

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



### **City Manager's Report**

**October 10, 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 December 31, 2022.

### **Recommendation:**

Acknowledge and file the Measure J Fund financial report for the quarter ended December 31, 2022.

### **Purpose:**

Provide the City Council with a quarterly financial status update on the Measure J Fund as of December 31, 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 December 31, 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 December 31, 2021, the City received \$780,484 in Measure J sales tax revenues. From July 1 to December 31, 2022, the City received \$738,675 which was \$41,809 or 5.36% less than what the City received during the same period last fiscal year. The 5.36% decrease is primarily due to a cooling local economy and prior period adjustments. Measure J dollars are invested in the Local Agency Investment Fund or LAIF. As of December 31, 2022, Measure J dollars earned a 2.07% rate of return.

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 December 31, 2022, Measure J operating expenditures totaled \$818,159 or \$78,899 more than operating revenues. The Operating Account had an ending balance of \$59,170, and the Reserves and Set-Asides Account had an ending balance of \$0 as of December 31, 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 December 31, 2022

**Revenues:**

Sales Tax	\$ 738,675
Interest	585
Other	-
Total Revenues	739,260

**Expenditures:**

Personnel	805,726
Materials and Services	5,046
1% Administrative Charge	7,387
Total Expenditures	818,159

Excess of revenues over (under) expenditures	(78,899)
--	----------

**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	(78,899)
--	----------

**Fund Balances:**

Beginning	\$ 138,069
Ending	\$ 59,170

**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 December 31, 2022**

**Revenues:**

Interest	\$ -
Total Revenues	<u>-</u>

**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)	<u>-</u>

Excess of revenues and other financing sources over (under) expenditures and other financing uses	-
--	---

**Reserve Balance:**

Beginning	<u>-</u>
Ending	<u><u>\$ -</u></u>

*Components of Ending Reserve Balance*

10% Cash Reserve	\$ -
New Hire Set Aside Reserve	-
4% PERS Reserve	-
Total Reserves	<u><u>\$ -</u></u>