

"Placerville, a Unique Historical Past Forging into a Golden Future"



City Manager's Report
October 13, 2015, City Council Meeting
Prepared by: Dave Warren, Director of Finance
Item #: 8.9

Subject: Acknowledge and file the Measure J financial report for the quarter ended March 31, 2015.

Background:

In November 1998, Placerville voters approved Measure J which is a 0.25% add-on sales tax in addition to the 7.50% Bradley-Burns 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 of July 1, 2014 to March 31, 2015, for the Council's review tonight.

Analysis:

Between July 1, 2013 and March 31, 2014, the City received \$725,254 in Measure J sales tax revenues. From July 1, 2014 to March 31, 2015, the City received \$716,816 which was \$8,438 or 1.16% less than what the City received during the same period last fiscal year. The \$8,438 decrease is another indication that the local economy has stabilized from the Great Recession and is now experiencing normal cyclical fluctuations. Measure J dollars are invested in the Local Agency Investment Fund or LAIF. As of March 31, 2015, Measure J dollars earned a 0.26% 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 twelve Police Officers, four Sergeants, two Commanders, and the Chief of Police. The Canine officer stipend and veterinary costs for "Sem" have historically been paid for by Measure J as well.

For the period of July 1, 2014 to March 31, 2015, Measure J operating expenditures and net transfers out totaled \$602,237 or \$114,764 less than operating revenues. The \$114,764 surplus is primarily due to cost savings from two vacant Police Officer positions. The Operating Account had an ending balance of \$349,451 and the Reserves and Set-Asides Account had an ending balance of \$0 as of March 31, 2015. Attached are the revenue and expenditure reports for both the Operating Account and Reserves and Set-Asides account.

It's important to note that the City Council approved a \$137,318 inter-fund loan from the Reserve for Economic Uncertainties to the Measure J Fund at its regularly scheduled meeting held on October 25, 2011, to ensure the Measure J Fund was able to meet its cash flow obligations during Fiscal 2011/2012. The Measure J Fund made an initial \$8,000 payment towards the inter-fund loan in Fiscal Year 2013/2014. A \$10,000 payment is planned to be made by the end of Fiscal Year 2014/2015. The remaining \$119,318 balance is planned to be paid off between Fiscal Years 2015/2016 and 2016/2017.

Staff is cautiously optimistic Measure J revenues will continue to grow at a modest rate through June 30, 2015, based on the State Board of Equalization's latest statewide sales tax forecasts and local trends overall. The City was awarded a 2012 COPS CHP Grant, which will pay 75% of the cost of a Police Officer position for a three year period. Additionally, the City secured funding from the Placerville Union School District and the El Dorado Union High School District to provide part-time School Resource Officer assignments at Schnell Elementary School, Sierra Elementary School, Markham Junior High School, and El Dorado High School for an eighteen month period. All these measures will help the City avoid having to dip into reserves to maintain a balanced Measure J Fund Budget through June 30, 2015.

Options:

1. Acknowledge and file the report.
2. Do nothing.

Cost:

This is an informational item only, and there are no costs associated with the recommended action.

Budget Impact:

There are no budget impacts associated with the recommended action.

Recommendation:

Acknowledge and file the Measure J quarterly financial report for the period ended March 31, 2015.



M. Cleve Morris, City Manager



Dave Warren, 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 March 31, 2015

Revenues:

Sales Tax	\$ 716,816
Interest	185
Other	-
Total Revenues	717,001

Expenditures:

Payroll	581,713
Materials and Services	13,356
1% Administrative Charge	7,168
Total Expenditures	602,237

Excess of revenues over (under) expenditures	114,764
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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	114,764
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Fund Balances:

Beginning	\$ 234,687
Ending	\$ 349,451

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, 2015

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	\$ -