



AGENDA SUMMARY REPORT

SUBJECT: Conduct a Public Hearing and Receive the Measure P Oversight Committee Report and Findings for Fiscal Years 2017 and 2018, and Disband the Committee per Resolution 2014-28.

DEPARTMENT: Police **PREPARED BY:** Justin Wyatt, Police Chief

ATTACHMENTS:

1. 2014-28 CC Reso - Establishing Expenditure Plan & Oversight Committee
2. Public Safety Revenue Expenditures & Staffing
3. Public Safety Expenditures Over Time

Summary: Resolution 2014-28 established an expenditure plan for Public Safety, and calls for the City Council to establish an Oversight Committee to review the City's budget for public safety services and the expenditure of revenues following the passage of Measure P in 2014. This Measure P Oversight Committee was selected by Council in August of 2019 and has met and reviewed the Measure P Financial Analysis Report for Fiscal Years 2017 and 2018. The Committee's findings will be reported during this public hearing.

Background: In June 2014, the Ukiah City Council approved Resolution No. 2014-28 (Attachment #1), which established an expenditure plan for public safety and the establishment of an Oversight Board to review and report on the performance of the expenditure plan, to include expenditures of Measure P revenues, every second year.

In August 2019, the Ukiah City Council appointed a Measure P Oversight Committee from a pool of applicants. This committee was comprised of Eric Singleton, representing the Ukiah Valley Fire Authority, Tom Corning, representing the Ukiah Police Department, and at-large members Roe Sandelin, Larry Olson, and Matthew Froneberger.

The Measure P Oversight Committee met on September 16, 2019, and reviewed and discussed the City's Measure P Financial Report.

Discussion: On September 16th, the Measure P Oversight Committee met with City of Ukiah Staff to include Sage Sangiacomo, Daniel Buffalo, Douglas Hutchison, and Justin Wyatt. Finance Director Buffalo presented a Measure P Financial Report to include an analysis of Measure P and Public Safety revenues and expenditures and staffing (Attachment #2), and a comparison of Public Safety expenditures compared to Measure P and General revenues over time (Attachment #3).

The committee discussed current and future staffing levels, challenges, and needs pertaining to Police and Fire services, and facility and equipment needs and challenges presently and looking forward. Further discussion was held around concerns related to infrastructure and service areas and relevant and equitable funding sources, particularly concerning the Ukiah Valley Fire Authority.

The Committee agreed the minimum level of Public Safety Services to be maintained by the City relevant to Measure P revenues and pertaining to the Police Department were straightforward, and represented by a defined number of full-time police officer positions. The committee heard the steps being taken to bring Police

Department staffing levels closer to that threshold.

The committee discussed and was challenged with identifying a similar threshold for the Fire Authority related to the level of fire prevention and protection services commensurate with the City's portion of contractual agreements between the City and District for joint fire, paramedic, and fire services within the boundaries of the Ukiah Valley Fire Authority.

The committee expressed and agreed upon a series of concerns related to the lack of adequate staffing as well as limitations for funding of the Ukiah Valley Fire Authority given the increasing demands for service. The various revenue streams available through the City and Fire district were explained and discussed along with their limitations, including the fact that they are not applied evenly throughout the entire service area of the Fire Authority.

The Committee ultimately found that the City is meeting the objectives of the Public Safety expenditure plan. The committee agreed to adopt as their final report the City's Measure P Financial Report, to include; the Measure P Analysis depicting staffing levels and Public Safety expenditures and revenue, and the historical expenditure of funds related to Public Safety services. The Committee directed staff to report to Council their findings and present their final report.

Recommended Action: Resolution 2014-28 directs the City Council to conduct a public hearing, receive the Measure P Oversight Committee's final report and if no further action is desired, disband the Committee.

Citizen advisement: Notice to be published in Ukiah Daily Journal no less than 10 days prior to Public Hearing, placed in the Civic Center Public View Binder, and available for public review on the City's website at <http://www.cityofukiah.com/projects/notices-and-bulletins/> under with the Public Notices tab. Measure P Oversight Committee members.

BUDGET AMENDMENT REQUIRED: N/A

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Sage Sangiacomo, City Manager; Daniel Buffalo, Finance Director; Douglas Hutchison, Fire Chief

Approved: 
Sage Sangiacomo, City Manager

RESOLUTION NO. 2014-28**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH ESTABLISHING AN EXPENDITURE PLAN FOR PUBLIC SAFETY AND AN OVERSIGHT BOARD TO MAKE PERIODIC REPORTS ON THE PERFORMANCE OF THE EXPENDITURE PLAN****WHEREAS:**

1. The City of Ukiah is 4.7 square miles in size, but is surrounded by additional urban areas and residential subdivisions within an unincorporated portion of Mendocino County. The Ukiah Valley is the most populous portion of Mendocino County, containing, at least, 2/3 of the total county population; and
2. The California Department of Finance estimates the population of the City of Ukiah ("City") as of January 1, 2004, at 15,907 people and 16,185 as of January 1, 2014; and
3. Ukiah is the County Seat for Mendocino County and a commercial center for Mendocino County, Lake County, Southern Humboldt County and Northern Sonoma County; and
4. As such during business hours, the City population swells to perhaps as many as 40,000 people, including people who work, shop and receive services in Ukiah; and
5. Ukiah also is located on U.S. Highway 101, which is the major north-south highway west of Interstate Highway 5, and links southern California to Northern California and Oregon; and
6. Consequently, a small city with a population of 15,907 people in 2004 and 16,185 in 2014 must provide law enforcement, fire protection and emergency medical services to a day time population of 40,000, and respond to emergencies within the City, on U.S. Highway 101, and on a mutual aid basis within the larger Ukiah Valley; and
7. Public safety services are a general fund obligation of the City, which receives revenues from ad valorem property taxes, sales taxes and vehicle license fees. The City receives only 1% of the gross receipts from taxable retail sales within the City and less than 10% of the property taxes collected from real property located within the City; and
8. While population within the Ukiah Valley and City of Ukiah has grown over the last 30 years, calls for police services have also grown significantly. Calls for police services has increased from around 2500 calls in 1969 to over 25,000 in 2014, or by 1000%. Calls for service have increased in virtually every category, including assaults with weapons, burglary, thefts and shoplifting, drugs, sexual assaults and domestic violence; and
9. In contrast, between the years 1989 and 2003, the number of sworn officers in the Ukiah Police Department has remained constant at 28 officers; and
10. Calls for fire services have also grown. Between 1986 and 2012, fire calls increased 61% from 1,353 in 1986 to 3,277 in 2012; and
11. In 1988, the Ukiah Valley Fire District contracted with the City of Ukiah to provide fire services. The combined fire department had 15 firefighters; and
12. In 1988, the Ukiah Valley Fire District and City of Ukiah fire departments elected to independently provide fire services to their communities. Over the next 20 years, City of Ukiah Fire Department continued to provide at least 15 firefighter staffing; and
13. In 2003, due to the State of California's budget deficit, the City's general fund revenues were decreased significantly; and

14. As a result, the City was faced with substantial deficits for fiscal years 2004-2005, which required lay-offs or other reductions in expenditures for public safety services in the City; and
15. These budget deficits lead to deferment of equipment replacements, including fire engines, the City's ladder truck and police patrol cars; and
16. To address the significant demands of an increased public safety workload and provide funding for necessary equipment, in June of 2005, the Citizens of Ukiah passed by a majority vote, Measure S, a ½ cent general sales tax measure ("Measure S Sales Tax"), and Measure T, an accompanying advisory measure, which said that the first priority for additional sales tax funds should be support of essential public safety services; and
17. Measure S provided funding that has been used to increase the Police Department staffing from 28 sworn officers to 32 sworn officers. The 4 additional officers (one per work shift) were added to address workload increases and decrease response times; and
18. Measure S allowed the Fire Department to replace aging fire equipment, including the City's essential ladder truck, and other fire vehicles, and maintain a staff of at least 15 firefighters, with at least 4 firefighters on duty per shift for emergency services; and
19. In 2008, the Nation, State of California and the City of Ukiah, experienced a recession which significantly reduced city revenues from sales taxes, including revenues received from Measure S. Due to these budget deficits, the City's general fund revenues were significantly decreased; and
20. This unanticipated nation-wide recession forced the City of Ukiah to eliminate open positions, layoff personnel and reduce general fund budgets; and
21. Over the last six years, every employee in the City of Ukiah has had a 5% reduction in pay, and absorbed increases to their health insurance costs, in addition to various unpaid furloughs and reduced work hours which were made necessary by significantly reduced sales and property tax revenues ; and
22. The City of Ukiah fully complied with the PERS retirement cost reductions, reducing retirements costs for new employees; and
23. The Police Department was reduced over a two year period from 32 sworn officers to 30 sworn, then 26 sworn officers, because of the 2008 recession and reduction in General Fund revenues and Measure S revenues; and
24. The Fire Department operated ambulance service was eliminated as an additional measure to economize in response to the 2008 recession and reduction in Measure S Sales Tax and General Fund revenues, because the cost of the ambulance service exceeded the limited compensation from reduced Medi-Cal and Medi-Care reimbursements; and
25. As the economy improved, and General Fund revenues and Measure S Sales Tax revenues have been restored to the levels prevailing before the 2008 recession, the City of Ukiah has worked to improve public safety services to the Ukiah community; and
26. For a two year period commencing January 1, 2014 and ending on December 31, 2015, the City of Ukiah and the Ukiah Valley Fire District have entered a contract to provide fire services to the entire Ukiah Valley and City of Ukiah; and

27. This agreement has increased the available on-duty firefighting staff to 18 firefighters, (11-City paid personnel, 6-District personnel, and shared Fire Chief) a combined two-department volunteer firefighter force, with an increased firefighter capacity to at least 6 firefighters on-duty each day for firefighting and Paramedic medical services; and
28. The City Council has reauthorized the Police Department to increase staffing back to 32 sworn officers. The additional officers (which allow for an extra officer per work shift) were added to address workload increases and decreased response times; and
29. Unlike the City's 1% share of the current 8.25% statewide sales tax, all sales taxes produced by Measure S must remain in the City of Ukiah. These taxes cannot be taken away by the State of California. Although enacted as a general tax which can lawfully be used for any municipal purpose, the City Council has and by this resolution will continue to place the Measure S Sales Tax revenue in a designated account within its budget and financial statements so that its use for public safety services can be reviewed, audited and accounted for; and
30. In addition, it is the intent of this resolution to commit the City to maintain the amount of general fund revenues supporting public safety at or above current levels. This resolution also commits the City to maintain the current level of public safety services, including a minimum of 32 sworn police officer, and the level of fire prevention and protective services commensurate with the City of Ukiah's portion of any City and District contractual agreement for joint fire, paramedic and fire prevention operations; and
31. Measure S will sunset in September of 2015. Without the continuation of Measure S Sales Tax revenue, the City of Ukiah could not maintain current Police and Fire services. Without Measure S Sales Tax revenues, the City of Ukiah would be forced to reduce or eliminate some or all of these essential public safety services.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. EXPENDITURE PLAN: While the revenue received by the City from Measure S Sales Tax is unrestricted general fund revenue, by this resolution, the City Council commits to using these revenues to provide public safety services. "Public safety services" means law enforcement and crime prevention services provided by the Ukiah Police Department, and fire protection and prevention and emergency medical services provided by the Ukiah Fire Department, by contract with the Ukiah Valley Fire Protection District or any other arrangement approved by the City Council. These taxes may be used to pay for such public safety services expenses as the training and salaries, including overtime and specialty pay, and fringe benefits, of public safety officers and support staff working in the Police Department and of firefighters, emergency medical technicians and support staff providing fire prevention and protection services to the City. These funds may also be used for operating expenses, and the purchase of vehicles, equipment and supplies, and capital improvements used exclusively for Public safety services.

A. Accounting for Public Safety Services Revenue. In each fiscal year commencing with the 2014-2015 fiscal year, for purposes of accounting for the use of these revenues, the City shall continue to credit to an account or fund in the City's budget and financial records, to be designated by the Finance Director, all of the following: (1) Measure S Sales Tax revenue; and (2) "Public Safety Revenue" which is the revenue produced by the Police and Fire Departments.

B. Minimum level of Public Safety Services. The City shall maintain a minimum level of public safety services, but nothing in this resolution prevents the City Council from establishing a higher level of public safety services, reorganizing or changing the method of providing public safety services or reducing staffing for public safety where required by financial necessity resulting from circumstances beyond the control of the City, such as a prolonged recession like the one experienced in 2008 or other prolonged and substantial reduction in general fund revenues. The minimum level of public safety services shall be the level of such services available in the City in the 2014-15 fiscal year, including the following: (1) thirty-two (32) full-time peace officers as defined in Penal Code Section 7 and Title 3, Part 2, Chapter 4.5 (commencing with Section 830), and the level of fire prevention and protective services commensurate with the City of Ukiah's portion of any City and District contractual agreement for joint fire, paramedic, and fire prevention operations .

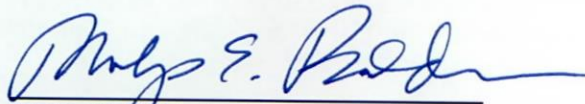
2. OVERSIGHT COMMITTEE. Every two years after the Effective Date of Ordinance No. 1149, extending the Measure S sales tax, the City Council shall appoint five people to an "Oversight Committee" the only function of which shall be to review the City's budget for public safety services and the expenditure of the revenues so budgeted. The persons appointed to the Oversight Committee should represent a broad range of interests in the City, including such interests as business owners, ethnic minorities, (1) Ukiah City firefighter, (1) Ukiah City peace officer, homeowners and tenants.

The City Manager shall provide the Oversight Committee with any information it requests which is not exempt from disclosure under the California Public Records Act and shall assist it in organizing and analyzing the information so provided. The Oversight Committee must prepare a written report which shall be presented to the City Council at a noticed public hearing and which shall be available to the general public for not less than 10 calendar days prior to the scheduled hearing date. The report shall contain an analysis of the level and types of service provided by the City's police department and fire department or other arrangement approved by the City Council, the revenues and expenditures of the designated fund or account. It shall also make recommendations concerning the future use of these funds and levels and types of service. The Oversight Committee shall dissolve after it files its report with the City Council, until a new Oversight Committee is appointed for the next two year review.

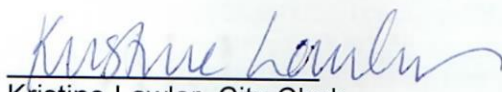
3. ACCOUNTING FOR MEASURE S SALES TAX REVENUE. All Measure S Sales Tax revenues and all interest on said revenues shall be credited to the designated fund or account and shall be designated for use in accordance with this Resolution.

PASSED AND ADOPTED ON JUNE 24, 2014, BY THE FOLLOWING ROLL CALL VOTE:

AYES:	Councilmembers Scalmanini, Crane, Thomas, Landis, and Mayor Baldwin
NOES:	None
ABSENT:	None
ABSTAIN:	None


Philip E. Baldwin, Mayor

ATTEST:


Kristine Lawler, City Clerk

CITY OF UKIAH
MEASURE P ANALYSIS

Eligible Measure P Costs

Measure P: Transaction and Use Tax

Measure P, passed by a simple majority (50% plus 1) of Ukiah voters in November of 2014 was a general (unrestricted) transaction and use tax. It continued a sun-setting transaction and use tax, known as Measure S (2005). Measure T (2005), passed in conjunction with Measure S, was a distinctly separate, advisory Measure indicating the voting public's preference for the use of Measure S proceeds.

A general, unrestricted tax is one that can be used to fund any program, function, service, or project at the discretion of the City Council. It is not a special, restricted tax, which would require approval of two-thirds of the voting public.

The language for the two ballot measures from 2005 (Measures "S" and "T") was as follows:

Ballot Measure "S":

"Shall Ordinance No. 1063 be adopted to impose a transaction (sales) and use tax at a maximum rate of one-half of one percent within the city limits of the City of Ukiah?"

Advisory Measure "T":

"Should additional funds for public safety, including police, fire, and emergency medical services, be the first priority for the use of new sales tax revenues in the City of Ukiah?"

The language of Measure P (2014) was as follows. It did not have an accompanying advisory measure on the ballot.

Ballot Measure "P":

"Shall the one-half of one percent (0.5%) transaction and use tax used to fund essential public services, including police, fire prevention and protection, and emergency medical services, set to expire on September 25, 2015, be extended by Ordinance No. 1149 until repealed by majority vote in a municipal election?"

The Ukiah City Council established an expenditure plan (Resolution No. 2014-28) for the use of Measure P revenues. That resolution stated that those revenues should be used first to maintain a minimum level of public safety services. The plan defined "minimum level of public safety services" to be level of services available in fiscal year 2014-15, including the following: 1) thirty-two (32) full-time peace officers and 2) "[a] level of fire prevention and protective services commensurate with the City of Ukiah's portion of any City and District contractual agreement for joint fire, paramedic, and fire prevention operations."

Recommended Eligible Measure P Costs

Uses and Sources Public Safety Activities Comparative, Baseline (2015) to June 30, 2018				
Expenditure Uses by Category	Measure P Baseline FY 2014-15	FY 2016-17 Actual	FY 2017-18 Actual	FY 2017-18 to Baseline Increase (Decrease)
Police:				
Sworn officers	32	32	34	2
Misc personnel	18	18	19	1
Personnel	\$ 6,049,608	\$ 7,045,006	\$ 7,195,980	\$ 1,146,372
Operations	1,866,612	2,782,372	2,855,587	988,975
Capital	186,594	145,374	31,103	(155,491)
Total police ¹	8,896,287	9,972,752	10,082,670	1,979,856
Fire:				
Firefighters:				
City	11	11	20	9
UVFD ⁶	6	6	-	(6)
Personnel	1,506,406	1,807,318	1,650,045	143,639
Contributions ²	-	-	501,275	501,275
Operations	530,822	1,269,135	899,924	369,102
Capital	30,400	44,117	1,186,256	1,155,856
Total fire	2,583,807	3,120,570	4,237,500	2,169,873
Total public safety	11,480,094	13,093,322	14,320,170	2,840,076
Dedicated Revenue Sources				
Measure P transaction and use tax	2,465,521	2,684,958	2,790,669	325,148
Public safety programmatic revenue:				
Police ³	1,001,861	1,194,931	1,251,341	249,480
Fire ⁵	37,235	136,383	209,896	172,661
Total revenue	3,504,617	4,016,272	4,251,906	747,289
Excess (deficiency) revenues over expenditures	(7,975,477)	(9,077,050)	(10,068,264)	(2,092,787)
Other Financing Sources				
General revenues, general fund	7,975,477	9,077,050	10,068,264	2,092,787
Remaining resources	\$ -	\$ -	\$ -	\$ -

Notes:

- 1) Includes parking enforcement expenditures and associated revenue.
- 2) Contributions include amounts provided by the City to UVFD to help fund 50/50 share of operating costs.
- 3) Includes dispatch service revenue, except for general fund contributions.
- 4) Personnel counts include total position amounts budgeted though not necessarily filled.
- 5) Capital purchases in 2017-18 in Fire were financed with a capital lease, the proceeds of which is not considered revenue and not counted here.
- 6) All UVFD personnel were transferred to the City in FY 2017-18.
- 7) All Fire expenditure amounts reported here are that of the City and do not include expenditures incurred by UVFD.

