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



City Manager's Report

August 27, 2024, City Council Meeting

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

Item #: 7.7

Subject: Acknowledge and file the Measure J Fund financial report for the quarter ended March 31, 2024.

Recommendation:

Acknowledge and file the Measure J Fund financial report for the quarter ended March 31, 2024.

Purpose:

Provide the City Council with a quarterly financial status update on the Measure J Fund as of March 31, 2024, 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, 2023 to March 31, 2024, for the Council's review tonight.

Analysis:

Between July 1, 2022 to March 31, 2023, the City received \$1,117,746 in Measure J sales tax revenues. From July 1, 2023 to March 31, 2024, the City received \$1,115,360 which was \$2,386 or 2.14% less than what the City received during the same period last fiscal year. The 2.14% 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, 19.50 full-time sworn officer positions are partially funded by Measure J including 11.50 Police Officers, 5.00 Sergeants, 2.00 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, 2023 to March 31, 2024, Measure J operating expenditures totaled \$1,267,178 or \$151,818 more than operating revenues. A planned \$122,739 transfer in from the General Fund was necessary to help offset the \$151,818 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 March 31, 2024. 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:

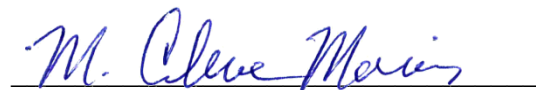
Tonight's action is not applicable.

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 March 31, 2024

Revenues:

Sales Tax	\$ 1,115,360
Interest	-
Other	-
Total Revenues	1,115,360

Expenditures:

Personnel	1,251,659
Materials and Services	4,365
1% Administrative Charge	11,154
Total Expenditures	1,267,178

Excess of revenues over (under) expenditures	(151,818)
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Other Financing Sources (Uses):

Transfers in	122,739
Transfers out	-
Total Other Financing Sources (Uses)	122,739

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 March 31, 2024

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		-
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Reserve Balance:

Beginning		-
Ending	\$	-

Components of Ending Reserve Balance

10% Cash Reserve	\$	-
New Hire Set Aside Reserve		-
4% PERS Reserve		-
Total Reserves	\$	-