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



City Manager's Report

February 27, 2024, 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, 2023.

Recommendation:

Acknowledge and file the Measure J Fund financial report for the quarter ended December 31, 2023.

Purpose:

Provide the City Council with a quarterly financial status update on the Measure J Fund as of December 31, 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 December 31, 2023, for the Council's review tonight.

Analysis:

Between July 1 to December 31, 2022, the City received \$738,675 in Measure J sales tax revenues. From July 1 to December 31, 2023, the City received \$745,810 which was \$7,135 or 0.97% more than what the City received during the same period last fiscal year. The 0.97% increase 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, 2023, Measure J dollars earned a 4.00% 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 December 31, 2023, Measure J operating expenditures totaled \$849,487 or \$103,476 more than operating revenues. A planned \$74,397 transfer in from the General Fund was necessary to help offset the \$103,476 operating deficit. The Operating Account had an ending balance of \$0, and the Reserves and Set-Asides Account had an ending balance of \$0 as of December 31, 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

Operating Account - Cash Basis

For all Measurable Transactions through December 31, 2023

Revenues:

Sales Tax	\$ 745,810
Interest	201
Other	-
Total Revenues	746,011

Expenditures:

Personnel	839,498
Materials and Services	2,531
1% Administrative Charge	7,458
Total Expenditures	849,487

Excess of revenues over (under) expenditures	(103,476)
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Other Financing Sources (Uses):

Transfers in	74,397
Transfers out	-
Total Other Financing Sources (Uses)	74,397

Excess of revenues and other financing sources over (under) expenditures and other financing uses	(29,079)
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Fund Balances:

Beginning	\$ 29,079
Ending	\$ -

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, 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	\$	-