

CITY OF SAN BERNARDINO – REQUEST FOR COUNCIL ACTION

From: Judith Valles, Chairperson
Measure Z Committee

Subject: Report from the Measure Z
Oversight Committee on Uses of Measure Z
Funds – April 1, 2007 through June 30, 2007

Date: March 20, 2008

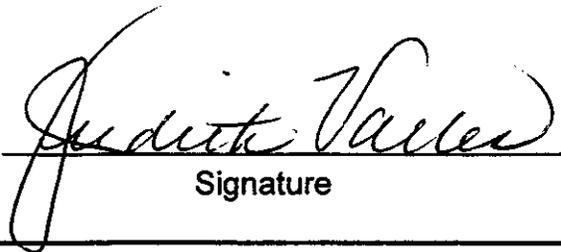
M/CC Meeting Date: April 21, 2008

Synopsis of Previous Council Action:

March 5, 2007 – Mayor and Common Council adopt Roles and Responsibilities for the Measure Z Oversight Committee

Recommended Motion:

That the report from the Measure Z Oversight Committee on Uses of Measure Z Funds – April 1, 2007 through June 30, 2007 be received and filed.



Signature

Contact person: Fred Wilson **Phone:** 5122

Supporting data attached: staff report, report **Ward:** All

FUNDING REQUIREMENTS: **Amount:** none

Source: (Acct. No.)

(Acct. Description)

Finance: _____

Council Notes: _____

4/21/08

Agenda Item No. 37

STAFF REPORT

Subject:

Report from the Measure Z Oversight Committee on Uses of Measure Z Funds – April 1, 2007 through June 30, 2007

Background

Measure Z was approved by the voters of San Bernardino on November 7, 2006. The measure enacted a .25% district tax for a period of fifteen (15) years, beginning April 1, 2007. Voters also approved the advisory Measure YY, which stated that the proceeds of Measure Z “be used only to fund more police officers and support personnel, and to fund anti-gang and anti-crime operations, including drug resistance education and supervised after-school youth activities.”

Section 18 of Ordinance MC-1229, which was enacted by the voter approval of Measure Z, required the creation of a Citizen’s Advisory Committee. This section states:

Section 18. Citizen’s Advisory Committee. The Mayor and Common Council shall create a Citizen’s Oversight Committee, which shall review the expenditure of proceeds of the taxes imposed by this ordinance and report on those expenditures to the voters of the City at least once a year.

On March 11, 2008, the Oversight Committee adopted the attached report regarding the first fiscal year of Measure Z funds, which was for the period of April 1 through June 30, 2007. The Committee also asked that it be forwarded to the Mayor and Council for receipt and filing.

Financial impact:

None

Recommendation:

That the report from the Measure Z Oversight Committee on Uses of Measure Z Funds – April 1, 2007 through June 30, 2007 be received and filed.

**CITY OF SAN BERNARDINO
INTEROFFICE MEMORANDUM**

To: Voters of the City of San Bernardino

From: Measure Z Oversight Committee

Subject: **Report on Uses of Measure Z Funds – April 1, 2007 through June 30, 2007**

Date: February 26, 2008

Copies: Mayor and Common Council

Background

Measure Z was approved by the voters of San Bernardino on November 7, 2006. The measure enacted a .25% district tax for a period of fifteen (15) years, beginning April 1, 2007. Voters also approved the advisory Measure YY, which stated that the proceeds of Measure Z “be used only to fund more police officers and support personnel, and to fund anti-gang and anti-crime operations, including drug resistance education and supervised after-school youth activities”.

Section 18 of Ordinance MC-1229, which was enacted by the voter approval of Measure Z, required the creation of a Citizen’s Advisory Committee. This section states:

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On February 5, 2007, the Mayor and Common Council charged the Citizen’s Advisory Committee (now known as the Measure Z Oversight Committee) with meeting, organizing, and electing officers and reviewing the Committee’s charge. At our first meeting on February 13, 2007, the Committee unanimously approved a document further defining and clarifying our Roles and Responsibilities, which was also approved by the Mayor and Common Council on March 5, 2007.

The adopted Roles and Responsibilities of the Oversight Committee are as follows:

- Review the expenditure plan for proceeds from Measure Z funds beginning in FY 2007-08
- Monitor plans and expenditures to ensure that funds are spent in accordance with Measure YY
- Report to the voters of the city at least once a year regarding the revenues and expenditures of Measure Z funds

- Review an annual Measure Z financial report to ensure that funds are spent in accordance with Measure YY
- Review Measure Z 5-year expenditure plan focusing on suppression, intervention and prevention

On March 5, 2007, the Mayor and Council adopted a Measure Z Expenditure Policy. This Expenditure Policy specifies that funds will be spent in accordance with the advisory Measure YY. It also establishes programs budgeted in FY 06-07 as the baseline budget for the Police Department, and states that Measure Z funds will not supplant expenditures within that baseline, with some limited exceptions for specific programs that could not be continued without Measure Z funding.

The expenditure policy states that Measure Z funds will be used to fund the incremental cost of the 14 sworn and 3 non-sworn Police Department positions created in FY 06-07. These positions were added but only partially funded in the FY 06-07 budget, which reflected the phased-in hiring of the employees to fill these new positions. The additional (incremental) cost to fully fund these 17 positions in FY 07-08 will be approximately \$668,100, which will be funded through Measure Z. The remaining cost for these positions will remain funded through regular General Fund resources.

Auditor's Report for Fiscal Year 2006-07

At our request, the City's auditors were engaged to provide a separate Independent Auditor's Report on Measure Z proceeds. Since the tax became effective on April 1, 2007, this report covers only the period from April 1 through June 30, 2007.

A copy of the report prepared by Rogers, Anderson, Malody & Scott LLP (RAMS) is attached for your review. In summary, the report found that revenues were properly recorded, and expenditures were in keeping with the uses outlined by Measure YY and the Measure Z Expenditure Policy. Highlights of the report are as follows:

- All receipts of the voter approved transaction and use tax were properly recorded in the general fund of the City
 - Adequate supporting documentation existed for selected items and the expenditures related to the specific projects stated in the Measure
 - No unallowable costs were charged to Measure Z
 - Salaries charged to Measure Z were reasonable in relation to the activities and duties performed by the related personnel

At our meeting of February 12, 2008, the RAMS audit personnel provided us with an overview of their report. RAMS noted no issues or concerns as a result of the audit. We received and filed the report on that same date.

Report on Expenditures of Measure Z Funds

The Measure Z Oversight Committee found that the expenditures did not supplant existing services, but enhanced them. During this reporting period, Measure Z funds were used for crime

suppression, recruitment, and administrative activities. The following summarizes the revenues and expenditures during FY 2007-08 by general category of use:

REVENUES

District Sales Tax **1,162,882**

Recruitment expenditures:

Recruitment & Travel – travel for college career nights, radio/newspaper ads, billboards	\$ 51,645
Background Investigations	\$ 9,007
Scantron Quick Score Machine	<u>\$ 5,722</u>
Subtotal	\$ 66,374

Crime suppression expenditures:

Safety Overtime-Crime Impact Teams	\$ 547,909
Helicopter Services contract	\$ 211,774
Garage Charges – fuel and vehicle maintenance for Crime Impact Team vehicles	\$ 37,800

Supplies and small equipment -

Nextel phone car kit	\$ 86
Office Depot – Vertical File	\$ 114
Flight Suit for Helicopter Observer	\$ 234

Capital Outlay -

Partial pay for Ballistic Vests	\$ 49,656
Equipment for 10 Patrol Cars – cages, door panels, bumpers, seats, etc	\$ 14,607
10 Priority Start! ProMax Software	\$ 1,061
6 each Helicopter Helmets, suites battery packs, earphones, etc	\$ 8,984
10 Secure-Idle devices	<u>\$ 1,252</u>
Subtotal	\$ 873,477

Administrative expenditures:

State Board of Equal. Fees	\$ 110,667
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TOTAL EXPENDITURES 1,050,518

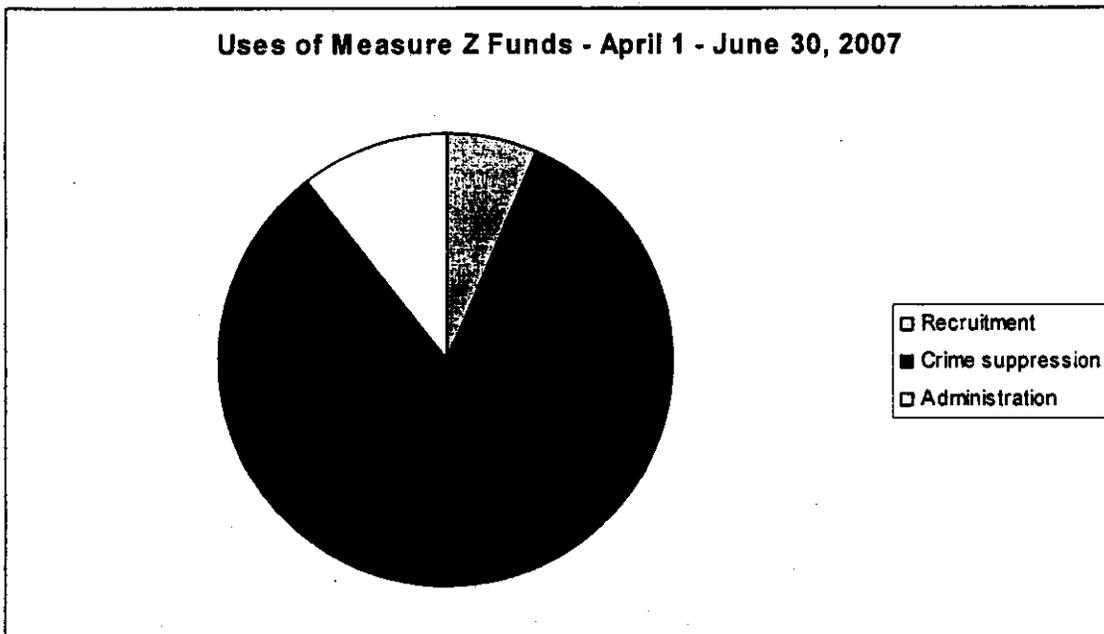
ENDING BALANCE – June 30, 2007 112,364

As the chart indicates, most of the funds uses during this period were used for crime suppression activities. This included officer overtime for Crime Impact Teams, the helicopter services contract, ballistic vests for officers, and other miscellaneous related equipment, supplies, and small technology purchases. The total expenditure on crime suppression activities and related support was \$873,477.

A total of \$66,374 was spent during this reporting period on recruitment efforts. Enhanced recruitment efforts have been a focus of the City, as the competition continues to be significant among law enforcement agencies for qualified police officers. This expenditure category includes travel to career fairs, advertising costs, and equipment.

The third category of expenditures is the administrative expenditures related to the collection and administration of Measure Z. The State Board of Equalization (BOE) charged the City \$110,667 to begin the collection and administration of the tax. We understand that in future years this administrative charge will likely be reduced.

The following chart illustrates the uses of the funds between these three categories of expenditures:



Thank you for the opportunity to serve on this important Committee, and to provide you with this first report regarding Measure Z expenditures. We look forward to continuing to work with the Mayor and Council to help reduce crime and improve the quality of life in our community.