

Fiscal Year 2017-18

City of Stockton

Measure W Annual Report

Police & Fire Protection Services

Measure W Citizens' Oversight Committee Annual Report



Measure W Public Safety



Committee Members

- Robert Bivens
- Julia S. Cox
- Phillip Herrera
- Lourdes B. Jaurigue
- F. Phillip Krueger
- Anthony Mannor
- Richard A. Vasquez

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WHAT IS MEASURE W?

A ¼ cent sales and transaction tax approved by Stockton citizens In November 2004 to fund public safety services.



Fire Department Message

Measure W funds collected in FY 2017-18 were used to augment staffing for Ladder Truck No. 3, Ladder Truck No. 4, Fire Engine No. 13, and funded salaries and benefits of firefighters including the maintenance of one fire engine and twenty portable radios. A total of 25 firefighter positions provide fire and other emergency services in Northeast, Southeast, and West Central Stockton. In FY 2017-18, these resources responded to a total of 4,770 incidents, a 4% increase in these service areas from the prior fiscal year, with Engine No. 13 responding to 1,771, Truck No. 3 responding to 1,272 and Truck No. 4 responding to 1,727. A one-time budget allocation from Measure W funds for the equipment complement for new fire vehicles was approved in FY 2017-18. Various supplies, tools, and equipment costing approximately \$200,000 were purchased out of this budget allocation to fully equip two new fire engines and one new ladder truck that were delivered in FY 2017-18. The new fire engines and fire truck are now providing emergency services in Central Stockton.



Police Department Message

In FY 2017-18, Measure W funding paid for 24 Police Officers to respond to approximately 24,181 calls for service, an average of 900 per officer during the year. Measure W Proceeds continue to be an important part of the police department's annual operating budget. It pays not only for salary and benefits for those officers, but also for their vehicles, fuel, radios, and other safety equipment necessary to work in the field. The amount of tax revenue available and the cost of the positions determines the exact number of funded Police Officers year to year. All Measure W positions are assigned to the Field Service Division, the primary function of which is to handle dispatched calls for service on a 24/7 basis. In FY 2017-18, the Police Department handled 409,900 calls for service, a 1.3% increase from FY 2016-17.



Message from the Committee

The Measure W Citizens' Oversight Committee is pleased to present the annual report for Fiscal Year (FY) 2017-18. The Committee has reviewed the revenue and expenditure reports to ensure that the use of these revenues complies with the objectives originally approved by voters in 2004, and confirms the stewardship over the tax proceeds is in accordance with the ordinance and guidelines.

The Measure W program guidelines approved by City Council also call for an independent audit by a Certified Public Accounting firm. A "clean report" was issued for the fiscal year ending June 30, 2018 stating that the financial schedules for Measure W present fairly the revenues and expenditures.

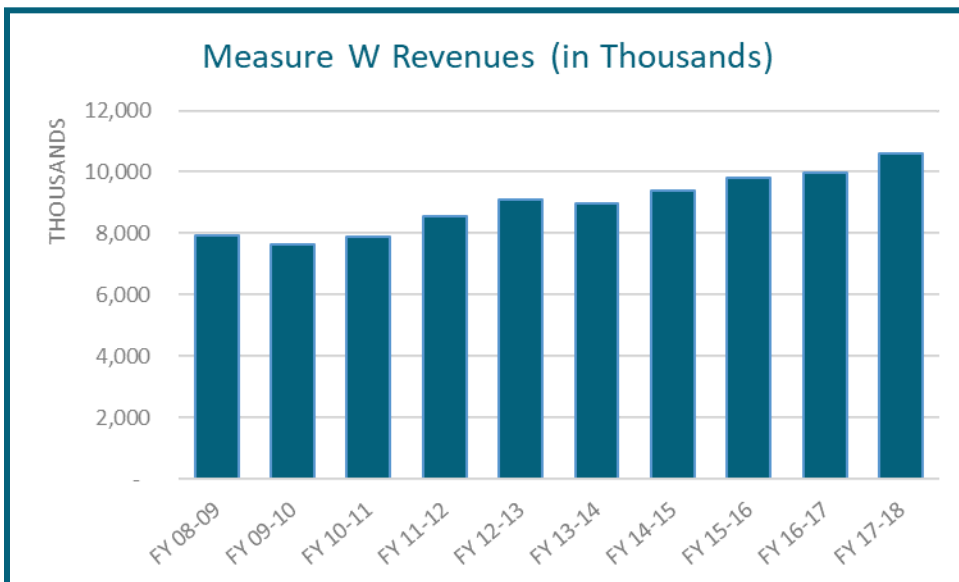
Measure W provides funding for positions and related public safety operating costs over and above what could be afforded by the City's normal funding sources. These additional funding dollars are split evenly between the Police and Fire Departments. Both the Police and Fire Departments have reported to the Committee that the need for Measure W revenues is critical and the services are extremely valuable to the public.

The Committee reports that the Fund has accumulated the reserve recommended in the guidelines which will insulate the services should revenues falter for a short period of time.



Program Information

Revenues

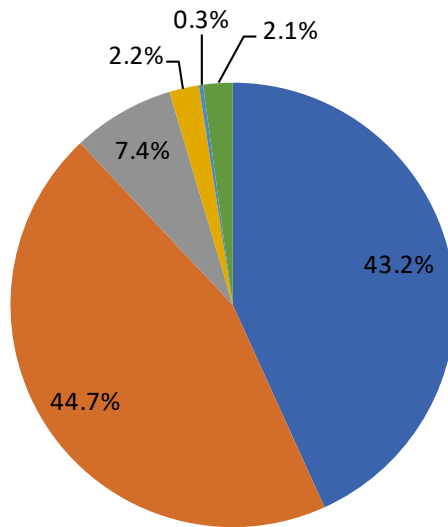


The revenue chart displays Measure W annual sales tax revenue for the past ten years, including the lowest revenue collection during the recession and the slow recovery that followed.

Revenue in FY 2017-18 came in \$334,052 or 3% higher than what was estimated in the adopted budget, which is \$638,577 over the prior year, or an increase of 6.4%.

Expenditures

FY 2017-18



The Measure W expenditure budget for FY 2017-18 was \$10,436,231. Of this total allocation, \$10,229,062 was expended during the year leaving additional funds in the available fund balance. Police and Fire salaries and benefits comprised just below 88% of the Measure W spending, radio and automotive services accounted for 7%, purchase of capital equipment accounted for less than 1%, general liability insurance required just over 2%, and the remaining 2% paid for tax collection and review fees. The graph above breaks out the FY 2017-18 expenses by category.

Fund Balance/Reserve

The Program Guidelines for Measure W established the Economic Uncertainty Fund; a requirement to set-aside 25% of budgeted revenues to allow time for planning and decision making if revenues fall below projections as might happen in a recession. The Measure W fund balance as of June 30, 2018 is \$3,289,646, which is 31% of the FY 2018-19 budgeted revenue of \$10,558,000.

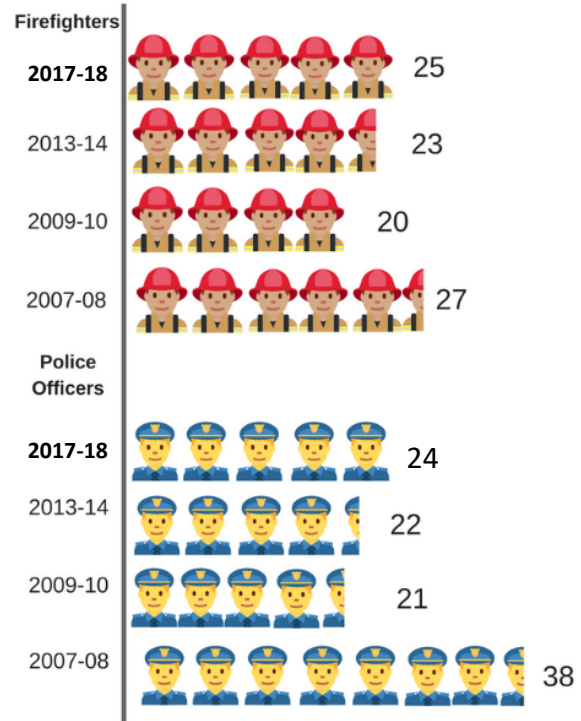


Staffing Trends

Staffing has rebounded from the low in FY 2009-10 of 21 police officers and 20 firefighters. Measure W funded 24 police officers and 25 firefighters in FY 2017-18. This was a reduction of one police officer compared to the prior fiscal year.



Public Safety Measure W Staffing



The Measure W Ordinance called for a Citizen's Oversight Committee to ensure the use of Measure W tax proceeds are consistent with the intent of voters.

Independent Audit

The annual independent audit was conducted by The Pun Group, LLP, who issued their report dated December 20, 2018. The Measure W Public Safety Tax Funds Schedules of Revenues, Expenditures and Change in Fund Balance for the year ended June 30, 2018 is presented below.

City of Stockton
Measure W Public Safety Tax Fund
Schedules of Revenues, Expenditures, and Change in Fund Balance
For the Years Ended June 30, 2018 and 2017

	2018			2017		
	Police	Fire	Total	Police	Fire	Total
REVENUES:						
Taxes:						
Sales - levied by City	\$ 5,311,128	\$ 5,311,127	\$ 10,622,255	\$ 4,991,839	\$ 4,991,839	\$ 9,983,678
Investment (expense) income:						
Interest (expense) income	(116)	(87)	(203)	(2,685)	(3,429)	(6,114)
Total revenues	5,311,012	5,311,040	10,622,052	4,989,154	4,988,410	9,977,564
EXPENDITURES - PUBLIC SAFETY:						
Payroll:						
Salaries	2,381,526	2,448,482	4,830,008	2,419,011	2,441,720	4,860,731
Benefits	2,039,647	2,128,977	4,168,624	2,100,785	2,183,045	4,283,830
Total Payroll	4,421,173	4,577,459	8,998,632	4,519,796	4,624,765	9,144,561
Equipment, services and supplies:						
Tax collection fee	109,130	109,130	218,260	118,175	118,175	236,350
Sales Tax Review Service	2,707	2,707	5,414	190	190	380
Liability Insurance	107,684	113,134	220,818	113,012	113,801	226,813
Vehicle rental charges	293,189	161,839	455,028	354,578	121,611	476,189
Radio rental charges	50,370	21,728	72,098	29,636	18,611	48,247
Materials and Services	32,838	185,136	217,974	8,748	456	9,204
Fuel Charges	-	9,445	9,445	-	7,038	7,038
Capital outlay/equipment	-	31,393	31,393	-	336,976	336,976
Total equipment, services and supplies	595,918	634,512	1,230,430	624,339	716,858	1,341,197
Total expenditures	5,017,091	5,211,971	10,229,062	5,144,135	5,341,623	10,485,758
NET CHANGE IN FUND BALANCES	293,921	99,069	392,990	(154,981)	(353,213)	(508,194)
FUND BALANCES, BEGINNING OF YEAR	1,311,407	1,585,249	2,896,656	1,466,388	1,938,462	3,404,850
FUND BALANCES, END OF YEAR	\$ 1,605,328	\$ 1,684,318	\$ 3,289,646	\$ 1,311,407	\$ 1,585,249	\$ 2,896,656