



City of Stockton
Measure W - Police and Fire Protection Services
2016-17 Budget Update - Unaudited
For the Year Ended June 30, 2017

	Annual Budget	Actual	% of Budget	Over (Under) Budget	
Revenue					
Police					
Tax Revenue	\$ 4,953,000	\$ 4,991,839	101%	\$ 38,839	1%
Investment income (loss)	6,462	(3,480)	-54%	(9,942)	-154%
Police revenue	4,959,462	4,988,359	101%	28,897	1%
Fire					
Tax Revenue	4,953,000	4,991,839	101%	38,839	1%
Investment income (loss)	8,538	(2,634)	-31%	(11,172)	-131%
Fire revenue	4,961,538	4,989,205	101%	27,667	1%
Total Revenue	<u>\$ 9,921,000</u>	<u>\$ 9,977,564</u>	101%	<u>\$ 56,564</u>	1%
Expenditures					
Police					
Salaries	\$ 2,449,099	\$ 2,409,384	98%	(39,715)	-2%
Benefits	2,124,636	2,110,411	99%	(14,225)	-1%
Automotive services	354,578	354,578	100%	-	0%
Radio services	29,636	29,636	100%	-	0%
Fuel	71,223	8,748	12%	(62,475)	-88%
Supplies	4,568	-	0%	(4,568)	-100%
Tax Administration	115,000	118,175	103%	3,175	3%
Tax Revenue Review	9,718	190	2%	(9,528)	-98%
General Liability Insurance	98,629	113,012	115%	14,383	15%
Police Expenditures	<u>5,257,087</u>	<u>5,144,134</u>	98%	<u>(112,953)</u>	-2%
Fire					
Salaries	2,463,849	2,441,720	99%	(22,129)	-1%
Benefits	2,213,551	2,183,046	99%	(30,505)	-1%
Services & Supplies	480	456	95%	(24)	-5%
Automotive services	121,611	121,611	100%	-	0%
Radio services	18,611	18,611	100%	-	0%
Fuel	11,012	7,038	64%	(3,974)	-36%
Equipment & vehicle acquisition	374,682	336,976	90%	(37,706)	-10%
Tax Administration	115,000	118,175	103%	3,175	3%
Tax Revenue Review	9,718	190	2%	(9,528)	-98%
General Liability Insurance	110,850	113,801	103%	2,951	3%
Fire Expenditures	<u>5,439,364</u>	<u>5,341,624</u>	98%	<u>(97,740)</u>	-2%
Total Expenditures	<u>\$ 10,696,451</u>	<u>\$ 10,485,758</u>	98%	<u>\$ (210,693)</u>	-2%
Net annual activity					
Police	(297,625)	(155,775)		141,850	
Fire	(477,826)	(352,419)		125,407	
Net Annual Activity	<u>(775,451)</u>	<u>(508,194)</u>		<u>267,257</u>	
Encumbrances		(36,756)		(36,756)	
Change in Available Balance	<u>\$ (775,451)</u>	<u>\$ (544,950)</u>		<u>\$ 230,501</u>	

Notes

(a) Encumbrances of \$36,756 are within the appropriation limit of the fund and will roll to the next fiscal year for fire protection equipment and audit services not received prior to June 30, 2017.



Measure W Police & Fire Protection Services Budget Update Glossary

October 25, 2017

This Glossary is provided to Members of the City of Stockton Measure W *Independent Citizen's Oversight Committee* to assist them in carrying out the duties assigned by the City Council, to "review revenues and expenditures, providing a second independent verification that all expenditures are being made as promised to Stockton residents. The terms are listed in the order they appear on the financial reports

Approved Budget

The approved budget presented on financial reports is the budget adopted by City Council, increased by encumbrances from the prior year.

Tax Revenue

Includes proceeds from the special sales and transaction tax collected by the State of California and forwarded to the City. Time needed for sellers to calculate and remit their taxes and for the State to receive and distribute tax to Stockton lead to a 60 to 90 day interval between earning and receipt of tax.

Quarterly reports present only revenue received through the report date, while annual reports include revenue to be received related to taxes collected on sales of the fiscal year.

Investment Income

Interest earned and gain or loss on investments of the Measure W cash on hand, including reserves that are invested with all other City pooled cash and liquid investments.

Expenditures

Council adopted a policy to split Measure W resources evenly between the Fire and Police departments. The respective Chiefs decide what public safety activities to spend revenues on.

Salaries

Rates are based on compensation levels agreed to in collective bargaining, and are available to view on the City website. No administrative staff costs are charged to the fund. In FY 2016-17, the tax paid for twenty-five sworn staff in both the Police and Fire Departments.

Benefits

Benefits are based on collective bargaining agreements that are available for inspection on the City website, and insurances are based on premium and program costs, and include retirement, Medicare, worker's compensation, health, life and disability insurance.



Automotive Internal Service Fee

Costs of vehicles, maintenance and repairs (excluding fuel) assigned to the program using cost recovery criteria applied to all other City departments.

Radio Internal Service Fee

Cost of equipment, maintenance and services assigned to the program using the cost recovery criteria applied to all other City departments.

Fuel

Cost of fuel for vehicles or equipment that are assigned to the program by the Chiefs.

Equipment & vehicle purchase/replacement

Periodic cost to purchase assets for public safety, dependent upon to resources available in the Fund.



Supplies

Supplies include personal protective equipment, and emergency medical materials.

Tax Administration

The cost paid to the State of California to collect Measure W tax, audit sellers, and remit to the City.

Tax Revenue Review

Because of the complexity of how the tax is applied, the City contracts with a consultant to forecast revenues, and review and further audit what has been remitted by State. Advisory services are paid as a flat fee and audit fees are charged as a percentage of recoveries.

General Liability Insurance

Insurance is based on the City-wide program costs and includes indemnity, claims and settlement costs for general, automobile, errors and omissions, public officials, employment practices, and inverse condemnation liabilities.

Net Annual Activity

The government sector terminology for the difference between revenue and expenses.

Fund Balance

The accumulation of revenues and expenses over the life of a fund, which includes reserves as well as spendable resources.

Available Fund Balance

The spendable portion of resources in the fund. The available fund balance is the difference between liquid assets, less short term liabilities, reserves and encumbrances.

Fund

The government sector term for a self balancing set of accounts that make up a fiscal entity.

Encumbrances

An encumbrance functions as a virtual expenditure, with the purpose of reserving appropriations for contracts or commitments until the obligation to pay is created. During the year, encumbrances help the government track its available, uncommitted appropriation balances. At the end of a fiscal year, the City of Stockton generally rolls encumbrances to a subsequent fiscal year.