

# Agenda

## City of Visalia Measure N Oversight Committee

Don Sharp – Board of Realtors/Building Industry  
Anil Chagan – Downtown Visalians/Property Owners  
Vincent Salinas – Hispanic/Visalia Chamber  
Rick Feder – Visalia Economic Development Council  
Glen Stewart – Citizens Advisory Committee  
Kelly Pierce – Citizens Advisory Committee

Janice Avila – Council appointee  
Berkley Johnson – Council appointee  
Basil Perch – Council appointee  
Erica Lutterbein – Council appointee  
Brad Maaske – Council appointee

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Thursday, May12, 2022  
5:30 p.m.

Visalia Administration Office  
220 N. Santa Fe St.  
Visalia, CA

1. **Welcome and Public Comment.**

This is a time set aside for the Committee to receive public comment on issues which are not already included on the agenda. Public comment regarding items on the agenda may be open to public comment prior to the committee's discussion of the agenda item and before any action is taken on the agenda item. Members ask that comments are kept brief and positive. In fairness to all who wish to speak, each speaker will be allowed three minutes. Please begin your comments by stating your name and the street you live on.

2. **Review and consider the proposed 22/23 and 23/24 Measure N Budget**

3. **Future meetings and items for discussion.**

4. **Good of the Order.**

5. **Adjourn.**

Next meeting: To be determined.

*In compliance with the American Disabilities Act, if you need special assistance to participate in meetings call (559) 713-4512 48-hours in advance of the meeting. For Hearing Impaired – Call (559) 713-4900 (TDD) 48-hours in advance of the scheduled meeting time to request signing services.*

*Any written materials relating to an item on this agenda submitted to the Measure N Oversight Committee after distribution of the agenda are available for public inspection in the Office of the City Clerk, 220 N. Santa Fe Street, Visalia CA 93292, during normal business hours.*



# Visalia City Council

Visalia City Council  
707 W. Acequia  
Visalia, CA 93291

## Staff Report

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**File #:** 22-0182

**Agenda Date:** 5/2/2022

**Agenda #:** 4.

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### **Agenda Item Wording:**

Review and discuss the proposed Fiscal Years 2022/23 & 2023/24 Measure N budget and continue with the amended expenditure plan previously approved.

Deadline for Action: 6/30/2022

**Submitting Department:** Finance and Technology Services

**Contact Name and Phone Number:** Renee Nagel 713-4375, Ameer Swearingen 713-4170

### **Department Recommendation:**

City Council review and provide comments on the City Manager's recommended Measure N budgets for FY 2022/23 and 2023/24.

The Measure N Budget has to be adopted by June 30, 2022 to be able to spend in FY 2022/23. The City does a biannual budget and is currently in the process of preparing a two-year budget to bring forward to Council in June for adoption. In order for staff to incorporate the Measure N budget in with the rest of the City's budget, staff has prepared a recommended budget for FY 2022/23 and FY 2023/24 for Council's review. If approved, staff will then continue with the Measure N budget process as outlined in the report.

A copy of the proposed budget is available at the City Administration office, 220 N. Santa Fe, during normal work hours. The proposed budget can also be reviewed at

[https://www.visalia.city/depts/finance/proposed\\_budget/default.asp](https://www.visalia.city/depts/finance/proposed_budget/default.asp).

### **Background Discussion:**

In November of 2016, the voters of Visalia passed a ½ cent Sales Tax Override, Measure N - The Visalia Essential City Services Measure. Sales Tax from Measure N will provide for essential city services such as police and fire, as well as maintenance of parks and roads. The measure uses a detailed, 10 year plan which includes hiring of personnel, construction of capital projects and equipment purchases.

As part of the measure, Council adopted an Accountability Ordinance (Ordinance 16-21) to establish accountability measures as outlined:

#### Revenues:

- 10% of budgeted revenues must be deposited in an Uncertainty Fund. Money can only be accessed during a fiscal emergency;
- 10% of budgeted revenues must be deposited into the following categories:
  - 2% Youth Programs
  - 8% Maintenance and Emerging Needs

#### Expenditures:

- Money shall not be used for debt service payments;

- Annual expenditure plan must be approved by Council after the following has occurred:
  - City Manager makes a recommendation to City Council and makes changes as requested (tonight's discussion);
  - Comments and recommendation received by Sales Tax Oversight Board;
  - Two public Hearings are held at regular Council Meetings to consider expenditure plan

To ensure that the Measure N budget will be adopted with the rest of the City funds in June; staff is presenting the recommended fiscal year 2022/23 & 2023/24 budgets to start the approval process.

### **2022/23 & 2023/24 Proposed Budget**

The budget includes the amended expenditure plan that includes changes over the past 6 years, as shown in Table 1, 2022/23 Proposed Measure N Amended Plan (Year 6). The recommended budget for the 2022/23 budget, including the Economic Uncertainty Fund, is \$14.6 million. The budget includes \$1.5 million in the Remaining Emerging Needs category. This amount doesn't include prior years monies that have been accumulating since the plan started. These funds will be brought back to Council and the Oversight Committee once a policy and/or plan has been established.

**Table 1**  
**2022/23 Proposed Measure N Amended Plan (Year 6)**

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<b>Police</b>	25	Police Officers	3,824,500	<b>2% Youth Programs</b>	
	10	Professional Staff	1,000,500	Youth Programs	385,700
	2	Cars & Equipment for new staff	93,900		
		Operating Expenses	565,200	<b>8% Maintenance &amp; Emerging Needs</b>	
		Body Cameras	198,000	Building Maintenance	-
			5,682,100	Remaining Emerging Needs*	1,542,700
				<b>Total</b>	1,542,700
<b>Roads</b>		Street Maintenance	3,600,000	<b>Economic Uncertainty Fund</b>	757,910
				@ 10% of annual revenues	
<b>Parks &amp; Rec</b>	2	Park Maintenance Emp.	185,700		
	1	Urban Forest Emp.	92,100		
	1	Recreation Coordinator	103,600	<b>Grand Total</b>	<b>14,569,210</b>
		Trailway Maintenance	55,000		
		Tree Maintenance	55,000	*Note: The Remaining Emerging Needs mo	
		Building Maintenance	55,000	not be spent until staff returns to Council w	
		New Park Maintenance	55,000	recommended policv/plan.	
		Operating Expenses	77,800		
			679,200		
<b>Fire</b>	9	BC, Admin Capt. & Sqaud Staffing	1,398,800		
		Operating Expenses	243,600		
			1,642,400		
<b>Other</b>		State Fees, Audits, Accounting	279,200		
			279,200		
		<b>Essential Serivces Total</b>	<b>11,882,900</b>		

In FY 2022/23, the plan adds 1 professional staff position and 1 Police Officer. The professional staff position will be an additional Communications Operator to the Police Department. In addition, staff recommends amending the Measure N Plan to include another professional staff person. This position will be a Media & Community Relations Coordinator for the Police Department. These duties are currently being performed by a Sergeant and a Community Outreach Coordinator. With the increasing media outlets and demand for information, it has become difficult for the Department to keep up with the demand along with the other sworn duties that are assigned. The plan for FY 2023/24 will be adding 1 Police Officer and zero professional staff.

The recommended budget for FY 2023/24 is \$14.6 million as shown in Table 2, 2023/24 Proposed Measure N Amended Plan (Year 7).

**Table 2**  
**2023/24 Proposed Measure N Amended Plan (Year 7)**

<b>Police</b>	26	Police Officers	4,122,200	<b>2% Youth Programs</b>		
	10	Professional Staff	1,044,800	Youth Programs		393,400
	1	Police Cars & Equipment	61,800			
		Operating Expenses	499,700	<b>8% Maintenance &amp; Emerging Needs</b>		
		Body Cameras	201,000	Building Maintenance		-
			5,929,500	Remaining Emerging Needs*		1,573,600
				<b>Total</b>		1,573.60
<b>Roads</b>		Street Maintenance	4,000,000			
				<b>Economic Uncertainty Fund</b>		38,570
<b>Parks &amp; Rec</b>	2	Park Maintenance Emp.	193,500	@ 10% of annual revenues		
	1	Urban Forest Emp.	96,200			
	1	Recreation Coordinator	107,900			
		Trailway Maintenance	56,000			
		Tree Maintenance	56,000			
		Building Maintenance	56,000			
		New Park Maintenance	56,000			
		Operating Expenses	77,800			
			699,400			
<b>Fire</b>	9	BC, Admin Capt, & Squad Staffing	1,454,700			
		Operating Expenses	250,900			
			1,705,600			
<b>Other</b>						
		State Fees, Audits, Accounting	284,800			
			284,800			
		<b>Essential Services Total</b>	<b>12,619,300</b>			

\*Note: The Remaining Emerging Needs may not be spent until staff returns to Council with recommended policy/plan.

**Measure N Sales Tax**

The original Measure N plan was established in FY 15/16 which used a lower base line and a conservative growth to offset rising cost. Table 3 Measure N Sales Tax Projection shows the Sales tax coming in higher than the plan each year. The increase for the last two fiscal years is higher than normal with an increase of 18% and a projected 12% for this fiscal year. This higher-than-normal growth is due to the COVID Stay-at-home order which ended June 2021. During this time, most people spent their money on taxable goods instead of nontaxable items, such as travel and entertainment, as well as receiving multiple rounds of stimulus money. Staff is projecting the sales tax growth to continue over the next two years but at a much smaller percentage. The projected growth for FY 2022/23 & 2023/24 is 2% annually. This is a conservative number, however, could be realistic as this number builds upon the last two fiscal years that had higher than normal growth.

**Table 3**  
**Measure N Funding Sales Tax Projection**  
 (in millions)

	19/20 Original Plan	19/20 Actuals	20/21 Original Plan	20/21 Actuals	21/22 Original Plan	21/22 Projecte	22/23 Original Plan	22/23 Propose	23/24 Original Plan	23/24 Propose
Sales Tax	11.2	13.9	11.6	16.9	11.7	18.9	11.9	19.3	12.2	19.7
Difference		2.7		5.3		7.2		7.4		7.5

Any additional revenue that is received is split among 4 categories as outlined in the Measure N ordinance. In order to meet the requirements and to be able to track revenues and expenditures, per these categories, Measure N is tracked in 4 separate funds. This also allows each category to earn its own interest. It is important to have cash available in each category to be able to advance projects in the plan (if needed) and/or cover higher costs than what was outlined in the plan. Table 4 Measure N Fund Balance Summary, shows each funds ending cash for both years based on the proposed 2 year budget.

**Table 4**  
**Measure N Fund Balance Summary**

<b>2022/23- Year 6</b>	<b>Beginning Cash</b>	<b>Projected Revenues</b>	<b>Transfer</b>	<b>Expenditures</b>	<b>Ending Cash</b>
Essential Services	\$ 10,554,900	\$ 17,355,400		\$ 11,603,700	\$ 16,306,600
2 % Youth Programs	\$ 737,200	\$ 385,700		\$ 385,700	\$ 737,200
8% Maint & Emerging Needs	\$ 2,267,900	\$ 1,542,700		\$ 1,542,700	\$ 2,267,900
Economic Uncertainty	\$ 1,170,470		\$ 737,910	\$ -	\$ 1,908,380
<b>Total</b>	<b>\$ 14,730,470</b>	<b>\$ 19,283,800</b>	<b>\$ 737,910</b>	<b>\$ 13,532,100</b>	<b>\$ 21,220,080</b>
<b>2023/24 - Year 7</b>	<b>Beginning Cash</b>	<b>Projected Revenues</b>	<b>Transfer</b>	<b>Expenditures</b>	<b>Ending Cash</b>
Essential Services	\$ 16,306,600	\$ 17,702,500		\$ 12,334,500	\$ 21,674,600
2 % Youth Programs	\$ 737,200	\$ 393,400		\$ 393,400	\$ 737,200
8% Maint & Emerging Needs	\$ 2,267,900	\$ 1,573,600		\$ 1,573,600	\$ 2,267,900
Economic Uncertainty	\$ 1,908,380		\$ 38,570	\$ -	\$ 1,946,950
<b>Total</b>	<b>\$ 21,220,080</b>	<b>\$ 19,669,500</b>	<b>\$ 38,570</b>	<b>\$ 14,301,500</b>	<b>\$ 26,626,650</b>

Once the recommended budget is approved by Council, staff will present the 2 year budget to the Measure N Oversight Committee. Staff will then return to Council with comments and will hold two public hearings.

**Fiscal Impact:**

None

**Prior Council Action:** None

**Other:** N/A

**Alternatives:** N/A

**Recommended Motion (and Alternative Motions if expected):**

Move to approve the recommended Measure N budgets for FY 2022/23 & 2023/24, approve recommended plan changes, and continue with the expenditure plan process...end

**Environmental Assessment Status:** Click or tap here to enter text.

**CEQA Review:** Click or tap here to enter text.

**Attachments:** Click or tap here to enter text.

# MEASURE N 2022/23 & 2023/24 PROPOSED BUDGET

May 2, 2022





# MEASURE N

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**½ cent Sales Tax Override to provide essential City services (police, fire, recreation, parks, and roads)**

**Uses a detailed 10 year plan**



# MEASURE N REQUIREMENTS

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## Revenues:

**10% of budgeted revenues must be maintained in Uncertainty Fund for a fiscal emergency;**

**10% of budgeted revenues must be deposited into the following categories:**

- 2% Youth Programs
- 8% Maintenance and Emerging Needs

## Expenditures:

**Money shall not be used for debt service payments;**

**Expenditure plan and amendments must be approved as outlined in the plan.**

# MEASURE N – BUDGET PROCESS

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**Tonight's meeting starts the 22/23 & 23/24 budget process for Measure N funds which requires the following actions to adopt the spending plan:**

- City Manager makes recommendation to City Council and makes changes as requested;
- Comments and recommendation received by Sales Tax Oversight Board;
- Two public Hearings are held at regular Council Meetings to consider expenditure plan

# MEASURE N – PROJECTED FUND BALANCE

Based on the measure's requirements, the revenue/expenditures are tracked in 4 separate funds:

<b>2022/23- Year 6</b>	<b>Beginning Cash</b>	<b>Projected Revenues</b>	<b>Transfer</b>	<b>Expenditures</b>	<b>Ending Cash</b>
<b>Essential Services</b>	\$ 7,854,900	\$ 17,355,400		\$11,603,700	\$ 13,606,600
<b>2 % Youth Programs</b>	\$ 737,200	\$ 385,700		\$ 385,700	\$ 737,200
<b>8% Maint &amp; Emerging Needs</b>	\$ 2,267,900	\$ 1,542,700		\$ 1,542,700	\$ 2,267,900
<b>Economic Uncertainty</b>	\$ 1,170,470		\$ 737,910	\$ -	\$ 1,908,380
<b>Total</b>	<b>\$ 12,030,470</b>	<b>\$ 19,283,800</b>	<b>\$ 737,910</b>	<b>\$13,532,100</b>	<b>\$ 18,520,080</b>
<b>2023/24 - Year 7</b>	<b>Beginning Cash</b>	<b>Projected Revenues</b>	<b>Transfer</b>	<b>Expenditures</b>	<b>Ending Cash</b>
<b>Essential Services</b>	\$ 13,606,600	\$ 17,702,500		\$12,334,500	\$ 18,974,600
<b>2 % Youth Programs</b>	\$ 737,200	\$ 393,400		\$ 393,400	\$ 737,200
<b>8% Maint &amp; Emerging Needs</b>	\$ 2,267,900	\$ 1,573,600		\$ 1,573,600	\$ 2,267,900
<b>Economic Uncertainty</b>	\$ 1,908,380		\$ 38,570	\$ -	\$ 1,946,950
<b>Total</b>	<b>\$ 18,520,080</b>	<b>\$ 19,669,500</b>	<b>\$ 38,570</b>	<b>\$14,301,500</b>	<b>\$ 23,926,650</b>

# 22/23 Proposed Budget

<b>Police</b>	25	Police Officers	3,824,500	<b>2% Youth Programs</b>		
	10	Professional Staff	1,000,500	Youth Programs		385,700
	2	Cars & Equipment for new staff	93,900			
		Operating Expenses	565,200	<b>8% Maintenance &amp; Emerging Needs</b>		
		Body Cameras	198,000	Building Maintenance		-
			5,682,100	Remaining Emerging Needs*		1,542,700
					<b>Total</b>	1,542,700
<b>Roads</b>		Street Maintenance	3,600,000			
				<b>Economic Uncertainty Fund</b>		757,910
<b>Parks &amp; Rec</b>	4	Parks & Rec Employees	381,400	@ 10% of annual revenues		
		Trailsway Maintenance	55,000			
		Tree Maintenance	55,000		<b>Grand Total</b>	<b>14,569,210</b>
		Building Maintenance	55,000			
		New Park Maintenance	55,000			
		Operating Expenses	77,800			
			679,200			
<b>Fire</b>	9	BC, Admin Capt, & Squad Staffing	1,398,800			
		Operating Expenses	243,600			
			1,642,400			
<b>Other</b>		State Fees, Audits, Accounting	279,200			
		<b>Essential Services Total</b>	<b>11,882,900</b>			

\*Note: The Remaining Emerging Needs money will not be spent until staff returns to Council with a recommended policy/plan.

# 23/24 Proposed Budget

<b>Police</b>	26	Police Officers	4,122,200	<b>2% Youth Programs</b>		
	10	Professional Staff	1,044,800	Youth Programs		393,400
	1	Police Cars & Equipment	61,800			
		Operating Expenses	499,700	<b>8% Maintenance &amp; Emerging Needs</b>		
		Body Cameras	201,000	Building Maintenance		-
			5,929,500	Remaining Emerging Needs*		1,573,600
					<b>Total</b>	1,573,600
<b>Roads</b>		Street Maintenance	4,000,000			
				<b>Economic Uncertainty Fund</b>		38,570
<b>Parks &amp; Rec</b>	4	Park Maintenance Emp.	397,600	@ 10% of annual revenues		
		Trailsway Maintenance	56,000			
		Tree Maintenance	56,000		<b>Grand Total</b>	<b>14,624,870</b>
		Building Maintenance	56,000			
		New Park Maintenance	56,000			
		Operating Expenses	77,800			
			699,400	*Note: The Remaining Emerging Needs money will not be spent until staff returns to Council with a recommended policy/plan.		
<b>Fire</b>	9	BC, Admin Capt, & Squad Staffing	1,454,700			
		Operating Expenses	250,900			
			1,705,600			
<b>Other</b>		State Fees, Audits, Accounting	284,800			
		<b>Essential Services Total</b>	<b>12,619,300</b>			

# TONIGHT'S ACTION

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**Approve 22/23 & 23/24 budget, with recommended changes, and continue with budget process as outlined below:**

**May – Meet with Measure N Oversight Committee**

**June 6th – Hold 1<sup>st</sup> Public Hearing**

**June 20th – Hold 2<sup>nd</sup> Public Hearing**

**As directed by Council, staff will return with policies for Measure N surplus and remaining emerging needs funding.**

QUESTIONS?

