

RECOMMENDED FINDINGS BASED ON EVIDENCE FOR THE EXTENSION OF THE CITY OF STOCKTON MEASURE A SUNSET

Section I. Background and Purpose.

On July 9, 2013, the City Council of the City of Stockton (the "Council") adopted Ordinance No. 2013-07-09-1601, enacting a general transaction and use tax ("Measure A") upon adoption by the voters. On November 5, 2013, voters approved Measure A, and the taxes imposed were first collected on April 1, 2014.

Ordinance No. 2013-07-09-1601 Section 17 reads:

Sunset of Tax. (a) The taxes imposed by this Ordinance shall remain effective until the soonest to occur of the following: (1) the City Council repeals, or the voters repeal, this Ordinance; (ii) the City Council determines that the City has experienced economic recovery as defined in Section 18 of this ordinance, or (iii) ten (10) years from the date the taxes imposed by this Ordinance are first collected. However, the voters hereby authorize the Council to extend the sunset of the taxes pursuant to paragraph (b) of this Section 17.

(b) The City Council may extend the sunset of the taxes imposed by this ordinance as follows. The Council shall hold two publicly noticed meetings at least 14 days apart and shall adopt findings based on evidence before it that: (i) the revenues provided by the taxes imposed by this Ordinance continue to be necessary to accomplish the purposes stated in Section 21 of this Ordinance and (ii) the total compensation paid to City employees is not excessive when compared to those of other similarly situated public-sector employees.

The above-referenced Section 21 reads:

Declaration. The proceeds of the taxes imposed by this Ordinance may be used for any lawful purpose of the City, as authorized by ordinance, resolution or action of the City Council. These taxes are not special taxes within the meaning of section 1, subdivision (d) of Article XIII C of the California Constitution, but are general taxes imposed for general governmental purposes.

Section II. Findings.

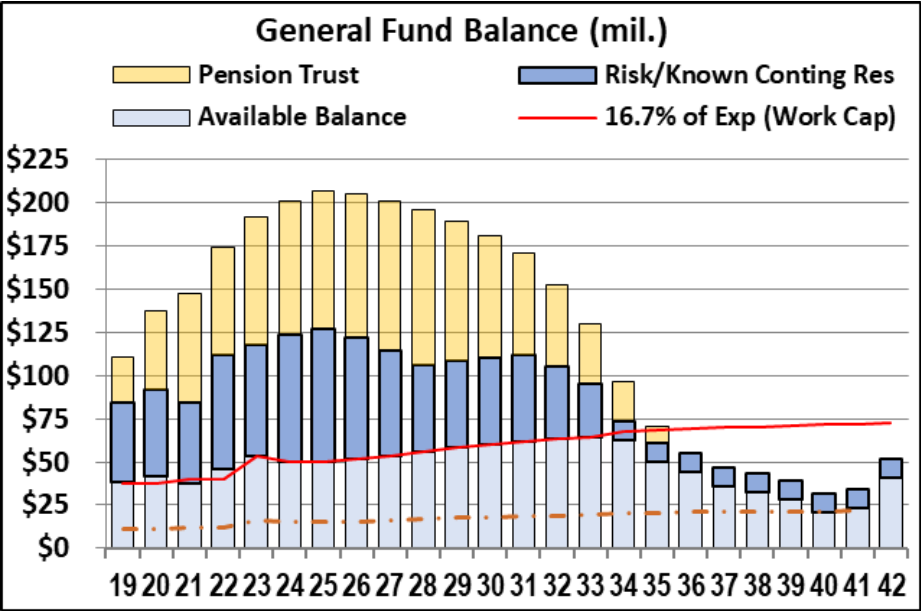
Finding (i): The revenues provided by the taxes imposed by Measure A continue to be necessary to accomplish the purposes stated in Section 21 of this Ordinance. (Any lawful purpose of the city, as authorized by ordinance, resolution, or action of the City Council.)

Evidence Supporting this Finding:

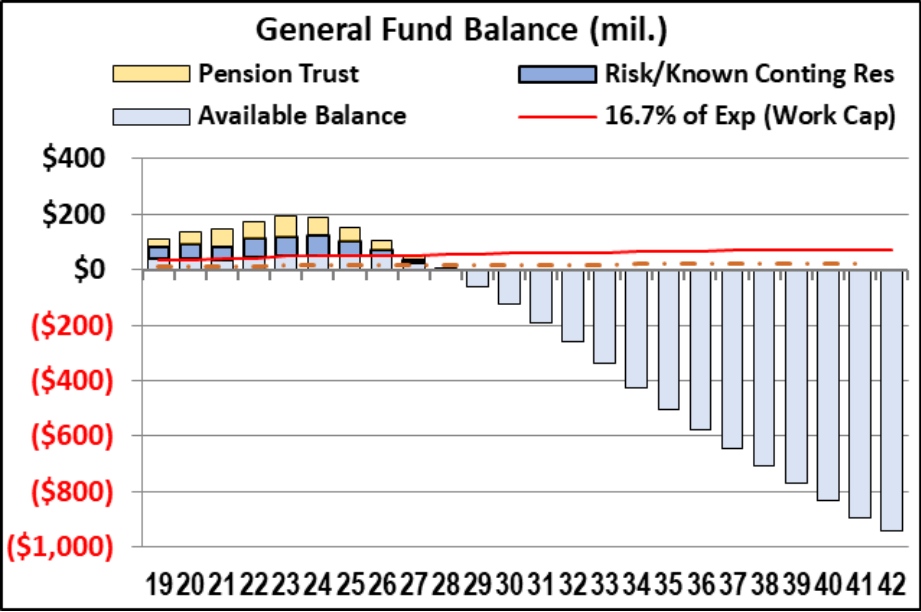
Evidence A: The Long-Range Financial Plan:

The Long-Range Financial Plan (L-RFP) projects the City's financial state over the next twenty years. Measure A tax revenues contributed \$46.4 million to the General Fund in

FY 2021-22 and are projected to bring in \$49.7 million in FY 2022-23. These revenues and the use of the funds are part of the financial projections in the L-RFP. The chart below shows the projected ending General Fund balance with Measure A revenues continuing to the end of the model.



As can be seen in the graph below, without Measure A revenues the City would quickly start operating at a deficit, consuming General Fund reserves by FY 2027-28, and quickly returning the City to a state of insolvency. Extensive cuts to vital City Services would become necessary for the City to remain solvent.



Evidence B: City Services that have been restored from bankruptcy levels using General funding:

Measure A has helped the City's General Fund to partially recover from the "Great Recession," prepare for the next economic downturn, and provide restored services. The following service areas were identified as experiencing significant cuts in the staff report accompanying Motion 2013-06-25-1502 (Attachment C) that proposed Measure A. The City has demonstrated that Measure A has significantly contributed to the General fund, indirectly improving recovery in these service areas.

Measure B Eligible Accomplishments

Measure A specifically:

1. Performed Neighborhood Betterment missions each year, including inspections, enforcement actions, property clean-ups, graffiti removal, and abandoned vehicle citations.
2. Overhauled the Police Department's radio systems, including a complete replacement of all 412 radios and implementation of the infrastructure to support them.
3. Placed 114 Police and Office of Violence Prevention Vehicles into service.
4. Provided ongoing strategic Office of Violence Prevention efforts, including employee placements, social services, educational advancements, housing assistance, ID & DMV issue resolution, and family relocations.

Selected General Service / Bankruptcy Recovery Accomplishments Made Possible by Measure A

Over the decade that Measure A has been in service, the General Fund:

1. Provided for the fueling and operation of the City's Police Helicopter and Unmanned Air Support program.
2. Resumed Cost of Living Adjustments for police officers. Cost-of-living and market adjustments increased Police salaries by an average of 6.1% annually over the last five years.
3. Added four Human Resources and Administrative Services Department positions.
4. Provided for a police wellness staff member and wellness program.
5. Performed clean-up efforts related to the City's unhoused population consistent with Marshall Plan recommendation "Reclaim Neighborhoods: Disorder & Blight Reduction."
6. Provided for community clean-ups/Clean City initiatives consistent with Marshall Plan recommendation "Reclaim Neighborhoods: Disorder & Blight Reduction."
7. Maintained the Integrated Ballistics Identification (IBIS) System, software that allows for enhanced forensics in gun-related crimes.
8. Implemented Police Body Cameras.
9. Provided for the restoration and reopening of Fire Station No. 1, including facility improvements and the procurement of furniture, firefighting tools, and equipment.

10. Increased Fire sworn staffing levels 17 positions, with 9 positions for Station No. 1 which will be fully funded by the General Fund when the Staffing for Adequate Fire and Emergency Response (SAFER) grant ends.
11. Expanded the Fire Dispatch Center by 10 positions.
12. Implemented a fireworks program designed to decrease the possession and use of illegal fireworks through public awareness and enforcement.
13. Replaced outdated cardiac monitor/defibrillator equipment for emergency cardiac care.
14. Added a second fire academy per year to meet firefighter retention demands.
15. Added an Emergency Manager position that is responsible for emergency mitigation, preparedness, response, and recovery.
16. Allowed for Street Maintenance efforts, including: resurfacing streets, installing striped edge line lanes, improving sidewalk tripping hazards address, replacing sidewalks, sealing roadway cracks, street lighting improvement, and filling potholes.
17. Provided for tree services, including stump removal, trees trimmed at City Parks, and removed dead and hazardous trees citywide.
18. Helped fund parks maintenance and improvements, including replenishing playground surfacing; sports courts resurfacing; repairing and replacing playground structures; remodeling park restrooms; improvements to Pixie Woods' boat, bridge, concession stands, irrigation system, and carousel; swimming pool repairs; Van Buskirk gym floor replacement; Victory Park tennis courts lighting improvements; Weber Point Events Center shade structure maintenance; and Oak Park ball field improvements.
19. Supported one-time costs associated with reopening the Fair Oaks Library in 2017, which was closed during the bankruptcy.
20. Performed field maintenance supporting youth and adult sports at City parks.
21. Invested in the Animal Shelter operations resulting in significantly improved live release rates.
22. Allocated \$2 million in grant funding for expanded Youth Service programming in FY 2023-24.
23. Resumed and expanded staff training efforts, such as the City Manager's Leadership Academy.
24. Provided a complete replacement of all public safety radios; nearly every radio was beyond its useful life, and implemented and funded a replacement schedule for radio equipment. Completed installation of a new radio infrastructure core and new network infrastructure.
25. Internal self-insurance fund resources have been restored to positive balances from negative \$48 million.
26. Implemented a modernized Human Resources and Financial System resulting in increased financial accountability and efficiency.

The above list represents "one-time" and ongoing initiatives that might not have been possible without Measure A proceeds. The ongoing costs associated would likely make

maintaining some of these efforts infeasible. Reproducing the “one-time” efforts the next time they are needed, such as the next financial system implementation or the next refresh of radio equipment or law enforcement vehicles would become very difficult without the continuation of Measure A revenues, eventually returning many service areas back to bankruptcy levels.

Evidence C: City Services that would be existentially threatened by the sunset of Measure A:

Methodology

Currently Measure A accounts for 17% of Budgeted General Fund Revenues. City departments were required to provide a likely scenario for the case where 17% of their General Fund usage were to be eliminated. The resulting list does not represent an action plan but does illustrate the difficult decisions that City Council would be forced to make, and the subsequent service impact that Citizens would feel as City services began to shut down.

Select Impacts of 17% General Fund Reduction on Key Departments

Department	Citizen Impact
Police*	Elimination of 155 sworn police positions. Authorized strength would be reduced to 330 from 485, permanently impacting our ability to restore services to the community and our gun violence reduction strategy. Additionally, there would be staffing cuts in Neighborhood Services, eliminating the Neighborhood Betterment Team funded by Measure A. Many support positions would be eliminated, further impacting department operations. Maintaining public safety positions is critical to our community's safety.
Office of Violence Prevention*	The Office of Violence Prevention (OVP) faces total closure. The department's staff, once 16 strong, would be slashed in half, reverting to pre-Marshall Plan era staffing levels. This extreme budget cut would incapacitate the Office of Violence Prevention, severely impairing their ability to combat gun and gang violence effectively in the community. The consequences would be dire: a breakdown in conflict mediation could fuel a surge in gang violence. The OVP's shooting emergency response program, a crucial peacekeeping initiative, would be eliminated, heightening the risk of retaliation without intervention. Emergency relocation services, essential for protecting victims and families, would be severely diminished, leaving them exposed to further harm. Additionally, the reduction in OVP's intensive case management would deprive high-risk clients of vital support, potentially forcing them back into a cycle of gang and gun violence in a desperate pursuit of necessities. This devastating scenario would significantly exacerbate gang and gun violence, posing an overwhelming threat to the citizens of Stockton.

	<p>This significant budget cut threatens to plunge the City of Stockton back to the alarming homicide levels of 2012, reminiscent of the pre-Marshall Plan era when the city experienced its highest recorded number of homicides—72.</p>
Fire Department	<p>Total reduction in sworn fire personnel of approximately 30% to meet the 17% budget reduction target. Immediate response areas affected by the closures of three (3) engine companies and one (1) additional truck company will nearly double response times; and the effective response force on-scene time will almost triple the national standard identified in National Fire Protection Association (NFPA) 1710. Elimination of three engine companies will also result in the closure of three (3) fire stations as there will be insufficient number of personnel on duty each day to keep all fire stations open. Only 10 out of 13 fire stations will remain open.</p> <p>There will be limited resources for firefighting, medical, and all other services provided to citizens and businesses throughout the City; which will have a substantial impact on the Fire Department's ability to respond to emergencies.</p> <p>Reduction of relief crew will impact daily staffing levels as less staff will be available to fill in for absences due to illness, injuries, required training, or vacation.</p> <p>Loss of three engine companies and one truck company identified above will bring the total number of sworn personnel below the required SAFER grant minimum staffing maintenance requirement, resulting in to the potential loss of grant funds and the reduction of an additional 16 grant-funded firefighters.</p>
Public Works	<p>General Fund park sites (some City parks are funded through property owner assessments) will no longer be watered or maintained, with the exception being fire hazard mitigation (weed abatement) only. An example of this type of maintenance is the former Van Buskirk Golf Course site.</p> <p>Contracted services for illegal dumping and homeless encampment cleanups will be reduced to about 50% leaving a large amount of garbage and debris across the City.</p>
Community Services	<p>Reduction of security guard presence in Community Centers, fields, and aquatics, resulting in a loss of patron confidence in visiting centers, and participation in sports programs. Shootings have occurred at four facilities this year. Increased levels of vandalism and break-ins to</p>

	<p>facilities, and unruly behavior will be more difficult to stop and prevent. Additional funds were requested for FY 2023-24 for security services because of patron feedback; seniors and others report feeling unsafe without guards.</p> <p>Stockton Arts Commission annual grants would have to be scaled back, resulting in reduced support of local artists and mural beautification projects.</p> <p>Reduce field maintenance (Stockton Soccer Complex, Misty Holt-Singh, Louis Park), resulting in increased weeds and general health of playfields negatively impacting sports activities and creating safety hazards and poor aesthetic appearance. Loss of revenue from field rentals and tournaments.</p> <p>Eliminate library and community center staff, resulting in a reduction of open hours, including evening and weekend hours. This would further reduce programming available to patrons, access to resources, literacy programming, community-specific programs, and youth/adult activities. Reduce Library Materials, Resulting in City patrons waiting for digital books exasperating the already long wait times for materials as demand for digital items is increasing; fewer copies of newly released physical materials; patrons will need to wait longer.</p> <p>Eliminate support staff, resulting in an inability to support picnic rentals; slow response times to customer inquiries; delayed invoice processing and payment; extended timeline to fill vacant positions; reduced support of Stockton Arts and Parks and Recreation commissions; slower updates to websites.</p>
Economic Development	<p>Eliminate a position responsible for tracking and fostering business attraction leads, which has greatly improved Stockton's ability to attract new businesses and assist current businesses with expansion efforts, as well as to recruit developers that best fit with the goals of the Economic Development Strategic Plan.</p> <p>Shut down the Oak Park Ice Rink. The Oak Park Ice Rink is the only Ice Rink in this region and used by several organizations in the area, including St. Mary's high school. Total to operate is approximately \$1.1 million per year, and currently generates approximately \$500,000 of operating revenues which helps to offset yearly operating costs.</p> <p>Downscale special events such as Fourth of July, Christmas Parade/Tree Lighting, and Concerts in the Park.</p>

	<p>Institute a seasonal closure of the Civic Auditorium, resulting in one full-time position reduction and decreased utilization by the public.</p> <p>Downscale landscaping and maintenance of Pixie Woods, resulting in a less well-kept and enjoyable park.</p>
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*Due to Police and OVP utilizing 65% of Measure A funding under Measure B, these departments were asked to provide a scenario which depicted the elimination of all Measure B expenditures and their percentage of the 35% remaining in the General Fund, rather than the flat 17% scenario that other departments were asked to prepare.

Finding (ii) The total compensation paid to City employees is not excessive when compared to those of other similarly situated public-sector employees.

Evidence D: Methodology Used when Preparing Compensation Studies and negotiating Employee Salaries

During negotiations of successor Memoranda of Understanding (MOU) with the City's Safety and Miscellaneous bargaining units, the City utilizes the services of an external consultant to conduct a comprehensive compensation study to use as a tool for negotiating employee salaries. The compensation study helps the City ensure that employees receive fair and equitable compensation to attract and retain talented individuals.

The compensation survey parameters include the selection of public agencies that are used to compare wages and benefits of the City of Stockton. These comparable agencies are selected based on public service employers with whom the City would compete for employees, the size and complexity of the agency, the geographic proximity, and the nature of services provided. During the most recent contract negotiations for Safety in 2022 and with the Miscellaneous bargaining units in 2023, the City utilized the following agencies:

- **The Stockton Police Officers' Association (SPOA) and the Stockton Police Management Association (SPMA):** Bay Area Rapid Transit (BART), City of Bakersfield, City of Elk Grove, City of Fresno, City of Livermore, City of Modesto, City of Ontario, City of Pomona, City of Riverside, City of Sacramento, City of San Bernardino, City of Tracy, and County of San Joaquin.
- **The Stockton Firefighters Local 456 (Fire) and Stockton Fire Management Unit:** Alameda County Fire Department, City of Bakersfield, City of Fresno, City of Modesto, City of Ontario, City of Pleasanton, City of Sacramento, San Joaquin Fire Authority (Tracy), Cosumnes Community Services District, County of San Bernardino, Sacramento Metro Fire Department.
- **Miscellaneous Units and Unrepresented Management/Confidential and Law Employees:** City of Bakersfield, City of Chula Vista, City of Fairfield, City of Fremont, City of Hayward, City of Livermore, City of Lodi, City of Manteca, City of Modesto, City

of Riverside, City of Sacramento, City of Salinas, City of San Bernardino, San Joaquin County, City of Tracy.

The consultant gathers key salary and benefits data from comparable agencies to determine the City's position in the labor market based on the median of the market. The labor market median is described as the "middle" of the market and is a common market position because the data is less likely to be skewed by outliers (high and low-paying agencies in the market). The City's philosophy for salary increases is to offer a combination of Cost-of-Living Adjustment (COLA) and Market Adjustment increases that will move employees to the median of the market based on total compensation. The City has accomplished moving employees near or at the median of the market during the 2022 and 2023 MOU contract negotiations. The exception is the Operations and Maintenance (O&M) and Trades and Maintenance (T&M) units which have not yet reached an agreement on successor MOUs. Some classifications in these units remain with salaries under the median of the market.

Evidence E: MOU Appendices (Attachment D – Previously provided in the November 13, 2023 report)

The appendices from the Memorandums of Understanding between the City and the bargaining groups outline the COLAs and Market Adjustments made during this year's labor negotiations demonstrating the effort to bring these classifications to the median of market.