



Annual Report

For the 2008-2009 Fiscal Year

City of Stockton Measure W Citizens Oversight Committee

Oversight Committee Review of Expenditures

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The Measure W program completed its fifth fiscal year on June 30, 2009. The Annual Report by the Citizens Oversight Committee describes expenditures and accomplishments during the fiscal year started July 1, 2008 and ending June 30, 2009. Measure W provides funding for Public Safety services through a one quarter cent sales tax. The role of the Citizens Oversight Committee is to determine whether the revenues and expenditures of the Measure W program are consistent with the goals and plans presented to voters in 2004.



Police Officers at a Community Event

Measure W funded an average of 39 police officer positions and 27 fire fighter positions during Fiscal Year 2008-09. A total of \$10,165,302 was expended from the Measure W fund during the fiscal year. Ninety percent of the Measure W expenditures went to salary and benefit costs of Police and Fire personnel performing Measure W tasks. Training, equipment, and supplies accounted for 7% of the funds spent. The remaining 3% paid for collection fees, insurance, and other overhead costs.



Measure W Funded Fire Vehicles

Due to a declines in consumer spending throughout Fiscal Year 2008-09, Measure W revenues came in 15% less than budgeted. As a result, expenditures were \$2,098,442 more than revenues in the fiscal year. The Measure W program had to use some of the funds set aside in the Economic Uncertainty Reserve to fund existing positions in Fiscal Year 2008-09. This reduced the reserve fund to \$225,428 from \$1,548,700. The Economic Uncertainty Fund will be built back up

when sales tax revenues stabilize and begin to increase.

After reviewing the audited financial reports and discussing the expenditures with the responsible staff the Committee has determined that the expenses from the Measure W fund were for the purposes of enhancing public safety and were consistent with the purposes set forth in Measure W.

Citizens Comments

To find out more about Measure W:

Police 937-8217
email: police@ci.stockton.ca.us

Fire 937-8801
email: fire@ci.stockton.ca.us

Measure W Citizens Oversight Committee

Chair Gary Giovanetti	Rod Mendoza
Wayne Hernandez	Mitzi Stites
David Jimenez	Tony Washington

Fire Department Message



Measure W funding continues to make it possible to provide improved staffing and response times in north Stockton, improved firefighter staffing in south Stockton, and improved training for all fire personnel who drive the fire engines. In Fiscal Year 2008-09 Measure W funded 28 firefighter positions including a firefighter and engineer position intended to be assigned to the Division of Training. Unfortunately, due to the continued negative economic conditions, the Fiscal Year 2008-09 Measure W revenue shortfall meant that one of the 28 firefighter positions had to be funded by the Fire Department General Fund. The two Division of Training firefighters were returned to the Fire Suppression division also due to budget problems. Even as Measure W revenues decrease, the program is still a resounding success.

Measure W funds allowed the Fire Department to open Engine Company 13 in March 2005 to serve northeast Stockton and Truck Company 7 in March 2006 to serve north Stockton. The additional line personnel allows for greater efficiency and effectiveness in responding to emergencies throughout the City. The firefighter positions in the Division of Training allowed the division to improve training practices and add improved focus on the wellness and fitness of firefighters. Measure W funds have had, and will continue to have, a lasting positive effect on emergency response to the citizens of Stockton.



Ron Hittle, Fire Chief

Sales Tax Revenues

Sales tax revenues continued to decline in FY 2008-09 due to drops in fuel prices and lower demand for autos, building materials, and consumer goods. The table below shows the sales tax receipts from the Measure W Public Safety one-quarter cent sales tax for each quarter in FY 2008-09 and the % change from the same quarter in the prior year.

Collection Period	Sales Tax Revenue	% Change from Prior Year
July-Sept. 2008	\$ 2,208,016	-8%
Oct.-Dec. 2008	\$ 2,174,940	-9%
Jan.-Mar. 2009	\$ 1,721,523	-21%
April-Jun. 2009	\$ 1,797,805	-21%
Total	\$ 7,902,284	-14%

How were Measure W Funds Spent?

The Police Department and Fire Department spent Measure W Funds on the following items:

Police Expenditures	Description	Amount
Salary & Benefits	39 Police Officers	\$ 4,911,572
Vehicle Maintenance and Fuel Charges	31 Patrol Cars	\$ 535,318
Tax Collection & Audit Fees	5 Quarters	\$ 124,831
Liability Insurance		\$ 62,881
Radio Equipment Maintenance	28 Radios	\$ 55,456
Officer Equipment & Training	Body Armor, Uniforms, Weapons, etc.	\$ 14,959
Total Police Expenditures		\$ 5,705,017

Fire Expenditures	Description	Amount
Salary & Benefits	27 Firefighters	\$ 4,212,074
Tax Collection & Audit Fees	5 Quarters	\$ 124,831
Vehicle Maintenance and Fuel Charges	1 Fire Engine	\$ 68,786
Liability Insurance		\$ 54,594
Total Fire Expenditures		\$ 4,460,285

Police Department Message



As of June 30, 2009, all 40 of the Measure W positions were filled. On that date there were 36 Police Officers, 2 Sergeants, and 2 Lieutenants permanently funded. Measure W has created an increase in Police presence throughout Stockton, and this has influenced the reduction in crime over the past three years, helping to provide a safer community for all.

Measure W Officers participate in enforcement teams such as the Kentfield Action, Special Weapons and Tactics (SWAT), and Mobile Field Force; and are assigned to the Equestrian and Field Training Officer Programs. One Officer is assigned as a Motorcycle Officer in the Traffic Section.

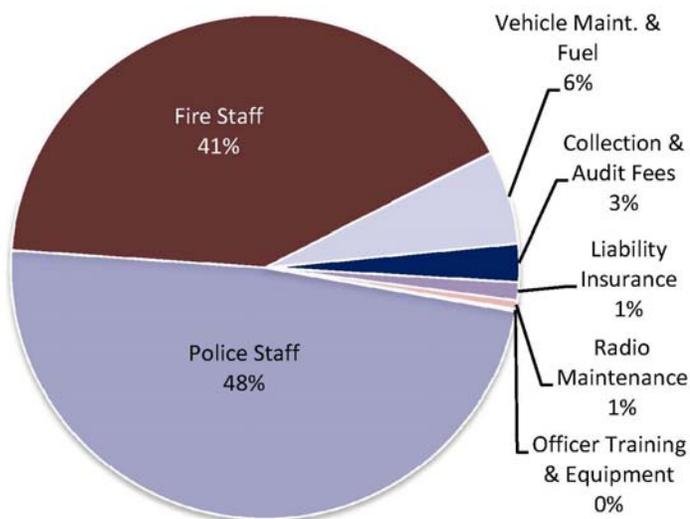
As a result of the economic downturn for the City of Stockton, Measure W revenues have declined and less funding is available for Police Officers. In an effort to keep the Police Department from spending more funds than collected, Measure W Officers who were transferred out of Patrol to other division and Officers leaving the department are not being replaced. At the end of the 2008-09 Fiscal Year the decision was made to adjust the number of sworn Officer positions funded by Measure W to meet declining revenues. This resulted in 22 positions funded to begin Fiscal Year 2009-10. As revenue figures are updated during the year the number of sworn officers funded by Measure W will be adjusted to meet staffing and budget concerns.

Blair Ulring, Police Chief



Measure W Expenditure Pie Chart

2008-09 Expenditures

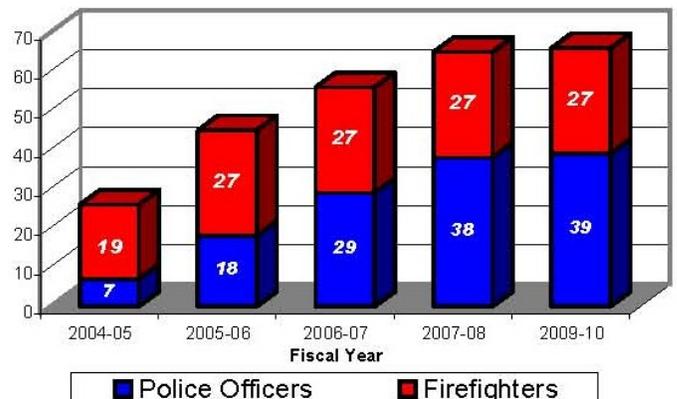


Public Safety Staffing

Fire Department staffing reached 28 in FY 2008-09 but had to be reduced by 1 to adjust for lower than expected revenues.

The Police Department had 40 filled positions for most of FY 2008-09 but had to reduce staffing to 39 because of lower than expected revenues.

The graph below shows the average Measure W funded staffing levels for the last five fiscal years.



External Audit Report 2008-09

Measure W requires that an independent financial audit be performed on Measure W expenditures. For 2008-09 the City again retained the firm of Macias Gini & O'Connell, LLP to perform the audit. The *Schedule of Revenues, Expenditures and Changes in Fund Balance-Measure W Public Safety Tax Fund for the year ended June 30, 2009* is presented below:

	Police	Fire	Other	Total
Revenues:				
Sales tax - Measure W	\$ 3,960,681	\$ 3,960,681	\$ -	\$ 7,921,362
Interest income	-	-	(16,587)	(16,587)
Net decrease in fair value of investments	-	-	(5,737)	(5,737)
Refunds and reimbursements	-	-	167,823	167,823
Total revenues	<u>3,960,681</u>	<u>3,960,681</u>	<u>145,499</u>	<u>8,066,861</u>
Expenditures - Public Safety:				
Payroll:				
Salaries	2,490,790	2,159,757	-	4,650,547
Benefits	2,420,782	2,052,317	-	4,473,099
	<u>4,911,572</u>	<u>4,212,074</u>	<u>-</u>	<u>9,123,646</u>
Products and Services Purchased:				
Tax collection fee	120,150	120,150	-	240,300
Sales tax review services	4,681	4,681	-	9,362
Liability insurance	62,881	54,594	-	117,475
Patrol fleet changes	447,162	62,704	-	509,866
Radio rentals	55,456	-	-	55,456
Academy uniforms	510	-	-	510
Fuel charges	85,929	6,082	-	92,011
Body armor	6,738	-	-	6,738
Duty weapon, accessories, helmets, and handcuffs	6,657	-	-	6,657
Reimburse officer for training cost	1,055	-	-	1,055
	<u>791,219</u>	<u>248,211</u>	<u>-</u>	<u>1,039,430</u>
Total expenditures	<u>5,702,791</u>	<u>4,460,285</u>	<u>-</u>	<u>10,163,076</u>
Excess of revenues over (under) expenditures	<u>(1,742,110)</u>	<u>(499,604)</u>	<u>145,499</u>	<u>(2,096,215)</u>
Other Financing Uses:				
Transfer out - City Central Garage Internal Service Fund	<u>(2,227)</u>	<u>-</u>	<u>-</u>	<u>(2,227)</u>
Net Change in Fund Balance	(1,744,337)	(499,604)	145,499	(2,098,442)
Fund Balance, Beginning of the Year	<u>1,653,290</u>	<u>375,817</u>	<u>294,763</u>	<u>2,323,870</u>
Fund Balance (Deficit), End of the Year	<u>\$ (91,047)</u>	<u>\$ (123,787)</u>	<u>\$ 440,262</u>	<u>\$ 225,428</u>

Auditor's Comments

The Independent Auditor Report on Internal Control over Financial Reporting and on Compliance and Other Matters section of the auditor's report reached two conclusions: "We did not identify any deficiencies in internal controls over financial reporting that we consider to be material weaknesses." And, "The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards." The detailed audit financial summary is shown above.