

**Resolution No. 2024-01**

**A RESOLUTION OF THE CRESCENT CITY MEASURE S OVERSIGHT COMMITTEE  
APPROVING A REPORT ON MEASURE S FUNDS FOR FISCAL YEAR 2022-2023**

**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 2022-2023; and

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

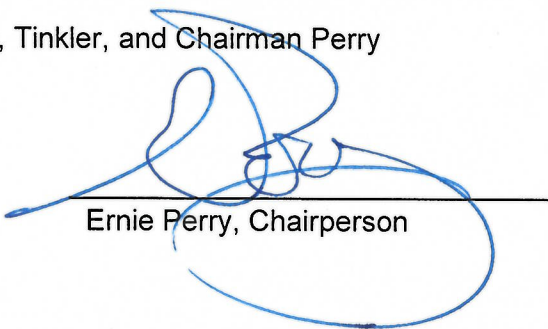
**Whereas**, City staff have also provided the Measure S Oversight Committee with detailed information on the revenues and expenditures of Measure S funds for FY 2022-2023; and

**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 2022-2023 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 3rd day of April 2024 by the following polled vote:

AYES: Committee Members Reno, Shamblin, Tinkler, and Chairman Perry  
NOES: None  
ABSENT: None  
ABSTAIN: None



Ernie Perry, Chairperson

ATTEST:



Robin Altman, City Clerk

# Crescent City Measure S Oversight Committee

## Fiscal Year 2022-2023

### Annual Report

Voting Committee Members:

- Ernie Perry, Chair (24-25)
- Steve Shamblin, Vice Chair (24-25)
- Candice Tinkler (23-24)
- Dana Reno (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 2022-2023 (July 1, 2022 through June 30, 2023).

2. MEASURE S REVENUES

During FY 2022-2023, the City received \$2,319,969 in Measure S tax revenue. The original approved budget included a tax revenue estimate of \$2,000,000 which was later increased to \$2,300,000 based on updated sales tax revenue projections from HdL, a consultant which the City contracts to provide sales tax and Measure S revenue projections. 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.

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Measure S sales tax	2,000,000	2,300,000	2,319,969	19,969
Charges for service (Fire District reimbursement)	339,634	388,524	81,967	(306,557)
Total revenues	2,339,634	2,688,524	2,401,936	(286,588)



### 3. MEASURE S EXPENDITURES

Measure S funds are intended to fund public safety (Police and Fire), streets, the swimming pool, and financial oversight of the Measure S funds. The committee met several times to develop recommendations to augment existing funding for these services for the FY 2022-23 budget:

- March 15, 2022 (discuss priorities)
- April 7, 2022 (discuss priorities)
- May 11, 2022 (recommendation for FY 22-23 budget – Resolution MS 2022-02)
- August 18, 2022 (update recommendations for FY 22-23 budget – Resolution MS 2022-03)
- December 21, 2022 (update recommendations for FY 22-23 budget – Resolution MS 2022-04)
- January 30, 2023 (update recommendations for FY 22-23 budget – Resolution MS 2023-01)
- March 29, 2023 (update recommendations for FY 22-23 budget)

The committee maintains a five-year spending plan for Measure S funds, which is updated each time the committee reviews the budget and makes recommendations.

All recommendations of the Measure S committee were approved by the City Council and incorporated into the City budget, except for the funding of a part-time Police Records Specialist, which the City Council voted to fund with General Fund resources.

Total Measure S budgeted expenditures for FY 22-23 were \$2,607,794 and the total actual expenditures were \$1,665,911.

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Fire (total expense before reimbursement)	702,084	810,966	182,101	(628,865)
Police	510,739	670,888	609,322	(61,566)
Streets	605,000	605,000	376,708	(228,292)
Pool	511,701	513,440	490,280	(23,160)
Finance	7,500	7,500	7,500	-
<b>Total expenses</b>	<b>2,337,024</b>	<b>2,607,794</b>	<b>1,665,911</b>	<b>(941,883)</b>

Some of the unspent funds were recommended to be rebudgeted / reallocated to Measure S priorities in the FY 2023-24 budget, and those recommendations were approved by the City Council and incorporated into the City's budget.

Some of the Measure S expenditures are transfers to capital improvement funds for long-term projects. The transfer is an expenditure in the Measure S fund (and therefore no longer part of the ending Measure S fund balance), although the specific project or purchase may not be completed in the same year. The ongoing funds are tracked to ensure they are ultimately spent on the Measure S recommended priorities.

- Fire Vehicle and Equipment Replacements: annual funding set aside for future replacement of fire apparatus, vehicles, SCBA, and other large equipment purchases;

balance at June 30, 2023 of \$136,000 (to be reserved for future replacement of Fire Engine #10)

- Police Vehicle Replacements: annual funding set aside for replacement of police vehicles; balance at June 30, 2023 of \$21,066 (fully expended in FY 23-24)
- Capital improvements
  - Front Street: balance at June 30, 2023 of \$145,191 (fully expended in FY 23-24)
  - Street preservation project: balance at June 30, 2023 of \$12,286
  - Pool HVAC: balance at June 30, 2023 of \$448,782 (currently out to bid, to be constructed in FY 24-25)
  - Pool flooring (locker room): balance at June 30, 2023 of \$130,000 (to be constructed in FY 24-25)
  - Fire Hall improvements: balance at June 30, 2023 of \$46,477 (to be discussed for spending in FY 24-25 budget)
  - Police facility improvements: balance at June 30, 2023 of \$111,915 (to be expended FY 23-24 or FY 24-25)

#### 4. MEASURE S FUNDS REMAINING

In addition to the Measure S beginning fund balance of \$405,485, Measure S expenditures were less than Measure S revenues received in FY 22-23, resulting in a fund balance of \$1,141,510 as of June 30, 2023.

#### 5. AUDIT REPORT

The Measure S revenues, expenditures, and fund balance have been audited by an independent auditing firm (Badawi & Associates) for the year ended June 30, 2023. The auditor's report is available on the City's website.

Respectfully,



Ernie Perry, Chairperson  
Measure S Oversight Committee