



City of San Bernardino

AGENDA

REVISED 2/8/18

MEASURE Z CITIZENS OVERSIGHT COMMITTEE REGULAR MEETING

FEBRUARY 8, 2018

5:30 P.M.

290 NORTH D STREET, 8TH FLOOR MIC ROOM

ENTRANCE ACCESSIBLE VIA THE 2ND FLOOR PARKING STRUCTURE

The City of San Bernardino recognizes its obligation to provide equal access to public services to those individuals with disabilities. Please contact Rebecca Garcia at (909) 384-5122, two working days prior to the meeting date of any reasonable requests for accommodations (including interpreters).

I. CALL TO ORDER

II. MEETING MINUTES

- January 10, 2018 (Attachment 1)

III. REVIEW AND DISCUSS:

- Revenues and Expenditures (Attachment 2)
- Recorded Revenues and Identifiable Expenditures (Attachment 3)
- Draft Memorandum- Use of Measure Z Funds (Attachment 4)

IV. PUBLIC COMMENT

V. DISCUSS NEXT STEPS

VI. ADJOURNMENT



City of
San Bernardino

MEETING MINUTES

Measure Z Citizens Oversight Committee

January 10, 2018 – 5:30 P.M.

290 North D Street, 8th Floor MIC Room

Attendees:

Andrea M. Miller, City Manager

Teri Ledoux, Assistant City Manager

Brent Mason, Finance Director

Tanya Romo, Assistant to the City Manager

Andrew Machen, First Ward

Gary Walbourne, Third Ward

Felicia Alexander, Seventh Ward

Philip M. Savage III, Mayor's Appt.

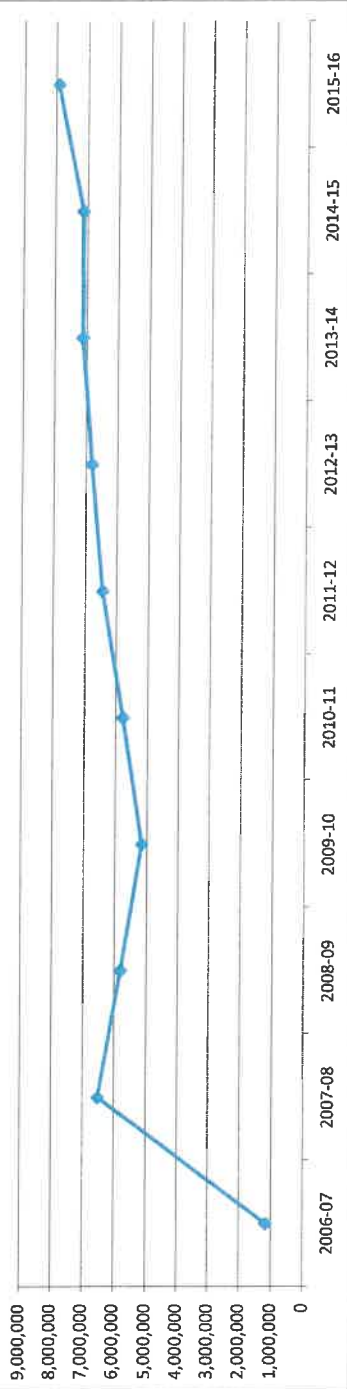
1. Introductions
2. Review of Auditors Report by Brent Mason
 - a. Distributed and discussed report by RAMS Auditors for the period of June 30, 2013 to June 30, 2016.
 - b. Distributed and discussed Measure Z Analysis of Recorded Revenues and Identifiable Expenditures for the period of July 1, 2006 to June 30, 2017.
3. City Manager requested feedback from the committee members, specifically what information they feel is necessary to receive from staff to feel as they have met their obligation as a committee member.
 - a. Committee requested a memo to be drafted by staff with allocation of funding for the past several years for consideration of forwarding the City Council.
 - b. Committee requested information as to why there was an increase in personnel expenses. City Manager explained PERS costs have increased over the past few years.
4. The Committee also requested the following information:
 - a. Bar Chart with information contained in the Analysis of Recorded Revenues and Identifiable Expenditures.

- b. Requested additional details of the numbers provided in the Analysis of Recorded Revenues and Identifiable Expenditures. Preferably an analysis including an explanation of salary increase.
- c. Meet on a date that is most convenient for everyone. Committee agreed the most convenient date would be on a Thursday at 5:30 P.M., except for the third Thursday of the month.
- d. Requested a copy of the Measure Z contact sheet, including vacancies.
- e. Requested the total number of sworn officers and civilian personnel, by year during the period audited (June 30, 2013 to June 30, 2016).

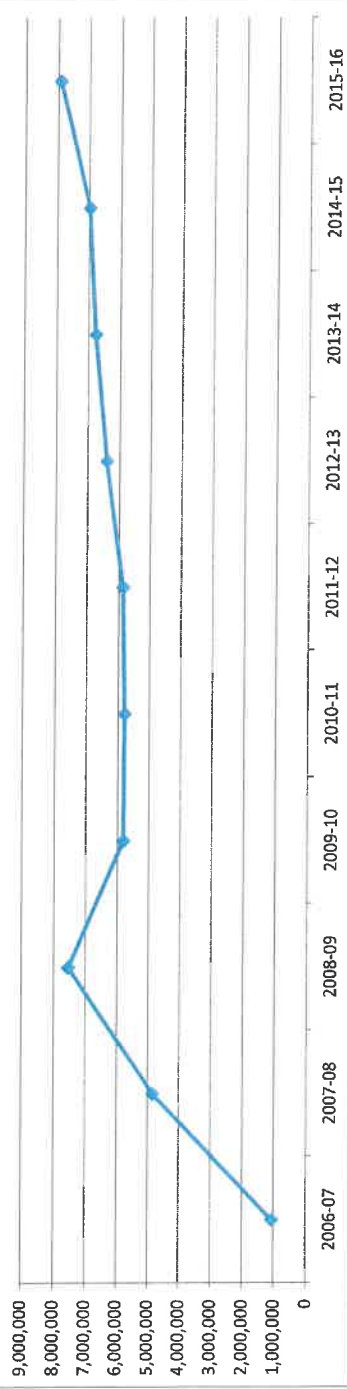
City of San Bernardino
Measure Z Program Balance
From 2007 (inception) through 2016

Year	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	LIFE TO DATE TOTALS
Revenues	\$ 1,162,882	\$ 6,511,475	\$5,804,472	\$ 5,157,200	\$ 5,766,495	\$ 6,434,838	\$ 6,806,870	\$ 7,111,577	\$ 7,119,294	\$ 7,905,634	\$ 59,780,737
Expenditures	1,050,518	4,836,494	7,546,419	5,804,726	5,781,982	5,853,618	6,392,020	6,756,512	6,974,320	7,914,027	58,910,636
Change in program balance	112,364	1,674,981	(1,741,947)	(647,526)	(15,487)	581,220	414,851	355,065	144,974	(8,393)	
Prior year program balance	-	112,364	1,787,345	45,398	(602,128)	(617,615)	(36,395)	378,456	733,520	878,494	
Program balance	\$ 112,364	\$ 1,787,345	\$ 45,398	\$ (602,128)	\$ (617,615)	\$ (36,395)	\$ 378,456	\$ 733,520	\$ 878,494	\$ 870,101	\$ 870,101

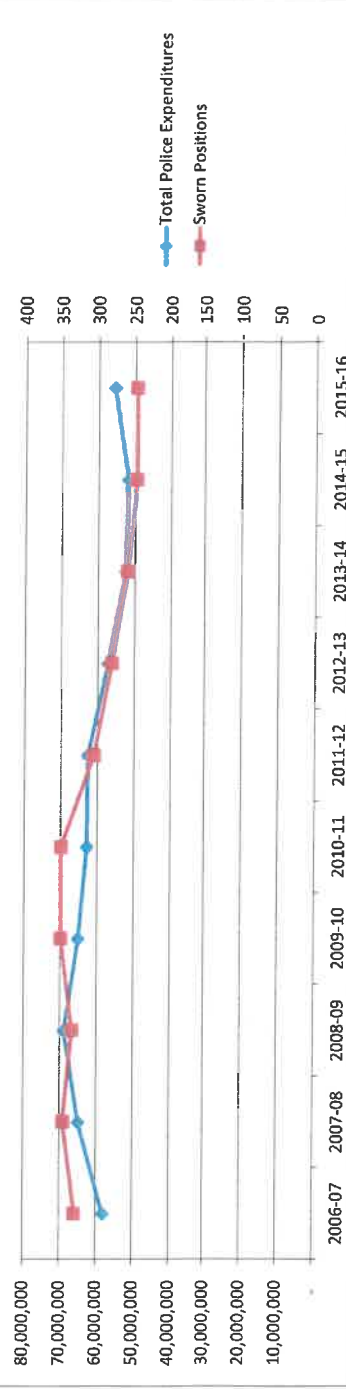
Measure Z Revenues



Measure Z Expenditures



Total Police Expenditures and Sworn Positions



MEMORANDUM

To: Mayor and City Council of San Bernardino
From: XXXXXXX, Measure Z Citizen’s Oversight Committee Chair
Date: February XX, 2018
RE: Report on Use of Measure Z Funds for Fiscal Years
2012-13; 2013-14; 2014-15; 2015-16

The Committee confirms to the Mayor and City Council that it has completed the procedures necessary to report on the use of Measure Z Funds for the above noted fiscal years. As a result of the City being focused on the matters associated with managing the Chapter IX bankruptcy proceedings, the annual reporting of the use of the Measure Z funds has not occurred since _____. However, given that the City has emerged from its bankruptcy proceedings and is moving toward transacting “business as usual,” getting caught up on these reports is an immediate priority. City staff has conducted the required special procedures with an independent accounting firm and received their report (Attachment 1). That report indicates both that:

- 1 - The Measure Z funds have been accounted for accurately; and
- 2 - The expenditures allocated to the Measure Z funding are consistent with the guidelines approved in Measure YY, the related advisory measure.

Revenues and expenditures for the four fiscal periods under review are listed below. Using the rolling year to year, tracking of life to date activity, this report indicates that through June 30, 2016, \$870,101 of Measure Z funds have been received that have yet to be used for qualifying program expenditures. The City indicates that there are additional program eligible expenditures that are being put in place in subsequent periods that will utilize these as well as new funds generated from the Measure Z transaction tax.

City of San Bernardino
Measure Z Program Balance

Year	2012-13	2013-14	2014-15	2015-16
Revenues	\$ 6,806,870	\$ 7,111,577	\$ 7,119,294	\$ 7,905,634
Expenditures:				
Salaries (Police Dept)	(4,775,394)	(4,898,018)	(4,930,870)	(5,316,894)
Benefits (Police Dept)	(1,616,625)	(1,858,494)	(2,043,450)	(2,597,133)
Change in program balance	414,851	355,065	144,974	(8,393)
Prior year balance	(36,395)	378,456	733,520	878,494
Net program balance	\$ 378,456	\$ 733,521	\$ 878,494	\$ 870,101

Measure YY language specifically indicates that the proceeds of Measure Z are to be used **“only to fund more police officers and support personnel, and to fund anti-gang and anti-crime operations, including drug resistance education and supervised after-school youth activities.”** All expenditures for all four reporting periods are exclusively related to the Police Department staffing. Specifically, it includes the salaries and related benefits, as noted in the chart above. In previous periods, a broader mix of qualifying expenditures has been allocated to this funding source, but that did not occur in these periods.

Fiscal Analysis

The Measure Z revenues have grown from an annual amount of \$6.8 million in 2012-13 to \$7.9 million in 2015-16. This is approximately 5% annual growth, on average year over year, or 16.2% overall growth during the period of review. This growth in the Measure Z transactions tax is consistent with the City’s overall sales tax growth for the period, which was on average, approximately 6.5% per year.

Expenditures allocated to the program for this period are entirely salary and benefit related. For the 40 sworn positions and 15 civilian positions, only those portions of their salaries that are not chargeable to some other funding source (i.e., a grant program) are allocated to the Measure Z funding. Because grant resources vary from year to year, that directly affects the amount of charges a specific officer may allocate to the Measure Z funding, causing variation in the year to year numbers, not strictly attributable to growth in salaries and benefits. Over the four-year period of the Measure Z expenditures included in this report, Police salaries were increased by 2.9% in 2013-14, 3.5% in 2014-15 and 3.5% in 2015-16. These percentage increases account for the annual increases in salary costs allocated to the program, subject to minor variations based on the use of grant funds each year. The benefits expenditures are primarily related to pension costs. The increases in total benefit expenditures at a pace greater than salaries, is due to the City’s required contributions to CalPERS each year having increased dramatically over this same time period.

Action and Recommendation:

The Committee voted to receive and file the Auditor’s report and forward it and this summary report to the Mayor and City Council to also receive and file. This report is to be made available to the voters of San Bernardino via availability on the City’s website or public review.

Attachments:

Measure Z Agreed Upon Procedures Report
Life To Date Schedule of Measure Z Revenues and Expenditures