



MEASURE W POLICE & FIRE PROTECTION SERVICES FY 2016-17



**MEASURE-W
CITIZENS'
OVERSIGHT
COMMITTEE
ANNUAL REPORT
FY 2016-17**

Inside This Report

- Committee Members
- Message from the Committee
- Background
- Fire Department Message
- Police Department Message
- Program Information
- Independent Audit

Committee Members

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Background

In November 2004, Stockton citizens approved a ¼ cent sales and transaction tax to fund public safety services known as the Police & Fire Response Measure W. 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.



Message from the Committee

The Measure W Citizens' Oversight Committee is pleased to present the annual report for Fiscal Year (FY) 2016-17 to the Stockton City Council. 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 (CPA) firm. A "clean report" was issued by the CPA firm for the fiscal year ended June 30, 2017 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 and provided each department with 25 positions for the year. The revenue provided by this special tax is forecasted and monitored continually for opportunities to increase the number of positions. 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.

Fire Department Message

Measure W funds collected in FY 2016-17 continued to augment staffing for Fire Engine No. 13, Ladder Truck No. 3 and Ladder Truck No. 4 by funding firefighter salaries and benefits and maintenance of one fire engine and twenty portable radios. The 25 firefighter positions funded by Measure W provide fire and other emergency services in Northeast, Southeast, and West Central Stockton, including Delta College and UOP dormitories and apartment buildings in these areas. In FY 2016-17, these resources responded to a total of 4,603 incidents, for a 24% increase in incident responses in these service areas from the prior fiscal year. A new fire pumper was delivered and placed in service in 2016. The new fire pumper replaced a 22-year old apparatus used to serve East Central Stockton.



Police Department Message

In FY 2016-17, Measure W funding paid for 25 Police Officers to respond to approximately 24,500 calls for service, an average of 981 per officer during the year.

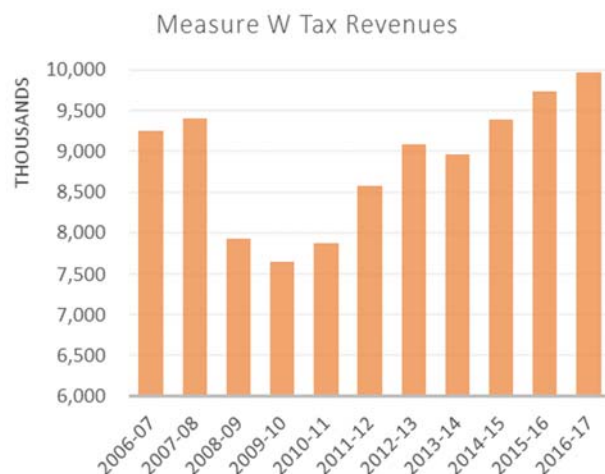


The funding source continues to be an important part of the Police Department's annual operating budget. It pays not only for salary and benefits for those officers, but also for their vehicles, fuel, radios and other safety equipment necessary to work in the field. The amount of tax revenue available 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 Services Division and handle dispatched calls for service on a 24/7 basis. In FY 2016-17, the Police Department handled 416,118 calls for service, a 3.7% increase from FY 2015-16.

PROGRAM INFORMATION

Revenue



The chart above displays Measure W annual sales tax revenue for the past ten years, including the dramatic drop in revenue during the recession and how many years were needed to recover.

Revenue in FY 2016-17 came in \$56,564 or just under 1% higher than what was estimated in the adopted budget, which is \$242,561 over the prior year, or an increase of 2.5%.

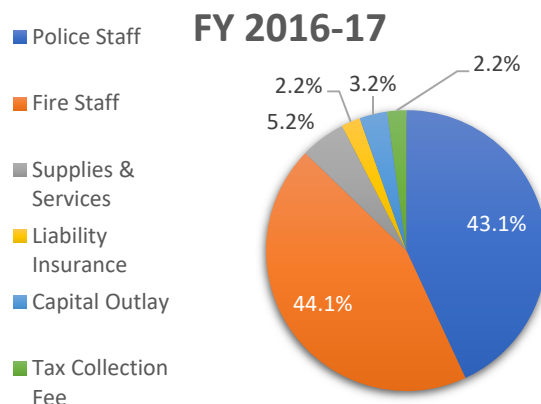
Fund Balance/Reserves

The Program Guidelines for Measure W established the Economic Uncertainty Fund; a requirement to set-aside 25% of budgeted revenues for reserve. The reserve would 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, 2017 is \$2,896,657, which is 28% of the FY 2017-18 budgeted revenue of \$10,303,000.

Expenditures

The Measure W expenditure budget for FY 2016-17 was \$10,696,451. Of this total allocation, \$10,485,759 was expended during the year leaving additional funds in the available fund balance. Of the \$210,692 expenditure variance, \$36,756 is committed to be spent in Fiscal Year 2017-18 for equipment and audit services not received prior to the year end.

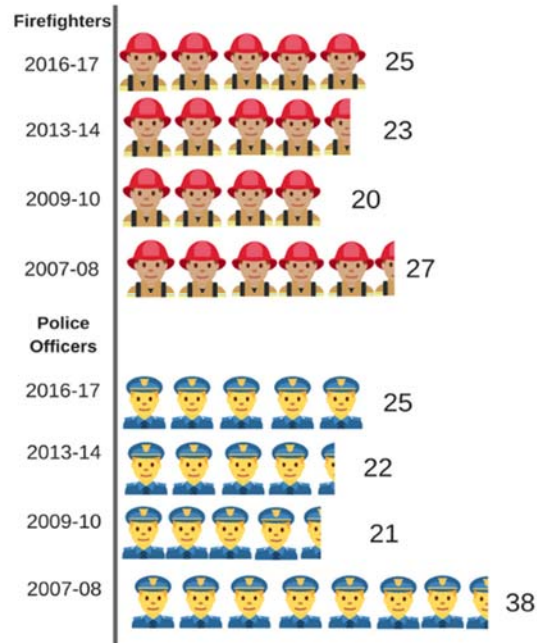
Police and Fire salaries and benefits comprised 87% of the Measure W spending, radio and automotive services accounted for 5%, the final payment for the fire pumper was 3%, general liability insurance required just over 2%, and the remaining 3% paid for tax collection and review fees. The proportion of spending is presented in the graphic below.



Staffing Trend

Staffing has rebounded from the low in FY 2009-10 of 21 officers and 20 firefighters to 25 each in FY 2016-17.

Public Safety Measure W Staffing



Independent Audit

The annual independent audit was conducted by The Pun Group, LLP, who issued their report dated December 30, 2017. The Measure W Public Safety Tax Funds Schedules of Revenues, Expenditures and Change in Fund Balance for the year ended June 30, 2017 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, 2017 and 2016

	2017			2016		
	Police	Fire	Total	Police	Fire	Total
REVENUES:						
Taxes:						
Sales - levied by City	\$ 4,991,839	\$ 4,991,839	\$ 9,983,678	\$ 4,905,606	\$ 4,905,605	\$ 9,811,211
Investment expense (income):						
Interest expense (income)	(2,685)	(3,429)	(6,114)	13,429	17,753	31,182
Total revenues	<u>4,989,154</u>	<u>4,988,410</u>	<u>9,977,564</u>	<u>4,919,035</u>	<u>4,923,358</u>	<u>9,842,393</u>
EXPENDITURES - PUBLIC SAFETY:						
Payroll:						
Salaries	2,419,011	2,441,720	4,860,731	2,262,565	2,272,426	4,534,991
Benefits	2,100,785	2,183,045	4,283,830	1,848,158	1,986,316	3,834,474
Total Payroll	<u>4,519,796</u>	<u>4,624,765</u>	<u>9,144,561</u>	<u>4,110,723</u>	<u>4,258,742</u>	<u>8,369,465</u>
Equipment, services and supplies:						
Tax collection fee	118,175	118,175	236,350	111,000	111,000	222,000
Sales Tax Review Service	190	190	380	3,282	3,282	6,564
Liability Insurance	113,012	113,801	226,813	109,572	108,694	218,266
Vehicle rental charges	354,578	121,611	476,189	329,181	92,191	421,372
Radio rental charges	29,636	18,611	48,247	37,367	12,497	49,864
Materials and Services	8,748	456	9,204	22,623	457	23,080
Fuel Charges	-	7,038	7,038	-	8,309	8,309
Capital outlay/equipment	-	336,976	336,976	-	168,488	168,488
Total equipment, services and supplies	<u>624,339</u>	<u>716,858</u>	<u>1,341,197</u>	<u>613,025</u>	<u>504,918</u>	<u>1,117,943</u>
Total expenditures	<u>5,144,135</u>	<u>5,341,623</u>	<u>10,485,758</u>	<u>4,723,748</u>	<u>4,763,660</u>	<u>9,487,408</u>
NET CHANGE IN FUND BALANCES	<u>(154,981)</u>	<u>(353,213)</u>	<u>(508,194)</u>	<u>195,287</u>	<u>159,698</u>	<u>354,985</u>
FUND BALANCES , BEGINNING OF YEAR	<u>1,466,388</u>	<u>1,938,463</u>	<u>3,404,851</u>	<u>1,271,101</u>	<u>1,778,765</u>	<u>3,049,866</u>
FUND BALANCES , END OF YEAR	<u>\$ 1,311,407</u>	<u>\$ 1,585,250</u>	<u>\$ 2,896,657</u>	<u>\$ 1,466,388</u>	<u>\$ 1,938,463</u>	<u>\$ 3,404,851</u>