



City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR AND
CITY COUNCIL

DATE: December 16, 2008

SUBJECT: Annual Measure E Report

Report in Brief:

In June 2006, the citizens of Woodland approved Measure E (MSE) which added a ½ cent local sales

tax for a twelve-year period. The MSE ordinance requires the City to prepare and publish an Annual Report, which accounts for the budget, expenses, encumbrances and revenues associated with the measure.

Staff recommends that the City Council approve the Annual Measure E Report for Fiscal Year Ending June 30, 2008 and direct staff to publish the required excerpts of the report in the Daily Democrat and on the City's website.

Background:

On June 6, 2006, the Woodland voters approved MSE, which extended the ½ cent supplemental sales tax collected within the boundaries of and for the benefit of the City of Woodland. Additionally, the voters approved three advisory measures outlining the types of projects for which proceeds from MSE would be spent:

- Measure B, approved by 66.8% of voters, allocated a minimum of \$30.2 million or 45% of MSE for road rehabilitation;
- Measure C, approved by 69.37% of voters, approved funding for Community and Senior Center Phase II, Sports Park and renovation and improvements of parks, recreation facilities and pools;
- Measure D, approved by 53.4% of voters, approved funding for expansions of the Library, City Hall and the Opera House

On February 6, 2007, City Council adopted the Measure E Spending Plan, which provided the allocation of total anticipated Measure E revenues in a manner consistent with legal restrictions, advisory measures, and Council policy direction. Included with the spending plan was a resolution

calling for preparation of an annual financial report and an updated bi-annual spending plan. The first annual financial report was provided to Council in September 2007.

On December 4, 2007, Council was provided an update on the general economy, as well as estimated fiscal impacts on the City's FY 08 operating and capital budgets. At this meeting, Council approved various budgetary reductions including the deferral of some MSE projects and directed staff to review the MSE 12-year revenue assumptions, impacts on project budgets, including the Opera House expansion, and return to Council with an update.

On May 13, 2008, Council approved the revised Measure E Spending Plan, which included the following changes:

- A \$6.6 million reduction in cumulative 12-year MSE revenues; revised projections were based on current year trends.
- Road maintenance budget kept at a \$30.2 million minimum;
- Remaining project budgets reduced based on the percentage share of the original MSE allocations.

Discussion:

The following table includes a summary of the proposed budget uses, the FY 08 budget amounts for those uses and the FY 08 Expenditures. Final revenues for MSE during FY 08 were \$4,163,290, which is approximately \$400,000 less than anticipated.

Project Description	Approved MSE Spending Plan Total Budget	Life To Date Expenditures	FY 08 Expenditures and Outstanding Encumbrances
Rehabilitation, Renovation & Improvements			
Roads	\$ 30,200,000	\$ 1,572,167	\$ 620,167
Parks/Facilities/ Pools	\$ 8,200,308	\$ 331,618	\$ 324,828
Library	\$ 484,658	\$ 154,054	\$ 136,394
Opera House	\$ 3,000,000	\$ 274,873	\$ 274,873
Construction Projects			
Community & Senior Center Ph. II/ Sports Park Ph. I (see note)	\$ 4,368,323	\$ 1,613,259	\$ 390,979
Sports Park Future Phases	\$ 5,390,043	\$ 565,130	\$ 0
Library Expansion	\$ 3,769,487	\$ 0	\$ 0
City Hall Expansion	\$ 5,200,308	\$ 0	\$ 0
Total	\$ 60,613,127	\$ 4,511,101	\$ 1,747,241

Note: Bond proceeds are not included as revenue, nor are the expenditure of those proceeds included in the life to date or FY 08 expenditure amounts. The expenditure amounts in this table represent the debt service for those bonds, which is the accurate expense of MSE funds for those projects. However, public report of the Measure E will reference the completion of the Phase II of the Community & Senior Center and Phase I of the Sports Park.

Members of the City Council have expressed concerns regarding the economic impact on collection of sales tax revenues from MSE and the need to revise the MSE Spending Plan. Staff agrees and plans to revise the plan as part of the annual budget process as was done this year. Therefore, the City Council will receive an updated report on the MSE Spending Plan at the FY 2009-10 Council Budget Workshop tentatively scheduled for May 12, 2009. Other potential adjustments to MSE expenditures will be considered as part of the FY 2008-09 Mid Year Adjustments to the capital program.

Fiscal Impact:

MSE receipts and expenses were accounted for and used in accordance with the revised MSE spending plan approved by Council on May 13, 2008.

Public Contact:

Posting of the City Council Agenda.

Recommendation for Action

Staff recommends that the City Council approve the Annual Measure E Report for Fiscal Year Ending June 30, 2008 and direct staff to publish the required excerpts of the report in the Daily Democrat and on the City's website.

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