

# City of Pittsburg, CA

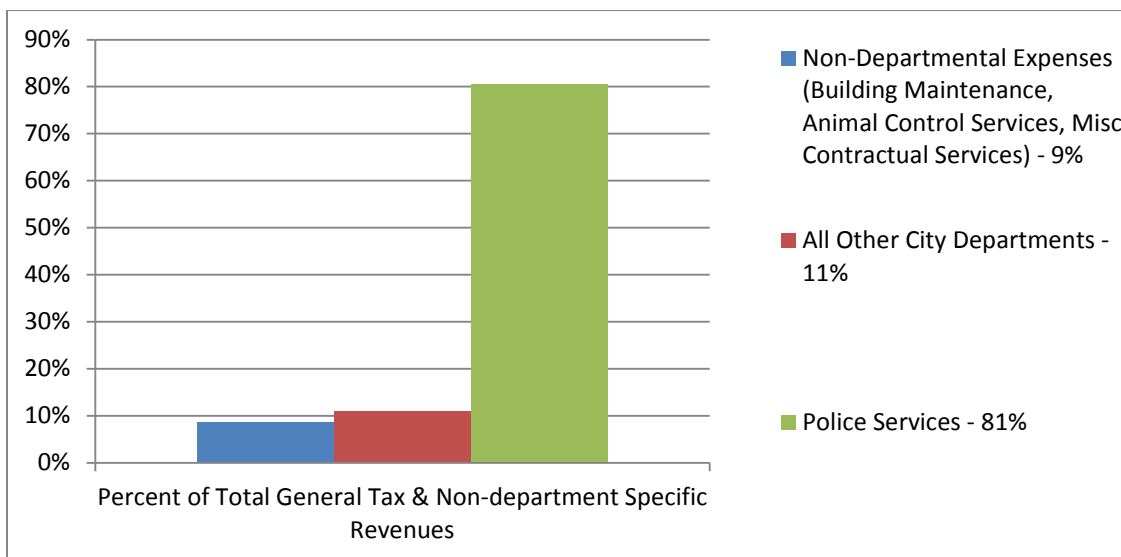
## Measure P Oversight Committee Report

### Proposed Use of 2014-15 Measure P Funds

#### ***Background of City of Pittsburg's Financial Condition***

In 2012, the City of Pittsburg faced decreasing revenues, including a twenty-six percent decrease in sales and property taxes since 2008, amounting to a loss of approximately \$2.6 million dollars annually. In addition, the costs to provide essential city services to residents continued to increase. The City had already reduced staff and consolidated City Departments in order to cut costs. The City had 275 full-time employees in 2008, and through early retirements, and not filling vacant positions, the City reduced this number to 239 employees in 2011. In an attempt to further reduce costs, the fiscal year ("FY") 2011-12 budget called for leaving four (4) police department positions vacant, eliminating the budget for police and maintenance employees at City events, closing the swim center, and eliminating approximately (14) positions including eight (8) layoffs.

The City predicted that without an increase in revenues, the City would have had a General Fund deficit in FY 2012-13 of approximately \$2.7 million dollars, which would have required the City to make additional cuts to City services including a reduction in Police Department services and closing the Senior Center. As described in the chart below, the Police Department comprises 81% of the City's General Fund budget. Faced with severe General Fund cuts, it would have been very difficult to balance the City's budget without cutting the Police Department's budget.



To avoid reductions in vital City services, the City Council placed Measure P on the June 2012 ballot that temporarily increased the City's sales tax. Measure P was approved by Pittsburg's voters and the City began collecting the new sales tax beginning in October 2012.

### ***City of Pittsburg's 2012 Sales Tax - Measure P***

June 2012 Ballot Language/Question - "To provide funding that stays in Pittsburg and cannot be seized by the State, to be used for Public Safety, gang prevention, job creation programs for local residents, to keep the Senior Center open, to maintain other City services, shall the City of Pittsburg enact a temporary, half-cent sales tax for five years, reduced to one-quarter cent for five years, then the increase be terminated, altogether, with citizen's oversight committee, mandatory audits and consistent community reporting?"

To which 73.69% of Pittsburg's voters said "yes".

### ***Measure P Citizen's Oversight Committee***

Measure P required the establishment of a Citizens Oversight Committee ("Committee") charged with making recommendations to the City Council for the use of the Measure P tax revenue. The Committee is to (1) receive information from City staff on the receipt of revenue and the expenditure of funds from Measure P, (2) provide recommendations to the City Council on the use of Measure P revenue, (3) shall produce a report that records the results of its recommendations for expenditure of the revenue generated from the tax, and (4) present the report to the City Council at a public meeting and be made a public record.

On March 3, 2014 the City Council empaneled a five member Committee with two representatives from the Chamber of Commerce and three from the Citizen's Advisory Committee ("CAC"). Committee Members have to be a Pittsburg resident and registered voter. Members serve two year terms.

The City Council appointed the following people to the Committee:

Doris Bedford, Chamber of Commerce Representative  
Lindy Maynes, Chamber of Commerce Representative  
Ruben Esqueda, CAC Representative  
Dennisha Marsh, CAC Representative  
Jim Atchison, CAC Representative  
James Watkins, CAC Alternative Representative

The Committee met three times to review the City's General Fund budget and staff's proposed uses of Measure P funds. The following is a summary of those proposed uses and the Committee's recommendations.

### ***Proposed Use of Measure P Funds - FY 2014-15***

As described in the ballot, the specific services noted are Public Safety, gang

prevention, job creation for local residents and to keep the Senior Center open. To adhere to the intent of Measure P, as part of the FY 2014-15 budget, City of Pittsburg staff are proposing to use the estimated \$3.6 million in Measure P funds as follows:

<b>Program</b>	<b>FY 2014-15 Budget</b>	<b>Percent of Total</b>	<b>Notes</b>
Police Department	\$3,210,057	89%	Funds 15% of Police Department's operating expenses of \$21.1M
Senior Center	281,943	8%	Funds 86% of Senior Center's operating expenses. Senior Center will be fully funded.
Economic Development	108,000	3%	Will support a variety of Economic Development activities including Future Build, helping to bring a minor league baseball team to Pittsburg, and providing free wireless in downtown Pittsburg.
Totals	\$3,600,000	100%	

At the April 10th and May 8th 2014 Committee meetings, City staff presented the following rationales for the proposed allocation:

Police Department – While the Police Department comprises 81% of the City's General Fund budget, staff are recommending allocating 89% of the Measure P funds to the Police Department. Staff noted that the FY 2014-15 Measure P allocation will allow the Police Department to fund all of their positions which will allow it to (1) staff the Narcotics Division, (2) improve command staffing, (3) continue to use Community Service Specialist staff to provide support to Police Officers including handling bookings of arrestees, (4) track illegal gun ownership, and (5) continue its Violent Crime and Gang Suppression enforcement activities. Staff also said that this higher level of Measure P allocation reflects the City Council's priority to fund public safety and continue to keep Pittsburg's crime rates low.

Senior Center – The proposed Measure P allocation of \$281,943 will allow the City to keep the Senior Center open during FY 2014-15 which was specifically identified in the Measure P ballot language by fully covering the Senior Center's expenses. The City will need to provide a similar level of funding escalated by increased expenses in the subsequent eight years of the life of Measure P in order to fully comply with the intent of Measure P to keep the Senior Center open. In addition, the proposed Measure P allocation funds one additional full-time and two additional part-time employees to support the various activities and programs provided in the Senior Center.

Economic Development – The proposed allocation of \$108,000 towards economic development would be used to fund the Future Build Program, helping to bring a minor

league baseball team to Pittsburg, and providing free wireless in downtown Pittsburg.

### ***Measure P Oversight Committee Recommendations***

The Committee reviewed City staff's proposed uses of Measure P funds in FY 2014-15 and concludes that such uses are consistent with Measure P's goals. The City will primarily use the funds to support Public Safety services as well as keep the Senior Center open and fund a job creation program that minimizes the costs to the City while creating more jobs.

At the May 8, 2014 Measure P Oversight Committee meeting, the Committee members expressed concern about the future reduction in Measure P revenues – down from the half cent current rate to a quarter cent in FY 2017-18 and then going away in FY 2023-24. The Committee members see the positive results that the Measure P revenues have had particularly in supporting Public Safety services and keeping the Senior Center open. Staff noted that they are working on a 20-year General Fund financial plan that will help identify the extent to which reductions in Measure P revenues will trigger reductions in these important services. Staff will present the 20-year General Fund financial plan to the Measure P Oversight Committee when it meets to review the FY 2015-16 budget.