



Revenue Measure Oversight Committee Semi-Annual Report

Measure G

In June of 2014, City voters approved a 1/2 cent sales tax dedicated to the support of police, fire and emergency services. The measure provides a stable source of locally-controlled funding that is entirely dedicated to keeping Watsonville residents safe. This measure provides funding for the following:

- Ensure rapid emergency response times for police, fire and paramedics
- Expand programs to fight gangs and drug houses
- Protect successful anti-gang and youth

violence prevention efforts

- Replace inadequate and outdated life-saving and safety equipment for fire-fighters and paramedics
- Increase neighborhood police patrols
- Upgrade equipment and technology to coordinate in solving crimes and fighting gangs

The Public Safety Sales Tax Measure revenue is directed to support the Police and Fire Department, in the proportions of sixty percent



(60%) to Police and forty percent (40%) to Fire.

For additional information, please visit:
www.cityofwatsonville.org/measure-g

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Letter from the Committee Chair

It is my pleasure to share with you the Revenue Measure Oversight Committee's first bi-annual report to the community. The City Revenue Measure Oversight Committee shall serve in an oversight capacity to at least bi-

annually review revenues and expenditures and provide a second independent verification that all expenditures are being made as promised to Watsonville residents. I encourage you to attend a Revenue Measure Oversight

Committee Meeting to learn about the accomplishments made possible by your investment in our Watsonville Community.

Dee Dee Vargas, Chair
Measure G Committee



Members of the Revenue Measure Oversight Committee for the Public Safety Sales Tax (Measure G)

2014-2015

Dee Dee Vargas

Chairperson, Realtor

John Martinelli

Vice Chairperson, Business Owner

Charles Bailey

Police Association President

Dorma Baker

Pajaro Valley Unified School District

Gina Castañeda

Neighborhood Leader

Bill Hansen

Business Owner

Katie Mahan

Chamber of Commerce

Gary Manfre

Business Owner

Robin Mathews-Johnson

Pastor

Renee Mello

Chamber of Commerce and Realtor

David Rodriguez

Police Officer Association

Corey Schaefer

Firefighter Association President

Diana Vargas

Chamber of Commerce

About Measure G and the Revenue Oversight Committee

Voters approved Measure G, which required a 2/3 vote for enactment. The approval allows the City to impose a one-half of one percent (0.50%) restricted sales tax for public safety over a period of seven (7) years.

Measure G also requires that a committee serve in an oversight capacity to at least bi-annually review revenues and expenditures and provide a second independent verifica-

tion that all expenditures are being made as promised to Watsonville residents.

On January 14, 2014, the City Council, by motion, authorized the Mayor to appoint members onto a committee for exploration of revenue measures for sales tax. On September 9, 2014, pursuant to Resolution 122-14, the Mayor appointed the members of the Revenue Measure Oversight Committee

for the Public Safety Sales Tax Measure. The members serve in an uncompensated capacity and agreed to serve for a two year term.

Our next meeting is on August 12, 2015 at 1 p.m. at the Civic Plaza Community Room (275 Main Street, 4th Floor). Meeting dates and minutes of prior meetings are available at the Measure G web page at: www.cityofwatsonville.org/measure-g



Measure G Funding Summary

Financials through March 31, 2015

Measure G Sales Tax	\$972,002
Contingency/Reserve Fund (10%)	\$97,200
Available Funds	\$874,802

Distribution	
Watsonville Fire Department (40%)	\$349,921
Watsonville Police Department (60%)	\$524,881

Watsonville Fire Department	
Available Funds:	\$349,921
Expenditures:	
Personnel (Firefighters)	\$95,385
Operations	\$13,458
Equipment	\$1,000
Balance:	\$240,078

Watsonville Police Department	
Available Funds:	\$524,881
Expenditures:	
Personnel (3 Police Officers, Police Service Specialist, Crime Analyst and Recreation Specialist)	\$190,106
Operations	\$23,400
Equipment	\$55,466
Balance:	\$255,909

Fiscal Accountability

An independent auditor shall annually review and audit expenditures of funds specifically derived from the Public Safety Sales Tax Measure, to disclose how the money was used and ensure compliance with the expenditure plans and to ensure that revenues are spent within prudent, established accounting procedures and practices. The results will be part of the City's annual audit.

To date, the City has incurred \$19,440 in Administrative Costs. These are overhead costs for accounting, payroll and human resources related to the Public Safety Sales Tax Measure, which shall never exceed 2% of the annual revenues.

In addition, a Public Safety Sales Tax Measure Contingency/Reserve Fund has been established at ten percent (10%) of the annually budgeted revenues. The reserve fund is now at \$97,200



Maintenance of Effort

The Revenue Measure Oversight Committee has verified that the City has not use Public Safety Sales Tax Measure funds to replace General Fund operating budget contributions for the Police and Fire Departments. The baseline maintenance of effort budgets for this purpose are the Fiscal Year 2013-2014 Adopted General Fund budgeted City contribution amounts for Police and Fire operations. The Police Department Fiscal Year 2013-2014 Adopted General Fund operating City budget contribution amount is \$12,359,924; and the Fire Department Fiscal Year 2013-2014 Adopted General Fund operating City budget contribution amount is \$5,672,299. The City has to date met its maintenance of effort requirements through March 31, 2015.

City Budget

The Committee has reviewed a draft of page 169 and 247 of the City's 2015-17 Biennial Budget and find that page 16 specifies that all revenues from the Public Safety Sales Tax Measure shall be used only for improving public safety, 60% to police and 40% to fire. We verify that the City established separate funds into which Measure G revenue shall be deposited.

Conclusions

The Revenue Measure Oversight Committee for the Public Safety Sales Tax Measure G finds that the City of Watsonville has complied with the requirements of Measure G and State Law in accounting for and expending the public safety sales tax revenue.

