

August 3, 2004

TO: MAYOR and CITY COUNCIL  
FROM: MARK LEWIS, CITY MANAGER  
SUBJECT: **THE SAFE NEIGHBORHOOD GANG AND DRUG PREVENTION  
POLICE/ FIRE RESPONSE MEASURE**

### **RECOMMENDATION**

Adopt a resolution submitting to the City of Stockton qualified voters a ballot measure seeking voter approval of a special transactions and use tax of one-quarter of one percent for the provision of safe neighborhood gang and drug prevention police/fire response; establish polices and procedures in connection with such an election; requesting the San Joaquin County Board of Supervisors to direct the County Registrar of Voters to conduct the election, which shall be consolidated with the general municipal election on November 2, 2004; directing the City Attorney to prepare an impartial analysis of the measure; authorizing arguments and the filing of rebuttal arguments for or against the measure; authorizing the City Manager to appropriate the funds necessary to pay the cost of placing the measure on the election ballot; and directing the City Clerk to take steps necessary to place the measure on the ballot and to cause the measure or ordinance to be printed.

### **DISCUSSION**

#### **Background**

In 2003, the governor signed Senate Bill 566 which allows local government to increase the cap on total allowable countywide transaction and use tax rates to two percent and authorizes cities to levy transactions and use taxes at rates of 0.25 percent or 0.5 percent, subject to voter approval. There is currently .50% tax imposed in San Joaquin County so there remains 1.50% available under the cap.

Under Section 7285.91 of the Revenue and Taxation code, cities may levy, increase, or extend a transaction and use tax for specific reasons. The code reads as follows:

7285.91 As an alternative to the procedure set forth in Section 7285.9, the governing body of any city may levy, increase or extend a transaction and use tax for a specific purpose. The tax may be levied, increased, or extended at a rate of 0.25 percent or a multiple thereof, for the purpose for which it is established, if all of the following requirements are met:

- (a) The ordinance proposing the tax is approved by a two-thirds vote of all members of the governing body and is subsequently approved by a two-thirds vote of the qualified voters of the city voting in an election on the issue.
- (b) The transaction and use tax conforms to the Transaction and Use Tax Law Part 1.6 (commencing with Section 7251)
- (c) The ordinance includes an expenditure plan describing the specific projects for which the revenues from the tax may be expended.

**ADOPT A RESOLUTION SUBMITTING TO THE CITY OF STOCKTON QUALIFIED VOTERS A BALLOT SEEKING VOTER APPROVAL OF A SPECIAL TRANSACTION AND USE TAX OF ONE-QUARTER OF ONE PERCENT FOR THE PROVISION OF SAFE NEIGHBORHOOD GANG AND DRUG PREVENTION POLICE AND FIRE RESPONSE**

Within the last five years, the population in the City of Stockton has increased by 12 percent. However, City of Stockton's Police and Fire Department personnel have not increased accordingly. Currently, there are 1.4 police officers per thousand residents in the City of Stockton. When we compare Stockton's police officer staffing level with other cities' police staffing level, Stockton operates at fewer officers per thousand residents. For example, the City of Sacramento has 1.6 officers per thousand and Fresno maintains 1.7 officers per thousand. Stockton's optimal officer per thousand residents is 1.5. As our population increases so will our need for additional officers.

The Fire Department has not increased the number of fire stations since 1986. Stockton has moved and reopened several stations but has not added any new stations. For example, Station # 8, located at Main & Laurel was closed in 1988 and reopened in 1991 at McNabb and Thornton Road as Station #14. As our population has increased, one of the challenges faced by the Fire department is to meet minimum response times. Often times, the engine responding to an emergency may not be the station closest to the incident because that engine is responding to another call. In order to continue the high standard set by our fire department, additional fire stations and fire fighters will need to be established within the next few years.

**Sales Tax Measure**

The City of Stockton is proposing a sales tax measure to increase the current tax rate by one-quarter percent (.25%). This sales tax measure will provide a secure, local revenue stream to the City of Stockton that will be used entirely to provide additional police and fire personnel and services to protect our community. Unlike other funding mechanisms, this sales tax measure allows visitors, tourists, and all those who might need to rely on services, to contribute to the costs of protection of our city, our neighborhoods and our residents.

The revenue generated from the additional ¼ cent sales tax is to fund additional police officers and fire fighters. A detailed spending plan has been developed so voters can have a clear understanding of how the monies will be spent if the ¼ cent sales tax is approved.

Program guidelines have also been established to govern how the money can be spent, to specify the accounting, audit and oversight guidelines that will be implemented to make certain that the funds are spent according to the voter's direction, and to ensure the public is well-informed of the progress and process.

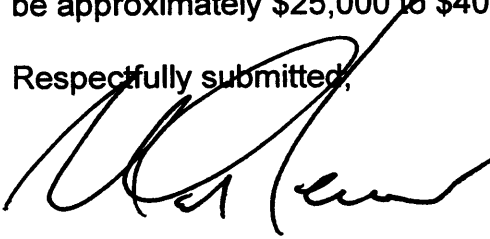
The City of Stockton will establish and utilize a citizen's committee to provide oversight function to at least annually review revenues and expenditures, and provide a second independent verification that all expenditures are being made as promised to Stockton residents. The findings of both the citizen's committee and the independent auditor will be reviewed by the City Council and made available to the public.

**ADOPT A RESOLUTION SUBMITTING TO THE CITY OF STOCKTON QUALIFIED VOTERS A BALLOT SEEKING VOTER APPROVAL OF A SPECIAL TRANSACTION AND USE TAX OF ONE-QUARTER OF ONE PERCENT FOR THE PROVISION OF SAFE NEIGHBORHOOD GANG AND DRUG PREVENTION POLICE AND FIRE RESPONSE**

**FINANCIAL SUMMARY**

The City Clerk has estimated the cost of adding the measure to the November 2004 ballot to be approximately \$25,000 to \$40,000.

Respectfully submitted,



MARK LEWIS  
CITY MANAGER

## **Stockton, Safe Neighborhood Gang and Drug Prevention Police/Fire Response Measure Program Guidelines**

This Stockton, Safe Neighborhood Gang and Drug Prevention Police/Fire Response measure will provide a secure, local revenue stream to the City of Stockton that will be used entirely to provide additional police and fire personnel and services to protect our community. Stockton residents deserve to know how the funds will be spent. Detailed spending plans have been developed so voters can have a clear understanding of how the monies will be spent if the ¼ cent sales tax is approved. Program guidelines have also been established to govern how the money can be spent, to specify the accounting, audit and oversight guidelines that will be implemented to make certain that the funds are spent according to the voter's direction, and to ensure the public is well-informed of the progress and process.

### **Fiscal Accountability Protections**

An Independent Auditor will annually review and audit expenditures of funds specifically derived from the Public Safety Measure, to ensure compliance with the expenditure plans and with prudent, established accounting regulations and practices.

The City will establish an Independent Citizen's Oversight Committee to annually review revenues and expenditures, providing a second independent verification that all expenditures are being made as promised to Stockton residents. The findings of both the Independent Citizens Oversight Committee and the Independent Auditor will be reviewed by the City Council and made available to the public.

Each May or June, as the City's budget is adopted following public hearings, the City Manager will recertify the plan to the City Council, stating what monies have been received, what monies have been spent and what monies are available. The financial consequences of these changes will be reflected in the recertified plan.

### **Dedicated Accounting Structure**

The Expenditure Plan specifies that all revenues from the Measure are to be utilized for the sole purpose of improving our community's public safety, with the revenue to be directed to the police and fire departments respectively, in the proportions of 50% to Fire and 50% to Police. These proportions have been mutually agreed upon by the Stockton Police Officers Association and Stockton Professional Firefighters, IAFF Local 456.

The City will establish separate funds into which these specific monies shall be deposited. These accounts shall be separate for police and fire and shall be the source of their respective expenditures as established in the approved expenditure plans. Any balances in these funds, positive or negative, shall earn or pay interest accordingly.

Based on public safety needs, the City may opt to advance funds from the City's General Fund into the individual police and fire accounts in order to most effectively accomplish the objectives of the program.

The City Council will not use public safety revenue measure funds to replace General Fund dollars budgeted for normal operations at the previous year's service levels. In the event of an economic emergency, the City Council may only alter this provision by a supermajority (4/5<sup>th</sup>) vote.

#### Economic Uncertainty Fund

Because the ¼ cent sales tax is used for essential public safety services that are needed during both good and bad economic times, the City Council will establish a contingency/reserve fund adequate to assure that services are maintained in the event sales tax revenues decline.

A contingency/reserve account will be established as follows: A contingency/reserve fund containing twenty-five (25) percent of the annually budgeted revenues will be established. In any given year when the reserve fund holds less than the required twenty-five (25) percent of annual revenues, the first use of funds will be to implement the plan's current year program and then establish the contingency/reserve fund in the first year and add to it in the following years.

In the event that actual revenues in any given year are less than budgeted revenues, the City Council may use the reserve fund to make up the difference between budgeted revenues and actual revenues.

#### Priorities if additional revenues are available

In the event that the contingency/reserve fund is fully funded and all annual planned expenditures have been implemented, the use of the additional unanticipated sales tax revenues will be used first to accelerate the implementation of the plan and then to provide additional public safety facilities, personnel, and new equipment to support the new personnel based on specific needs of the community.

### Planned Review

Five (5) years from the date this Public Safety Tax is passed by the voters, and every five (5) years thereafter, the City will review the success of the Measure and report on the impact it has made towards advancing the safety of the Citizens of Stockton. During this review the City Council may alter the revenue proportions that are given to police and fire (currently 50% to police and 50% to fire) with a majority vote of the Council; however, at no time shall the revenue proportions shift to greater than a 60% to 40% shift in either direction to police or fire.

## Public Safety ¼ Cent Sales Tax Expenditure Plan

<b>YEAR 1 Sales Tax Revenue</b>		<b>\$8,000,000</b>
	<b>Expenditure</b>	
<b>POLICE</b>		
Hire 12 new sworn for districts (10 officers, 2 sgts.)	740,000	
Purchase 8 marked patrol vehicles	448,000	
Purchase 10 portable radios for new officers	40,000	
Purchase officer safety equipment (gun/vest/etc) (12 @ \$2,500)	30,000	
Additional Gang/Drug/Youth Violence Suppression	180,000	
Purchase 4 vehicles for Gang/Drug/Youth Violence Suppression	224,000	
Purchase - vehicle/officer equip (car video systems/taser/etc)	<u>500,000</u>	
Total Police Year 1 Expenditures	2,162,000	
<b>FIRE</b>		
Hire 15 new Firefighter/Paramedics for new Northeast Fire Station	\$1,225,000	
Hire 1 new Fire Engineer for Training Division	\$166,000	
Purchase Safety Clothing (15 Firefighters @ \$1,200 each)	\$18,000	
Purchase of New Fire Engine for New Northeast Station	\$390,000	
Purchase of Safety Equipment for New Fire Engine **	<u>\$100,000</u>	
Total Fire Year 1 Expenditures	\$1,899,000	
Total Year 1 Expenditure		\$4,061,000
Ending Balance Year 1		\$3,939,000
<b>YEAR 2 Sales Tax Revenue</b>		<b>\$8,360,000</b>
Interest Earnings		<u>\$70,350</u>
Available Resources		\$12,369,350
<b>POLICE</b>		
Previous Years Additions (12 sworn)	1,250,000	
Previous Years Equipment Additions (ISF Rent)	255,000	
Hire 10 new sworn for districts (8 officers, 2 sgts.)	1,030,000	
Hire 2 new gang/youth crime investigators	220,000	
Purchase 10 marked patrol vehicles	560,000	
Purchase 2 unmarked vehicles for investigators	50,000	
Purchase 8 portable radios for new officers	32,000	
Purchase officer safety equipment (gun/vest/etc) (12 @ \$2,500)	30,000	
Additional Gang/Drug/Youth Violence Suppression	180,000	
Purchase 4 vehicles for Gang/Drug/Youth Violence Suppression	224,000	
Purchase 4 portable radios for Gang/Drug Suppression	<u>16,000</u>	
Total Police Year 2 Expenditures	3,847,000	
<b>FIRE</b>		
Previous year's additions (16 sworn positions)	\$1,550,000	
Hire 15 new Firefighter/Paramedics for new Northwest Fire Station	\$1,259,000	
Hire 3 new Firefighters for Truck No. 3	\$231,000	
Hire 1 new Firefighter for Training Division	\$137,000	
Purchase Safety Clothing (18 Firefighters @ \$1,200 each)	\$21,600	
Purchase of New Fire Engine for New Northwest Station	\$390,000	
Purchase of Safety Equipment for New Fire Engine **	<u>\$100,000</u>	

## Public Safety ¼ Cent Sales Tax Expenditure Plan

Total Fire Year 2 Expenditures	\$3,688,600	
Total Year 2 Expenditure		\$7,535,600
Ending Balance		\$4,833,750
<b>YEAR 3 Sales Tax Revenue</b>		
Interest Earnings		\$8,736,200
Available Resources		\$121,200
		\$13,691,150
<b>POLICE</b>		
Previous Years Additions (24 sworn)	2,560,000	
Previous Years Equipment Additions (ISF Rent)	505,000	
Hire 10 new sworn for districts (8 officers, 2 sgt.)	1,040,000	
Purchase 5 marked patrol vehicles	280,000	
Purchase 5 portable radios for new officers	20,000	
Purchase officer safety equipment (gun/vest/etc) (6 @ \$2,500)	15,000	
Total Police Year 3 Expenditures	4,420,000	
<b>FIRE</b>		
Previous years' additions (35 sworn positions)	\$3,551,000	
Total Fire Year 3 Expenditures	\$3,551,000	
Total Year 3 Expenditure		\$7,971,000
Ending Balance		\$5,720,150
<b>YEAR 4 Sales Tax Revenue</b>		
Interest Earnings		\$9,129,330
Available Resources		\$160,200
		\$15,009,680
<b>POLICE</b>		
Previous Years Additions (34 sworn)	3,700,000	
Previous Years Equipment Additions (ISF Rent)	595,000	
Hire 6 new sworn for districts (6 officers)	400,000	
Purchase 2 marked patrol vehicles	112,000	
Purchase 6 portable radios for new officers	24,000	
Purchase officer safety equipment (4 @ \$2,500)	10,000	
Total Police Year 4 Expenditures	\$4,841,000	
<b>FIRE</b>		
Previous years' additions (35 sworn positions)	\$3,963,000	
Hire 15 new Firefighter/Paramedics for new Southeast Fire Station	\$1,327,000	
Purchase Safety Clothing (15 Firefighters @ \$1,200 each)	\$18,000	
Purchase of New Fire Engine for New Southeast Station	\$390,000	
Purchase of Safety Equipment for New Fire Engine **	\$100,000	
Total Fire Year 4 Expenditures	\$5,798,000	
TOTAL EXPENDITURE YEAR 4		\$10,639,000
ENDING BALANCE		\$4,370,680



## Public Safety ¼ Cent Sales Tax Expenditure Plan

<b>YEAR 5 Sales Tax Revenue</b>		<b>\$9,540,148</b>
Interest Earnings		\$166,650
Available Resources		\$14,077,478
<b>POLICE</b>		
Previous Years Additions (40 sworn)	4,477,500	
Previous Years Equipment Additions (ISF Rent)	640,000	
Purchase 5 Motorcycles for additional Traffic Team	<u>125,000</u>	
Total Police Year 5 Expenditures	5,242,500	
<b>FIRE</b>		
Previous years' additions (50 sworn positions)	<u>\$5,904,000</u>	
Total Fire Year 5 Expenditures	\$5,904,000	
Total Year 5 Expenditure		\$11,146,500
Ending Balance		\$2,930,978

\*\* Radios, self-contained breathing apparatus, firehose, fire nozzles, axes, paramedic equipment, and other related safety equipment.

**DRAFT**

Resolution No. \_\_\_\_\_

**STOCKTON CITY COUNCIL**

**RESOLUTION SUBMITTING TO THE CITY OF STOCKTON'S QUALIFIED VOTERS AT THE GENERAL MUNICIPAL ELECTION A MEASURE SEEKING VOTER APPROVAL OF A SPECIAL TRANSACTIONS AND USE TAX OF ONE-QUARTER OF ONE PERCENT FOR THE PROVISION OF POLICE AND FIRE PROTECTION SERVICES; ESTABLISHING POLICIES AND PROCEDURES IN CONNECTION WITH SUCH AN ELECTION; REQUESTING THE SAN JOAQUIN COUNTY BOARD OF SUPERVISORS TO DIRECT THE COUNTY REGISTER OF VOTER TO CONDUCT THE ELECTION, WHICH SHALL BE CONSOLIDATED WITH THE ESTABLISHED ELECTION ON NOVEMBER 2, 2004; DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE MEASURE; AUTHORIZING ARGUMENTS AND THE FILING OF REBUTTAL ARGUMENTS FOR OR AGAINST THE MEASURE; AUTHORIZING THE CITY MANAGER TO APPROPRIATE THE FUNDS NECESSARY TO PAY THE CITY'S COST OF PLACING THE MEASURE ON THE ELECTION BALLOT; AND DIRECTING THE CITY CLERK TO TAKE STEPS NECESSARY TO PLACE THE MEASURE ON THE BALLOT AND TO CAUSE THE MEASURE OR ORDINANCE TO BE PRINTED**

**WHEREAS**, the City Council held a noticed public hearing on August 3, 2004 to consider calling a municipal election to seek voter approval of a proposed special sales tax to pay for police and fire protection services, as authorized by Revenue and Taxation Code section 7285.91; and

**WHEREAS**, the ratio of police officers to residents in Stockton is one of the lowest in the region including nearby cities such as San Jose, Sacramento, and Fresno. We need more officers on the streets to make Stockton safer; and

**WHEREAS**, preventing gang and drug related crimes is essential to creating safe neighborhoods in Stockton; and

**WHEREAS**, expanding neighborhood based policing will help make schools and parks safer; and

**WHEREAS**, the numbers tell the story. The number of calls answered by firefighters has grown by more than 600 percent over the past 25 years yet the fire department hasn't added personnel in that period. Stockton's firefighters answer twice as many calls as firefighters in other California cities. It makes sense to add more firefighters now; and

**WHEREAS**, it is important to ensure firefighters and paramedics are able to respond and react quickly to save lives in our community; and

**WHEREAS**, after holding the August 3, 2004, hearing, the City Council concluded that additional funding is necessary to maintain police and fire protection services; and

City Atty:  
Review \_\_\_\_\_  
Date July 28, 2004

**WHEREAS**, the tax to be submitted to the voters, if approved, would be imposed on retail transactions. The tax rate would be one-quarter of one percent (0.25%) of the value of the property. The tax revenue would be collected by the State Board of Equalization and remitted to the City. The tax shall be approved if at least two-thirds of the votes cast on the measure are affirmative. Proceeds from the tax could be used only to pay for police and fire protection services and related equipment and capital needs; and

**WHEREAS**, Elections Code Sections 9219 and 9282 set forth the procedures for arguments in favor of or in opposition of any City measure; and

**WHEREAS**, Elections Code Sections 9220 and 9285 set forth the procedures for rebuttal arguments; and

**WHEREAS**, based on all of the information presented at the August 3, 2004 meeting, both written and oral, including the staff reports, minutes, and other relevant materials, the City Council finds that under CEQA Guidelines 15060(c)(2) and 15378, subdivisions (2) and (4) of subdivision (b), this tax does not constitute a project under CEQA and therefore review under CEQA is not required; now, therefore,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:**

Section 1. Pursuant to Elections Code Section 9222, the City Council of the City of Stockton hereby calls an election at which it shall submit to the qualified voters of the City of Stockton, a measure that, if approved, would adopt a special transactions and use tax to fund police and fire protection services, as authorized by Revenue and Taxation Code section 7285.91. This measure shall be designated by letter by the San Joaquin County Registrar of Voters. Pursuant to Election Code Section 10400 *et seq.*, the election for this measure shall be consolidated with the established election to be conducted on November 2, 2004.

Section 2. The ballot language for the proposed measure shall be as follows:

<b>MEASURE : THE STOCKTON, SAFE NEIGHBORHOOD GANG AND DRUG PREVENTION, POLICE/FIRE RESPONSE MEASURE</b>		
In order to improve the responsiveness of hazardous material/bomb squads, prevent/reduce gang and drug-related crimes, expand neighborhood-based policing with foot and bike patrols, provide additional firefighters, paramedics, police, and school resource officers, increase patrols around schools and parks, shall the City of Stockton enact a one-quarter cent sales tax with a citizens' oversight committee and independent annual financial audit?"	<b>YES</b>	
	<b>NO</b>	

Section 3. The ordinance authorizing the special tax to be approved by the voters pursuant to Section 2 is as set forth in Attachment 1 hereto. The City Council hereby approves the ordinance, the form thereof, and its submission to the voters of the City at the November 2, 2004 election, as required by Revenue and Taxation Code section 7285.91, subject to the approval of the voters at the election called by the adoption of this resolution.

Section 4. The City Clerk is hereby directed to cause notice of the measure to be published once in The Record, the official newspaper of the City of Stockton, in accordance with Section 12111 of the Elections Code and Section 6061 of the Government Code.

Section 5. (a) An election on the measure set forth in Section 2 shall be held in the City of Stockton on Tuesday, November 2, 2004. The City Council requests that the Board of Supervisors of San Joaquin County consolidate the election on the measure with the established election on the same day. The City Clerk is directed to file a certified copy of this resolution with the Board of Supervisors of San Joaquin County and the Registrar of Voters of San Joaquin County on or before August 6, 2004.

(b) The election on the measure set forth in Section 2 shall be held and conducted, the votes canvassed and the returns made, and the results ascertained and determined as provided for herein. In all particulars not prescribed in this resolution, the election shall be held as prescribed in the Charter of the City. In all particulars not provided for in the Charter, the election shall be held as provided by law for the holding of primary municipal elections in the City of Stockton, and otherwise in accordance with the Elections Code of the State of California.

(c) The election for the measure set forth in Section 2 shall be held in San Joaquin County in the City of Stockton on November 2, 2004, as required by law, and the Board of Supervisors of the County of San Joaquin is authorized to canvas the returns of that election with respect to the votes cast in the City of Stockton and certify the results to the City Council of the City of Stockton.

(d) At the next regular meeting of the City Council of the City of Stockton occurring after the returns of the election for the measure set forth in Section 2 have been canvassed and the certification of the results to the City Council, the City Council shall cause to be entered in its minutes a statement of the results of the election.

Section 6. (a) The last day for submission of direct arguments for or against the measure shall be by 5:00 p.m. on August 13, 2004.

(b) The last day for submission of rebuttal arguments for or against the measure shall be by 5:00 p.m. on August 23, 2004.

(c) Direct arguments shall not exceed three hundred words and shall be signed by not more than five persons.

(d) Rebuttal arguments shall not exceed two hundred fifty words and shall be signed by not more than five persons; those persons may be different persons than the persons who signed the direct arguments.

(e) The City Attorney shall prepare an impartial analysis of the measure, not to exceed five hundred words, showing the effect of the measure.

(f) The Mayor is hereby authorized to prepare a written argument in favor of the proposed ordinance, not to exceed 300 words, on behalf of the City Council. At the Mayor's discretion, the argument may also be signed by bona fide associations or by individual voters who are eligible to vote.

(g) Pursuant to Section 9285 of the California Elections Code, when the City Clerk has selected the arguments for and against the Measure, which will be printed and

distributed to the voters, the City Clerk shall send copies of the argument in favor of the Measure to the authors of the argument against, and copies of the argument against to the authors of the argument in favor. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument, which it seeks to rebut.

Section 7. The City Manager is hereby authorized and directed to appropriate the necessary funds to pay for the City's cost of placing the Measure on the election ballot.

Section 8. The City Clerk is hereby authorized and directed to take all steps necessary to place the Measure on the ballot and to cause the Ordinance or Measure to be printed. A copy of the Ordinance or Measure shall be made available to any voter upon request.

PASSED, APPROVED and ADOPTED \_\_\_\_\_.

\_\_\_\_\_  
GARY A. PODESTO  
Mayor of the City of Stockton

ATTEST:

\_\_\_\_\_  
KATHERINE GONG MEISSNER  
City Clerk of the City of Stockton