

City of Stockton Measure W Annual Report Police & Fire Protection Services

Fiscal Year 2018-19

Measure W Citizens' Oversight Committee Annual Report



Measure W Public Safety



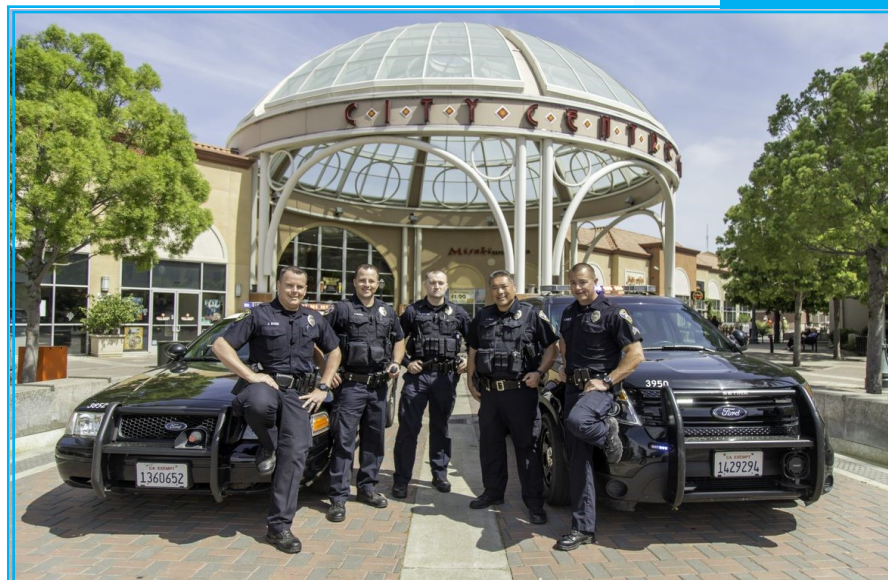
Committee Members

- Robert Bivens
- Phillip Herrera
- Lourdes B. Jaurigue
- Richard A. Vasquez



WHAT IS MEASURE W?

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



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Message from the Committee

The Measure W Citizens' Oversight Committee is pleased to present the annual report for Fiscal Year (FY) 2018-19. 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, 2019 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. This is extremely important in light of the strain and the disruption that the COVID-19 pandemic has caused for every member of our community. We do not know what the impact the economic downturn will have on Measure W funding, but the committee remains confident that, together as a community, we will adapt to meet these new challenges as they arise.

At the end of this 15th year for Measure W, the committee is pleased with the results and would like to extend our appreciation to all stakeholders for their extraordinary support during this critical period in our City.

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.

Fire Department Message

Funds collected in FY 2018-19 from Measure W were allocated mainly to augment staffing for Ladder Truck No. 3, Ladder Truck No. 4 and Fire Engine No. 13 and paid for salaries and benefits of firefighters including the maintenance of one fire engine and twenty portable radios. A total of 25 firefighter positions paid for by Measure W funds provide fire and other emergency services in Northeast, Southeast, and West Central Stockton. In FY 2018-19, these resources responded to a total of 5,520 incidents, a 16% increase in incident responses in these service areas from prior fiscal year, with Engine 13 responding to 1,989, Truck 3 responding to 1,517 and Truck 4 responding to 2,014. Supplies and equipment to equip new and reserve fire apparatus for a total cost of approximately \$120,000 were also purchased using Measure W funds.

FY2019 Incident Responses

Apparatus	Fires	Medical	Vehicle	Accident / Rescue	Hazmat / Other	Total
Engine 13	402	1,351	100	34	102	1,989
Truck 3	494	613	113	92	205	1,517
Truck 4	403	952	168	175	316	2,014



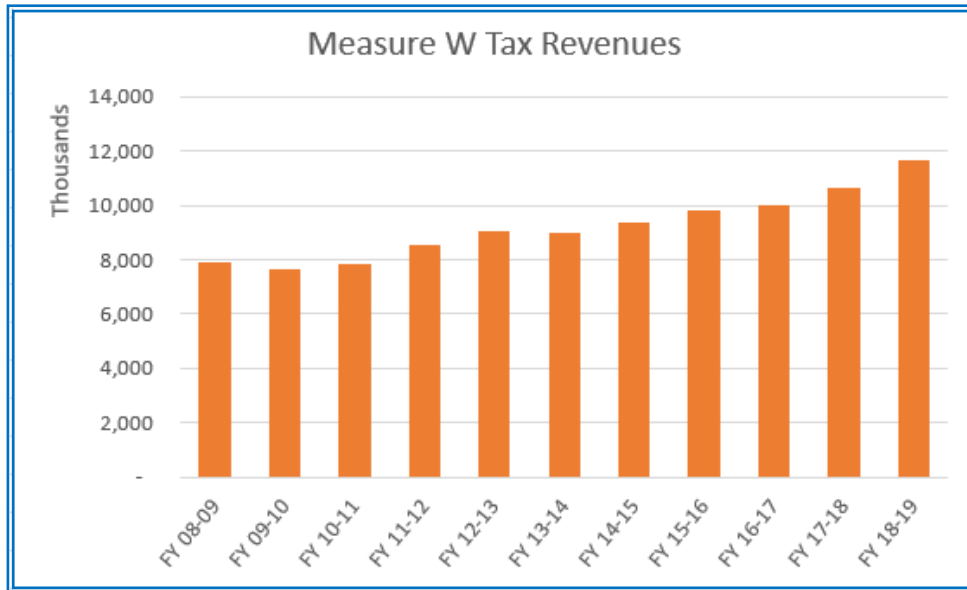
Police Department Message

In FY 2018-19, Measure W funding paid for 24 Police Officers to respond to approximately 20,621 calls for service, an average of 860 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 2018-19, the Police Department handled 401,260 calls for service, a 3% decrease from FY 2017-18.



Program Information

Revenues

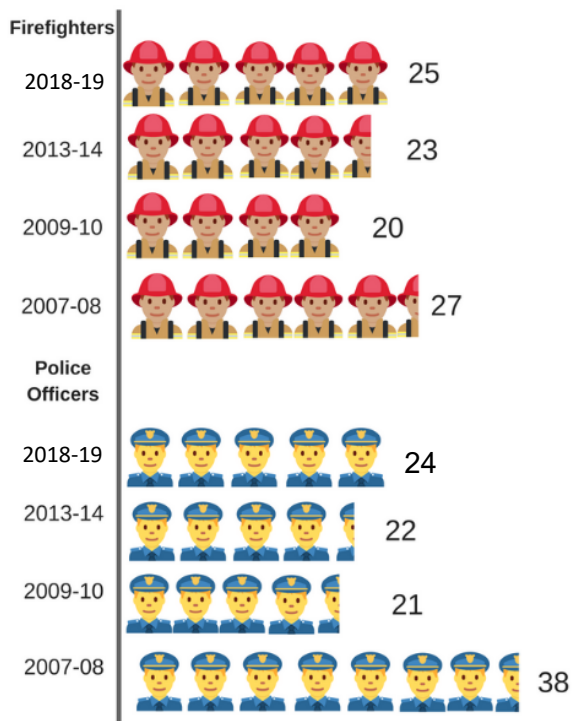


The revenue chart displays Measure W annual sales tax revenue for the past ten years, including the lowest revenue collection during the recession and the slow recovery that followed.

Revenue in FY 2018-19 came in \$11,660,102 or 7.3% higher than what was estimated in the adopted budget, which is \$1,037,847 over the prior year, or an increase of 9.8%.

Staffing Trends

Public Safety Measure W Staffing



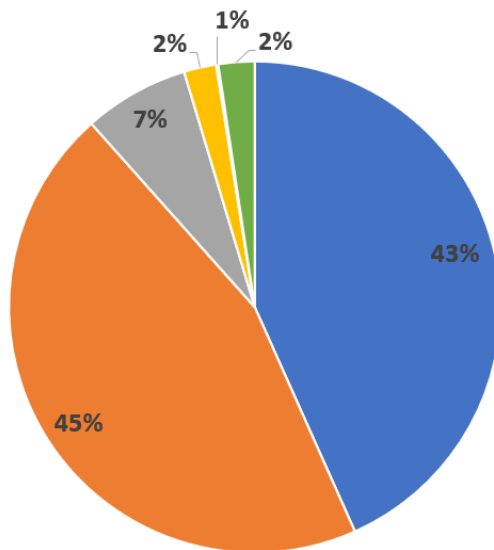
Staffing has rebounded from the low in FY 2009-10 of 21 police officers and 20 firefighters. Measure W funded 24 police officers and 25 firefighters in FY 2018-19. Numbers were the same compared to the prior fiscal year.



Expenditures

FY 2018-19 Expenditures by Category

■ Police Staff ■ Fire Staff ■ Supplies & Service
 ■ Liability Insurance ■ Capital Outlay ■ Tax Collection Fee



The Measure W expenditure budget for FY 2018-19 was \$10,655,106. Of this total allocation, \$10,380,932 was expended during the year, resulting in an increase to the ending available fund balance. Police and Fire salaries and benefits comprised just above 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 2018-19 expenses by category.



Fund Balance/Reserve

The Program Guidelines for Measure W established the Economic Uncertainty Fund; a fiscal management tool 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, 2019 is \$4,665,213, which is 43% of FY 2019-20 budgeted revenue of \$10,858,000.

Independent Audit

The annual independent audit was conducted by The Pun Group, LLP, who issued their report dated November 27, 2019. The Measure W Public Safety Tax Funds Schedules of Revenues, Expenditures and Change in Fund Balance for the year ended June 30, 2019 is presented below.

City of Stockton Measure W Public Safety Tax Fund Schedules of Revenues, Expenditures, and Change in Fund Balance

	2019			2018		
	Police	Fire	Total	Police	Fire	Total
REVENUES:						
Taxes:						
Sales - levied by City	\$ 5,830,051	\$ 5,830,050	\$ 11,660,101	\$ 5,311,128	\$ 5,311,127	\$ 10,622,255
Investment (expense) income:						
Interest (expense) income	54,346	42,052	96,398	(116)	(87)	(203)
Total revenues	5,884,397	5,872,102	11,756,499	5,311,012	5,311,040	10,622,052
EXPENDITURES - PUBLIC SAFETY:						
Payroll:						
Salaries	2,424,047	2,475,473	4,899,520	2,381,526	2,448,482	4,830,008
Benefits	2,072,750	2,207,040	4,279,790	2,039,647	2,128,977	4,168,624
Total Payroll	4,496,797	4,682,513	9,179,310	4,421,173	4,577,459	8,998,632
Equipment, services and supplies:						
Tax collection fee	123,415	123,415	246,830	109,130	109,130	218,260
Sales Tax Review Service	3,944	3,944	7,888	2,707	2,707	5,414
Liability Insurance	109,339	111,801	221,140	107,684	113,134	220,818
Vehicle rental charges	272,849	178,793	451,642	293,189	161,839	455,028
Radio rental charges	52,640	21,475	74,115	50,370	21,728	72,098
Materials and Services	74,464	107,950	182,414	32,838	185,136	217,974
Fuel Charges	-	3,562	3,562	-	9,445	9,445
Capital outlay/equipment	-	14,031	14,031	-	31,393	31,393
Total equipment, services and supplies	636,651	564,971	1,201,622	595,918	634,512	1,230,430
Total expenditures	5,133,448	5,247,484	10,380,932	5,017,091	5,211,971	10,229,062
NET CHANGE IN FUND BALANCES	750,949	624,618	1,375,567	293,921	99,069	392,990
FUND BALANCES, BEGINNING OF YEAR	1,605,328	1,684,318	3,289,646	1,311,407	1,585,249	2,896,656
FUND BALANCES, END OF YEAR	\$ 2,356,277	\$ 2,308,936	\$ 4,665,213	\$ 1,605,328	\$ 1,684,318	\$ 3,289,646