

STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: GAYLA R. CHAPMAN, ADMINISTRATIVE SERVICES DIRECTOR
SUBJECT: REPORT FROM CITIZENS OVERSIGHT COMMITTEE

Gayla R. Chapman

BACKGROUND

On November 7, 2006, the voters in Grover Beach approved Ordinance No. 06-12 establishing a Transaction and Use Tax to be administered by the State Board of Equalization.

Annual requirements are set forth in the Ordinance as follows: 1) Section 15013 Annual Report states: the City shall prepare and make available to the public an annual report, which presents in summary form expenditures from the prior fiscal year from revenue generated from the Transaction and Use Tax and budgeted expenditures for the upcoming fiscal year; 2) Section 15014 Periodic Review states: The City Council shall appoint a citizen committee to review the annual report, and who will provide a report on expenditures of the revenues generated from the Transaction and Use Tax to the City Council.

The Sales Tax Add-On began to be collected on April 1, 2007. This revenue has been critical in maintaining a healthy General Fund. Without these funds, during the recent economic downturn, the General Fund would have had a deficit of over \$230,000.

DISCUSSION

On February 18, 2015, the Citizen Oversight Committee met to review FY 14 audited report as it relates to the revenues and expenditures associated with the Transaction and Use Tax – Add On. City Manager Bob Perrault, and Administrative Services Director Gayla Chapman, and committee members: Paul Brunner, John Laferriere, Robert Robert, Dee Santos and Sue Thole were in attendance at the meeting.

Staff provided an overview of the Sales and Use Tax Add-On reconciliation, which outlined the revenues and the various expenditures made during the fiscal year. The reports provided to the committee are attached to this staff report. (Please see Attachment 1)

As part of the review process, revenues and expenditures were reviewed for each of the Fiscal Years. The committee has considered the expenditures to be in accordance with the direction provided by the City Council, which was included in the City's Annual Budgets.

APPROVED FOR FORWARDING



ROBERT PERRAULT
CITY MANAGER

Please Review for the Possibility of a Potential Conflict of Interest:

- None Identified by Staff
- Shoals
- Lee
- Bright
- Nicolls
- Shah

The committee also requested that Sales Tax Add-On as a percent of total General Fund Revenues be included in this report. The information below shows the revenues since the inception of the Sales Tax Add On.

Year	2007	2008	2009	2010	2011	2012	2013	2014
General Fund Total Revenue	\$6,354,013	\$6,678,908	\$7,261,956	\$6,658,372	\$6,635,566	\$6,555,425	\$7,159,465	\$7,275,800
Sales Tax Add-On	\$ 83,000	\$ 511,912	\$ 571,608	\$ 480,888	\$ 518,873	\$ 562,988	\$ 618,041	\$ 615,901
Percent	1.3%	7.7%	7.9%	7.2%	7.8%	8.6%	8.6%	8.5%

The above table shows how important the Sales Tax Add-On is to the overall General Fund budget for the City. For FY 14 the Sales Tax Add-On was 8.5% of the General Fund, down by .1% from FY 13.

Included in the expenses associated with the Sales Tax Add-On was the City Hall Accessibility Retrofit and Parking Lot Improvements Project. This project was budgeted at \$68,600. The General Fund expenditures associated with the project were \$62,706.94.

RECOMMENDED ACTION

It is recommended that the Council receive and file the report from the Citizens Oversight Committee.

FISCAL IMPACT

There is no fiscal impact.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act.

Attachments

1. Sales and Use Tax Report of Expenditure and Revenues

**City of Grover Beach
Citizen Oversight Committee
Sales Tax Add-On Analysis**

General Fund

Equipment Replacement Fund

FY 14	Budget	Actuals	FY 14	Budget	Actuals
Revenues	\$ 606,400.00	\$ 615,900.70	Transfer From General Fund	\$ 79,500.00	\$ 79,500.00
Carryover Funds	\$ -	\$ -	Carryover Funds	\$ -	\$ -
Expenditures			Expenditures		
Transfer to Equipment Replacement	\$ (79,500.00)	\$ (79,500.00)	Fire Engine Loan Repayment	\$ (7,833.00)	\$ -
Capital Improvements	\$ (68,600.00)	\$ (62,706.94)	Police Vehicle Purchase	\$ (45,000.00)	\$ (45,865.51)
General Fund Obligations	\$ (458,300.00)	\$ (473,693.76)	Police Vehicle Lease	\$ (12,000.00)	\$ (12,000.00)
	<u>\$ -</u>	<u>\$ -</u>	Police Operations - Emergency Equipment	\$ (3,000.00)	\$ (1,930.48)
			Police Operations - Hand Held Radios	\$ (1,000.00)	\$ (2,531.52)
			Police Operations - SWAT Gear	\$ (500.00)	\$ -
Beginning Cash	\$ -	\$ -	Police Operations - Weapon Unloading Drum	\$ (800.00)	\$ -
Additions/Deletions	\$ -	\$ -	Dispatch - Mobile Computer Monitor Repl.	\$ (2,000.00)	\$ (1,328.00)
Ending Cash	<u>\$ -</u>	<u>\$ -</u>	Police Operations - Lease of Copier	\$ (2,000.00)	\$ (1,151.96)
			Police Operations - Shreader	\$ (3,000.00)	\$ (1,951.09)
				<u>\$ 2,367.00</u>	<u>\$ 12,741.44</u>
				Beginning Cash	\$ 6,897.35
				Additions/Deletions	\$ 12,741.44
				Ending Cash	<u>\$ 19,638.79</u>

Fiscal Year 14

Revenues:

01-000-3110-304-324	Advance July & Balance of 2nd Quarter	\$ 57,089.90		
	Advance August	\$ 46,000.00		
	Advance September	\$ 61,300.00		
	Advance October	\$ 53,992.59		
	Advance November	\$ 45,600.00		
	Advance December	\$ 60,700.00		
	Advance January	\$ 34,300.80		
	Advance February	\$ 39,100.00		
	Advance March	\$ 52,100.00		
	Advance April	\$ 63,917.41		
	Advance May	\$ 43,600.00		
	Advance June	\$ 58,200.00		
	Total Revenues	\$ 606,400.00	\$ 615,900.70	\$ 615,900.70

Expenditures:

		Budget	Expenditures	Remainder
Fire Engine Loan Payment		\$ 7,833.00	\$ -	\$ 7,833.00
Police Car		\$ 45,000.00		
	Coast Electronics - Kenwood UHF Mobile Radio, Mount, 7/9/2013 Connector and Antenna for Unit 03 Tahoe		\$ 545.51	
	7/9/2013 Wondries Fleet Group - 2013 Chevrolet tahoe for PD		\$ 30,992.87	
	7/31/2013 Drive Customs - Outfit New Tahoe for Police Department		\$ 10,695.16	
	Drive Customs - Complete Build of 2013 Chevy Tahoe WC			
	9/5/2013 Unit		\$ 3,255.92	
	6/30/2014 North Star Graphics - Unit 6 Patrol Graphics Kit		\$ 376.05	\$ (865.51)
Police Vehicle Lease		\$ 12,000.00		
	8/13/2013 Ford Credit - Lease Pmt 2011 Tahoe		\$ 12,000.00	\$ -
Police Operations - Equipment		\$ 3,000.00		
Emergency Equipment	L. C Action Police - LE6921 Cold AR 125 14.5" Camine .223			
	6/30/2014 Semi W/S Mags - Agency Only		\$ 969.69	
	6/30/2014 LB Inspection & Search Mirrors		\$ 244.16	
	6/30/2014 Streamlight Ultra Stinger Replacement Lamp		\$ 71.38	
	6/30/2014 44200 TSR Cart M26/X26 21 Ft.		\$ 645.25	\$ 1,069.52
Hand Held Radios		\$ 1,000.00		
	3/14/2014 Coast Electronics - Kenwood UHF Mobile Radio		\$ 922.32	
	Coast Electronics - Kenwood Nickel Hydride Battery; Kenwood			
	3/14/2014 LO 0 Profile Antenna		\$ 648.00	
	Coast Electronics - Kenwood 6-Gang Charger - 180			
	3/14/2014 Series/P25		\$ 961.20	\$ (1,531.52)
SWAT Gear		\$ 500.00		\$ 500.00
Weapon Unloading Drum		\$ 800.00		\$ 800.00
Communications and Records - Equipment				
Mobile Computer Monitor Replacement		\$ 2,000.00		
	7/31/2013 Data 911 - Chimel 12.1 XGA LCG/HB		\$ 1,328.00	\$ 672.00
Lease of Copier for PD	Lease Payments	\$ 2,000.00	\$ 1,151.96	\$ 848.04
Shreader		\$ 3,000.00		
9/25/2013	Shreader		\$ 1,951.09	\$ 1,048.91
Total Expenditures		\$ 77,133.00	\$ 66,758.56	\$ 10,374.44

Beginning Cash Balance Equipment Replacement Fund

\$ 6,897.35

Transfer to Equipment Replacement Fund

\$ 79,500.00

85-182-4900 & 85-192-4930	Fire Engine Loan Payment	\$ 7,833.00	\$ -	\$ 7,833.00
85-192-4870	Police Car	\$ 45,000.00	\$ 45,865.51	\$ (865.51)
85-192-4870	Police Vehicle Lease	\$ 12,000.00	\$ 12,000.00	\$ -
85-164-4870	Police Operations - Equipment	\$ 5,300.00	\$ 4,462.00	\$ 838.00
85-194-4800	Communications and Records - Equipment	\$ 7,000.00	\$ 4,431.05	\$ 2,568.95
	Total	\$ 77,133.00	\$ 66,758.56	\$ 10,374.44

Total Ending Cash Equipment Replacement Fund

Carry Over Cash \$ 19,638.79

Accrual \$ 2,489.29

Ending Cash \$ 22,128.08

Sales Tax Add-On Reconciliation
 FY 14 - Audited

	Actual and Projected	Budget	Over/(Under) Budget
FY 13 Carry Forward	\$ 0.00		
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FY 14			
Revenues	\$ 615,900.70	\$ 606,400.00	\$ 9,500.70
Expenditures			
<i>Capital Improvements</i>	\$ 62,706.94	\$ 68,600.00	\$ (5,893.06)
<i>Transfer to Equipment Replacement Fund</i>	\$ 79,500.00	\$ 79,500.00	\$ -
<i>General Fund Obligations</i>			
General Obligations in the General Fund for FY 09	\$ 473,693.76	\$ 458,300.00	\$ 15,393.76
Total Expenditures	\$ 615,900.70	\$ 606,400.00	\$ 9,500.70
Remaining Revenues for FY 14	\$ 0.00	\$ -	\$ 0.00