



May 26, 2020

Honorable Gavin Newsom Governor, State of California State Capitol  
Sacramento, CA 95814  
VIA E-mail: [ExternalAffairs@gov.ca.gov](mailto:ExternalAffairs@gov.ca.gov)

Dear Governor Newsom:

The City of San Marcos thanks you for your leadership and efforts to protect and support Californians during this unprecedented public health crisis. Cities remain on the front line helping residents stay safe and in their homes, delivering emergency services, and supporting local businesses and community organizations. However, as emergency costs continue to grow, city revenues to fund local services are plummeting. COVID-19 is having devastating impacts on city budgets and services statewide.

Based on the League of California Cities analysis, California cities are projecting a nearly \$7 billion general revenue shortfall over the next two fiscal years. This shortfall will grow by billions of dollars if stay-at-home orders to protect public health extend into the summer months and beyond. The City of San Marcos foresees a \$13 million projected budget deficit over the next two fiscal years. To put this in context, The City of San Marcos' General Fund Budget for the current fiscal year is roughly \$80 million.

The City of San Marcos projects that these shortfalls will impact our core city services. The City of San Marcos has already laid-off numerous part-time employees and implemented a partial furlough in anticipation of projected revenue shortfalls. Further, the City of San Marcos anticipates across the board budget reductions for all departments, including planning and housing, safety, public works, and safety.

Since the beginning of the COVID-19 crisis, the City of San Marcos has stepped up to protect and serve our community. At its March 24 meeting, the San Marcos City Council approved a COVID-19 Business Sustainability Program. The program set aside \$3,000,000 in reserves for short-term business loans to support our business community during this crisis. In addition to this, our staff has been working full steam to make sure the guidelines from the CDC, the State of California, and the **County of San Diego's Public Health Department are amplified and clearly communicated to our residents.** The necessary measures our city has taken are costly. In order to continue to be a full partner with the state in saving lives, protecting our communities, and ultimately recovering from this crisis, we need your help.



The City of San Marcos is calling on you to immediately support the following actions:

- Establish at least a \$7 billion city revenue stabilization fund for direct aid to all cities to address the general revenue shortfall over the next two fiscal years;
- **Allocate a share of the State's \$8.4 billion CARES Act funding** for cities with populations under 500,000 to support COVID-19 expenses; and
- Create a COVID-19 financing vehicle that all cities can access to support immediate cash flow needs.

The City of San Marcos appreciates your consideration of our requests and look forward to further discussing in the coming days how together we can continue to best protect Californians and reopen our economy. Thank you again for your leadership and partnership during these uncertain times.

Sincerely,

Rebecca D. Jones

Mayor

City of San Marcos

Cc: Senator Brian Jones

Assembly Member Marie Waldron

Catherine Hill, San Diego Regional Public Affairs Manager, [chill@cacities.org](mailto:chill@cacities.org)

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