

Stockton's 'Measure A' Sales Tax Initiative

Tracking the Progress

Observations by David Renison, Measure A oversight committee member and SJTA president
Revised Sept. 29, 2016

The Tax

Measure A is a sales tax initiative that was introduced by the City of Stockton and approved by citywide voters on November 5, 2013. The measure passed by 51.85% voter approval (an affirmative vote of only 11% of the city's population) effective on April 1, 2014 and anticipated to bring \$28 million annually into the city's General Fund.

The tax is set to expire by its own terms in ten years, unless extended by the City Council. However, the measure includes a 'sunset provision' and, by order of the Council or by voter approval, the tax can be reduced or eliminated when the peak revenues of 2008 are again reached (adjusted for inflation).

Measure A was accompanied by Measure B, a non-binding advisory measure to communicate the priorities and will of the people. The voter-approved Measure B calls for 65 percent of the new revenues to be used for law enforcement and crime prevention services such as those described in the City's Marshall Plan on Crime, including the hiring of an additional 120 police officers by June 2017. The remaining 35 percent of the proceeds is to be used only to pay for the City's efforts to end the bankruptcy and for services to residents, businesses and property owners. Nevertheless, revenues go into the General Fund where the money can be used for any legal purpose.

Citizen Oversight

The Measure A Citizens' Advisory Committee is comprised of seven City Council appointees tasked with the oversight of Measure A's revenues and expenditures. Responsibilities include a review of annual audits conducted by an independent accounting firm, measuring economic recovery to determine when the tax should end, making annual reports at public hearings and making recommendations to the City Council.

This document is not a complete description of Measure A revenues and expenditures; nor is it representative of the entire Committee. My purpose is to inform the public with some highlights in the order of occurrence.

Apr. 1, 2014

The ¾-cent Measure A tax increase goes into effect today. Stockton's sales/use tax rate has increased from 8.25% to 9%, the highest allowed by California law.

May 20, 2014 Committee Meeting Highlights

- a) Prior to Measure A, the Stockton Police Department employed 347 sworn officers, including academy recruits.
- b) The number of *budgeted* sworn-officer positions prior to Measure A was 365, the established benchmark from which to track the progress of hiring additional police officers through Measure A.
- c) The city promised to employ 120 *additional* officers (40 each year for 3 years) totaling 485 by June 30, 2017.

July 15, 2014 Committee Meeting Highlights

- a) The first-year cost for a Step One sworn officer is about \$185,000: \$8k one-time, \$25k academy, \$10k background, \$30k equipment (vehicle, etc.), \$6k personal and \$105k annual salary
- b) 351 officers are currently employed, including 18 hired between Jan. 1, 2014 and July 1, 2014

Apr. 12, 2014

The Stockton Police Department prepares to host physical and written tests for nearly 1,300 applicants.

Sept. 30, 2014

The U.S. DOJ awarded Stockton a \$1.875 million grant to hire 15 officers over the next three years. The Police Chief says these hires are not to be included in the number of additional officers funded through Measure A.

Oct. 23, 2014 Committee Meeting Highlights

- a) 371 officers are currently employed; 185 were hired since 1/1/2012 (50 left for other agencies and 85 retired).
- b) 75% of the newly-hired officers will be assigned to patrol and 25% percent to the investigative unit
- c) The cost to send an individual to the police academy is about \$30,000. If the officer leaves the department before serving 5 years, they are required repay a prorated portion of academy costs.
- d) \$6.6 million in Measure A revenues during the first 3 months; projected to be about \$280 million over 10 years

Feb. 3, 2015 Committee Meeting Highlights

- a) 12 additional officers were hired during the first 10 months of Measure A and to stay on track with the stated goal, another 28 will have to be employed by June 30, 2015.
- b) Manager of the newly-formed Office of Violence Prevention, "...a slight lag in hiring due to City needs".
- c) The Police Chief, "...the attrition rate for the police department is decreasing... we are now facing retirements whereas before the city was losing officers to other departments and municipalities".
- d) The Neighborhood Blitz Team is now active in Stockton.
- e) The Committee will discuss the merits of hiring an independent auditor at its May 19 meeting.

Mar. 4, 2015

The manager of the Office of Violence Prevention (OVP) was fired after only 4 months in office. She subsequently filed a gender and pregnancy discrimination lawsuit against the city. The Record, "It's a blow to Stockton taxpayers... an unmitigated failure at a time when something like this just couldn't happen."

May 19, 2015 Committee Meeting Highlights

- a) 387 officers are currently employed; a net increase of 33 to date and a goal of 405 officers by June 30, 2015
- b) Police Department pension costs have increased 10 to 11 percent over last year.
- c) On the recent firing of the manager of the Office of Violence Prevention, a city official said the director of Human Resources had job descriptions prepared for advertising months before the OVP manager was hired, but that she did not release any of them in an effort to fill vacant positions.
- d) The Committee recommends that the FY 2015-16 Measure A budget which includes "mission critical" spending be approved by the City Council.
- e) The Committee will ask the City Council for an independent audit of Measure A funds to be conducted under applicable professional standards. This will be addressed at a future City Council Meeting.

Aug. 29, 2015

580 applicants participated in the police department's testing/hiring process; 390 officers are currently employed, 15 short of where the force had hoped to be 2 months ago. (24 months ago, the department employed fewer than 350)

Sept. 24, 2015 Committee Meeting Highlights

- a) On May 19, 2015, the Citizen's Advisory Committee requested a *separate* auditing firm perform a *proper financial statement audit* of Measure A funds. But instead, city administrators chose to recommend to the City Council, through the Council Audit Committee on Sept. 14, 2015, that the Comprehensive Annual Financial Report (CAFR) be expanded to include a Supplemental Display by the auditing firm currently employed by the city. However, by unanimous vote on Oct. 6, 2015, City Council Members approved the request made by this Committee for an independent audit of Measure A revenues and expenditures by an outside auditor.

Nov. 19, 2015 Committee Meeting Highlights

- a) At the request of this Committee, the RFP process has begun for hiring an independent auditing firm.
- b) 390 officers are currently employed, including 11 in the academy; funding sources include Measure A (47), grants (26), Measure W (25) and other general fund revenues (292)
- c) 24 officers hired since July 1, 2015, but 21 were lost to failed training (8), retirement (7), other agencies (6)

- d) A subcommittee will bring its FY 2014-15 Annual Report draft to the full Committee on Feb. 4, 2016.
- e) The city manager hired a program manager for the newly-formed Office of Violence Prevention.
- f) Discussion on a possible recommendation to re-open the Fair Oaks Library is scheduled for Mar. 3, 2016.
- g) City Council approved the purchase of 10 additional police vehicles (funding \$210,000 through Measure A).

Dec. 2015

City Council approved the purchase of 47 Ford Police Interceptor Utility Vehicles to be used for general patrol. 25 vehicles will serve as replacements (\$775,345 coming from the Fleet Internal Service Fund) and 22 vehicles will be used by newly-hired personnel, purchased with Measure A revenues.

Feb. 4, 2016 Committee Meeting Highlights

- a) 395 officers are currently employed - after losing 78 in 2015. Chief Jones, "The worsening, growing problem of losing officers to retirement and to other agencies...is a source of frustration for me".
- b) Since January 2012, 269 cops were hired but 185 left (60 to other agencies), resulting in a net gain of 84. The reason? "Total compensation package... particularly health benefits", said Chief Jones.
- c) 2015 v 2014: incidents of crime up 3%, but 'per capita rate of crime' is lower than comparable cities.
- d) 5 of 8 Measure A positions have been filled at OVP and clients are being served.
- e) The Committee discussed the need to measure the effectiveness of the OVP.
- f) The Committee reviewed FY 2014-15 Third and Fourth Quarter, the Financial Report for FYE June 30, 2015 and the Economic Recovery Review for FY 2014-15.
- g) The Committee will finalize its Annual Report for FY 2014-15 on Mar. 3, 2016.
- h) Citizens voiced support for reopening Fair Oaks Library; the Committee will discuss on May 25th.

Mar. 3, 2016 Committee Meeting Highlights

- a) The Committee's Annual Report (FY 2014-15) – prepared for City Council review:
 - 1. A quantified level of police officers has not been met
 - 2. The OVP continues to struggle with filling positions
 - 3. The *allocation* for expenditures as outlined in Measure B are in compliance

Apr. 23, 2016

City Council approves expanded medical-insurance coverage. Will the retention of officers be easier now?

May 25, 2016 Committee Meeting Highlights

- a) 396 sworn police officer positions are currently filled. A total of 289 have been hired since Jan. 1, 2012 (63 funded by Measure A), but the net gain is only 75.
- b) Other police-hires: 12 of 19 civilian positions, 6 of 9 code enforcers and 5 of 5 blitz team positions
- c) Nearly 500 applicants are currently in the 'background review' phase
- d) Committee's Annual Report (FY 2014-15) will likely be presented to City Council on June 21, 2016.
- e) Committee's call for an audit and the ensuing RFP process in on track for completion by late summer.
- f) The Office of Violence Prevention is at near full staffing levels, serving 100 clients (40 considered 'high risk')
- g) Committee members discussed the pros and cons of reopening the south Stockton Fair Oaks Library.

June 9, 2016 Committee Meeting Highlights

- a) 399 officers are currently employed (the highest staffing level since cuts were made in 2009).
- b) The police department hired 294 officers in the past 4 ½ years – with a net gain of only 77.
- c) A review of the Measure A Proposed Budget for FY 2016-17 primes this Committee to advise the Council to allocate money to increase police manpower before restoring other needs, including library services.
- d) FY 2016-17 Budget does not include funds to pay for operations at Fair Oaks Library, closed since 2010.
- e) Two accounting firms responded to the City's RFP to provide Measure A audit services.
- f) New city employee medical-insurance plans that include low co-payments will take effect July 1, 2016.
- g) The city is negotiating new collective bargaining agreements for police that will include salary increases.

- h) The Committee discussed several issues including employee exit interviews, homelessness, youth programs, library operations, crime prevention and the notion of creating a Program Manager position to be a liaison to non-profits and housing advocates.

June 27, 2016

Police Department is awarded a \$600,000 grant from the state for strengthening enforcement and community relations. (i.e. Office of Violence Prevention, Operation Ceasefire, Friends Outside and Fathers and Families of San Joaquin).

Aug. 8, 2016

New Police Labor Agreement: A raise of 11 percent in a 3-year contract; cost to the general fund is \$21 million.

Sept. 29, 2016 Committee Meeting Highlights

- a) 416 sworn police officer positions are currently filled, of which 65 officers in are some form of training.
- b) Officer retention rate is improving; and, with fewer officers leaving for other law enforcement agencies.
- c) Overall crime is down 6% but violent crime is up; homicides up by 30% over this time last year (31 v 40).
- d) Neighborhood Blitz Team is targeting its 5th neighborhood since Jan. 1, 2015.
- e) Office of Violence Prevention is coordinating with schools and other 'prevention service' entities.
- f) Review of FY 2015-16 3rd Quarter Revenue and Expenditures.
- g) Impact of recent labor agreements to Measure A is \$1.8M; 'public safety' is now 71% of FY 2016-17 Budget.
- h) Unspent revenue, which has been significant because of all the police vacancies, remains in the general fund.
- i) The city's internal auditor met with the Committee today; discussed his role and answered questions.
- j) The 'outside' auditing firm (see Sept. 24 and Oct. 6, 2015 above) began by reviewing FY 2014-15; auditors are still gathering data, on-site with multiple meetings and a goal of completion in about 2 months.

Measure A - as presented by the City of Stockton to voters in 2013:

Stockton's police force topped out at 440 officers in 2008, before the city's financial collapse and ultimate bankruptcy. Manpower was at 347 (with 365 *budgeted* positions) just prior to Measure A taking effect on April 1, 2014.

Assurances made by City Hall to hire 40 new Measure A police officers each year for three years was so woven into the fabric of the pro-Measure A campaign in 2013 through town hall meetings, Council deliberations and public debate that it cannot be denied.

The City told voters that, through the passage of Measure A, Stockton's sworn police force would grow to 405 by June 30, 2015, 445 by June 30, 2016 and 485 by June 30, 2017.

The City has not met the staffing goals as presented to voters. At this writing, we are short by 38 officers.

The next Measure A oversight meeting will be Wednesday, Dec. 7, 2016; 9:00 a.m. at City Hall Council Chamber.

Items on the agenda will be:

- The standard reporting items
- 2015 Measure A Audit Services
- Discussion of possible sub-committee for drafting Annual Report to Council
- CAFR Supplemental Display of Measures A&B
- Updated 10-year 65-35% Projects

For a review of agendas, minutes and video, please visit:

<http://www.stocktongov.com/government/oMeetings/boardComMeetings.html>