



CITY OF WATSONVILLE

REVENUE
MEASURE
OVERSIGHT
COMMITTEE

DECEMBER 2015

1st Annual Report

A letter from the Committee Chair



William J. Hansen
Committee Chair

I am pleased to share the 2015-2016 Revenue Measure Oversight Committee's 1st annual report to the community. The City of Watsonville Revenue Measure Oversight Committee serves, on behalf of the community, as an oversight committee to review, at a minimum bi-annually, revenues and expenditures from the Measure G Sales Tax Measure. The Committee provides a

second independent verification that all expenditures are pursuant to the guidelines and promises made to the Watsonville community. The public is welcome and encouraged to attend a Revenue Measure Oversight Committee Meeting to learn more about the community benefits made possible by the Measure G Sales Tax initiative supported by our Watsonville community.

Regards,
William J. Hansen, Chair
Measure G Committee

Watsonville Police Department

Police Department Personnel

The Watsonville Police Department hired four (4) police officers under Measure G who are actively patrolling the city. In addition to the police officers, the following non-sworn personnel were hired under Measure G: Crime Analyst, Police Service Specialist, Property and Evidence Technician and a Recreation Specialist.



Back Row: Officer Lourdes Gombos, Sergeant Antonio Figueroa, Officer Radovan Radich, Officer Jarrod Pistorino. Front Row: Sergeant David Rodriguez and Lieutenant Jorge Zamora.



Chief Manny Solano with police officers who graduated from the academy (from left to right): Police Officer Devon McMahon, Police Officer Richard Delfin, Police Officer Aaron Chavarria.

47,947 in 2014 to 53,359 in 2015). With the increase in calls for service, these vehicles will further support the goal of improving response times.

The Police Department's handheld radios are also aging and becoming obsolete. The technology of law enforcement radios, the manner in which they are used, and the networks they operate in, are in transition. We bought 25 new radios. This equipment is essential in law enforcement. Officers rely on both their in-car and portable radios for information from dispatchers, critical intelligence about the people they contact, and the dangers they may face. Given that these radios can be a lifeline for a solo beat officer, the Watsonville Police Department is in the process of providing officers with new, reliable and improved radios.

**MEASURE
G
KEEPING
WATSONVILLE
SAFE**

Police Vehicles & Equipment

Given that the Watsonville Police Department Vehicles are aging, have high mileage and constantly need repairs, Measure G funding was set aside for the purchase of automotive equipment. We purchased six (6) vehicles and additional five (5) are on order. Reliable vehicles are essential, the calls for services have increased by 11% (from

Watsonville Police Department

DIVERSION AND PREVENTION PROGRAMS

Caminos hacia el Éxito Program

The Caminos hacia el Éxito Program is a diversion program for Watsonville youth who commit a first offense (misdemeanor), it uses evidence based approaches to hold the youth accountable for their actions in a timely and appropriate manner. Some of the evidence based activities include case management, cognitive behavior therapy, counseling, Teen Peer Court, Neighborhood Accountability Board, mentoring, pro-social activities and Guiding Good Choices, a program proven to reduce juvenile delinquency that improves parents skills and bonding. During calendar year 2015, 65 youth accepted to participate of which 32 (46%) have successfully completed the program, the rest are still receiving services. In addition, 42 parents completed the Guiding Good Choices series.

Police Activities League

The Police Activities League is a youth crime prevention program that relies on educational, athletic and other recreational activities to increase the bond among police officers, recreation leaders, youth and their parents. With the support of Measure G, PAL was able to expand youth services by providing a Robotics Program, Homework Center and the Bike/Hiking Program. In addition, the Police Activity League opened a second location at 37 Davis Street.



Police Officer Devon McMahon and Police Officer Aaron Chavarria are both Measure G Officers.



Corporal Officer Fernando Lopez and Lieutenant Zamora are supporting the cadets in a community engagement event.

Watsonville Fire Department

Fire Department Personnel

The Watsonville Fire Department hired 6 Firefighters through Measure G. The Department successfully hired the six firefighters by April 2015. As general fund vacancies have occurred in the Fire Department, Measure G personnel have been transferred to fill the General Fund vacancies. This is in line with the maintenance of effort guidelines of Measure G and has helped to expedite the hiring of Firefighters funded under General Fund. To replace the vacancies created by these General Fund transfers, the Department hired four (4) new firefighters on December 7, 2015.



Andrew Schwander

These firefighters are currently participating in a joint fire academy with Central Fire Protection District and Santa Cruz County Fire. Graduation is planned for March 18, 2016 and they will start working in March of 2016 on their assigned shift. One additional Firefighter is scheduled to be hired by fall of 2016 at which time Measure G will be fully staffed again unless new vacancies occurred in the General Fund.

Firefighter Equipment

Communication is very important to ensure that Firefighters receive information quickly so that they can know where they are needed and what task they have to prepare for. New pagers have been ordered to replace old pagers currently in use. The pagers are anticipated to arrive at the end of March 2016.

Similarly, it is important that firefighters protect themselves while doing their jobs. The Personal Protective Equipment that is currently in use is approaching the end of its service life. New Personal Protective Equipment is being ordered to replace old equipment and ensure that firefighters continue to be protected.



New Quick Response Vehicle purchased with Measure G funds.



From left to right: Police Officer Eddie Santana, Fire Captain Kirk Vojvoda, Officer Rudy Lopez and Officer Aaron Chavarria. All working together on a non-injury traffic accident.



Firefighter Brian Long and Police Officer Aaron Chavarria working together on a non-injury traffic accident.

Measure G Annual Summary

Financials from June 2015 to December 2015 - Unaudited.

Measure G Sales Tax	\$1,628,427
Contingency/Reserve Fund (10%)	\$ 162,843
Available Funds	\$1,465,584
Watsonville Fire Department (40%)	
Available Funds	\$586,234
Expenditures	
Personnel (Firefighters)	\$101,853
Operations	\$ 79,106
Equipment	\$ 33,198
Total Expenses	\$214,157
Balance	\$372,077
Watsonville Police Department (60%)	
Available Funds	\$879,350
Expenditures	
Personnel (3 Officers, Police Service Specialist, Crime Analyst and Recreation Specialist)	\$318,539
Operations	\$ 77,972
Equipment	\$181,590
Total Expenses	\$578,101
Balance	\$301,249

Fiscal Accountability

Annual Audit

An independent auditor has analyzed expenses and revenues of Measure G. Auditors reviewed City's compliance with Measure G regulations including: a) test expenditures to ensure funds are spent on allowable activities; b) ensure that the City created two separate funds one for Police with 60% of the funds and one for Fire with 40% of the funds; c) maintain a maintenance of effort from General Fund budget as fiscal year 2013-2014; d) ensure that no more than 2% is spent in administrative overhead; and e) ensure that a contingency fund was established holding 10% of annual revenues. The oversight Committee received and approved the audit report during their meeting of February 2016.

Administrative Cost and Reserve

The City incurred \$9,180 in Administrative Costs. These are overhead costs for accounting, payroll and human resources related to the Measure G, which shall never exceed 2% of the annual revenues.

In addition, a Measure G Contingency/ Reserve Fund has been established at ten percent (10%) of the annually budgeted revenues. The reserve fund is now at \$162,843 Measure G Funding Summary Financials through December 31, 2015.

Measure G Committee Duties

The voters in the City of Watsonville at the election conducted on June 6, 2014, enacted a Sales and Use Tax Public Safety Tax Measure ("Measure G"). On September 9, 2014, the City Council established a City Revenue Oversight Committee to provide a second independent verification that all expenditures are being made as promised to Watsonville residents.

The duties of the Measure G Committee include:

- Review periodic expenditure reports to ensure Measure revenues were expended only for the public service purposes set forth in Measure G.
- Review the report of the independent auditor that contains information of how the money was used.
- Verify the Measure G annual budget appropriation. Sixty percent (60%) use for Police and forty (40%) to fire.
- Verify that the City does not use Measure G funds to replace General Fund operating budget.
- Ensure that adequate contingency/reserve fund is established to be used in case the sale tax revenue declines to ensure the services are maintained.



From right to left : William Hansen, John Martinelli, Dee Dee Vargas, Robin Mathews, Gary Manfre, David Rodriguez, Corey Schaefer, Renee Mello, Dorma Baker during Measure G Committee Meeting on February 24, 2016.

Maintenance of Effort

The Revenue Measure Oversight Committee agreed that the City has not used Measure G funds to replace General Fund operating budget contributions for the Police and Fire Departments. The baseline maintenance of effort budgets for this purpose are the Fiscal Year 2013-2014 Adopted General Fund budgeted City contribution amounts for Police and Fire operations. The Police Department Fiscal Year 2013-2014 Adopted General Fund operating City budget contribution amount is \$12,359,924;

and the Fire Department Fiscal Year 2013-2014 Adopted General Fund operating City budget contribution amount is \$5,672,299. The City has to date met its maintenance of effort requirements through December 31, 2015. Fiscal Year to date General Fund expenditures should be at least of 50% of budgeted amount. Last quarterly report shows General Fund Expenditures at 70% for the Police Department and 62% for the Fire Department.

City Budget

The Measure G Oversight Committee will review the proposed 2016 – 2017 budget during their meeting scheduled for May 2016, prior to

presentation of City's Annual Budget to City Council.

Conclusion

The Revenue Measure Oversight Committee for the Measure G finds that the City of Watsonville has complied with the requirements of

Measure G and State Law in accounting for and expending the public safety sales tax revenue.