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The Heart of Southern California  
Wine Country

# Ballot Measure S (Information Only)

September/October 2016



# Agenda

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- **What is Measure S?**
- **Why is Measure S Needed?**
- **Why Sales Tax Instead of Another Tax?**
- **What Has the City Done to Cut its Budget?**
- **How Will the Funds be Raised?**
- **How Will the Funds be Spent?**



# What is Measure S?

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- **1¢ Local Add-on Sales Tax Measure**
  - Current rate in Temecula is 8.0%
  - Statewide average rate is 8.5%
- **Sales Tax funds Police, Fire, Parks, Public Works and the general operations of the City**
- **If enacted, Measure S will generate approximately \$23 million annually**
  - Local control, not subject to State takeaways
  - Until ended by voters



# Sales Tax Distribution

- **Sales Tax Rate = 8.0%**

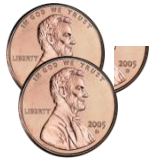
\$1 Purchase = \$0.08 Sales Tax



= 4 ¼ cents to State of CA



- K-12/Community Colleges
- Education Protection (expires 12/31/16)



= 2 ¼ cents to Riverside County



- Public Safety
- Transportation
- Mental Health/Welfare



= ½ cent to Riverside County  
Transportation Commission



- Transportation (restricted—expires 2039)



= 1 cent to City



- City Services (Police, Fire, Parks, etc.)



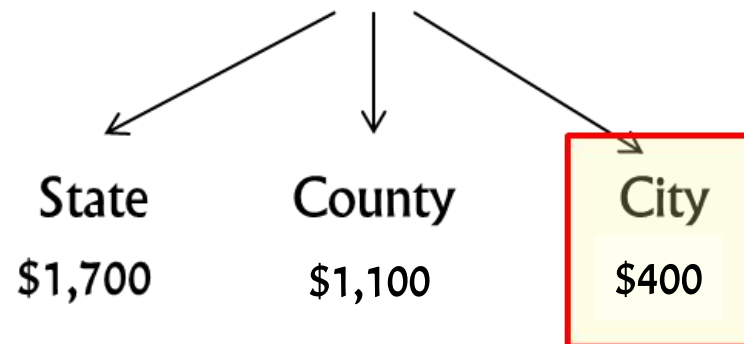
# Sales Tax Example

## Sales Tax



New Car = \$40,000

8% Sales Tax = \$3,200



# Why is Measure S Needed?

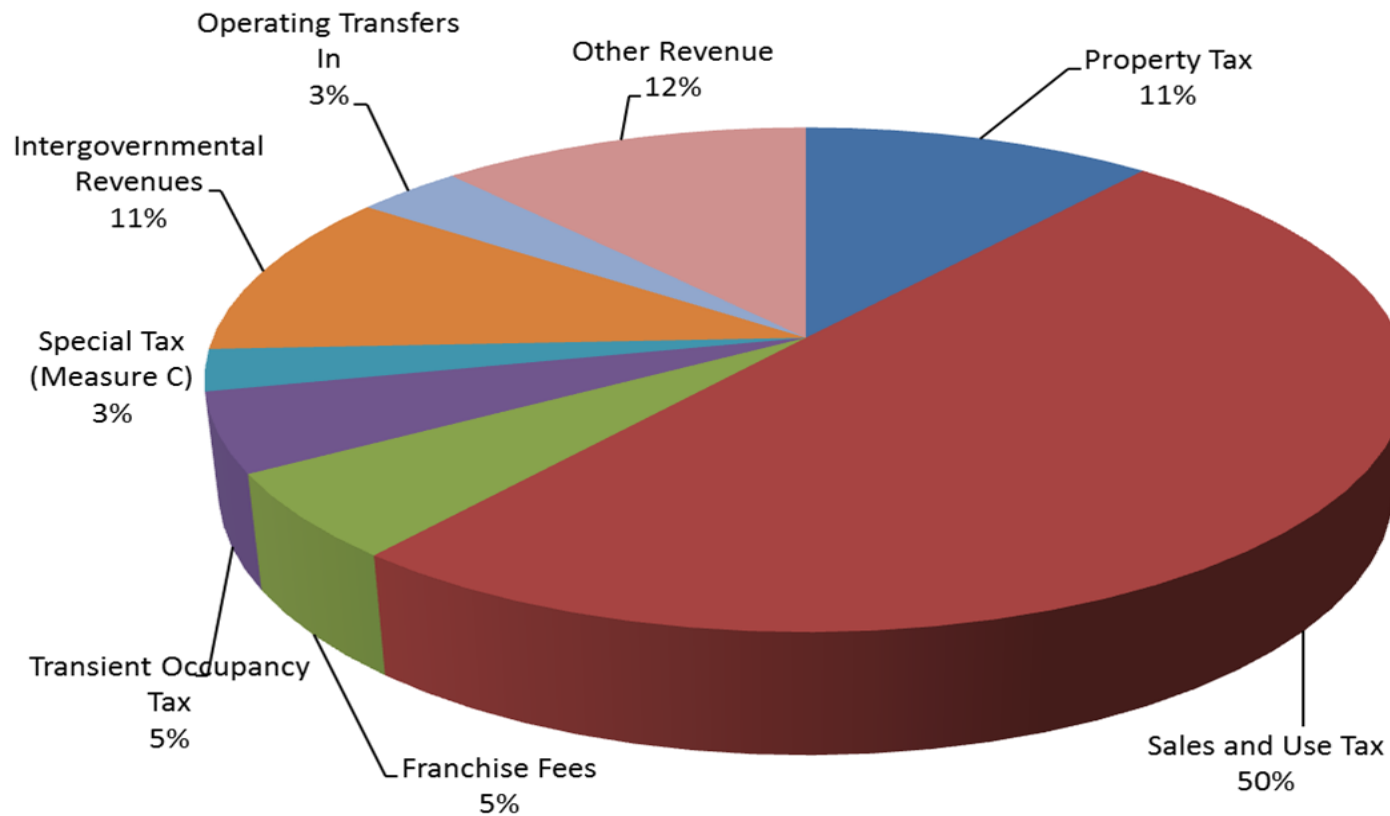
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- **The City's 5-Year Financial Forecast indicate a looming structural deficit**
  - **Expenditures are Outpacing Revenues**
- **Imbalance due to added Public Safety responsibilities, rising cost of Public Safety services & continued State takeaways**
- **Measure S will ensure continued high quality of life and fund vital services**



# Why Sales Tax?

- **Sales Tax = Single Largest Revenue Generator**



# Why Sales Tax?

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- **Council explored impact of increasing the TOT rate or implementing a UUT**
  - **Insufficient revenues to meet demands**
- **Sales Tax paid by residents, business and non-residents**
  - **Approximately ½ is paid by non-residents**
  - **Local control without State takeaways**

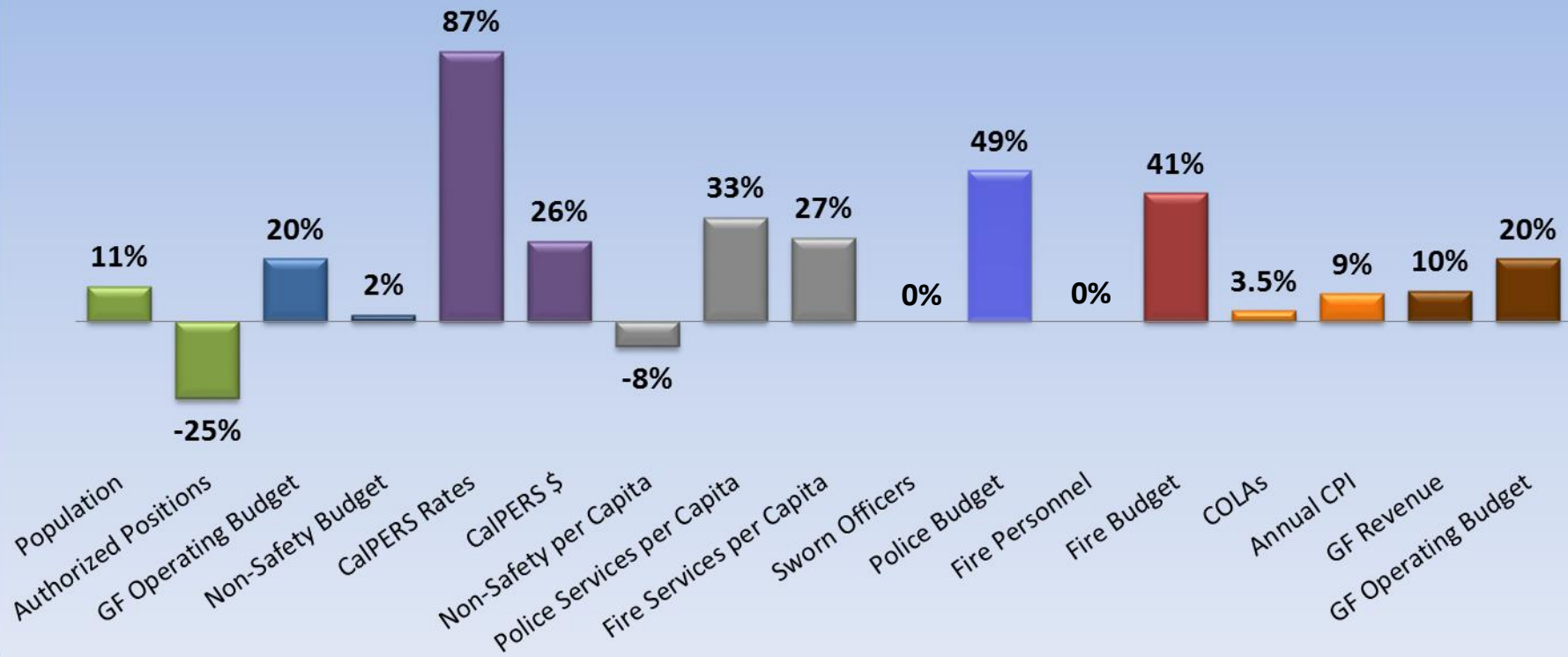




# What has the City done to Cut its Budget?

- 10-year history of cost containment

**% Change from Fiscal Year 2007-08 to 2016-17  
(10-Year Period)**



# What's the City done to Cut its Budget?

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- **Additional cost containment efforts include**
  - **Water/Energy conservation**
  - **Evaluate alternatives for Public Safety service delivery (JPA)**
  - **Implement smart-growth policies**
    - **Offsets public safety impacts for new development**



# How Will Funds be Raised?



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- **Requires voter approval on November 8<sup>th</sup>**
    - **Simple majority needed for approval (>50%)**
  - **Added 1% Sales Tax collected at time of sale**
    - **Exempts prescription medicines and groceries**
  - **Merchants remit tax to the State, who then distributes to City on quarterly basis**



# How Will Funds be Spent?



- **Maintain & prevent cuts to:**
  - 911 emergency response times
  - Local paramedic, Police, & Fire protection
  - School safety patrols
  - Youth/after-school, senior & disabled services
- **Reduce traffic congestion**
- **Provide for other general City services**



# How Will Funds be Spent?



- **Maintain Public Safety Services**
  - Backfill 9 police officer vacancies consistent with population growth
  - Maintain fire staffing / plan for Roripaugh Station
- **Maintain Aging Infrastructure**
  - Roads, parks, sidewalks
- **Fund Capital Improvements**
  - Former YMCA rehab, Teen Village, Old Town Parking, traffic improvements
- **Preserve Fiscal Stability & High Quality of Life**



# Questions?

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- **For additional information/questions**
  - **City Manager, Aaron Adams**
  - **City Clerk, Randi Johl**
  
- **Or visit the City's website:**

**<http://www.cityoftemecula.org/MeasureS.htm>**

