

CITY COUNCIL STAFF REPORT

Current Business Item No. 13

November 20, 2019

File No. 0865-60

SUBJECT: Presentation of community survey results regarding a potential one cent sales tax measure on the November 2020 ballot.

DEPARTMENT: City Manager's Office

RECOMMENDATION:

Authorize staff to take necessary steps to conduct a follow-up community satisfaction survey, and gather additional information to determine specific facilities and services that the City could enhance or provide to improve community satisfaction with funding from the potential revenue measure.

FISCAL ANALYSIS:

The City's Finance Department estimates that a one cent transaction and use tax (sales tax) would generate approximately \$25 million in annual revenue. A general tax measure requires approval of 50 percent of voters, plus one.

The FY 2019-2020 budget allocated \$50,000 for consultant services to conduct a community survey. A contract with True North Research Inc. to conduct the survey was approved for \$32,750, leaving a balance of \$17,250.

BACKGROUND:

The City of Escondido's revenues have not kept pace with the growing costs associate with providing municipal services and facilities. It is becoming more challenging to maintain the quality of City services such as crime and gang prevention, 9-1-1 response, streets, parks and infrastructure maintenance and repair. The City has aggressively responded to this financial challenge by reducing its workforce below pre-recession levels, reducing its pension obligations, deferring maintenance, and cutting back on services, despite serving a larger population. During the budget update on May 8, 2019, the City Council was informed that future budget years will experience dramatic increases in expenditures that far exceed anticipated revenues, resulting in a structural budget gap. In order to maintain (or improve) service levels, additional revenue sources are needed.

During the development of the FY 2019-2020 budget, the City Manager recommended evaluating a potential sales tax measure to structurally increase revenues for maintaining City services. On August 21, 2019, the City Council approved a consulting agreement with True North Research, Inc. for the preparation of the community survey. The City Council also formed an Ad Hoc City Council subcommittee (Diaz and Masson) to work with staff and the consultant in developing the survey questions.

The survey was administered by phone and online in English and Spanish between October 14 - 25, 2019, to a random sample of 1,084 registered voters in the City of Escondido who are likely to participate in the November 2020 election. The margin of error for this sample size is +/-2.95 percent. Complete results of the survey are provided in Attachment 1.

DISCUSSION:

Approximately six-in-ten voters surveyed shared favorable opinions of the quality of life in Escondido, with 8 percent reporting it as excellent, and 52 percent reporting good. Approximately one-third (32 percent) reported the City's quality of life as fair, whereas about 6 percent reported poor, and 1 percent indicated very poor to describe the quality of life.

With regard to what changes the City could make to improve the quality of life in Escondido, approximately 25 percent of the respondents supported increasing police presence, followed by 21 percent recommending addressing homeless issues. Thirteen percent of the respondents cited improving infrastructure, roads, streets, and sidewalks to improve quality of life, while cleaning up and beautifying the City and landscaping and / or removing graffiti were identified by another nine percent. Reducing traffic congestion was identified by six percent of respondents, while providing affordable housing was cited by five percent. Fourteen percent of respondents could not think of any desired changes, or reported that no changes are needed to make Escondido a better place to live.

Seventy percent of Escondido voters surveyed indicated they were satisfied with the City's efforts to provide municipal services, with 14 percent reporting very satisfied, and 57 percent somewhat satisfied. Approximately 23 percent reported that they were dissatisfied with the City's overall performance, and seven percent were unsure or unwilling to state their opinion.

With only the information provided in the ballot language, 65 percent of likely November 2020 voters surveyed indicated that they would definitely or probably support a proposed one-cent sales tax, whereas 23 percent state that they would oppose the measure. Seven percent were unsure or unwilling to share their voting choice.

NEXT STEPS:

Based on the survey results, there appears strong support for a potential revenue measure. The Registrar of Voters' deadline for placing a measure on the November 2020 ballot is June 24, 2020, and requires a two-thirds majority of the City Council (four affirmative votes). However, the only direction staff is seeking at this time is authority to conduct further community polling and outreach efforts to gather information regarding specific services that the City could enhance or provide to improve community satisfaction with funding from a potential revenue measure.

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APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Jay Petrek, Assitant City Manager
11/13/19 4:38 p.m.

ATTACHMENTS:

1. Attachment 1: Escondido Revenue Measure Results