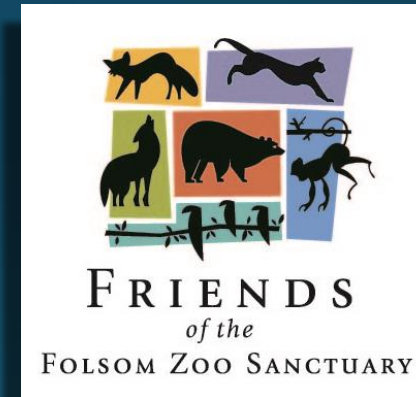
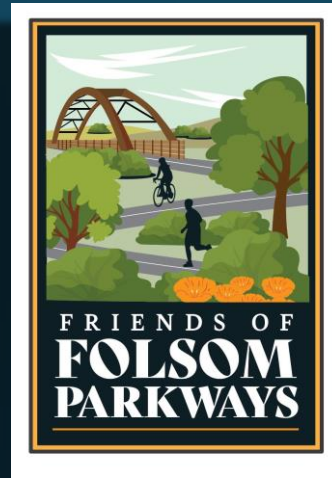


Folsom Takes **ACTION**

Our coalition:

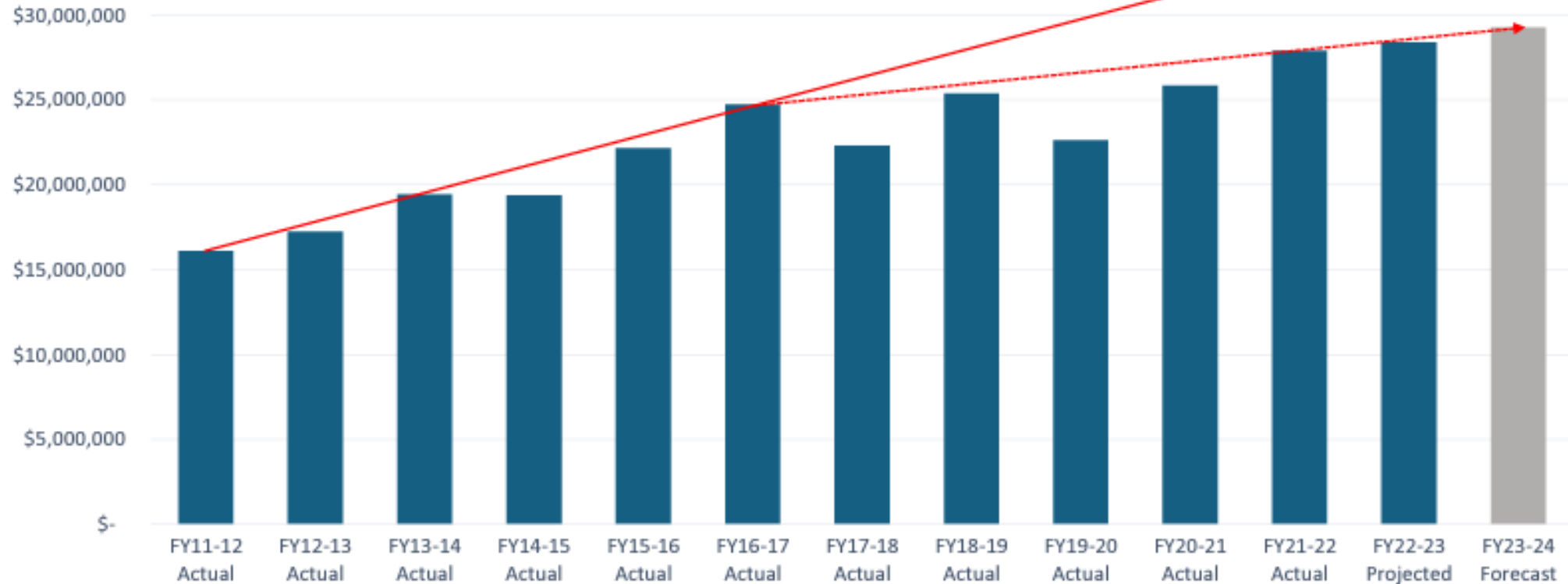


Folsom Residents Supporting Public Safety and Quality of Life

Major Budgetary Concerns – FY 25-FY 29



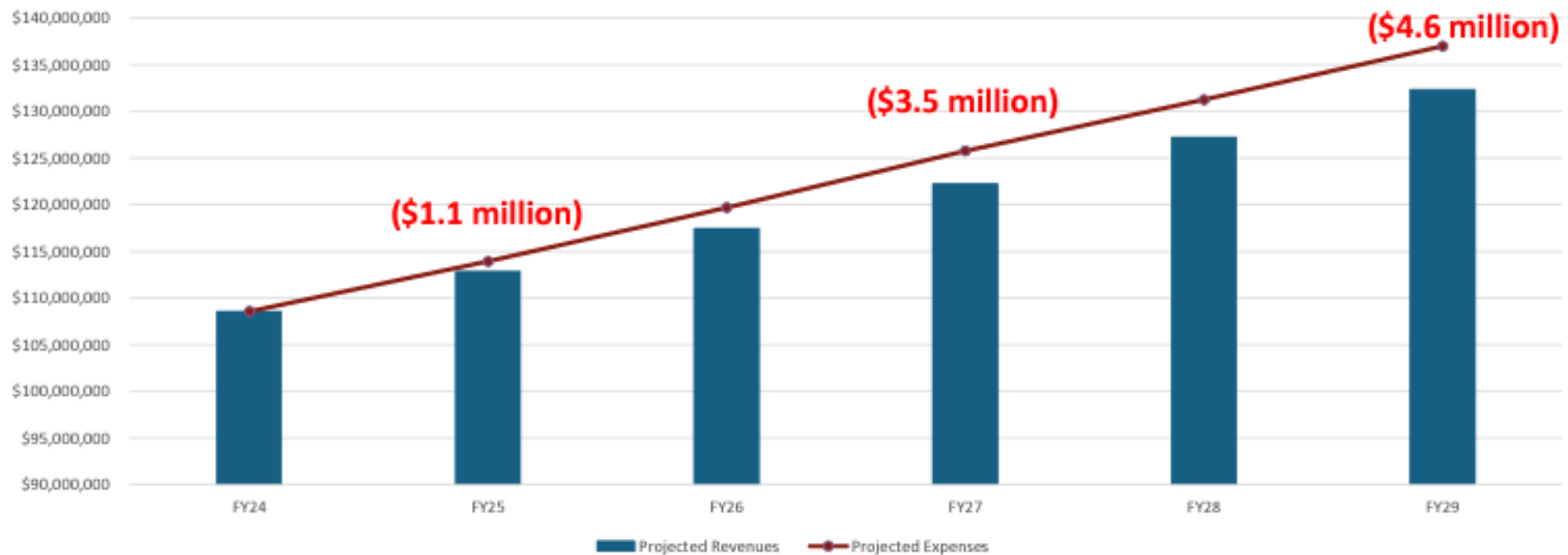
3. Flattening sales tax revenue trend – now averaging 2.3% growth per year



Major Budgetary Concerns – FY 25-FY 29



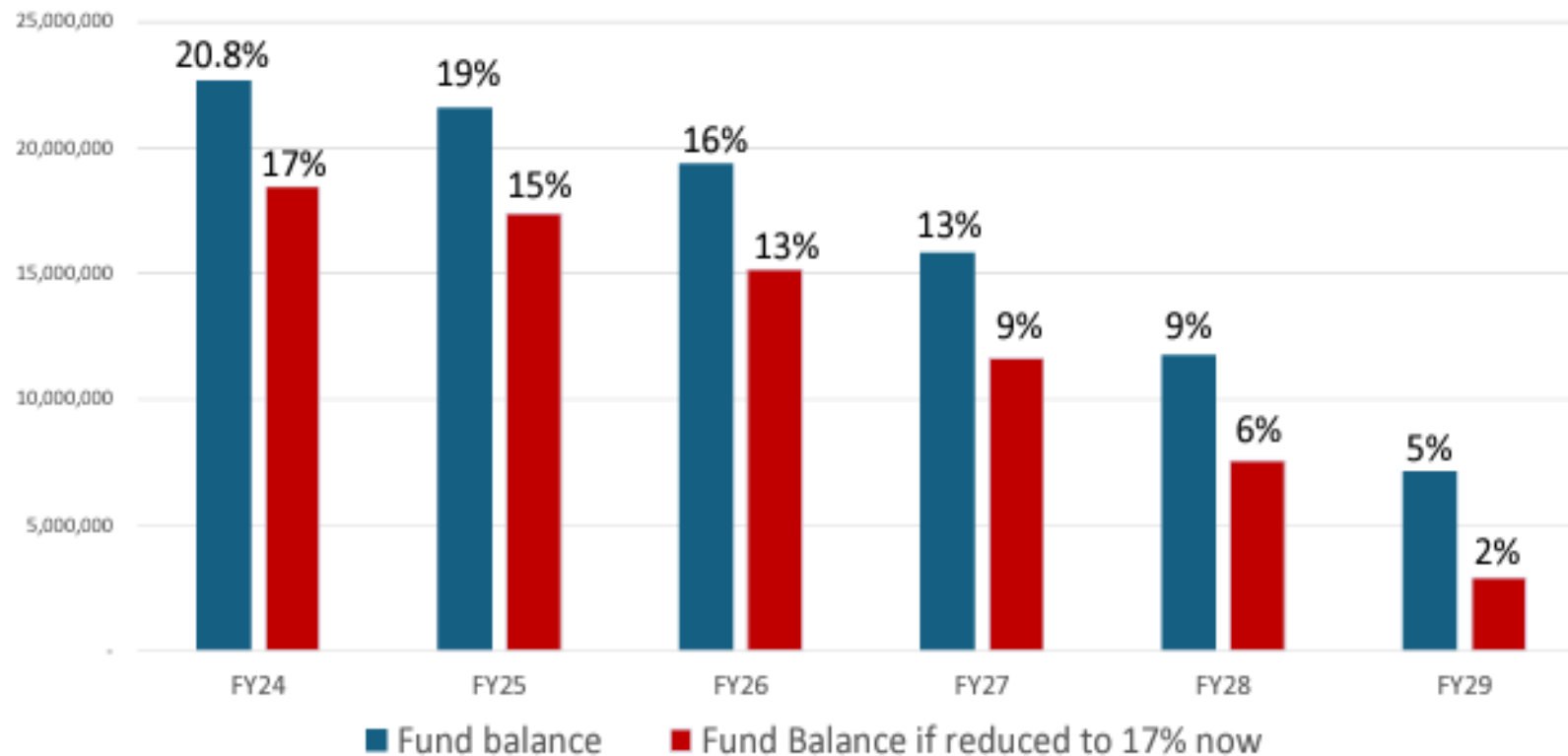
1. The five-year forecast predicts a General Fund structural deficit as the cost to provide services grows at a faster pace than revenues.



Major Budgetary Concerns – FY 25-FY 29



2. Projected Unassigned Fund Balance if Used to Cover Annual Budget Shortfalls



What have City management and City Councils done to mitigate this issue?

- ❑ Maintaining reserves above the adopted policy of 15% (currently 20.8%)
- ❑ Deferred millions of dollars of maintenance and capital costs
- ❑ Staffing levels still below Great Recession levels (FY 07/08)
- ❑ General Fund employees reduced by 36% (calculated per 1,000 residents)
- ❑ Eliminated retiree health benefits for new employees
- ❑ Increased employee contributions to health benefits
- ❑ Increased employee contributions towards retirement
- ❑ Implemented pension reform BEFORE state-mandated (PEPRA)
- ❑ Extended the number of steps in the pay range to have smaller annual pay increases
- ❑ Eliminated longevity pay for new employees
- ❑ Extended “useful life” of city vehicles
- ❑ Cell tower revenue diverted from Park Renovation Fund to General Fund (approx. \$300,000/yr)
- ❑ Implemented electronic permitting and payment system to reduce paper, and provide remote processing
- ❑ Continue to apply for, and receive many grants each year for both capital and service needs
- ❑ Developed new private sector contracting services (parks, trails, alarm systems, etc.)
- ❑ Constant awareness of gaps where services can be provided or enhanced at minimal additional cost

“Government Growth” measured by General Fund employee growth (FTE)

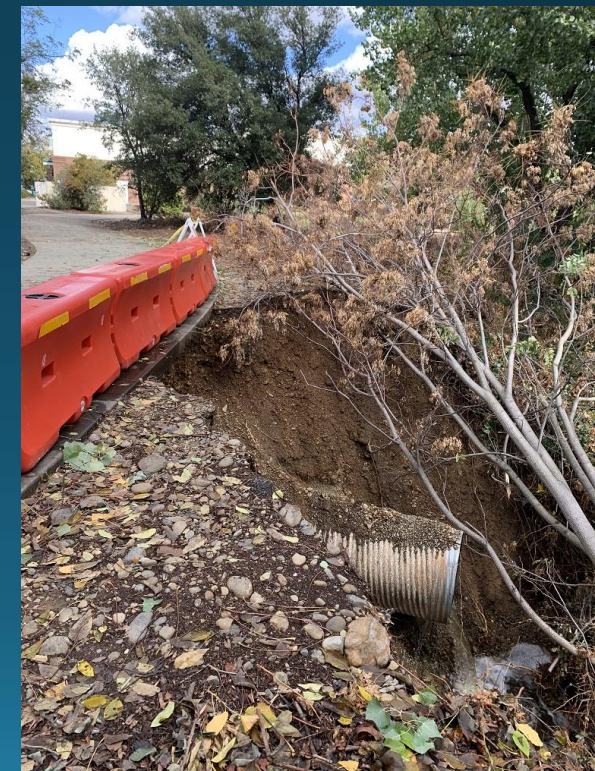
High General Fund count of 460.88 FTE
Low General Fund count of 310.44 FTE
Reduction over seven years of 150.44 FTE

Net reduction over 16 years from FY 07/08 to FY 23/24 of 87.83 FTE

FY 23/24	373.05
FY 22/23	366.80
FY 21/22	352.80
FY 20/21	351.65
FY 19/21	351.65
FY 18/19	351.35
FY 17/18	333.40
FY 16/17	326.40
FY 15/16	320.20
FY 14/15	310.44
FY 13/14	309.05
FY 12/13	315.35
FY 11/12	341.80
FY 10/11	348.80
FY 09/10	392.05
FY 08/09	420.90
FY 07/08	460.88



What our concerns look like...throughout the city.



Severe Service Delivery and Funding Problems

- ❑ No fire engine/pumper at Station #35 (9 firefighters required)
- ❑ Nine fewer sworn officers in 2023 than 2007 (below regional avg.)
- ❑ Millions of dollars of unfunded annual street maintenance
- ❑ Millions of dollars of unfunded deferred storm drain system repairs
- ❑ Millions of dollars of unfunded deferred park and trail system repairs
- ❑ No effective or consistent economic development program
- ❑ Extremely limited funding available for community enhancement
- ❑ Extremely limited funding available for major capital improvement projects

City Manager's Report to City Council 10/24/23

- ❑ Department heads are putting forward reasonable requests over and over again, and they are declined.
- ❑ We have no reserve funds for individual departments, functions, purposes, or visions.
- ❑ We have almost no money to deal with surprises.
- ❑ Our facilities, parks, and trails are aging out.
- ❑ There are at least \$20 million annually in unfunded or underfunded needs that the City is deferring.
- ❑ There is limited ability to reduce service costs further.
- ❑ Without increased revenues, a reduction in City services will be required to balance future budgets.

Sacramento Region Local Sales Taxes:

- ❑ City of Sacramento – **8.75%**, includes supplemental sales tax
- ❑ Roseville – **7.75%**, includes supplemental sales tax (Placer Co, no Measure A)
- ❑ West Sacramento – **8.25%**, includes supplemental sales tax
- ❑ Elk Grove – **8.75%**, includes supplemental sales tax
- ❑ Rancho Cordova – **8.75%**, includes supplemental sales tax
- ❑ Galt – **9.25%**, includes supplemental tax
- ❑ Isleton – **8.75%**, includes supplemental tax
- ❑ Woodland – **8.00%**, includes supplemental tax
- ❑ Davis – **8.25%**, includes supplemental tax

- ❑ Folsom – **7.75%**, NO supplemental sales tax
- ❑ Citrus Heights – **7.75%**, NO supplemental sales tax
- ❑ Lincoln – **7.75%**, NO supplemental sales tax

WHAT IS IT WORTH TO LIVE IN FOLSOM?

How much do you spend on taxable goods in Folsom each year - \$5,000? \$15,000? \$25,000?

Taxable Purchases in Folsom - \$5,000/yr

@ 7.75% = \$387.50/yr or \$32.29/mo

@ 8.75% = \$437.50/yr or \$36.46/mo (increase of \$4.17/mo)

Taxable Purchases in Folsom - \$15,000/yr

@ 7.75% = \$1162.50/yr or \$96.88/mo

@ 8.75% = \$1312.50/yr or \$109.38/mo (increase of \$12.50/mo)

Taxable Purchases in Folsom - \$25,000/yr

@ 7.75% = \$1937.50/yr or \$161.46/mo

@ 8.75% = \$2187.50/yr or \$182.29/mo (increase of \$20.83/mo)

REMEMBER: 40% of all SALES TAX GENERATED IS FROM NON-RESIDENTS

Our Strategy and Plan for **ACTION**

- Citizens Initiative
- 6,500 signatures - \$500k campaign
- “Special Sales Tax”
- 2024 General Election - November
- 1 cent (\$.01) increase in Folsom Sales Tax
- \$29 million first year revenue
- 50% + 1 voter approval

Taxpayer Protections

- ❑ “Special Tax” not for general government expenses
- ❑ Expenditures restricted to ONLY specified categories
- ❑ Cannot be used for existing pension liabilities
- ❑ Cannot enhance existing pensions
- ❑ No supplantation (offsetting existing budget allocations)
- ❑ Cannot replace developer obligations
- ❑ Annual audit required
- ❑ Citizens Oversight Committee
 - open and public meetings
 - expenditure recommendations to the city council
 - annual expenditure report to the community
- ❑ Investment to increase jobs, property values, TOT and existing sales tax base

Our Strategy and Plan for **ACTION**

Special Tax focus:

□ Fire/EMS services	20%	\$5.8M
□ Police services	20%	\$5.8M
□ Street/traffic improvements + water quality	15%	\$4.35M
□ Parks and Trails system improvements	15%	\$4.35M
□ Community and Economic Development	15%	\$4.35M
□ Major Capital Improvement Projects	15%	\$4.35M
	Total	\$29 Million

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