

Annual Report

For the 2004-2005 Fiscal Year



Measure W Citizens Committee Review of Expenditures

On November 2004 the voters of Stockton passed Measure W to provide funding for Public Safety using a one quarter cent sales tax. Measure W included the creation of a Citizens Oversight Committee to be appointed by the City Council. The purpose of the Citizens Committee is to review the expenditures of the Measure W monies and report to the City Council on whether the expenditures are consistent with what was promised to the voters in Measure W.

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The Citizens Committee has received audited reports which describe the expenditures made during the first fiscal year of the Measure W program which was Fiscal Year 2004-05. The Committee met with representatives of the Fire Department, Police Department, Administrative Services, and City Manager's Office to review the purposes of expenditures. The review of the written reports and discussions with City departments yielded important information on Measure W expenditures.

Salaries/Benefits for Added Firefighters and Police Officers:	\$1,455,074
Fire Engine:	381,592
Equipment for Firefighters and Officers (breathing, body armor, helmets, radios, etc.):	33,341
Recruiting and testing (Physical exams, psychological tests, lie detector tests, credit checks):	23,902
Liability Insurance for staff hired:	25,740
<u>Tax Collection Costs (Board of Equalization):</u>	<u>8,236</u>
Total Expenses and Transfers for Fiscal Year 2004-05	\$1,927,885

The expenses were for the purposes of enhancing Public Safety and are consistent with the purposes set forth in Measure W.

Measure W Citizens Oversight Committee

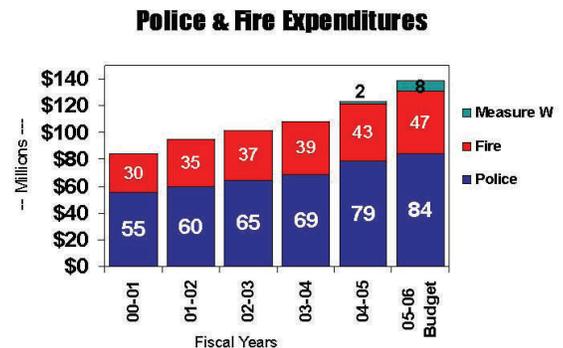
Citizens Comments

If you would like to find out more about Measure W, questions and comments are welcome:

Police	937-8217	email: police@ci.stockton.ca.us
Fire	937-8801	email: fire@ci.stockton.ca.us

Measure W Resources Resulted in Higher Funding for Public Safety

Police and Fire protection has traditionally been the City's highest priority for use of its General Fund monies. The amounts of money devoted to these Public Safety departments grows each year. With the passage of Measure W the City has the resources to increase its financial commitment to public safety. This chart shows the funding for Police and Fire before and after the implementation of Measure W. Fiscal Year 2005-06 is the first full year of the Measure W program revenues and expenditures.



Measure W Loan Repaid

The Measure W rules allow the City Council to loan monies from other city-controlled funds to allow the Measure W program to accomplish its goals. Such a loan was authorized by the City Council as part of its Fiscal Year 2005-06 Budget. Revenues from 1/4 % Measure W tax began coming to the City in June 2005 while the new Fire Station in Northeast Stockton opened and began using Measure W funding in March 2005. The amount loaned was \$947,845 which came from the City's General Fund. The loan was paid back in June 2006.

Revenues from Measure W

During Fiscal Year 2004-05, the City received two revenue checks from the State Board of Equalization for a total of \$1,045,510. These revenues come from the 1/4% sales and use tax which is collected on products purchased within the City. For Fiscal Year 2005-06 the average monthly revenue has been \$734,000. As the city's economy grows and sales tax revenues increase, Measure W will be able to afford increases in public safety staffing and equipment.

Measure W Oversight Committee Members

Chair David Jimenez	(two terms)
Vice-Chair Carole Murphy	(one term)
Tony Washington	(two terms)
Ed Rishwain	(one term)
Joe Curtis	(one term)
Bob Wingo	(two terms)
Rod Mendoza	(two terms)

Contingency Reserve

The Program Guidelines for Measure W call for setting aside a portion of the revenue collected as a reserve. The intent was that the reserve would accumulate 25% of the annual Measure W budget so that when revenue is below projections, the public safety services funded by Measure W would be maintained. Since revenue received in fiscal year in 2004-2005 amounted to only two months payments, monies were not available to fund the reserve. It is hoped that during fiscal year 2006-07 adequate revenue will be received to begin funding the contingency reserve.

Fire Department uses Measure W Funds to Save Lives



On March 29th, 2005, Engine Company 13 went in service at a temporary location at 8891 Bergamo Ct. Eighteen minutes later, the engine and crew, staffed with 2 paramedics and 2 EMT-Is, responded to a 44 year

old male who was not breathing and did not have a pulse. This emergency was only blocks away from the new firehouse, which significantly reduced the response time giving the patient a much greater chance of survival than he would have if the next closest fire engine responded from miles away. Other notable responses for Company 13 include an evacuation of the area for an explosive device in a vehicle using 5 propane cylinders wired to the vehicle's ignition switch, successful medical interventions were made for chest pain, drug overdoses, amputations, low blood sugar, gun shot wounds, and an assortment of other medical responses. Waterloo/Morada Fire Department, a neighboring fire district, requested mutual aid from Company 13 when they were too exhausted to continue at a fire scene. Company 13 staffed the attack lines and assisted with salvage and overhaul (property conservation) of the property. The opening of the new firehouse allows for reduced response times in the northeast area allowing firefighters to arrive at fires before they reach the flashover stage and gives injured or ill citizens a much greater chance of survival. Construction of the permanent Company 13, which will be located at Holman Road and Hendrix in the Cannery Park subdivision, is currently in the design and engineering phase.

Without Measure W funding I cannot imagine how the City would provide the level of service it is now providing. As Stockton grows and Measure W revenues also grow, additional fire stations will be planned and built.

Ron Hittle, Fire Chief

Police Department 04-05 Measure W Accomplishments



With the passage of Measure W in November of 2004, the Police and Human Resource Departments began to accelerate the police officer candidate testing, background investigating and hiring, and

training processes necessary to hire many police officers over the next five years in accordance with the Measure W hiring plan adopted by the City Council. While testing and background investigating officers for the next available police academy, the Police Department focused on hiring police academy graduates and lateral transfers from other agencies. These officers would be able to enter the field training program as soon as they were hired. In March of 2005, the first five academy graduate officers were hired and in June of 2005, three more were hired with Measure W funding. Throughout the spring and summer of 2005 the background and hiring process continued for the first academy class that began in September 2005. Eleven police officer trainees hired with Measure W funds attended that first academy.

In April of 2005, the Police, Information Technology, and Public Works Departments began the process of purchasing and outfitting 12 marked patrol vehicles with radios, computers, rifles, shotguns, and other equipment needed to support the additional police officers hired under Measure W. The Police Department looks forward to the public safety impact that the additional officers employed with Measure W funds will make on our community.

Wayne Hose, Police Chief

External Audit Report 2004-05

Measure W requires that an independent financial audit be performed on Measure W expenditures. The City retained the firm of Macias Gini & Company, LLP to perform the review for the Fiscal year 2004-05. The audit resulted in a report that included the *Schedule of Revenues and Expenditures and Changes in Fund Balance* and an *Independent Auditor Report on Internal Control Over Financial Reporting and on Compliance and Other Matters*.

The *Schedule of Revenues, Expenditures and Changes in Fund Balance-Measure W Public Safety Tax Fund for the year ended June 30, 2005* is presented below:

	Police	Fire	Interest	Total
Revenues:				
Sales and Use Tax-Measure W	\$ 523,755	\$ 523,755		\$ 1,047,510
Interest			(2,002)	(2,002)
	523,755	523,755	(2,002)	1,045,508
Expenditures - Public Safety:				
Payroll:				
Salaries	70,645	749,321	-	819,966
Benefits	60,702	574,406	-	635,108
	131,347	1,323,727	-	1,455,074
Products and Services Purchases:				
Liability Insurance	2,245	23,495		25,740
Tax Collection Preparation Costs	4,118	4,118		8,236
Lie Detector Costs	7,600			7,600
Psychological Tests	14,045			14,045
Physical Examinations	2,160			2,160
Credit Checks	97			97
Body Armor	2,857			2,857
Holsters, Belts Flashlights, Helmets	3,904			3,904
Radio Equipment	-	8,530		8,530
Breathing Equipment	-	18,050		18,050
	37,026	54,193	-	91,219
	168,373	1,377,920	-	1,546,293
Excess (deficiency) of revenues over (under) expenditures	355,382	(854,165)	(2,002)	(500,785)
Other Financing Uses				
Transfer Out - Fire Engine	-	(381,592)		(381,592)
Net Change in Fund Balance	355,382	(1,235,757)	(2,002)	(882,377)
Fund Balance, Beginning of the Year	-	-	-	-
Fund Balance, End of Year	\$ 355,382	\$(1,235,757)	\$ (2,002)	\$ (882,377) *

The *Independent Auditor Report on Internal Control over Financial Reporting and on Compliance and Other Matters* section of the auditor's report reached two conclusions: "We note no matters involving the internal controls over financial reporting and its operations that we consider to be material weaknesses." And, "The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*."

* Note: The 2004-05 year ended with more funds expended than received. The General Fund loaned the difference and was paid back in 2005-06. See explanation on page 2.