We are a welcoming, active, and business-friendly rural foothill community built on California's rich gold rush history.

City Manager's Report
September 26, 2023, City Council Meeting
Prepared by: Dave Warren, Assistant City Manager/Director of Finance
Item #: 7.5

Subject: Consider acknowledging and filing the Measure J Fund financial report for the quarter ended September 30, 2022.

Recommendation:

Acknowledge and file the Measure J Fund financial report for the quarter ended September 30, 2022.

Purpose:

Provide the City Council with a quarterly financial status update on the Measure J Fund as of September 30, 2022, in accordance with Ordinance No. 1548.

Strategic Plan Strategies:

Fiscal Stability /Sustainability: 1. Identify financial risks and opportunities. 6. Meet financial commitments and reporting requirements.

Background:

In November 1998, Placerville voters approved Measure J which is a 0.25% add-on sales tax in addition to the 7.25% Bradley-Burns (General Fund) sales tax. The use of Measure J revenue is restricted to "Peace Officer Safety Services" such as the augmentation of base wages, any resulting increase in the cost of fringe benefits, and additional Police Officer programs that exceed the Fiscal Year 1997/1998 level. Section 6.A of City Ordinance number 1548 states, "Commencing the first Wednesday in November 1998, and then continuing every three months thereafter, a report detailing the use of all funds collected pursuant to this Ordinance shall be presented for review to the City Council." Accordingly, staff has prepared a financial report that encompasses the period from July 1 to September 30, 2022, for the Council's review tonight. Staff apologizes for the delay in providing this report to the City Council.

Analysis:

Between July 1 to September 30, 2021, the City received $416,754 in Measure J sales tax revenues. From July 1 to June 30, 2022, the City received $365,941 which was $50,813 or 12.19% less than what the City received during the same period last fiscal year. The 12.19% decrease is primarily due to a cooling local economy and prior period adjustments.

Currently, Measure J revenues are being used to primarily elevate sworn officer salaries to a more competitive level. For example, nineteen full-time sworn officer positions are partially funded by Measure J including eleven Police Officers, five Sergeants, two Commanders, and the Chief of

Police. Three part-time Reserve Officer positions are partially funded by the Measure J Fund. The Canine Officer stipend, food, veterinary services, and training costs for the canine have historically been paid for by Measure J as well.

For the period of July 1 to September 30, 2022, Measure J operating expenditures totaled $366,874 or $698 more than operating revenues. The Operating Account had an ending balance of $137,371, and the Reserves and Set-Asides Account had an ending balance of $0 as of September 30, 2022. Attached are the revenue and expenditure reports for both the Operating Account and Reserves and Set-Asides account.

Staff anticipates Measure J Fund expenditures will exceed associated revenues through June 30, 2023, based on a cooling local economy and HDL's latest statewide sales tax forecasts.

Options:

1. Acknowledge and file the report as presented.
2. Acknowledge and file the report and direct staff to take other actions.
3. Take no action.

Environmental:

Tonight's action is not applicable.

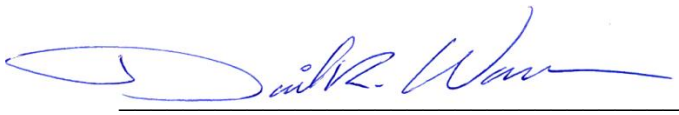
Cost:

There is no cost associated with tonight's action.

Budget Impact:

There is no budget impact associated with tonight's action.

M. Cleve Morris, City Manager



Dave Warren, Assistant City Manager/ Director of Finance

City of Placerville
Public Safety Augmentation (Measure J) Fund
Accounting of Revenues and Expenditures
Operating Account - Cash Basis
For all Measurable Transactions through September 30, 2022

Revenues:	
Sales Tax	$ 365,941
Interest	235
Other	-
Total Revenues	366,176
Expenditures:	
Personnel	359,615
Materials and Services	3,600
1% Administrative Charge	3,659
Total Expenditures	366,874
Excess of revenues over (under) expenditures	(698)
Other Financing Sources (Uses):	
Transfers in	-
Transfers out	-
Total Other Financing Sources (Uses)	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(698)
Fund Balances:	
Beginning	$ 138,069
Ending	$ 137,371

City of Placerville
Public Safety Augmentation (Measure J) Fund
Accounting of Revenues and Expenditures
Reserves and Set-Asides - Cash Basis
For all Measurable Transactions through September 30, 2022

Revenues:	
Interest	$ -
Total Revenues	-
Expenditures:	-
Other Financing Sources (Uses):	
Transfer in 10% Reserve	-
Transfer in New Hire Set-Asides	-
Transfer in 4% PERS Reserve	-
Transfer Out to Operating Account	-
Total Other Financing Sources (Uses)	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	-
Reserve Balance:	
Beginning	-
Ending	$ -
Components of Ending Reserve Balance	
10% Cash Reserve	$ -
New Hire Set Aside Reserve	-
4% PERS Reserve	-
Total Reserves	$ -