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Oversight Committee Review of Expenditures

In fiscal year 2010-11 Measure W funded an average of 25 police officer positions and 23 fire fighter positions. The approved Measure W tax provided \$8,054,231 in total revenues for the 2010-11 fiscal year. The initial budget of \$7,706,930 was amended by Council on February 28, 2012 to increase the spending allocation by an additional \$1,232,000. Changes in compensation resulted in the ability to fund additional personnel through this fund. This brought the total spending budget to \$8,938,930. Of this a total of \$8,600,499 was expended during the fiscal year.

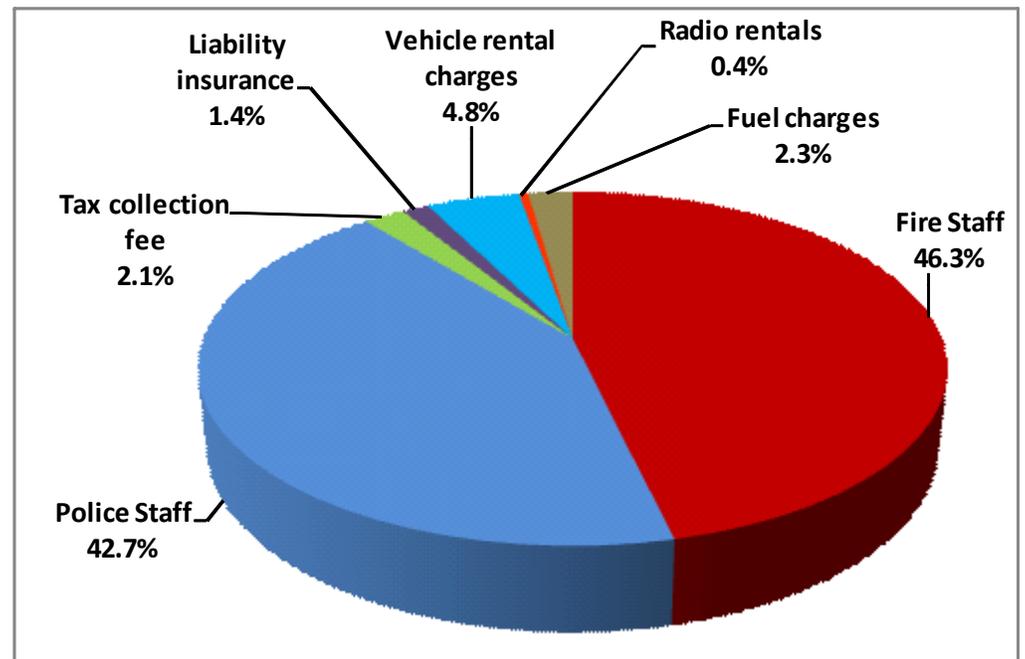
Eighty-nine percent of those expenditures were for salary and benefit costs of Police and Fire personnel performing Measure W duties. Equipment and supplies accounted for 7.5% of total expenses, while the remaining 3.5% paid for Board of Equalization fees, insurance, and sales tax review services. Both the Police and Fire Departments remained under budget in their use of Measure W funds.

The role of the Citizens Oversight Committee is to determine whether the revenues and expenditures of the Measure W program are in compliance with the goals and plans presented to voters in 2004. After reviewing the audited financial reports and discussing the expenditures with the responsible staff the Committee finds that the expenditures from the Measure W fund were for the purposes of enhancing public safety and were consistent with the purposes set forth in the Measure W Program Guidelines.

Committee Members

- Phillip Herrera (Chair)
- John Sola, Sr. (Vice Chair)
- Paul Cavanaugh
- Marcos Glaros
- Tracie Glaves
- Michele Kimbrough
- Dwight Williams

Measure W Expenditures



Citizen Comments

Learn more about

Measure W:

General Information:
 (209) 937-7717

Police: (209) 937-8377
 Fire: (209) 937-8801

Fire Department Message

Measure W had a significant role in providing fire protection services to the Stockton community during this period of economic crisis. The City declared a state of fiscal emergency and various City programs and services were reduced to minimum levels or eliminated due to the significant decline in general fund revenues. Despite the fiscal challenges, Measure W funds continued to provide staffing for Fire Engine No. 13, provided partial staffing for Ladder Truck No. 7 and Ladder Truck No. 3, and continued to provide enhanced training capacity. In 2011, Engine No. 13 responded to 1,544 emergency incidents while the annual call volume for Engine No. 11 (the next closest engine company) continued to increase from 4,645 in 2010 to 4,762 in 2011. Truck 7 became busier in 2011 with 1,112 emergency responses compared to 978 emergency responses in 2010. Meanwhile, Truck No. 3 responded to 899 emergency incidents.



Measure W sustained funding for 23 firefighter positions and also provided funding for the maintenance and operation of one fire engine. This helped maintain the level of fire protection and emergency services provided to the community during these hard economic times.

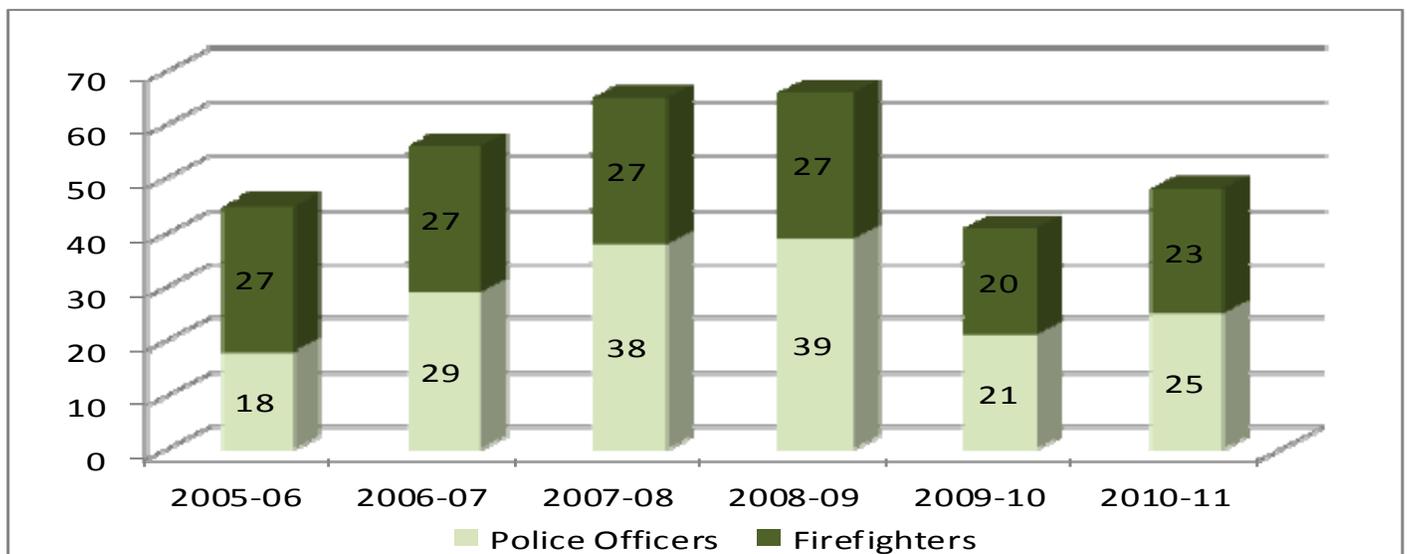
Jeff Piechura , Fire Chief

2011 Fire Incident Responses

| Apparatus | Fires | Medical | Vehicle | Accident / Rescue | Hazmat / Other | Total |
|-----------|-------|---------|---------|-------------------|----------------|--------------|
| Engine 13 | 244 | 1,167 | 64 | 20 | 49 | 1,544 |
| Truck 3 | 366 | 244 | 84 | 104 | 101 | 899 |
| Truck 7 | 303 | 390 | 110 | 117 | 192 | 1,112 |

Public Safety Staffing

The graph below shows the average Measure W funded staffing levels for the last six fiscal years. Fire staffing was at 23 positions in 2010-11, an increase of 3 over prior year, while Police staffing was at 25 positions in the same year, an increase of 4 over prior year.



Police Department Message



Measure W funds made it possible for the Stockton Police Department to increase its presence throughout the City, resulting in reduced crime and a safer community for all. Although the economic downturn in recent years has decreased the number of Police Officers in the Department, Measure W provides funding for 25 positions that otherwise would not have been filled. Additional resources, namely a Federal COPS Hiring Grant, has further bolstered the Police Department's staffing and mitigated some of the impacts to public safety. The funding provided by Measure W continues to be a valuable resource, providing funding for salaries, vehicles, gas, and safety equipment for 25 additional Officers in patrol. The Police Department handles an annual average of 340,000 calls for service, with about 134,000 of these calls dispatched to field patrol Officers. In Fiscal Year 2010-11, these 25 Officers handle approximately 19,250 calls per year, with an average of 770 calls handled by each officer per year.

The staffing levels funded by Measure W are closely monitored each year and as tax revenues permit, additional Police Officers will be returned to the program, providing more boots on the street to fight crime.

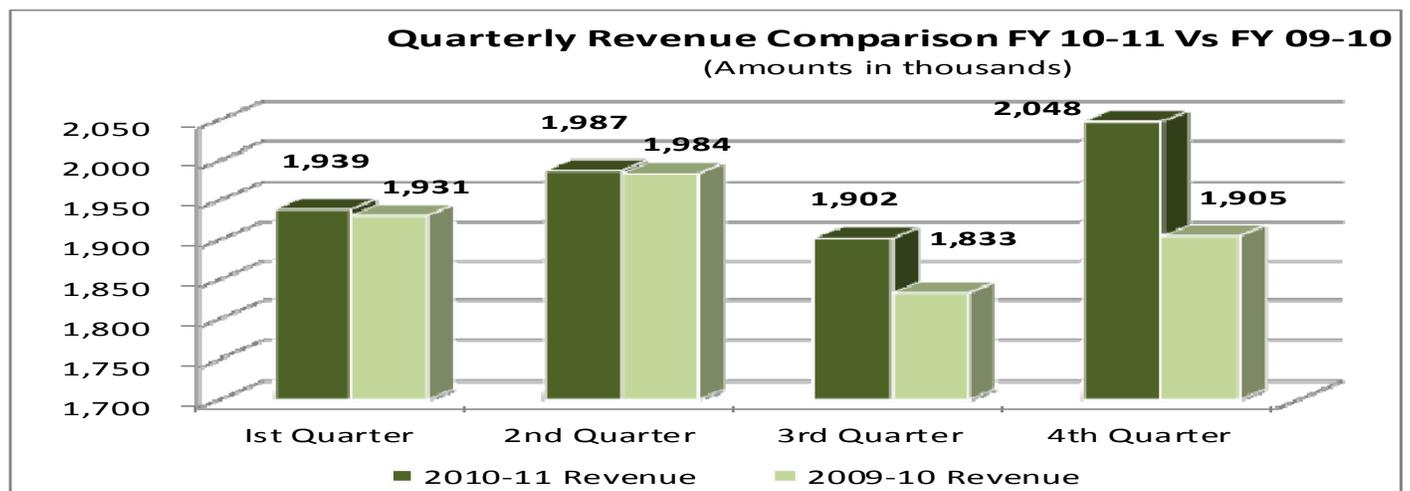
Eric Jones, Police Chief

How were Measure W Funds Spent?

| | Police Expenditures | | Fire Expenditures | |
|------------------------------------|---------------------|---------------------|-------------------|--------------------|
| | Description | Amount | Description | Amount |
| Salary and Benefits | 25 Police Officers | \$ 3,675,509 | 23 Firefighters | \$3,983,086 |
| Vehicle Maintenance & Fuel Charges | 32 Patrol Cars | 536,043 | 1 Fire Engine | 67,327 |
| Tax Collection & Audit Fees | 4 Quarters | 90,735 | 4 Quarters | 90,735 |
| Radio Maintenance | 28 Radios | 39,893 | | - |
| Insurance Liability | | 52,632 | | 64,539 |
| Total Expenditures | | \$ 4,394,812 | | \$4,205,687 |

Sales Tax Quarterly Revenues Collection

Sales tax revenues was impacted by the great recession. Between FY 2007-08 and FY 2009-10, Measure W revenues have declined over 19%. In 2010-11 Measure W revenues began to improve with a 3% increase over prior year. This is a small step towards economic recovery. The graph below compares quarterly revenues with prior year revenues.



Schedule of Revenues, Expenditures, and Changes in Fund Balance 2010-2011

The annual independent audit was conducted by Maze & Associates who issued their report dated November 17, 2012. The *Schedule of Revenues, Expenditures and Changes in Fund Balance-Measure W Public Safety Tax Fund for the year ended June 30, 2011* is presented below:

| | Police | Fire | Total |
|--------------------------------------|------------------|------------------|------------------|
| Revenues: | | | |
| Sales tax - Measure W | \$3,937,715 | \$3,937,714 | \$7,875,429 |
| Interest income | -1,063 | -1,709 | -2,772 |
| Refunds and reimbursements | 127,154 | 54,420 | 181,574 |
| Total revenues | <u>4,063,806</u> | <u>3,990,425</u> | <u>8,054,231</u> |
| Expenditures - Public Safety: | | | |
| Payroll: | | | |
| Salaries | 2,067,688 | 2,233,113 | 4,300,801 |
| Benefits | 1,607,821 | 1,749,973 | 3,357,794 |
| Sub-total | <u>3,675,509</u> | <u>3,983,086</u> | <u>7,658,595</u> |
| Products and Services Purchased: | | | |
| Tax collection fee | 86,905 | 86,905 | 173,810 |
| Sales tax review services | 3,830 | 3,830 | 7,660 |
| Liability insurance | 52,632 | 64,539 | 117,171 |
| Vehicle rental charges | 348,764 | 60,284 | 409,048 |
| Radio rentals | 39,893 | 0 | 39,893 |
| Telephone charges | 0 | 0 | 0 |
| Fuel charges | 187,279 | 7,043 | 194,322 |
| Sub-total | <u>719,303</u> | <u>222,601</u> | <u>941,904</u> |
| Total Expenditures | <u>4,394,812</u> | <u>4,205,687</u> | <u>8,600,499</u> |
| Net Change in Fund Balance | -331,006 | -215,262 | -546,268 |
| Fund Balance, Beginning of the Year | <u>543,329</u> | <u>271,438</u> | <u>814,767</u> |
| Fund Balance, End of the Year | <u>\$212,323</u> | <u>\$56,176</u> | <u>\$268,499</u> |

Source: Independent Auditor's Reports and Financial Schedule for the year ended June 30, 2011

Committee Chair's Message

As Chairman for the Measure W Oversight committee I am pleased to say that I am satisfied with the information presented in this annual report. The ordinance for assuring that tax monies collected under Measure W included two primary methods of oversight. The first is an independent audit by a CPA firm and the second is by this oversight committee. The third which is not mentioned in the ordinance comes from regular Stocktonians who want to learn more. At our most recent meeting we received official reports from staff, police and fire department officials, and the CPA firm. We also heard from concerned citizens who want to become part of the solution in creating a safer community. Though the City struggled to hire the number of officers originally projected when Measure W was passed in 2004, the testimony from the Police and Fire departments officials made clear the critical need for this supplemental funding.

I adjourned the meeting after several hours feeling that the requisite transparency and appropriate use of tax monies was in place. I feel privileged to be elected Chair of this committee and to serve with my fellow committee members to ensure the proper use of Measure W funding. I want to acknowledge the excellent work done by City of Stockton staff on coordinating our meeting and to the Police and Fire Chiefs for their continued support. No doubt there are significant challenges ahead for Stockton but by working together we can and will create a better, safer standard of living for all citizens.

Phillip Herrera, Committee Chair