



CITY OF CRESCENT CITY

Chair Ernie Perry
Committee Member Steve Shamblin

Vice Chair Dana Reno
Committee Member Candace Tinkler

AGENDA
SPECIAL MEASURE S OVERSIGHT COMMITTEE MEETING
WASTEWATER TREATMENT FACILITY
210 BATTERY STREET
CRESCENT CITY, CA 95531

WEDNESDAY MARCH 1, 2023 5:30 P.M.

ZOOM PHONE NUMBER: (253) 215-8782

WEBINAR ID: 882 1260 5311

**MUTE / UNMUTE PRESS *6
RAISE HAND PRESS *9**

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- 1) Attend the meeting in person, public comment at the podium will be allowed.
- 2) Participate live online via Zoom (details below) or by utilizing the link to join the meeting posted on both the City of Crescent City – City Hall Facebook page and the City of Crescent City website (), public comment may be made by using the raise hand feature on Zoom;
- 3) Watch the meeting via livestream on YouTube (channel: City of Crescent City, California), public comment may be made by calling in to the meeting using the Zoom phone number;
- 4) Public comments may be made in advance by submitting written comment via publiccomment@cityofcrescentcity.org or by filing it with the City Clerk at 377 J Street, Crescent City, California, 95531. All public comments (via email or mail) must be received by the City Clerk prior to 12:00 p.m. the day of the meeting. Please identify the meeting date and agenda item to which your comment pertains in the subject line. Public comments so received will be forwarded to the Measure S Oversight Committee Council and posted on the website next to the agenda. **Written public comments will not be read aloud during the meeting.**

Notice regarding Americans with Disabilities Act: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, please contact the City Clerk's office at (707)464-7483, ext. 223. Notification 48 hours before the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting [28 CFR 35.102-35.104 ADA Title II]. For TTYDD use for speech and hearing impaired, please dial 711. A full agenda packet may be reviewed at City Hall, 377 J Street, Crescent City, CA or on our website: www.crescentcity.org

OPEN SESSION

**Call to order
Roll call
Pledge of Allegiance**

PUBLIC COMMENT PERIOD

Any member of the audience is invited to address the Measure S Oversight Committee on any matter that is within the jurisdiction of the City of Crescent City. Comments of public interest or on matters appearing on the agenda are accepted. Note, however, that the Committee is not able to undertake extended discussion or act on non-agendized items. All comments shall be directed toward the entire Committee. Any comments that are not at the microphone are out of order and will not be a part of the public record. After receiving recognition from the Chair, please state your name and city or county residency for the record. Public comment is limited to three (3) minutes. The public is additionally allotted three minutes each in which to speak on any item on the agenda prior to any action taken by the Committee.

CONSENT CALENDAR

1. Meeting Minutes

- *Recommendation: Consider and approve the December 21, 2022 Measure S Oversight Committing meeting minutes and the January 30, 2023 Joint City Council/Measure S Oversight Committee meeting minutes.*

NEW BUSINESS

2. Measure S Oversight Committee Annual Report for Fiscal Year 2021/22

- *Recommendation: Hear staff report*
- *Technical questions from the Council*
- *Receive public comment*
- *Further Committee discussion*
- *Approve and adopt Resolution No. MS2023-02, A RESOLUTION OF THE CRESCENT CITY MEASURE S OVERSIGHT COMMITTEE APPROVING A REPORT ON MEASURE S FUNDS FOR FISCAL YEAR 2021-22*

MEASURE S OVERSIGHT COMMITTEE ITEMS

➤ City Manager Report

ADJOURNMENT

Adjourn to the next meeting of the Measure S Oversight Committee, 5:30 p.m., Wednesday, March 29, 2023, Wastewater Treatment Facility conference room, 210 Battery Street, Crescent City, CA.

POSTED:

February 28, 2023

/s/ Robin Altman

City Clerk/Administrative Analyst

Vision:

The City of Crescent City will continue to stand the test of time and promote quality of life and community pride for our residents, businesses and visitors through leadership, diversity, and teamwork.

Mission:

The purpose of our city is to promote a high quality of life, leadership and services to the residents, businesses, and visitors we serve. The City is dedicated to providing the most efficient, innovative and economically sound municipal services building on our diverse history, culture and unique natural resources.

Values:

Accountability
Honesty & Integrity

Excellent Customer Service
Effective & Active Communication
Teamwork
Fiscally Responsible



CITY OF CRESCENT CITY

Chair Kelly Schellong
Committee Member Emery Mattz

Vice Chair Ernie Perry
Committee Member Dana Reno

MINUTES
SPECIAL MEASURE S OVERSIGHT COMMITTEE MEETING
WASTEWATER TREATMENT FACILITY
210 BATTERY STREET
CRESCENT CITY, CA 95531

WEDNESDAY DECEMBER 21, 2022 5:30 P.M.

OPEN SESSION

Call to order Chair Schellong called the meeting to order at 5:38 p.m.

Roll call Committee Members present: Committee Member Emery Mattz, Committee Member Dana Reno, Vice-Chair Ernie Perry, and Chair Kelly Schellong
Staff members present: City Manager Eric Wier, City Clerk/Administrative Analyst Robin Altman, Economic Development and Recreation Director Ashley Taylor, Human Resources Manager Sunny Valero (via Zoom), Senior Parks Maintenance Worker/Field Safety Officer Kim Smith, Fire Chief Kevin Carey, Sergeant Alex Pearson, Sergeant Anthony Lopez, Police Officer Ethan Miller, Police Officer Connor Sperling, Police Recruit Jordan Fillippa and Police Chief Richard Griffin

Pledge of Allegiance led by Fire Chief Carey

PUBLIC COMMENT PERIOD

The following residents addressed the Committee:

Sergeant Anthony Lopez: thanked the residents of the City who passed Measure S as it has given the police department vital equipment that has been already proven to help with officer safety.

Chief Griffin reported to the Committee Officer Sperling's addition to the police department and that he is the PD's first recruit in the Academy Program CCPD has implemented.

Connor Sperling: he spoke on how Measure S made it possible for him to attend the police academy to be hired for Crescent City Police Department.

Chief Griffin reported to the Committee that Police Recruit Jordan Fillippa who was selected to attend the next police academy. He further stated that Samantha Aguirre is already enrolled in College of the Sequoias Police Academy and is another recruit for CCPD.

Jordan Fillippa: spoke to the Council about being a local and the gratefulness he has for working for the Crescent City Police Department.

CONSENT CALENDAR

1. Committee Meeting Minutes

- *Recommendation: Approve the August 18, 2022 meeting minutes of the Measure S Oversight Committee.*

There were no public comments.

On a motion by Committee Member Mattz, seconded by Vice-Chair Ernie Perry, and carried unanimously, the Measure S Oversight Committee approved the August 18, 2022 meeting minutes of the Measure S Oversight Committee.

NEW BUSINESS

2. Receive an Update on Measure S Unaudited FY22 Revenues, Expenditures, and Capital Improvement Projects

City Manager Wier stated that 77% of the community members voted to keep Measure S in place by voting no on Measure T. He outlined how the funds have already helped the community. He introduced Dennis Dong, an architect with CHD, that will be responsible for doing the Police Department Facility Improvement Project. Mr. Dong spoke about how he has done several public safety facilities and his preference for working for a small community. He went over his proposed design plans for the Crescent City Police Department. Chief Griffin went over the parts of the project that will give the officers a good break room so they can get the rest they need in between calls. There will also be extra parking and a training room on site so the in-house perishable training can be done. *Committee Member Mattz left the room at 6:05 p.m. and returned momentarily.* City Manager Wier stated that one of the requests will be the approval of \$20k for additional structural and geotechnical reports for the PD Facility Improvement Project. Mr. Dong stated that the current building was not built for the California Accessibility Act and has accessibility issues that need to be addressed. He met with Chief Griffin to go over the plan that will resolve the accessibility issues. Vice-Chair Perry asked if the drainage on F Street would be a problem for this project; Mr. Dong stated that will be reviewed. City Manager Wier stated that a geotechnical report will be done. Committee Member Reno asked about the overhead cover for the officers in the parking lot; Chief Griffin stated that will be in a future plan. Chair Schellong asked if the PD could use the WWTP conference room for training; Chief Griffin stated that it could be used for training in the meantime. Chief Carey reported to the Committee that at the beginning of January or February the Fire Captains will be selected. He also reported on the training, equipment and stipend changes that have been implemented. Chair Schellong asked about the SCBA bottle and if they had been purchased yet; Chief Carey stated that they had not but will be soon. City Manager Wier stated that the thermal imaging cameras may have a EOC funding component. City Manager Wier went over the FY21/22 Budget-to-Actual: Fund Balance 6/31/21: \$332,467; the FY21/22 Revenue: Budget: \$2million – actual \$2,248,000; FY21/22 Expenses: Budget: \$2,335,878 – actual \$2,175,182 and there are unallocated funds 6/30/22 of \$405,485. The FY21/22 Budget-to-Actual for the Fire Department: Budget - \$226,333 – actual - \$185,796. For the Police Department – Budget - \$229,579 – actual - \$223,293. The FY21/22 Budget-to-Actual for Streets: budget - \$981,233 – actual - \$929,419. For the Pool – budget - \$891,233 – actual - \$832,375. Vice-Chair Perry stated that he doesn't believe the CCPD project can be done with the additional \$20k for the additional structural and geotechnical reports for the PD and expects a request for more funding.

3. Amendment to the FY22-23 Police and Fire Department Measure S Budget Recommendations

- *Recommendation: Hear staff presentation regarding proposed FY22-23 Measure S Budget Amendment Recommendations to include:*

- a. *Additional fire department related expenditures in the amount of \$7,500 for thermal imaging cameras, \$11,500 for radios, and \$12,500 for Utility Skid Mounted Pump (requested by Chief Carey); and*
 - b. *Additional Police Department related expenditures in the amount of \$20,000 for additional structural and geotechnical reports for the Police Department facility Improvement Project, \$17,000 for a forensic cell phone analyzer, \$36,000 for non-contact substance analyzer, and \$7,600 for a part time (10 hours / week) Police Records Specialist (requested by Chief Griffin)*
- *Technical questions from the Oversight Committee*
 - *Receive public comment*
 - *Further Committee discussion*
 - *Approve and adopt Resolution No. MS2022-04, A RESOLUTION OF THE CRESCENT CITY MEASURE S OVERSIGHT COMMITTEE AMENDING THE COMMITTEE'S RECOMMENDATION FOR FY22-23 MEASURE S EXPENDITURES*

The Committee was in unanimous consensus for the \$20k expenditure for additional structural and geotechnical reports for the Police Department Facility Improvement Project.

City Manager Wier gave a presentation on the FY 22/23 budget. He gave the Committee an update on current funding sources from the State. *Chair Schellong left the meeting at 6:45 p.m.* Chief Carey reported to the Committee the needs of the Department and what is being requested of the Measure S Oversight Committee to approve the expenditures. The Utility Skid Mounted Pump will give the fire department more flexibility and better productivity to fight fires. Vice-Chair Perry asked if this will fit in the current vehicles; Chief Carey answered in the affirmative. He reported to the Committee the thermal imaging cameras that are being requested for funding and showed an old one to the Committee. He stated this piece of equipment is vital to help firefighters fight fires and rescue people who may be inside buildings. The newest camera they have is 6-7 years old and currently, other departments are being relied on for thermal imaging. Vice-Chair Perry asked how many they will be able to purchase for that amount; Chief Carey stated that they will get twelve, Crescent Fire Protection District will assist in the funding. Vice-Chair Perry asked if the radios will have an EOC grant match; Chief Griffin explained that there is that funding available and explained how it would work. He reported to the Committee what the non-contact substance analyzer was and showed an example. Field Safety Officer Smith explained why the old test kits are no safe for the officers to use due to the chemicals within them and the exposure possibilities that exist. The machine that is being proposed for purchase will test the drug right through the bag. Committee Member Reno asked if there would be an initial training available as well as ongoing training, will there also be a need for calibration often; Chief Griffin stated that there will be training. Committee Member Reno stated that this is a necessary purchase for officer safety. Chief Griffin then explained the request for the forensic cell phone analyzer and how it will be used by the officers to help in the investigation of crimes. This will be a shared cost between the police department, sheriff's department and District Attorney's office. IT will be certified to be able to work on this equipment. Committee Member Reno asked if the \$17k was the split between the City, County, and DA; Chief Griffin stated that it is the full yearly cost of the project. Committee Member Mattz asked how many times this will be used and will it go over budget; Chief Griffin stated that he has areas in his budget that can cover it, but he doesn't expect for that to occur. Chief Griffin reported to the Committee that the part-time position funding request is due to a former employee who wants to come back to work for the PD in the capacity of Police Records Specialist. He further explained that she will be able to train the new Records Specialist that was hired in her place and cover when the other Records Specialist is out of the office to keep things operating smoothly. It would be 10 hours for the next six months in the amount of \$7,600. City Manager Wier went over the resolution up for adoption. Economic Development and Recreation Director Taylor gave an update on the pool floor repair. Vice-Chair Perry asked what the status was on replacing the pool boilers; City Manager Wier explained what was discussed and

approved at the last Council meeting regarding this project. City Manager Wier went over the Measure S Oversight Committee's upcoming meeting schedule: March 13, 2023 – Measure S FY23 Expenditure Update & FY24 Budget Workshop, March 27, 2023 – short meeting to review direction given at 3/13 meeting and adopt resolution for FY24 budget recommendations, May 11, 2023 Chair of Measure S Oversight Committee to present FY24 budget recommendations to the Council at the Council Budget Workshop, and June 5, 2023 – Council to adopt FY24 Budget. Vice-Chair Perry asked about the non-contact substance analyzer and asked if it was necessary for the safety of the officers; Chief Griffin answered in the affirmative. Vice-Chair Perry spoke in opposition to using Measure S funds for the cellphone analyzer and requested more research. Committee Members Mattz and Reno agreed with Vice-Chair Perry's opinion of the cellphone analyzer. Vice-Chair Perry wasn't sure it met the requirements of Measure S funds as emergency service. Chief Griffin stated that he looked at it enhances the cases for more indictments, gets criminals off the streets, kidnapped children, etc. Committee Member Reno stated he would like to see this come back for discussion after the review to make sure that this is appropriate use of Measure S funds. He further stated that the City should purchase it outright and if other agencies need to use it, they can enter into an agreement which will have a small fee for using the equipment. City Manager Wier stated he believes that it does fall under appropriate use of Measure S funds but will have City Attorney Rice review it. City Manager Wier asked when the next round of funding would be available; Chief Griffin stated it would be next fiscal year. City Attorney Rice stated that the ballot measure language says the funds would be used to fund emergency services to include the Crescent City Police Department and the Crescent City Fire and Rescue. It's her opinion that this purchase is fine, however, it's up to interpretation of the Committee. The language is broad enough that the funds support the police department as it is an emergency response service. Vice-Chair Perry asked Chief Griffin if he believed the cellphone analyzer would be the same for officer safety as the non-contact analyzer; Chief Griffin stated it would be used to apprehend someone who is a danger to the community, so therefore is an officer safety piece of equipment. The Committee Members were in agreement that it was a useful tool for the PD and a proper use of Measure S funds.

There were no public comments.

On a motion by Committee Member Reno, seconded by Committee Member Mattz and carried on a 3-0 polled vote with Chair Schellong being absent, the Measure S Oversight Committee approved and adopted Resolution No. MS2022-04, A RESOLUTION OF THE CRESCENT CITY MEASURE S OVERSIGHT COMMITTEE AMENDING THE COMMITTEE'S RECOMMENDATION FOR FY22-23 MEASURE S EXPENDITURES.

MEASURE S OVERSIGHT COMMITTEE ITEMS

➤ **City Manager Report - None**

ADJOURNMENT

There being no further business to come before the Measure S Oversight Committee, Vice-Chair Perry adjourned the meeting at 8:06 p.m. to the next joint meeting of the City Council / Measure S Oversight Committee, of January 30, 2023, 5:30 p.m. at the Wastewater Treatment Facility Conference Room at 210 Battery Street.

ATTEST:

Robin Altman
City Clerk/Administrative Analyst



CITY OF CRESCENT CITY

Mayor Isaiah Wright

Mayor Pro Tem Blake Inscore

Council Member Raymond Altman

Council Member Jason Greenough

Council Member Kelly Schellong

Committee Member Ernie Perry

Committee Member Dana Reno

Committee Member Candace Tinkler

MINUTES
SPECIAL CITY COUNCIL/MEASURE S OVERSIGHT COMMITTEE
PRIORITY PROJECTS MEETING
WASTEWATER TREATMENT FACILITY
210 BATTERY STREET
CRESCENT CITY, CA 95531

MONDAY

JANUARY 30, 2023

5:30 P.M.

OPEN SESSION

City Council call to order

Mayor Wright called the meeting to order for the City Council at 5:44 p.m.

Roll call

Council Members present: Council Member Ray Altman, Council Member Jason Greenough, Council Member Kelly Schellong, Mayor Pro Tem Blake Inscore, and Mayor Isaiah Wright

Staff members present: City Manager Eric Wier, City Attorney Martha Rice, City Clerk/Administrative Analyst Robin Altman, Human Resources Manager Sunny Gonzales, Finance Director Linda Leaver, Economic Development and Recreation Director Ashley Taylor, Public Works Director Dave Yeager, and Police Chief Richard Griffin

Measure S Oversight Committee call to order

Vice Chair Perry called the meeting to order at 5:44 p.m.

Roll call

Committee Members present: Committee Member Ernie Perry, Committee Member Dana Reno, and Committee Member Candace Tinkler

Pledge of Allegiance led by Mayor Wright

MEASURE S OVERSIGHT COMMITTEE CONSENT CALENDAR

1. Meeting Minutes

- *Recommendation: Adopt the December 21, 2022 meeting minutes of the Measure S Oversight Committee*

This item was tabled for the next meeting.

NEW BUSINESS

2. Selection of Chair and Vice-Chair

- *Recommendation: Hear staff report*

- *Technical questions from the Committee*
- *Receive public comment*
- *Further Committee discussion*
- *Select a Chair and Vice-Chair to serve for the next year*

There were no public comments.

On a motion by Committee Member Reno, seconded by Committee Member Tinkler, and carried on 3-0 vote, the Measure S Oversight Committee selected Vice-Chair Perry to serve as Chairman for the next year

On a motion by Chairman Perry, seconded by Committee Member Tinkler, and carried on a 3-0 vote, the Measure S Oversight Committee selected Committee Member Reno to serve as Vice-Chair for the next year

3. Amendment to the FY22-23 Police and Fire Department Measure S Budget

- *Recommendation: Hear staff presentation*
- *Technical questions from the Council/Committee*
- *Receive public comment*
- *Further Council/Committee discussion*
- **MEASURE S COMMITTEE ACTION:**
 - *Approve and adopt Resolution No. 2023-01, A RESOLUTION OF THE CRESCENT CITY MEASURE S OVERSIGHT COMMITTEE AMENDING THE COMMITTEE'S RECOMMENDATION FOR FY 22-23 MEASURE S EXPENDITURES*
- **CITY COUNCIL ACTIONS:**
 - *Approve and authorize the City Manager to execute the First Amendment to CAL OES Second-Tier Subaward Agreement Number 2022-075 for the purchase of police radios*
 - *Approve and adopt Resolution No. 2023-08, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2022-23 BUDGET OF THE CITY OF CRESCENT CITY*

City Manager Wier went over the budget requests from the police and fire department and what the funds will cover for equipment. He gave a history of this item coming before the Council. Chairman Perry stated he was impressed that the thermal imaging would find people and finds that the most valuable aspect of the tool. Vice-Chair Reno asked about the increase in price and for clarification, that it would mean getting it all in one shot instead of piece-mealing it. Fire Chief Carey stated that it would not be the \$35k, it would be \$33k after he did more research. Vice-Chair Reno asked about the outside drainage and when it would be worked on; City Manager Wier stated that now that we have a new Public Works Director, the project is anticipated to start soon.

Donna Westfall: asked to confirm 12 structure fires for the year; Chief Carey stated he would have to check the numbers, but they respond to much more than 12 a year.

City Manager Wier stated that they only thing that changed was \$4k for taxes and personnel costs for the part-time position being eliminated as there were already funds available. Committee Member Tinkler asked why there was no Lieutenant position and the amount for the Detective; Chief Griffin said a Lieutenant was selected, but he moved out of the area. Chief Griffin decided he would rather have more officers on patrol instead of a lieutenant. Committee Member Tinkler asked if the detective position would be filled; Chief Griffin stated not at this time, there are currently two cadets in the Academy. Finance Director Leaver stated that the detective pay is just an additional 5% special pay, that is why it is such a small amount – it is also for a short period of time. Chief Griffin stated that he does not anticipate filling that position this FY. Council Member

Greenough asked what the process and requirements for using the cellphone analyzer; Chief Griffin stated that presently CCPD is using other agencies; Council Member Greenough asked if a requirement was to get a warrant; Chief Griffin stated that warrants and consent is what is being used now to access the phones. Council Member Schellong stated she is happy about the approval of the ½ position for CCPD. She had a tour of the Department and noticed great improvements. Chief Griffin stated that CCPD has reached Gold Standard for Lexipol for the last couple of years.

Donna Westfall; asked how many officers would CCPD need to be fully staffed; Chief Griffin stated 15 officers would be fully staffed.

Mayor Pro Tem Inscore asked if the \$55k of unspent street design funds from fiscal year 22 had a targeted plan or is it included in this budget; City Manager Wier stated it is included as it's a rollover from last budget.

Donna Westfall: received complaints about the staff working on potholes

On a motion by Vice Chair Reno, seconded by Committee Member Tinkler, and carried on a 3-0 polled vote, the Measure S Oversight Committee approved and adopted Resolution No. MS2023-01, A RESOLUTION OF THE CRESCENT CITY MEASURE S OVERSIGHT COMMITTEE AMENDING THE COMMITTEE'S RECOMMENDATION FOR FY 22-23 MEASURE S EXPENDITURES

On a motion by Council Member Greenough, seconded by Mayor Pro Tem Inscore, and carried unanimously on a 5-0 polled vote, the City Council of the City approved and authorized the City Manager to execute the First Amendment to the CalOES Second-Tier Subaward Agreement Number 2022-75 for the purchase of police radios and approved and adopted Resolution No. 2023-08, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2022-23 BUDGET OF THE CITY OF CRESCENT CITY

4. Streets Presentation

- *Recommendation: Receive presentation*
- *Technical questions from the Council*
- *Technical questions from the Committee*
- *Receive public comment*
- *Further Council discussion*
- *Further Committee discussion*
- *Provide direction to staff regarding street maintenance budget and five-year street maintenance plan*

City Manager Wier introduced Lindsy Hammond of GRI to present the street maintenance five-year plan. She stated that the best way to do street maintenance is to have the best streets cared for first as it is not as expensive. She gave a detailed presentation on the streets within the City that are slated for repair and the degree in which they are in disrepair. She gave three different scenarios of funding. She showed a map with the streets and what would be needed on those streets; Mayor Pro Tem Inscore stated he was surprised to see the already repaired section of Front Street on the map. Ms. Hammond stated that was a future projection of what will be needed. Ms. Hammond went over the treatment options such as overlay, mill and overlay, asphalt milling, and overlay with fibers; she also went over what treatment triggers ADA compliance. Chairman Perry asked what the status of the rock slope protection project on Pebble Beach Drive. He further stated that there is the need of pedestrian improvements at 9th St and Pebble Beach Drive. Could the improvements of the rock slope protection project could include this area? City Manager Wier stated that it would only go halfway. The grant funding has been obtained, however there are specific requirements for the funding. This is advance construction, meaning the City would have

to fund it first and then be reimbursed. Chairman Perry stated that having some set aside funding for some unknowns that could occur. Del Norte Local Transportation Commission Executive Director Tamera Leighton applauded the street maintenance plan Ms. Hammond had recommended and supported Chairman Perry's opinion to have set aside money for matching funds. She stated that the Pebble Beach project is so large that Measure S funds cannot be used for it as the challenges of that project are very expensive. Committee Member Tinkler asked if there is any chance after the recent storms, we could get some of the emergency funding recently announced. City Manager Wier stated that the work that's being done is from 2016. The City has been in discussions regarding the storm damage to see if there is any funding that could be allocated. Committee Member Tinkler stated that educating the public on what streets will be worked on is an important piece for people to understand how Measure S is being used to fund those projects. Public Works Director Yeager stated that it is the plan to have a Master Plan to present to the Council annually. Chairman Perry is in favor of the pavement management plan. Vice-Chair Reno asked what the life expectancy of crack sealing; Ms. Hammond said that it is generally on average 10 years. City Manager Wier stated that an overlay would last 10-15 years. Full reconstruction would last 20 years. Mayor Pro Tem Inscore asked how many blocks in red are there; Ms. Hammond stated there are 180 blocks. Mayor Pro Tem Inscore stated that if we spent \$600k annually for the next 60 years, all of these streets will be done. Ms. Hammond stated looking for grant funding to keep the projects going. Council Member Schellong asked about potholes, how they are fixed and then they sink; City Manager Wier stated that there are many ways to fix a pothole; Public Works Maintenance Manager Wylie explained the two different ways to fix potholes. Council Member Schellong asked for an update on the timing of Front Street; Director Yeager stated that by February 6th the Council will see plans for putting it out to bid. The plan is to have the project started May 1st; G – I and Play Street. Council Member Schellong asked if the whole \$50k has been spent yet; City Manager Wier stated that all of that funding is still available for striping. Council Member Schellong asked about street signs and if there was a plan to have the missing ones replaced; Manager Wylie is working with the company making the signs and they should be coming in soon. He further stated that not only weather is an issue for the street signs missing, but it is also caused by vandalism. Council Member Schellong asked about street lights; Manager Wylie explained that when one light goes out, it can effect several down the chain as they are linked.

Russell South: asked if the City has applied for Rural Surface Transportation grant.

Donna Westfall: spoke about living in Beverly Hills and Ojai; how were the 135 miles of roads diagnosed; stated that the majority of the people who live in the City limits do not live on Pebble Beach Drive. *City Manager Wier stated that for this particular presentation, they actually walked all of the roads and visually surveyed it. Ms. Hammond stated this is an international standard and is a repeatable method.*

City Manager Wier addressed the Council and the Committee the grants that have been applied for; some of them are very competitive. Local road grants are very difficult to obtain grant funding since they aren't used as much. Mayor Pro Tem Inscore stated that the grant Mr. South spoke of is specifically targeted with mobility and public transportation. Like the INFRA grant it has a target for economically disadvantaged communities. It is also a four-year funding cycle. City Manager Wier stated he is looking for direction on where to put the funds for the upcoming budget. The current Measure S budget is \$2million; the actuals are \$2.248 million. The projection for Measure S funding for 2023 is \$2.3 million. Mayor Pro Tem Inscore stated the best way to do this is to have money targeted to our streets. The money should be allocated for the first three years. Stated the higher allocation is his preference to take care of the worst streets. Council Member Schellong said if \$600k is allocated for the next three years, when will the projects happen; City Manager Wier stated there would be a project planned every year. Chairman Perry stated that Measure S funds cover not only streets, but police, fire, and the pool. That should be taken into consideration when determining where this money is allocated to. Also encouraged seeking funding as well. Finance Director Leaver stated that staff would like direction from the Committee and Council on

where they want the focus to be budget wise. Mayor Pro Tem Inscore stated he wants the \$600k to streets. Vice- Chair Reno agreed with Chairman Perry that the police, fire, and pool's needs should be considered before putting everything towards streets. If we fund streets, it should be reviewed annually so it is fair to the other departments' needs. Mayor Pro Tem Inscore stated that he proposes \$600k towards streets this year. Vice-Chair Reno asked what streets that are marked red that would reach the \$600k amount and would like to see a list of priority red streets. Director Yeager stated that staff can give three options to present to the Council on what streets are priority. Council Member Schellong said that budgeting for the \$600k makes sense to her and that it won't take from the other departments as it's a budget.

The City Council and Measure S Oversight Committee were in unanimous consensus to budget \$600k for streets.

ADJOURNMENT

There being no further business to come before the Council and Measure S Oversight Committee, Mayor Wright adjourned the meeting at 8:11 p.m. to the regular meeting of the City Council of the City of Crescent City scheduled for Monday, February 6, 2023 at 6:00 p.m. in the Board Chambers of the Flynn Center, 981 H Street, Crescent City, CA 95531.

ATTEST:

Robin Altman
City Clerk/Administrative Analyst



MEASURE S OVERSIGHT COMMITTEE AGENDA REPORT

TO: CHAIR PERRY AND MEMBERS OF THE MEASURE S OVERSIGHT COMMITTEE

FROM: ERIC WIER, CITY MANAGER

**BY: MARTHA RICE, CITY ATTORNEY
LINDA LEAVER, FINANCE DIRECTOR**

DATE: MARCH 1, 2023

SUBJECT: MEASURE S OVERSIGHT COMMITTEE ANNUAL REPORT FOR FISCAL YEAR 2021/2022

RECOMMENDATION

- Hear staff report
- Technical questions from the Committee
- Receive public comment
- Further Committee discussion
- Approve and adopt Resolution MS 2023-02, A RESOLUTION OF THE CRESCENT CITY MEASURE S OVERSIGHT COMMITTEE APPROVING A REPORT ON MEASURE S FUNDS FOR FISCAL YEAR 2021-2022

BACKGROUND

Attached are the Measure S financial statements and independent auditor's report for the Fiscal year 2021-2022 from Badawi & Associates. This is the ninth year that Badawi & Associates has audited the City's financial statements. For the first five years, the City's audit partner was Ahmed Badawi. According to California Government Code Section 12410.6, "a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years." Changing auditors regularly ensures that the City's financial records are examined from a fresh perspective and provides additional assurance of transparency. Therefore, after Mr. Badawi served as primary auditor for five years, the City issued a Request for Proposals to select a new audit partner and/or audit firm. After receiving proposals from four audit firms and conducting interviews, the committee (made up of two Council

members, City Manager, and Finance Director) selected Badawi & Associates with Mitesh Desai as the audit partner. This audit is Mr. Desai's fourth for the City and second for Measure S.

The City's Measure S financial statements are provided to give an accurate financial snapshot at a specific point in time. The City Council engages a Certified Public Accountant (CPA) to independently audit these statements to provide users of financial reports with assurance concerning their reliability and that the statements are fairly presented.

The independent auditor tests and reviews the City's records and policies, interviews City staff, and confirms certain details with outside parties (including banks, the State, the County, the City's insurance provider, legal firms, local businesses, and others) in order to provide an opinion on whether the financial statements present fairly, in all material respects, the financial position of the City. Audit work begins after the fiscal year ends (June 30) and continues through several phases taking approximately six months. The Fiscal Year 2021-22 audit was completed December 29, 2022.

ANALYSIS

Part of the Measure S Oversight Committee's responsibilities are to review and publicly report on the annual expenditure of Measure S revenues. Attached is the FY21/22 Financial Statements and Independent Auditor's Reports as well as summary of the Measure S budgeted and actual revenues and expenditures by department and category.

As a general overview the Measure S fund had a beginning balance of \$332,467 as of June 30th, 2021. In FY21/22 total Measure S revenues were budgeted at \$2,121,550 and actual revenue was \$2,283,784 for a variance of \$162,234 over the expected final budget. This includes \$2,248,200 of Measure S sales tax received and \$35,584 of additional revenue (Charges for Services) from the Crescent Fire Protection District for Crescent City Fire and Rescue purchases that have a cost share allocation with the District. Measure S expenditures were lower than budgeted. The final approved budget was \$2,457,428 of which the City spent \$2,210,766 for a variance of (\$246,662) under budget. This variance is primarily due to fire and pool personnel expenses being lower than expected because of vacancies and lower fire personnel involvement in volunteer programs. With the FY 21-22 results, the fund balance as of June 30, 2022 is \$405,485. Please see the supplementary Information page within the Audit for a more detailed budgeted to actual report from the various Measure S funded departments of the Fred Endert Pool (Human services and Recreation), Fire (Public Safety – Fire), Police (Public Safety – Police), Streets (Public Works), and Financial Oversight (Other).

After discussion of the audit report, staff is recommending that the Oversight Committee then approve a resolution approving the Committee's annual report that will be submitted to the Council and public. This report confirms the amount of revenues received, the total expenditures, the balance of Measure S funds as of 6/30/22, and what departments/projects were funded with Measure S revenues in FY21-22.

Attachments:

1. Measure S Audit Report Fiscal Year 2021-2022
2. City Council Resolution 2022-35
 - Final FY 21/22 Measure S Budget Amendment
3. Measure S Oversight Committee Resolution MS 2022-02
 - Final FY 21/22 Budget Amendment Recommendation
4. Proposed Measure S Oversight Committee Resolution No. MS 2023-02
5. Measure S Annual Report
6. Measure S Budget to Actual - Multi Year

City of Crescent City

Measure S Sales Tax

Crescent City, California

*Financial Statements and
Independent Auditor's Reports*

For the year ended June 30, 2022

City of Crescent City
Measure S Sales Tax
Financial Statements
For the year ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of Crescent City
Crescent City, California

Opinion

We have audited the accompanying financial statements of the Measure S Sales Tax (Measure S Sales Tax) of the City of Crescent City (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Measure S Sales Tax of the City as of June 30, 2022 and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure S Sales Tax and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2022, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Measure S Sales Tax of the City. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the financial statements.

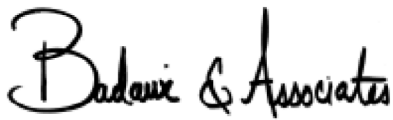
The budgetary comparison schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally

To the Honorable Mayor and Members of the City Council
of the City of Crescent City
Crescent City, California
Page 3

accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
December 29, 2022

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City of Crescent City
Measure S Sales Tax
Balance Sheet
June 30, 2022

	<u>Total</u>
ASSETS:	
Cash and investments	\$ 164,515
Taxes receivable	<u>344,453</u>
Total assets	<u><u>\$ 508,968</u></u>
LIABILITIES AND FUND BALANCES:	
Liabilities:	
Accounts payable	\$ 94,786
Accrued salaries and benefits	<u>8,697</u>
Total liabilities	<u>103,484</u>
Fund Balance:	
Assigned	<u>405,485</u>
Total fund balance	<u>405,485</u>
Total liabilities and fund balance	<u><u>\$ 508,968</u></u>

City of Crescent City
Measure S Sales Tax
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2022

	<u>Total</u>
REVENUES:	
Measure S sales tax	\$ 2,248,200
Charges for services	35,584
Total revenues	<u>2,283,784</u>
EXPENDITURES:	
Human services and recreation	832,376
Public Safety - Fire	221,380
Public Safety - Police	223,293
Public Works	929,418
Other	4,300
Total expenditures	<u>2,210,766</u>
Net change in fund balance	73,018
FUND BALANCE:	
Beginning of year	<u>332,467</u>
End of year	<u>\$ 405,485</u>

City of Crescent City
Measure S Sales Tax
Notes to Financial Statements
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Reporting Entity*

All transactions of the Measure S sales tax (Measure S) are reported in the General Fund (Fund) of the City of Crescent City, California (City). A separate set of accounts have been established by the City, to account for revenues earned and expenditures incurred according to Measure S. The accompanying financial statements are for the Measure S sales tax only and are not intended to fairly present the financial position of the City.

B. *Basis of Accounting and Measurement Focus*

The accompanying financial statements are prepared on the modified accrual basis of accounting. Revenues are generally recorded when measurable and available (60 days), and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus, wherein only current assets and current liabilities generally are included on the balance sheet. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

C. *Fund Accounting*

The operations of the Measure S sales tax are accounted for as part of the General Fund. Funds are separate accounting entities with a set of self-balancing accounts which comprise their assets, liabilities, fund equity, revenues, and expenditures.

D. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

E. *Revenues and Receivables*

During the course of normal operations, the General fund carries a receivable balance for Measure S sales tax. Revenues are recorded when received in cash, except revenues subject to accrual (generally 60 days after year-end) are recognized when due.

City of Crescent City
Measure S Sales Tax
Notes to Financial Statements
For the year ended June 30, 2022

2. CASH AND INVESTMENTS

Measure S monies are pooled with the City's cash, cash equivalents, and investments. The City pools cash resources from all funds to facilitate the management of cash. Cash and cash equivalents are considered amounts on hand, in demand deposits, and short-term investments with a maturity date within three months of the date acquired by the City and are presented as "Cash and Investments". The City invests in one external investment pool, the State of California Local Agency Investment Fund (LAIF).

All pooled cash and investments held by the City are considered cash and cash equivalents because LAIF is used essentially as demand deposits from the standpoint of the City. Information about the City's Cash and Investments is disclosed in the City's Basic Financial Statement.

Measure S cash and investments was \$164,515 as of June 30, 2022.

3. MEASURE S SALES TAX

The City placed Measure S (a 1% local tax measure) on the ballot for the November 3, 2020 general election. This transactions and use tax (generally referred to as a sales tax) is intended to support and maintain essential services including the City's police and fire departments, street maintenance and repair, and the operations of the municipal swimming pool. Measure S is a general tax, which requires voter approval of at least 50% +1. The voters of Crescent City approved the measure with 64.57% voting yes.

One of the requirements included with the Measure S ordinance is a citizens oversight committee. The committee is made up of five voting members (City residents) and two non-voting members (City staff). The committee is charged with reviewing and reporting to the public on the revenues and expenditures of Measure S funds. The committee is also charged with making recommendations on the expenditure of Measure S funds to the City Council. All Measure S oversight committee meetings are open to the public.

4. TAXES RECEIVABLES

The taxes receivables represent the Measure S sales tax revenues for the fiscal year remitted after June 30, 2022.

SUPPLEMENTARY INFORMATION

City of Crescent City
Measure S Sales Tax
Supplementary Information
For the year ended June 30, 2022

1. BUDGETS AND BUDGETARY ACCOUNTING

The City Council has the responsibility for adoption of the City's budget. Budgets are adopted for governmental and proprietary funds. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by resolution during each fiscal year. The City Manager is authorized to transfer funds from one major expenditure category to another within the same department and fund. Any revisions that alter the total expenditures for any fund must be approved by the City Council.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended.

Budgetary comparison is provided in the accompanying financial statements for the Measure S sales tax, which is budgeted within the City's General Fund.

City of Crescent City
Supplementary Information
Measure S Sales Tax
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Measure S sales tax	\$ -	\$ 2,000,000	\$ 2,248,200	\$ 248,200
Charges for services		121,550	35,584	(85,966)
Total revenues	-	2,121,550	2,283,784	162,234
EXPENDITURES:				
Human services and recreation	-	891,233	832,376	58,857
Public Safety - Fire	-	347,883	221,380	126,503
Public Safety - Police	-	229,579	223,293	6,286
Public Works	-	981,233	929,418	51,815
Other	-	7,500	4,300	3,200
Total expenditures	-	2,457,428	2,210,766	246,662
Net change in fund balance	\$ -	\$ (335,878)	73,018	\$ 408,896
FUND BALANCE:				
Beginning of year			332,467	
End of year			\$ 405,485	

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of Crescent City
Crescent City, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Measure S Sales Tax as of and for the year ended June 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated December 29, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

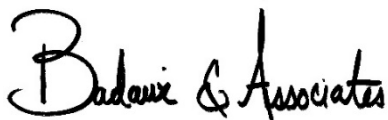
To the Honorable Mayor and Members of the City Council
of the City of Crescent City
Crescent City, California
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure S Sales Tax financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Badaux & Associates". The signature is written in a cursive, flowing style.

City of Crescent City
Berkeley, California
December 29, 2022

RESOLUTION NO. 2022-35

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING
THE FISCAL YEAR 2021-22 BUDGET OF THE CITY OF CRESCENT CITY**

WHEREAS, the budget for the fiscal year beginning July 1, 2021, as submitted by the City Manager, was reviewed by the City Council and a public hearing was held thereon the 21st day of June 2021; and

WHEREAS, the City Council adopted said budget and has the authority to amend said budget from time to time; and

WHEREAS, Measure S, a local 1% transactions and use tax was approved by City voters in November 2020 and has an Oversight Committee which meets to review revenues and expenditures and to make recommendations to the City Council; and

WHEREAS, the Oversight Committee has met at least eight times from February 2021 through May 2022 to discuss priorities for the FY 2021-22 Measure S funds, resulting in Resolution No. MS 2022-02 setting forth its updated recommendations as of May 11, 2022; and

WHEREAS, the City Council agrees with the recommended priorities and projects; and

WHEREAS, fulfillment of these priorities requires an amendment to the operating budget.

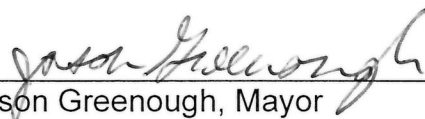
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AS FOLLOWS:

That the Fiscal Year 2021-22 City of Crescent City Annual Budget is hereby amended and appropriated in the amounts identified below:


	Revenue Increase (Decrease)	Expenditure Increase (Decrease)
General Fund		\$1,099,966
General CIP Fund	\$982,466	\$982,466
Police Vehicle Replacement Fund	\$60,000	\$60,000

APPROVED and ADOPTED and made effective the same day at a regular meeting of the City Council of the City of Crescent City held on the 16th day of May 2022 by the following polled vote:

AYES: Council Members Altman, Inscore, Smith, and Mayor Greenough
NOES: None
ABSTAIN: None
ABSENT: Mayor Pro Tem Wright



Jason Greenough, Mayor

ATTEST:


Robin Patch, City Clerk

RESOLUTION NO. MS2022-02

**A RESOLUTION OF THE CRESCENT CITY MEASURE S OVERSIGHT COMMITTEE
RECOMMENDING EXPENDITURE AMENDMENTS OF MEASURE S FUNDS FOR FY
21/22 AND RECOMMENDING EXPENDITURES OF MEASURE S FUNDS FOR FY
22/23**

WHEREAS, on November 2, 2020, the voters of the City of Crescent City approved Measure S, an ordinance imposing a local 1.0% Transactions and Use Tax; and

WHEREAS, Measure S requires a seven-member Oversight Committee comprised of five residents of the City of Crescent City as voting members, and the City Manager or designee and the City Finance Director or designee as nonvoting members; and

WHEREAS, the Measure S Oversight Committee met on the following dates and heard the needs on the accompanying topics to develop a five year plan and Recommended Budget for FY21/22: February 25, 2021 – Crescent City Police Department, March 9, 2021 – Streets, March 29, 2021 – Crescent City Fire and Rescue, April 12, 2021 – Fred Endert Municipal Pool, and April 26, 2021 – FY 21/22 Summary Presentation; and

WHEREAS, the Measure S Oversight Committee met on November 18, 2021 to review FY20/21 expenditures, and received an update on current FY21/22 expenditures; and

WHEREAS, the Measure S Oversight Committee met on February 9, 2022 to receive the FY20/21 financial statements and independent auditor's report prepared by the independent Measure S auditor (Badawi & Associates) and adopted Resolution MS 2022-01, A Resolution of the Crescent City Measure S Oversight Committee approving a report on Measure S Funds for Fiscal Year 2020-2021; and

WHEREAS, the Measure S Oversight Committee met on March 15, 2022 to receive an update from the City Manager on higher than anticipated Measure S revenues and priority projects, and at that meeting the Measure S Oversight Committee recommended to the Council to allocate funding for the reconstruction of Front Street (G street to I Street) and the rehabilitation of the Fred Endert Pool HVAC System; and

WHEREAS, the Measure S Oversight Committee met on April 27, 2022 to receive an update from the City Manager on proposed amendments to the FY21/22 recommended expenditures, review of the five-year plan for Measure S revenues, and funding needs / department requests for the FY22/23 budget.

NOW THEREFORE, BE IT RESOLVED, by the Crescent City Measure S Oversight Committee that:

1. The Amendments to FY 21/22 Expenditure Recommendations for Measure S funds as set forth on Exhibit A, attached hereto, are hereby adopted.
2. The FY 22/23 Expenditure Recommendations for Measure S funds as set forth on Exhibit B, attached hereto, are hereby adopted.

PASSED AND ADOPTED and made effective the same day by the Crescent City Measure S Oversight Committee on this 11th day of May, 2022, by the following polled vote:

AYES: Committee Members Mattz, Perry, Reno and Chair Schellong

NOES: None

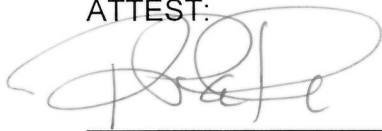
ABSTAIN: None

ABSENT: Committee Member Cruz



Kelly Schellong, Chair

ATTEST:



Robin Patch, City Clerk

Measure S Oversight Committee

Fiscal Year 2021/2022
Amended Expenditure Recommendations
Resolution MS 2022-02
Exhibit A

Fire Department (\$230,940)

Continue Volunteer Stipend Program	\$ 11,040
Volunteer Station Staffing Program	\$ 21,900
Increased Training Program	\$ 7,500*
Apparatus / Vehicle Replacement Fund	\$ 38,000
Equipment (Large Diameter Hose)	\$ 30,000
Small Equipment Replacement	\$ 5,000*
City Station Facility Upgrades	\$ 40,000
Volunteer Recruitment Training	\$ 5,000
Additional Apparatus / Vehicle Replacement Fund	\$ 60,000
Unallocated Funds (For SCBA Bottles FY23 Budget)	\$ 12,500*

Police Department (\$229,579)

Hire two Additional Patrol Officers (Recruits) (6/1/22)	\$ 12,329*
Detective Assignment (Assignment delayed FY23)	\$ 0*
Lieutenant Promotion (10/1/21)	\$ 5,000*
Body Cameras & Tasers (Premium)	\$ 47,250
Vehicle Replacement (Purchase two patrol Vehicles)	\$115,000*
Facility Improvement (Planning / Design)	\$ 50,000

Street Improvements (\$981,233)

Pothole / Crack Seal / Minor Repairs	\$50,000
Sidewalk Repairs	\$50,000
Striping	\$25,000
Street Preservation Project Design	\$70,000
Augmented Street Light Budget	\$ 20,000
Street Preservation Project Construction	\$ 250,000
Front Street Reconstruction (G to I)	\$516,233*

Measure S Oversight Committee
Resolution MS 2022-02, Exhibit A

Fred Endert Swimming Pool (\$891,233)

Parts / Supplies / Equipment / Repairs	\$ 100,000*
Operations (Personnel Costs)	\$ 275,000
Pool HVAC Rehabilitation (Boilers / Dehumidification)	\$ 516,233*

Finance Department (\$7,500)

Sales Tax Consultant (Ongoing Business Audits and Projections)	\$ 5,000*
Independent Audit	\$ 2,500*

Total Recommended FY21/22 Measure S Expenditures \$2,340,485

*Amended 5.11.22

Measure S Oversight Committee

Fiscal Year 2022/2023
Expenditure Recommendations
Resolution MS 2022-02
Exhibit B

Fire Department (\$366,072)

Hire three (3) Fire Captains for Engine Response Coverage (10/1/22)	\$144,632
Continue Volunteer Stipend Program	\$ 11,040
Volunteer Station Staffing Program	\$ 21,900
Increased Training Program	\$ 10,000
Apparatus / Vehicle Replacement Fund	\$ 38,000
Small Equipment Replacement	\$ 5,000
Volunteer Recruitment Training	\$ 7,500
City Station Facilities Improvements (Ext Drainage)	\$ 10,000
Computers for Emergency Response Vehicles	\$ 5,000
Fire Fighter Escape Bags	\$ 5,000
SCBA Compressor (City Station)	\$ 60,000
SCBA (12 New Packs / 24 Bottles)	\$ 48,000
SCBA Bottle Purchase (Budget rollover from FY22 Est \$12,500)	

Police Department (\$510,739)

Hire Two Additional Patrol Officers (6/1/22)	\$ 167,816
Detective Assignment (6/1/23)	\$ 411
Lieutenant Promotion (7/1/22)	\$ 14,312
2 nd K9 Officer (K9 Acquisition, Supplies, Officer Training)	\$ 9,200
Body & Tasers (Premium)	\$ 47,000
Vehicle Replacement (Two Patrol Vehicles)	\$ 120,000
Vehicle Dash Cameras	\$ 22,000
Firearms & PPE	\$ 32,500
Radios (10)	\$ 17,500
Lockers	\$ 20,000
Capital Facility Improvement Fund	\$ 60,000

Street Improvements (\$550,000)

Pothole / Crack Seal / Minor Repairs	\$100,000
Sidewalk Repairs	\$100,000
Striping	\$ 50,000
Streetlight Repair	\$ 40,000
Street Repair Equipment (Mini Excavator)	\$ 10,000
Street Preservation Project Construction	\$250,000
Unspent Street Design Funds from FY22 (Est. \$55,000)	

Measure S Oversight Committee
Resolution MS 2022-02, Exhibit B

Fred Endert Swimming Pool (\$511,701)

<u>Operations (Personnel / Electricity / Propane Costs)</u>	<u>\$331,701</u>
<u>Locker Room Flooring</u>	<u>\$130,000</u>
<u>Parts / Supplies / Equipment</u>	<u>\$50,000</u>
<u>Including:</u>	
<u>Primary Chemical Storage Tank (Chlorine)</u>	
<u>Two Chemical Day Tanks (Chlorine & PH Control)</u>	
<u>Chemical Control Sensor Replacement (Annual)</u>	
<u>ADA Door Sensor Replacement</u>	
<u>Online Reservation System</u>	
<u>Slide Repair</u>	

Finance Department (\$7,500)

<u>Sales tax consultant (ongoing audit and projections)</u>	<u>\$ 5,000</u>
<u>Independent audit</u>	<u>\$ 2,500</u>

Total Recommended FY22/23 Measure S Expenditures **\$1,946,012**

The Committee recognizes that actual expenditures may vary from the recommended amounts, due to staffing (timing of new hires, actual cost of benefits, experience level of new hires, etc.), actual costs of purchases, and timing of projects. Recommended projects may be carried forward to the next fiscal year if not completed in this year.

Resolution No. 2023-02

**A RESOLUTION OF THE CRESCENT CITY MEASURE S OVERSIGHT COMMITTEE
APPROVING A REPORT ON MEASURE S FUNDS FOR FISCAL YEAR 2021-2022**

Whereas, the voters of the City of Crescent City passed Measure S in November 2020 imposing a 1.0% transactions and use tax (“sales tax”) to be imposed within the City limits; and

Whereas, Measure S requires that the City have an oversight committee made up of two-non-voting staff members and five voting city residents, appointed by the Mayor and confirmed by the City Council; and

Whereas, Measure S also requires that the oversight committee report publicly on an annual basis regarding the expenditure of Measure S revenues; and

Whereas, the City’s independent auditor, Badawi & Associates, has completed a separate audit of Measure S funds for FY 2021-2022; and

Whereas, the auditor’s report has been provided to the Measure S Oversight Committee; and

Whereas, City staff have also provided the Measure S Oversight Committee with detailed information on the expenditure of Measure S revenues received for FY 2021-2022; and

Whereas, the Measure S Oversight Committee has met in a duly noticed public meeting and considered the information presented thereat.

NOW, THEREFORE, BE IT RESOLVED by the Crescent City Measure S Oversight Committee that the attached Measure S Committee Report for FY 2021-2022 is hereby approved.

APPROVED and ADOPTED and made effective the same day by the Crescent City Measure S Oversight Committee at a meeting thereof held on this 1st day of March 2023 by the following polled vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Ernest Perry, Chairperson

ATTEST:

Robin Altman, City Clerk

Crescent City Measure S Oversight Committee

Fiscal Year 2021-2022

Annual Report

Voting Committee Members:

- Ernest Perry, Chair (22-23)
- Dana Reno, Vice Chair (22-23)
- Candice Tinkler (23-24)
- Steve Shamblin (23-24)
- Vacant

Non-Voting Committee Members:

- Eric Wier, City Manager
- Linda Leaver, Finance Director

Dear City Council and Residents of Crescent City:

The Crescent City Measure S Oversight Committee makes this report pursuant to Crescent City Municipal Code 3.30.140.

1. PERIOD COVERED

This report covers Fiscal Year 2021-2022 (July 1, 2021 through June 30, 2022).

2. MEASURE S REVENUES

During FY 2021-2022, the City received \$2,283,748 in Measure S tax revenue. The original approved budget included a tax revenue estimate of \$1,300,000 which was later increased to \$2,000,000 during the FY 2021-22 midyear budget update based on updated FY 2021-22 sales tax revenue projections from HdL, a consultant which the City contracts to provide sale tax revenue projections for both the City's General Fund as well as Measure S. Some additional revenue is received as reimbursement from the Fire District when Measure S funds are spent on items that are shared with the District. When the District reimburses the City for its share of those items, the reimbursement revenue is returned to the Measure S balance.

3. MEASURE S EXPENDITURES

Measure S funds are intended to fund public safety (Police and Fire), streets, and the swimming pool. The committee met five times in early 2021 to develop recommendations for the FY 2021-22 budget:

- February 25, 2021 – Crescent City Police Department
- March 9, 2021 – Streets
- March 29, 2021 – Crescent City Fire and Rescue
- April 12, 2021 – Fred Endert Municipal Pool

- April 26, 2021 – FY 21-22 summary and recommendations

This series of meetings resulted in a five-year spending plan, with a budget recommendation which was presented to the City Council for inclusion in the FY 21-22 budget. The Council approved all of the recommendations of the committee.

On February 9, 2022, the committee received the independent auditor's report for the FY 20-21 Measure S revenues and expenses. Only one quarter (April to June 2021) was included in that fiscal year since the tax began being collected April 1, 2021. Revenues for that quarter were higher than projected and expenses were lower than budgeted, resulting in a balance of \$332,467 reserved for Measure S projects or activities.

On March 15, 2022, the committee and City Council received an update on FY 21-22 revenues and priority projects. Revenues were initially projected to be approximately \$1.3 million per year, but recent projections were increased to approximately \$2 million. At this meeting, the committee recommended allocating some of the additional Measure S funds to reconstruct another portion of Front Street (between G Street and I Street) along with City funds from the General Fund and ARPA (American Rescue Plan Act) funds, and to request additional funding from the Local Transportation Commission. The committee also recommended allocating some additional Measure S funds toward an HVAC and dehumidification project for the swimming pool and requested the Council to allocate ARPA funds toward that project as well.

The City Council voted to approve the committee's recommendations and directed staff to request funding for Front Street from the Local Transportation Commission. LTCO approved the request at its April meeting.

On April 27, 2022, the committee met again for an update and further recommendations for changes to the FY 21-22 budget, as well as began discussions for the FY 22-23 budget. On May 11, 2022, the committee met to provide final recommendations for the FY 21-22 budget and FY 22-23 budget, which were adopted by the committee in Resolution No. MS 2022-02 (Attached) On May 16, 2022 the Council adopted Resolution 2022-35 amending the fiscal year 2021-22 budget to include these recommendations.

4. MEASURE S FUNDS REMAINING

In addition to the Measure S beginning fund balance of \$332,467, the City Measure S expenditures were less than Measure S revenues received in FY 21-22, resulting in a fund balance of \$405,485 as of June 30, 2022.

Respectfully,

Ernest Perry, Chairperson
Measure S Oversight Committee

Measure S

	FY 21-22 Budget	FY 21-22 Actual
Revenue	2,000,000	2,248,200
Expenditures		
Fire (net of reimbursements from District)		
Volunteer programs	28,333	8,188
Full-time Captain positions		
Training	12,500	5,375
Transfer to apparatus and vehicle replacement fund	98,000	98,000
Equipment	47,500	34,233
Facility improvements (transfer to CIP fund)	40,000	40,000
Roll over unspent prior year (SCBA bottles)		
	<hr/> 226,333	<hr/> 185,796
Police		
Police officers / recruits	12,329	
Detective assignment		
Lieutenant promotion	5,000	11,043
Body cameras and tasers	47,250	47,250
Transfer to vehicle replacement fund	115,000	115,000
Dash cameras		
Equipment and PPE		
Facility improvements (transfer to CIP fund)	50,000	50,000
K9 support		
	<hr/> 229,579	<hr/> 223,293
Streets		
Pot hole, crack seal, minor repairs	50,000	50,953
Sidewalk repairs	50,000	48,996
Striping	25,000	24,607
Design & pavement management	70,000	18,629
Street preservation project (transfer to CIP fund)	250,000	250,000
Street lights	20,000	20,000
Equipment		
Front Street (G St to I St) (transfer to CIP fund)	516,233	516,233
Roll over unspent prior year (design & pavement management)		
	<hr/> 981,233	<hr/> 929,419
Pool		
Operations (personnel, utilities, etc.)	275,000	248,333
Parts, supplies, equipment, repairs	100,000	67,809
Locker room flooring		
HVAC / dehumidification project (transfer to CIP fund)	516,233	516,233

	<u>891,233</u>	<u>832,375</u>
Finance		
Sales tax consultant (auditing and projections)	5,000	1,800
Independent annual audit	<u>2,500</u>	<u>2,500</u>
	7,500	4,300
Total expenditures	<u>2,335,878</u>	<u>2,175,182</u>
Remaining Measure S balance	(3,411)	405,485