

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: December 3, 2013

SUBJECT: Annual Measure V Report for Fiscal Year Ending June 30, 2013

**Recommendation for Action:**

Staff recommends that the City Council:

- 1) Approve the Annual Measure V Report for Fiscal Year Ending June 30, 2013 and
- 2) Direct staff to publish the required excerpts of the report in the Daily Democrat and on the City's website.

**Staff Contact**

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**Council Goal**

This recommendation is consistent with the City's goals for fiscal responsibility and governance. Annual reporting of revenues and expenditures for a voter-approved supplemental sales tax provides enhanced accountability and transparency to the community.

**Fiscal Impact**

This is an informational report, and therefore has no direct fiscal impact. However, the report provides an accounting of the use of approximately \$2 million in Measure V (1/4 cent sales tax) revenues collected during fiscal year 2012/13.

**Background**

In 2010 the City Council authorized placing a ¼ cent sales tax before the voters in order to avoid proposed budget reductions to the City's library, parks & recreation and public safety programs. In the June 8, 2010 election, Measure V was approved with 55% of the Woodland vote. Companion advisory measures S, T and U were also approved by overwhelming margins. The companion measures were intended to guide the City Council in the allocation of the resources generated by MSV for the library, public safety and parks & recreation as follows:

- Measure S, approved by 65.5% of voters, provides 30% of the additional sales tax received for the Woodland Public Library to restore educational and literacy programs and maintain operating hours at 54 hours per week;
- Measure T, approved by 64.3% of voters, provides 30% of the additional sales tax for Woodland Parks & Recreation Department to maintain current levels of park and public landscape maintenance and senior citizen programs;

- Measure U, approved by 66.4% of voters, provides 40% of the additional sales tax for Public Safety services within the Woodland Police Department and Woodland Fire Department to maintain the current number of sworn police officers and firefighters.

### **Discussion**

The FY 2013 revenue estimate for Measure V was \$2,044,219. Our actual revenue was \$2,136,653, which brought the total Measure V revenue since inception to \$5,487,699. The four-year, ¼ cent supplemental transactions and use tax will expire in 2014.

According to the advisory measures, the additional annual income generated by the sales tax measure was to be allocated by the prescribed percentages as approved by voters. It is important to note that the original expenditure reductions associated with the Library, Parks & Recreation, and Police and Fire (for FY 2011) totaled approximately \$4.9 million. The sales tax measure by itself with a projection of \$1.75 - \$2.0 million in annual revenue could not make up the entire difference.

Because of this gap and other changes that were made to revenue estimates and expenditures, and the use of one-time funds, it is difficult to determine the exact amount of MSV used in the three categories. This issue was discussed with Council June 22, 2010 when the FY 2011 Operations & Maintenance budget was approved and has still been the case for the FY 2012 and FY 2013 budgets.

Since the Library was originally proposed for closure, the full general fund amount needed to keep the Library open has come from proceeds from Measure V. After the full Library allocation, the remaining allocations follow the general intent of the advisory measures including funding the position for the Senior Center program, keeping Brooks Pool open during the winter, and funding the administrative support position for the Community and Senior Center. We have also provided public safety with the 40% allocation which is consistent with Measure U.

The table below shows the planned and actual allocation of MSV for FY 2013.

<u>Department</u>	<u>Approved MSV Spending for FY12/13</u>	<u>% of Total Revenue Estimate</u>	<u>Actual MSV Revenue for FY12/13</u>	<u>% of Actual Revenue</u>
Library	\$949,900	47%	\$927,834	43%
Parks & Rec	\$260,500	13%	\$554,158	17%
Police & Fire	<u>\$823,819</u>	40%	<u>\$854,661</u>	40%
TOTAL	\$2,044,219		\$2,136,653	

## Conclusion

Staff recommends that the City Council approve the Annual Measure V Report for Fiscal Year Ending June 30, 2013 and direct staff to publish the required excerpts of the report in the Daily Democrat and on the City's website.

Prepared by: Lynn Johnson, Senior Management Analyst

Reviewed by: Kimberly McKinney, Finance Officer

Paul Navazio, City Manager