

Measure G Subcommittee

Review of the Independent Audit for the fiscal year ending June 30, 2020

Background:

- At the January 21, 2021 meeting of the full Citizen's Oversight Committee for Measure G, the following were appointed as a Subcommittee to review the Independent Audit of Measure G as called for in the initial ballot language. Appointed as Chair was Brigid McGrath Massie with Subcommittee members Aidee Farias and Chris Barreras. Each Subcommittee member received a full copy of the Audit from Matt Pressey, Finance Director to review. According to page R-4 of the audit document, "The Measure G Oversight Committee is a fundamental provision of the voter-approved tax." "The committees' main responsibilities include the review of the auditor's report of the specific uses of Measure G funds and to issue a public report to the City Council regarding the use of revenue and such other matters as the City Council may assign."

Purpose:

- The purpose of the audit is to determine whether generally accepted accounting principles are followed in the allocation and expenditure of the funds collected under the auspices of the Measure G ballot measure.
- Clearly, the funds are being expended appropriately for a *general tax measure*.
- Additionally, it is understood that as *general tax measure*, the expenditures are made within the entire budgetary process which is the purview of the City Council to prioritize and approve.

Wording of Measure G:

- “To improve the quality of life, maintain and enhance city services and facilities, including crime and gang prevention; neighborhood policing and school safety; safety inspections; police, fire and paramedic response; fixing potholes, streets and sidewalks; recreation and programs for youth and seniors; and other city services.”

Category of Expenditure	Amount Spent	% of Amount Spent
General government	\$1,312,892	6%
Public safety (Police/Fire)	\$11,473,597	50%
Public Works	\$1,023,699	4%
Recreation	\$975,958	4%
Capital Outlay	\$23,265	0%
Transfers*	\$8,309,291	36%
Total spent	\$23,118,702	100%
Total amount collected	\$26,613,814	
Total spent	\$23,118,702	
Unspent**	\$3,495,112	13%

***Note:** These transfers directly address strategic investment in public facilities, addressing shortfalls in employee compensation since 2015 (furloughs) and costs associated with the addition of new employees to restore and expand City-provided services.

****Note:** Typically, the 13% that is unspent will carry-over to the next fiscal year and be expended on one-time projects determined by the City Council.

Going Forward:

- A review of the expenditures since the passage of Measure G illustrate the challenging financial pressures faced by the City since 2015.
- Some specific priorities identified in Measure G have not been able to receive the level of funding due to significant disruption in economic conditions.
- However, with improving economic conditions, the passage of Measure X and SB1 (State gas tax funds for transportation, streets and roads), some categories can be prioritized in the future.

Subcommittee Member's Priorities:

For fiscal year 2021-2022, Subcommittee members will work with their appointing City Council members and the professional staff of the City's Finance Department to advocate for the following priorities:

Committee Member Farias:

- Measurement of results (metrics)
- Quantification of how many citizens have been served
- Equity in the allocation of Measure G funds
- Firstly, the cost controls for public safety should be introduced or at minimum discussed to see how best to lower budgeting overages.
- I think we need to show that a sales tax measure such as this one truly supports needs across all categories and not predominantly leans on one at the cost of others.
- Based on my recommendation to decrease public safety budget spending via implementing a threshold for spending beyond budget and increasing work projects by other departments such as public works to address backlogs, I would recommend increasing funding for recreational programs and parks for maintenance.

- **Committee Member Barreras:**
- Identifying where in the City Measure G funds are being spent
- On-going monitoring of expenditures to ensure all funds are expended

Committee Member McGrath Massie:

- Alignment of expenditures to the ballot language
- Reviewing how Measure G fits into the City's entire budget and how it addresses specific priorities

Conclusion: Funds collected under Measure G are being strategically expended to address the priorities of the City Council. Members of the Audit Committee, a Subcommittee of the Citizen's Oversight Committee, look forward to providing input and leadership in ensuring future expenditures are monitored, measured and transparently reported in alignment with the ballot language of Measure G.

Respectfully,

Brigid McGrath Massie
Chair, Measure G Audit Subcommittee