

CITY OF FOLSOM Newsletter










Protecting Folsom's High Quality of Life

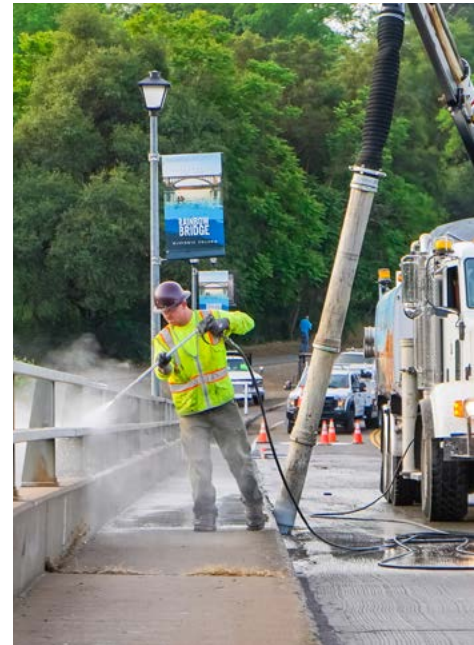
The City of Folsom provides public services and facilities that help maintain and enhance Folsom's high quality of life. Every day, city employees work hard to support safe neighborhoods, quality streets and roads, well-maintained parks and trails, recreation facilities and programs for all ages, and more. However, the city is facing tough choices in the near future. City leaders are exploring options to address these challenges responsibly and with community support.

Services Provided by the City of Folsom

As a full-service city that provides essential services and facilities, the city works hard to sustain the services residents tell us they value most.

Services include:

-  Public safety services, including 24/7 police, fire, and emergency medical services.
-  Infrastructure improvements for roads, traffic flow, flood protection, environmental protection, bridges, and more.
-  Maintenance of parks, trails, and open spaces.
-  Utility services, including water, sewer, trash, and recycling.
-  Library services.
-  Economic development services and job creation opportunities.
-  Code enforcement and community clean up.
-  Stormwater and environmental services.
-  Planning services, building permits, and inspections.





10 Facts About the City of Folsom's Finances

- 1** The City of Folsom offers many services, including around-the-clock public safety, utilities, road maintenance, parks, library services, and more, all focused on maintaining community safety and well-being.
- 2** The city has been implementing budget cuts for over 15 years with minimal visible impact on the community. New budget cuts will become increasingly noticeable.
- 3** Absent new revenue sources, the city will be forced to reduce services further to fit within available funding.
- 4** Changes in consumer spending habits, such as the growth of online shopping, are slowing the city's sales tax revenue.
- 5** The city's sales tax revenue is also affected by people spending more on untaxed services, like movie streaming and lawn care, rather than taxed items like DVDs and lawn mowers.
- 6** It is estimated that up to 40% of the city's sales tax revenue comes from visitors.
- 7** The city partnered with its labor groups to slow city employee payroll growth and to reduce salaries and benefits. Pension benefits for new hires were reduced more than 15 years ago.
- 8** While the city's population and demand for services have grown, staffing has been reduced by 38% per capita since 2008.
- 9** Folsom receives just one cent of the 7.75 cents per dollar in sales tax paid. The rest goes to the state and county.
- 10** California's property tax rate is around 1%, with Folsom receiving about 20% of the total property tax paid by homeowners. The rest is distributed to the state, county, and school districts. For example, a \$500,000 home pays approximately \$5,000 in property tax annually, and Folsom receives about \$1,000 of that for its General Fund.

Budget Town Hall Meetings

The community's understanding of the situation is key. We'd like to hear from you! These realities have led to short and long-term budget gaps—ones that are projected to widen in the years ahead. As the city's expenses grow faster than revenues, tough choices lie ahead.

The City of Folsom will hold a series of town hall meetings on Folsom's financial outlook and funding needs. City leaders will provide a presentation on the city's financial outlook and funding needs, followed by a Q&A session for community members to share input and ask questions.

Town Hall Meeting Schedule:

Thursday, September 26

6 p.m., Folsom Public Library,
411 Stafford Street

Tuesday, October 1

11 a.m., Zoom

Thursday, October 10

6 p.m. Mangini Ranch Elementary School,
4640 Sparrow Drive

For more information about the town hall meetings, visit www.folsom.ca.us/BudgetTownHall.



Frequently Asked Questions

The city is committed to keeping our community informed about budget challenges. Community members are encouraged to visit www.folsom.ca.us/FiscalFocus for more information and answers to frequently asked questions. This site will be updated regularly as the city continues a community conversation about budget needs and potential solutions.

What challenges is the City of Folsom currently facing?

You may be surprised to hear that the City of Folsom is facing budget challenges.

While the City of Folsom currently has a stable financial status, an Aa2 credit rating, and reserves in the rainy-day fund, significant fiscal challenges lie ahead.

At issue is the city's financial future, which relies heavily on the strength of its largest operating fund, the General Fund. That fund faces a financial shortfall that could impact public services and Folsom's local quality of life.



How did we get here?

Factors contributing to budget challenges:

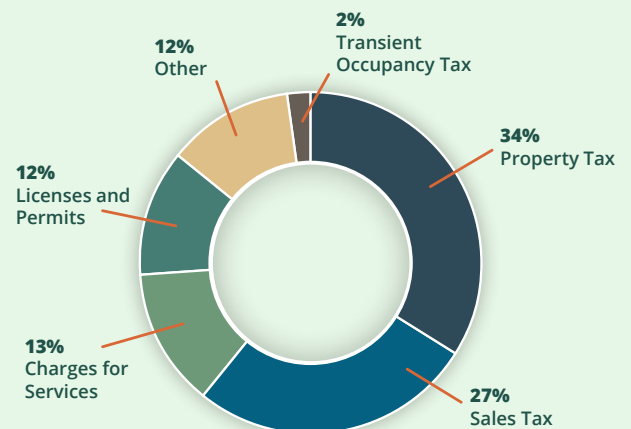
- ▶ Changes in consumer spending habits are reducing revenue.
- ▶ After deferring maintenance of city facilities, the city now faces significant repairs.
- ▶ Inflation has reduced consumer purchasing power.
- ▶ Minimum wage, health insurance, and other costs are increasing.
- ▶ New legislation and regulations add significant costs to the city's operation.



How is the City of Folsom funded?

Property and sales taxes are the largest funding sources for city services. Folsom only gets about one cent of the 7.75 cents per dollar paid in sales tax collected in the city. On average, Folsom receives just \$1,100 yearly in property tax from each single-family household. The balance goes to the state, county, and schools.

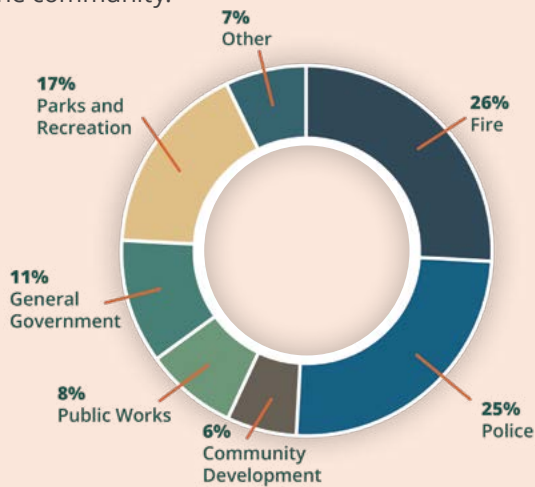
Sales tax is a critical revenue source for the city, but its growth rate has slowed in part due to changing consumer behavior and the impacts of online shopping. The city receives less than a penny of every dollar spent online by Folsom residents. This limited sales tax from online purchases results in a growing loss to Folsom's budget, affecting the city's ability to fund essential services and maintain its high quality of life.





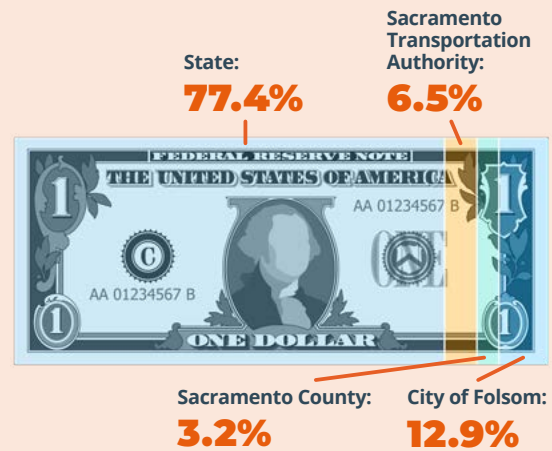
How is General Fund spending allocated?

About half of the General Fund is allocated to police and fire services, emphasizing the city's prioritization of public safety. The rest is distributed among various functions that contribute to the overall well-being of the community.



Where do sales tax dollars go?

Most of your sales taxes go to other agencies, including local school districts and colleges, the county, the state, and other agencies.



How has the city kept costs down?

Since the Great Recession, the city has reduced costs to help close the budget gap as expenses have increased.

As a service organization, labor is the city's biggest cost.

- ▶ The city implemented pension reforms, slowed payroll growth, reduced salaries and benefits, and increased employee contributions to benefits.
- ▶ Despite the city's growing population and demand for services, staffing has been reduced by 38% per capita since 2008.
- ▶ The city has postponed hiring new staff members, except for essential positions.
- ▶ To reduce costs related to salaries and benefits, the city has utilized part-time and contract employees.
- ▶ Retiree health benefits have been eliminated for new employees.
- ▶ The city has reduced the scope of services in contracts, such as landscape maintenance.
- ▶ Maintenance and capital costs have been deferred, and vehicle life cycles have been extended.
- ▶ The city has secured state and federal grants to support key projects.

During the recession and as the economy began to recover, our strong fiscal management didn't waver.

The city:

- ▶ Maintained quality-of-life services while minimizing cuts.
- ▶ Deferred millions in maintenance and capital improvements and reduced the scope of maintenance contracts.
- ▶ Maintained strict fiscal accountability and a balanced budget.
- ▶ Sought revenue opportunities from city-owned assets.

For a full list of measures to reduce expenses and enhance efficiency, visit www.folsom.ca.us/FiscalFocus.



Critical Funding Needs

The city faces critical funding needs across multiple departments to maintain safety, infrastructure, and essential services. Needs include:

- ▶ Hiring more police officers for 24/7 coverage and quicker response times.
- ▶ Providing additional support for the Police Department, including dispatchers and crime analysts.
- ▶ Replacing equipment for fire safety and updating vehicles.
- ▶ Adding an engine at Station 35 for better fire protection coverage.
- ▶ Maintaining infrastructure to address road repair needs.
- ▶ Improving transportation and traffic, including new interchanges, roundabouts, and traffic flow measures.
- ▶ Maintaining trails and parks to update aging amenities.
- ▶ Preventing fires through vegetation management.
- ▶ Repairing aging infrastructure in facilities, parks, and trails.
- ▶ Restoring library services to six days a week.
- ▶ Hiring additional building inspectors and code enforcement officers to ensure safety, compliance, and quality.



What could happen without additional funding sources?

The city is at a point now where budget cuts will be increasingly noticeable in the community, and difficult decisions must be made. The standards and services the community has come to expect are starting to decrease and decline.

For more information, visit www.folsom.ca.us/FiscalFocus.

To view the City of Folsom's FY 2024-25 budget, visit www.folsom.ca.us/Budget.



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

50 Natoma Street
Folsom, CA 95630

FOLSOM POSTAL CUSTOMER

PRESORT STANDARD
US POSTAGE
PAID
PERMIT NO. 218



November 5, 2024 Election

On November 5, 2024, Folsom voters from District 2 and District 4 will elect a Councilmember to represent each of those districts to four-year terms, and all Folsom voters will have the opportunity to vote on the citizens' initiative, Measure G.

Measure G: Folsom Residents Public Safety and Quality of Life Initiative

In May 2024, a citizens-led initiative collected sufficient signatures to qualify for the November ballot. At its May 28 meeting, the Folsom City Council approved Resolution No. 11207, a legally-required action to place the citizens' initiative (known as the "Folsom Residents Public Safety and Quality of Life Act" or Measure G) on the November 2024 ballot to allow voters to decide on a special sales tax to fund city services and other critical needs.

Measure G seeks voter authorization to increase the sales tax rate in the city by one percent (i.e., one cent on every dollar spent). All funds generated by the proposed measure would stay in Folsom and deposited into a special account, separate from the city's General Fund, to be used only for the following specific purposes:

- ▶ Police and crime reduction (20%).
- ▶ Fire, rescue, and emergency medical services (20%).
- ▶ Parks, recreation facilities, and trails (15%).

- ▶ Traffic mitigation and environmental water quality (15%).
- ▶ Community enhancement and economic development (15%).
- ▶ Major capital improvement projects (15%).

To pass, Measure G must receive approval from a majority of Folsom voters (50% + 1) who vote on the measure in the November 5, 2024, election. Learn more about Measure G at www.folsom.ca.us/elections.

Measure G: Answers to Frequently Asked Questions

- ▶ Measure G would provide approximately \$29 million annually in needed funds to help prevent future cuts to Folsom's essential services.
- ▶ Measure G does not apply to food purchases, such as groceries or prescription medication.
- ▶ Measure G would provide funding that could only be used in Folsom.
- ▶ It's estimated that up to 40% of that \$29 million would be paid by visitors.
- ▶ Under law, the state and county cannot take Measure G funding.

- ▶ The measure explicitly prohibits using funds to enhance pensions or retirement benefits.
- ▶ Along with annual audits, there would be a Citizen Oversight Committee for Measure G.
- ▶ City of Folsom registered voters will have the final say when they vote on the measure at the November 5 election.

Register to Vote

Beginning the week of October 7, registered voters in Folsom will be mailed a ballot.

There are three ways to vote:

- 1 **Vote by mail.** Fill out your ballot, sign it, and place it in the mail on or before Election Day. Track the status of your ballot at WheresMyBallot.sos.ca.gov.
- 2 **Vote in-person at a vote center.**
- 3 **Drop off your ballot at a secure ballot drop box.**

For additional election information, voter registration, and a full listing of ballot drop boxes and vote centers in Sacramento County, including Folsom, visit elections.saccounty.net or call **1-800-762-8019**.