we stay in touch. You can still give your feedback. Visit www.lake-elsinore.org/LET together.

As always, we will continue to keep you updated on the latest resources during these extraordinary times.

Sincerely,

Grand Yates
City Manager and Disaster Director

STAY CONNECTED
FOLLOW US ON SOCIAL MEDIA TO GET THE LATEST NEWS AND UPDATES.
@cityoflakeelsinore

THE FUTURE OF LAKE ELSINORE FREQUENTLY ASKED QUESTIONS

Q: IS OUR CITY PREPARED FOR WHAT'S AHEAD?
Your health and safety remains our highest priority. We are working daily to plan for the future recovery ahead. We must work together to ensure we have adequate and effective public safety, paramedic, fire, and 9-1-1 capacity.

Q: DO WE HAVE ADEQUATE 9-1-1 EMERGENCY RESPONSE AND FIRST RESPONDERS?
Lake Elsinore City service providers and first responders are working 24/7 to address our local public safety needs. By maintaining adequate and effective 9-1-1 emergency response capacity, the City of Lake Elsinore will continue to be prepared and self-sufficient for any future emergency or catastrophe.

Q: WHAT ABOUT OTHER LONG-TERM NEEDS - LIKE FIXING OLD ROADS?
Residents know, some of Lake Elsinore's streets have been repaired or resurfaced in 20 years. It's a community's desire to fix potholes and improve the ability of our first responders to quickly reach people who need help. It's a long-term goal for the City since doing so also helps the community that we need them the most.

INFORMATION & RESOURCES:
For more information and resources visit www.lake-elsinore.org/coronavirus.
We Will Get Through This Together!

LET'S TALK ABOUT THE FUTURE OF LAKE ELSINORE TODAY

TELL US YOUR
PRIORITIES ON LOCAL
NEEDS FOR OUR
RELIEF AND RECOVERY

CLICK HERE TO LEARN MORE

LAKE ELSINORE TOGETHER

CLICK HERE TO LEARN MORE

Top Spending Priorities Identified

- Preparing for any type of public health or catastrophic emergency.
- Effectively responding to 911 emergencies.
- Continuing to address homelessness and supporting residents and families in transition.
- Improving fire protection and paramedic services.
- Keeping public areas safe, healthy and clean.
- Continuing law enforcement services including effectively staffed neighborhood patrols.
- Supporting residents and local businesses through our local recovery.

LET'S TALK LAKE ELSINORE

WE WANT TO HEAR FROM YOU.

Dear Neighbor,

We are honored to announce that the City of Lake Elsinore has been awarded as the **3rd Best City to Live In** by the Best of the Inland Empire Press-Enterprise Readers' Choice Awards. Here in Lake Elsinore, we are continually working towards maintaining the quality of life that makes Lake Elsinore a great place to live, work and play. In a Community Issues Survey conducted this year, residents told us that they are satisfied with their quality of life and focused on how best to maintain essential City programs such as public safety and public works services.

Residents identified local priorities that they would like the City to continue to address including:

- fixing streets and repairing potholes,
- reducing gang activity drug-related crimes,
- providing quick responses to 9-1-1 emergencies,
- addressing homelessness,
- improving fire protection and paramedic services,
- keeping public areas clean and free of graffiti, and
- providing law enforcement services including neighborhood patrols, crime prevention and investigations.

You've probably seen the road work around the City, but many people don't know a significant portion of our local streets have not been repaired or resurfaced in 20 years. Fixing potholes and repairing our streets was identified by residents as a top priority, and we agree – we just need the funding to do so.

And as always, your safety is our highest priority – we must ensure we continue to have enough law enforcement officers, firefighters and paramedics to respond quickly to 9-1-1 emergencies.

To expand the conversation and make sure every resident has a voice, we're launching Let's Talk Lake Elsinore – to hear YOUR feedback on City service needs and priorities. **Please take a moment to share your feedback and complete a survey online at www.lake-elsinore.org/letstalk.**

With so much happening in Lake Elsinore, stay connected and up-to-date by following the City on Facebook at Lake Elsinore-City Hall or LE Extreme Recreation, Instagram @CityofLakeElsinore or Twitter @CityLakeElsinore.

Thank you to those that have already taken the time to share your perspectives!



WWW.LAKE-ELSINORE.ORG/LETSTALK

City Manager Roundtable

City Staff:

- Grant Yates, City Manager
- Jason Simpson, Assistant City Manager
- Nicole Dailey, Assistant to the City Manager
- Michael Lujan, Captain, LE Sheriff's Station
- Ty Davis, Chief, CALFIRE/Riverside County

Community Members:

- Allen Baldwin, Treasurer, City of LE
- Ashlee DePhillippo, Volunteer
- Brett Masters, Dream Center Lake Elsinore
- Butch Noll, Thermal Electronics
- Heidi Dodd, LEUSD
- Kim Joseph Cousins, Lake Elsinore Chamber
- Pauli Tehrani, Alberhill HOA
- Rick Morsch, Rotary Club

Citizen Oversight Committee

- A 5-Member Committee to independently oversee the spending and use of funds generated by the transactions and use tax.
- Meet at least twice each calendar year.
- Community surveys to be conducted every two years to gather feedback to determine how best to spend these funds.
- Ensures transparency and accountability for the community.

Next Steps

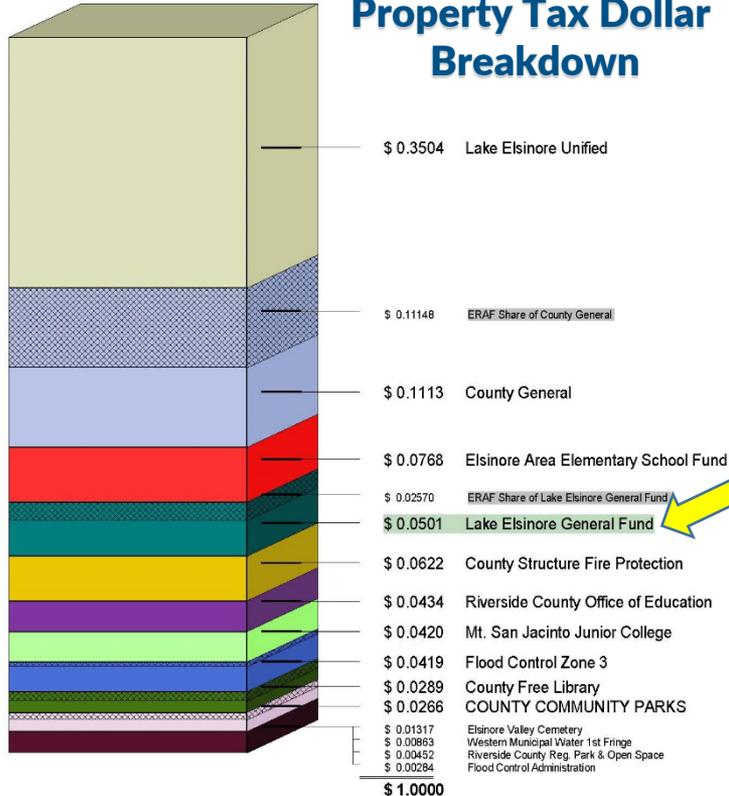
- City Council Vote – Super Majority Required to Place on Ballot
- If Approved, City Attorney and City Clerk to Submit the Following:
 - By Aug. 7, 2020 – Submit Resolution and Ordinance for Measure Placement;
 - Aug. 17, 2020 – Deadline to File Primary Arguments and Impartial Analysis;
 - Aug. 18 - 27, 2020 – Public Examination Period for Primary Arguments & Impartial Analysis;
 - Aug. 27, 2020 – Deadline to File Rebuttal Arguments;
 - Aug. 28, - Sept. 6, 2020 – Public Examination Period for Rebuttal Arguments.
- If approved, City can only provide information regarding the measure.
- Community can establish volunteer committees for or against the measure.
- Voters decide on November 3, 2020 – Simple Majority Required

Closing Comments

- In a recent community survey, over 70% of respondents said they would support a simple majority approval local funding measure.
- This measure would generate approximately \$10 million per year to be locally controlled and spent on local needs.
- The City Council is not being asked to endorse, oppose, or levy a tax – only voters can decide on this matter.
- Tonight, you are voting on whether to allow voters to decide on this issue or not with the adoption of the proposed resolution.

City Finance 101: Property Tax Breakdown

Property Tax Dollar Breakdown



Allocation of \$65,999,605 in Property Tax

