

Resolution No. MS2023-02

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

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

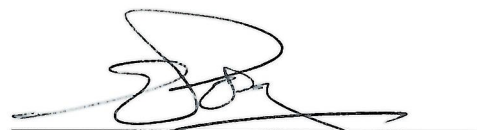
Whereas, City staff have also provided the Measure S Oversight Committee with detailed information on the expenditure of Measure S revenues received for FY 2021-2022; and

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: Committee Member Reno, Shamblin, Tinkler, and Chair Perry
NOES: None
ABSENT: None
ABSTAIN: None


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.

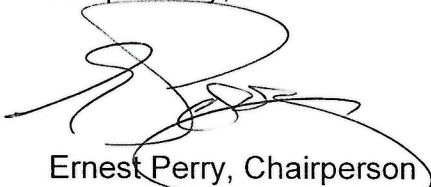
The City Council voted to approve the committee's recommendations and directed staff to request funding for Front Street from the Local Transportation Commission. LTRCo approved the request at its April meeting.

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