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



City Manager's Report
December 9, 2025, City Council Meeting
Prepared by: Natalie Tornincasa, Interim Director of Finance
Item #: 7.5

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

Recommendation:

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

Purpose:

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

Analysis:

Between July 1 to December 31, 2023, the City received \$745,810 in Measure J sales tax revenues. From July 1 to December 31, 2024, the City received \$724,368 which was \$21,442 or 2.87% less than what the City received during the same period last fiscal year. The 2.87% decrease is primarily due to 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, 18.50 full-time sworn officer positions are partially funded by Measure J including 10.50 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 to December 31, 2024, Measure J operating expenditures totaled \$946,403 or \$222,009 more than operating revenues. A planned \$172,036 transfer in from the General Fund was necessary to help offset the \$222,009 operating deficit and meet short-term cash flow needs. 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, 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 continue to exceed associated revenues through June 30, 2025, 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:

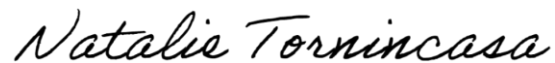
There is no cost associated with tonight's action.

Budget Impact:

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



Dave Warren, City Manager



**Natalie Tornincasa, Interim
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, 2024

Revenues:

Sales Tax	\$ 724,368
Interest	26
Other	-
Total Revenues	<u>724,394</u>

Expenditures:

Personnel	936,179
Materials and Services	2,980
1% Administrative Charge	7,244
Total Expenditures	<u>946,403</u>

Excess of revenues over (under) expenditures	<u>(222,009)</u>
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Other Financing Sources (Uses):

Transfers in	172,036
Transfers out	-
Total Other Financing Sources (Uses)	<u>172,036</u>

Excess of revenues and other financing sources over (under) expenditures and other financing uses	(49,973)
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Fund Balances:

Beginning	<u>\$ 49,973</u>
Ending	<u><u>\$ (0)</u></u>

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, 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

-

Reserve Balance:

Beginning		-
Ending	\$	-

Components of Ending Reserve Balance

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