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foothill community built on California's rich gold rush history.*



## City Manager's Report

January 9, 2024, City Council Meeting

Prepared by: Dave Warren, Assistant City Manager/Director of Finance

Item #: 7.8

**Subject:** Consider acknowledging and filing the Measure J Fund financial report for the quarter ended September 30, 2023.

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### Recommendation:

Acknowledge and file the Measure J Fund financial report for the quarter ended September 30, 2023.

### Purpose:

Provide the City Council with a quarterly financial status update on the Measure J Fund as of September 30, 2023, 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, 2023, for the Council's review tonight.

### Analysis:

Between July 1 to September 30, 2022, the City received \$365,941 in Measure J sales tax revenues. From July 1 to September 30, 2023, the City received \$359,563 which was \$6,378 or 1.77% less than what the City received during the same period last fiscal year. The 1.77% 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 September 30, 2023, Measure J dollars earned a 3.59% rate of return.

Currently, Measure J revenues are being used to primarily elevate sworn officer salaries to a more competitive level. For example, twenty full-time sworn officer positions are partially funded by Measure J including twelve 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, 2023, Measure J operating expenditures totaled \$376,772 or \$17,077 more than operating revenues. The Operating Account had an ending balance of \$12,002, and the Reserves and Set-Asides Account had an ending balance of \$0 as of September 30, 2023. 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, 2024, 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, 2023

**Revenues:**

Sales Tax	\$ 359,563
Interest	132
Other	-
Total Revenues	359,695

**Expenditures:**

Personnel	371,640
Materials and Services	1,536
1% Administrative Charge	3,596
Total Expenditures	376,772

Excess of revenues over (under) expenditures	(17,077)
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**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	(17,077)
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**Fund Balances:**

Beginning	\$ 29,079
Ending	\$ 12,002

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, 2023

**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	\$	-