City of Ukiah

Measure P Oversight Committee

Special Meeting
AGENDA

(to be held both at the physical and virtual locations below)

Civic Center Conference Room #3 ♦ 300 Seminary Avenue ♦ Ukiah, CA 95482

To participate or view the virtual meeting, go to the following link: *https://us06web.zoom.us/j/85100890938*

Or you can call in using your telephone only:

- **Call (toll free) 1-888-788-0099**
- **Enter the Access Code: 851 0089 0938**
- **To Raise Hand enter *9**
- **To Speak after being recognized: enter *6 to unmute yourself**

Alternatively, you may view the meeting (without participating) by clicking on the name of the meeting at www.cityofukiah.com/meetings.

July 28, 2026 - 3:00 PM

1 CALL TO ORDER AND ROLL CALL

2 AUDIENCE COMMENTS ON NON-AGENDA ITEMS

The Investment Oversight Committee (Committee) welcomes input from the audience that is within the subject matter jurisdiction of the Committee. In order for everyone to be heard, please limit your comments to three (3) minutes per person and not more than ten (10) minutes per subject. The Brown Act regulations do not allow action to be taken on audience comments.

3 NEW BUSINESS

3.a. Committee Member Introductions and City Clerk to Administer Oaths of Office.

Recommended Action: Committee Members will introduce themselves, and the City Clerk will administer the Oaths of Office.

3.b. Discussion, Review, and Recommendation Regarding Measure P Revenues and Expenditures for Fiscal Years 2022-23 and 2023-24

Recommended Action: Receive the report, discuss the information presented, and provide any direction or requests for additional information necessary to assist the Committee in preparing its report to the City Council.

Attachments:

1. Measure P Financial Report, FYs 2023-2024

4 ADJOURNMENT

Please be advised that the City needs to be notified 24 hours in advance of a meeting if any specific accommodations or interpreter services are needed in order for you to attend. The City complies with ADA requirements and will attempt to reasonably accommodate individuals with disabilities upon request. Materials related to an item on this Agenda submitted to the Investment Oversight Committee after distribution of the agenda packet are available for public inspection at the front counter at the Ukiah Civic Center, 300 Seminary Avenue, Ukiah, CA 95482, during normal business hours, Monday through Friday, 8:00 am to 5:00 pm. Any handouts or presentation materials from the public must be submitted to the clerk 48 hours in advance of the meeting; for handouts, please include 10 copies.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the bulletin board at the main entrance of the City of Ukiah City Hall, located at 300 Seminary Avenue, Ukiah, California, and the Ukiah Valley Conference Center, located at 200 South School Street, Ukiah, California, not less than 24 hours prior to the meeting set forth on this agenda.

Kristine Lawler, CMCI/CPMC
Dated: 7/27/26

City of Ukiah

AGENDA SUMMARY REPORT

SUBJECT: Discussion, Review, and Recommendation Regarding Measure P Revenues and Expenditures for Fiscal Years 2022-23 and 2023-24

DEPARTMENT: City Clerk **PREPARED BY:** Dan Buffalo, Finance Director
PRESENTER:

ATTACHMENTS:
1. Measure P Financial Report, FYs 2023-2024

Summary: Receive a presentation on the revenues and expenditures associated with Measure P for Fiscal Years 2022-23 and 2023-24 and review the accompanying financial report. The information presented will assist the Measure P Oversight Committee in fulfilling its responsibility to review the use of Measure P revenues and develop a written report to the City Council.

Background: Measure P is a one-half cent local transactions and use tax approved by the voters of the City of Ukiah to support public safety services. Although Measure P revenues are legally unrestricted general fund revenues, the City Council adopted Resolution No. 2014-28 committing these revenues to public safety purposes, including police, fire, emergency medical, and related support services. The resolution also established a citizen Oversight Committee to review the City's accounting of Measure P revenues and expenditures every two years.

Under Resolution No. 2014-28, the Oversight Committee is charged with reviewing the City's budget for public safety services and the expenditure of Measure P revenues. The Committee is also responsible for preparing a written report to the City Council that analyzes:

- The level and types of public safety services provided;
- The revenues and expenditures of the designated Measure P account; and
- Recommendations regarding the future use of Measure P revenues and public safety service levels.

Attachment 1 provides the financial information for Fiscal Years 2022-23 and 2023-24 to assist the Committee in carrying out these responsibilities.

Discussion: Attachment 1 summarizes Measure P revenues and expenditures for Fiscal Years 2022-23 and 2023-24. The report identifies the revenues received from Measure P, related public safety revenues, and expenditures supporting police and fire operations during the reporting period.

The report has been prepared to provide the Committee with the financial information necessary to evaluate whether Measure P revenues continue to be used in a manner consistent with the City's Expenditure Plan and the commitments established by Resolution No. 2014-28. During its review, the Committee may request additional information regarding public safety services, revenues, expenditures, or other matters relevant to the preparation of its report.

Following its review, the Committee will prepare its written report to the City Council, including any findings and recommendations regarding the use of Measure P revenues and the level and types of public safety services provided by the City.

Recommended Action: Receive the report, discuss the information presented, and provide any direction or requests for additional information necessary to assist the Committee in preparing its report to the City Council.

BUDGET AMENDMENT REQUIRED:

CURRENT BUDGET AMOUNT:

PROPOSED BUDGET AMOUNT:

FINANCING SOURCE:

PREVIOUS CONTRACT/PURCHASE ORDER NO.:

COORDINATED WITH:

Measure P
Oversight Committee
Fiscal Compliance Report
Fiscal Years 2023 and 2024

City of Ukiah

RESOLUTION NO. 2014-28

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH ESTABLISHING AN EXPENDITURE PLAN FOR PUBLIC SAFETY AND AN OVERSIGHT BOARD TO MAKE PERIODIC REPORTS ON THE PERFORMANCE OF THE EXPENDITURE PLAN

WHEREAS:

1. The City of Ukiah is 4.7 square miles in size, but is surrounded by additional urban areas and residential subdivisions within an unincorporated portion of Mendocino County. The Ukiah Valley is the most populous portion of Mendocino County, containing, at least, 2/3 of the total county population; and

2. The California Department of Finance estimates the population of the City of Ukiah ("City") as of January 1, 2004, at 15,907 people and 16,185 as of January 1, 2014; and

3. Ukiah is the County Seat for Mendocino County and a commercial center for Mendocino County, Lake County, Southern Humboldt County and Northern Sonoma County; and

4. As such during business hours, the City population swells to perhaps as many as 40,000 people, including people who work, shop and receive services in Ukiah; and

5. Ukiah also is located on U.S. Highway 101, which is the major north-south highway west of Interstate Highway 5, and links southern California to Northern California and Oregon; and

6. Consequently, a small city with a population of 15,907 people in 2004 and 16,185 in 2014 must provide law enforcement, fire protection and emergency medical services to a day time population of 40,000, and respond to emergencies within the City, on U.S. Highway 101, and on a mutual aid basis within the larger Ukiah Valley; and

7. Public safety services are a general fund obligation of the City, which receives revenues from ad valorem property taxes, sales taxes and vehicle license fees. The City receives only 1% of the gross receipts from taxable retail sales within the City and less than 10% of the property taxes collected from real property located within the City; and

8. While population within the Ukiah Valley and City of Ukiah has grown over the last 30 years, calls for police services have also grown significantly. Calls for police services has increased from around 2500 calls in 1969 to over 25,000 in 2014, or by 1000%. Calls for service have increased in virtually every category, including assaults '{vith weapons, burglary, thefts and shoplifting, drugs, sexual assaults and domestic violence; and

9. In contrast, between the years 1989 and 2003, the number of sworn officers in the Ukiah Police Department has remained constant at 28 officers; and

10. Calls for fire services have also grown. Between 1986 and 2012, fire calls increased 61% from 1,353 in 1986 to 3,277 in 2012; and

11. In 1988, the Ukiah Valley Fire District contracted with the City of Ukiah to provide fire services. The combined fire department had 15 firefighters; and

12. In 1988, the Ukiah Valley Fire District and City of Ukiah fire departments elected to independently provide fire services to their communities. Over the next 20 years, City of Ukiah Fire Department continued to provide at least 15 firefighter staffing; and

13. In 2003, due to the State of California's budget deficit, the City's general fund revenues were decreased significantly; and

14. As a result, the City was faced with substantial deficits for fiscal years 2004-2005, which required lay-offs or other reductions in expenditures for public safety services in the City; and

15. These budget deficits lead to deferment of equipment replacements, including fire engines, the City's ladder truck and police patrol cars; and

16. To address the significant demands of an increased public safety workload and provide funding for necessary equipment, in June of 2005, the Citizens of Ukiah passed by a majority vote, Measure S, a ½ cent general sales tax measure ("Measure S Sales Tax"), and Measure T, an accompanying advisory measure, which said that the first priority for additional sales tax funds should be support of essential public safety services; and

17. Measure S provided funding that has been used to increase the Police Department staffing from 28 sworn officers to 32 sworn officers. The 4 additional officers (one per work shift) were added to address workload increases and decrease response times; and

18. Measure S allowed the Fire Department to replace aging fire equipment, including the City's essential ladder truck, and other fire vehicles, and maintain a staff of at least 15 firefighters, with at least 4 firefighters on duty per shift for emergency services; and

19. In 2008, the Nation, State of California and the City of Ukiah, experienced a recession which significantly reduced city revenues from sales taxes, including revenues received from Measure S. Due to these budget deficits, the City's general fund revenues were significantly decreased; and

20. This unanticipated nation-wide recession forced the City of Ukiah to eliminate open positions, layoff personnel and reduce general fund budgets; and

21. Over the last six years, every employee in the City of Ukiah has had a 5% reduction in pay, and absorbed increases to their health insurance costs, in addition to various unpaid furloughs and reduced work hours which were made necessary by significantly reduced sales and property tax revenues ; and

22. The City of Ukiah fully complied with the PERS retirement cost reductions, reducing retirements costs for new employees; and

23. The Police Department was reduced over a two year period from 32 sworn officers to 30 sworn, then 26 sworn officers, because of the 2008 recession and reduction in General Fund revenues and Measure S revenues; and

24. The Fire Department operated ambulance service was eliminated as an additional measure to economize in response to the 2008 recession and reduction in Measure S Sales Tax and General Fund revenues, because the cost of the ambulance service exceeded the limited compensation from reduced Medi-Cal and Medi-Care reimbursements; and

25. As the economy improved, and General Fund revenues and Measure S Sales Tax revenues have been restored to the levels prevailing before the 2008 recession, the City of Ukiah has worked to improve public safety services to the Ukiah community; and

26. For a two year period commencing January 1, 2014 and ending on December 31, 2015, the City of Ukiah and the Ukiah Valley Fire District have entered a contract to provide fire services to the entire Ukiah Valley and City of Ukiah; and

27. This agreement has increased the available on-duty firefighting staff to 18 firefighters, (11-City paid personnel, 6-District personnel, and shared Fire Chief) a combined two-department volunteer firefighter force, with an increased firefighter capacity to at least 6 firefighters on-duty each day for firefighting and Paramedic medical services; and

28. The City Council has reauthorized the Police Department to increase staffing back to 32 sworn officers. The additional officers (which allow for an extra officer per work shift) were added to address workload increases and decreased response times; and

29. Unlike the City's 1% share of the current 8.25% statewide sales tax, all sales taxes produced by Measure S must remain in the City of Ukiah. These taxes cannot be taken away by the State of California. Although enacted as a general tax which can lawfully be used for any municipal purpose, the City Council has and by this resolution will continue to place the Measure S Sales Tax revenue in a designated account within its budget and financial statements so that its use for public safety services can be reviewed, audited and accounted for; and

30. In addition, it is the intent of this resolution to commit the City to maintain the amount of general fund revenues supporting public safety at or above current levels. This resolution also commits the City to maintain the current level of public safety services, including a minimum of 32 sworn police officer, and the level of fire prevention and protective services commensurate with the City of Ukiah's portion of any City and District contractual agreement for joint fire, paramedic and fire prevention operations; and

31. Measure Swill sunset in September of 2015. Without the continuation of Measure S Sales Tax revenue, the City of Ukiah could not maintain current Police and Fire services. Without Measure S Sales Tax revenues, the City of Ukiah would be forced to reduce or eliminate some or all of these essential public safety services.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. EXPENDITURE PLAN: While the revenue received by the City from Measure S Sales Tax is unrestricted general fund revenue, by this resolution, the City Council commits to using these revenues to provide public safety services. "Public safety services" means law enforcement and crime prevention services provided by the Ukiah Police Department, and fire protection and prevention and emergency medical services provided by the Ukiah Fire Department, by contract with the Ukiah Valley Fire Protection District or any other arrangement approved by the City Council. These taxes may be used to pay for such public safety services expenses as the training and salaries, including overtime and specialty pay, and fringe benefits, of public safety officers and support staff working in the Police Department and of firefighters, emergency medical technicians and support staff providing fire prevention and protection services to the City. These funds may also be used for operating expenses, and the purchase of vehicles, equipment and supplies, and capital improvements used exclusively for Public safety services.

A <u>Accounting for Public Safety Services Revenue</u>. In each fiscal year commencing with the 2014-2015 fiscal year, for purposes of accounting for the use of these revenues, the City shall continue to credit to an account or fund in the City's budget and financial records, to be designated by the Finance Director, all of the following: (1) Measure S Sales Tax revenue; and (2) "Public Safety Revenue" which is the revenue produced by the Police and Fire Departments.

B. Minimum level of Public Safety Services. The City shall maintain a minimum level of public safety services, but nothing in this resolution prevents the City Council from establishing a higher level of public safety services, reorganizing or changing the method of providing public safety services or reducing staffing for public safety where required by financial necessity resulting from circumstances beyond the control of the City, such as a prolonged recession like the one experienced in 2008 or other prolonged and substantial reduction in general fund revenues. The minimum level of public safety services shall be the level of such services available in the City in the 2014-15 fiscal year, including the following: (1) thirty-two (32) full-time peace officers as defined in Penal Code Section 7 and Title 3, Part 2, Chapter 4.5 (commencing with Section 830), and the level of fire prevention and protective services commensurate with the City of Ukiah's portion of any City and District contractual agreement for joint fire, paramedic, and fire prevention operations .

2. OVERSIGHT COMMITTEE. Every two years after the Effective Date of Ordinance No. 1149, extending the Measure S sales tax, the City Council shall appoint five people to an "Oversight Committee" the only function of which shall be to review the City's budget for public safety services and the expenditure of the revenues so budgeted. The persons appointed to the Oversight Committee should represent a broad range of interests in the City, including such interests as business owners, ethnic minorities, (1) Ukiah City firefighter, (1) Ukiah City peace officer, homeowners and tenants.

The City Manager shall provide the Oversight Committee with any information it requests which is not exempt from disclosure under the California Public Records Act and shall assist it in organizing and analyzing the information so provided. The Oversight Committee must prepare a written report which shall be presented to the City Council at a noticed public hearing and which shall be available to the general public for not less than 10 calendar days prior to the scheduled hearing date. The report shall contain an analysis of the level and types of service provided by the City's police department and fire department or other arrangement approved by the City Council, the revenues and expenditures of the designated fund or account. It shall also make recommendations concerning the future use of these funds and levels and types of service. The Oversight Committee shall dissolve after it files its report with the City Council, until a new Oversight Committee is appointed for the next two year review.

3. ACCOUNTING FOR MEASURE S SALES TAX REVENUE. All Measure S Sales Tax revenues and all interest on said revenues shall be credited to the designated fund or account and shall be designated for use in accordance with this Resolution.

PASSED AND ADOPTED ON JUNE 24, 2014, BY THE FOLLOWING ROLL CALL VOTE:

AYES:	Councilmembers Scalmanini, Crane, Thomas, Landis, and Mayor Baldwin
NOES:	None
ABSENT:	None
ABSTAIN:	None

Philip E. Baldwin, Mayor

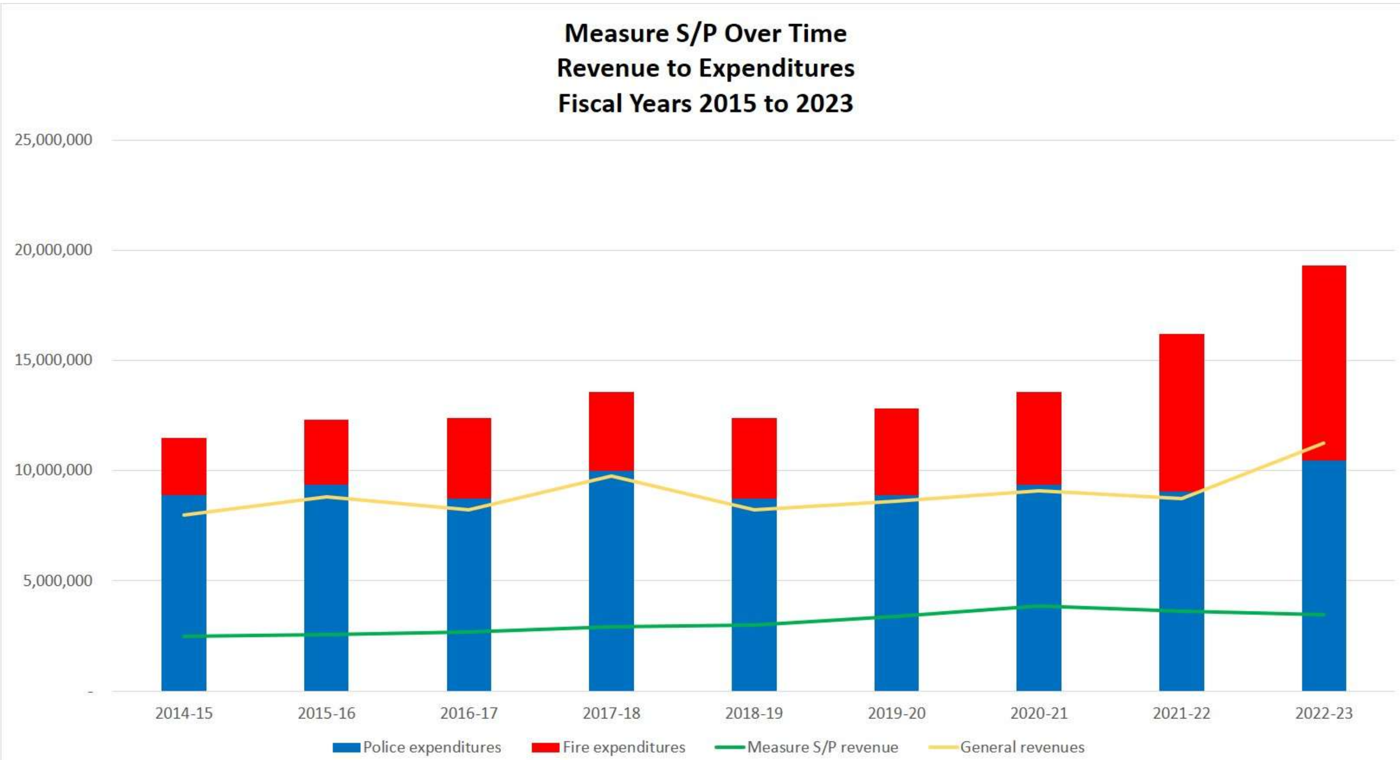
ATTEST:

Kristine Lawler, City Clerk

Measure P

Measure P, passed by a simple majority (50 percent plus 1) of Ukiah voters in November of 2014, is a general (unrestricted) transaction and use tax. A general, unrestricted tax is one that can be used to fund any program, function, service, or project at the discretion of the City Council. It is not a special, restricted tax, which would require approval of two-thirds of the voting public. It continued a sunset transaction and use tax, known as Measure S (2005), accompanied by an advisory Measure T (2005). Measure P, however, was passed with no advisory measure. The purpose of Measure P is to augment public safety expenditures to provide a higher level of police and fire service to the community. Amounts collected from the tax are to be used in addition to the commitment of the General Fund and not in replacement of.

The following graph demonstrates how the past revenue measure (S) and now Measure P have been employed with relation to the General Fund.



The chart above provides a historical comparison of Measure S/P revenues, General Fund revenues, and total public safety expenditures (Police and Fire) from Fiscal Year 2014-15, the first full fiscal year Measure P revenues were received, through Fiscal Year 2023-24.

Measure S/P revenues have remained relatively consistent throughout the ten-year period, ranging from approximately $2.5 million to $3.9 million annually. Revenues generally increased through Fiscal Year 2020-21, reflecting growth in local sales taxes from increased spending from federal COVID stimulus, before decreasing in the three most recent fiscal years primarily from economic changes to the cannabis industry. Over the same period, general revenues applied to public safety also remained relatively stable through Fiscal Year 2021-22 before increasing in Fiscal Years 2022-23 and 2023-24.

In conjunction, public safety expenditures have increased steadily over time. Combined Police and Fire expenditures grew from approximately $11.5 million in Fiscal Year 2014-15 to $18.8 million in Fiscal Year 2023-24, an increase of approximately 64 percent. Police expenditures increased from approximately $9.0 million to $11.3 million, while Fire expenditures increased from approximately $2.6 million to $7.5 million during the same period. The most significant growth in total public safety expenditures occurred beginning in Fiscal Year 2021-22.

Several factors contributed to this increase, including rising personnel and employee benefit costs, contractual salary adjustments, inflationary impacts on operating expenses, and expanded fire service responsibilities.

The comparison also illustrates that annual public safety expenditures have consistently exceeded Measure S/P revenues, demonstrating that the voter-approved sales tax serves as an important supplemental funding source rather than the sole source of funding for Police and Fire services. The remaining costs have been supported through the City's General Fund and other available revenue sources.

City of Ukiah
Measure P
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Baseline to Current Actual
For the Year Ended June 30, 2023

	2014-15 Baseline	2022-23 Actual	Variance with Baseline
REVENUES			
Measure P	$ 2,465,521	$ 3,456,191	$ 990,670
Public safety revenues:			
Police	1,001,861	791,156	(210,705)
Fire	37,235	3,666,830	3,629,595
Prop 172	53,471	119,215	65,744
General revenues (general fund)	7,922,006	11,261,332	3,339,326
Total revenues	11,480,094	19,294,724	7,814,630
EXPENDITURES			
Current:			
Police	8,709,693	10,409,204	(1,699,511)
Fire	2,553,407	8,107,907	(5,554,500)
Total current	11,263,100	18,517,111	(7,254,011)
Capital outlay:			
Police	186,594	64,360	122,234
Fire	30,400	713,253	(682,853)
Total capital outlay	216,994	777,613	(560,619)
Total expenditures	11,480,094	19,294,724	(7,814,630)
Excess (deficiency) of revenues over expenditures	$ -	$ -	$ -

PERSONNEL

Police:			
Sworn	32	27	(5)
Miscellaneous	18	18	(0)
Total police	50	45	(5)
Fire:			
City	11	21	10
Ambulance/Misc	-	7	7
UVSD	6	-	(6)
Total fire	17	28	11

Notes:

1) Excludes parking enforcement expenditures and associated revenue, dispatch services revenue, and fire prevention services revenue.

2) Does not include Emergency Management services, which are included in Public Safety on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

3) Beginning fiscal year 2021-22 the City changed its accounting of the UVFD and City shared cost. The District's contribution to personal and other operating expenditures are not recognized as revenues to the City. Conversely, the City's expenditures related to fire services now include those amounts previously reported as expenditures of UVFD.

4) Ambulance services now included in 2022-23. Fiscal year 2021-22 have been updated here as well.

City of Ukiah
Measure P
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Baseline to Current Actual
For the Year Ended June 30, 2024

	2014-15 Baseline	2023-24 Actual	Variance with Baseline
REVENUES			
Measure P	$ 2,465,521	$ 3,338,922	$ 873,401
Public safety revenues:			
Police	1,001,861	829,274	(172,587)
Fire	37,235	4,069,740	4,032,505
Prop 172	53,471	66,151	12,680
General revenues (general fund)	7,922,006	10,475,771	2,553,765
Total revenues	11,480,094	18,779,858	7,299,764
EXPENDITURES			
Current:			
Police	8,709,693	11,061,454	(2,351,761)
Fire	2,553,407	7,153,373	(4,599,966)
Total current	11,263,100	18,214,827	(6,951,727)
Capital outlay:			
Police	186,594	189,104	(2,510)
Fire	30,400	375,927	(345,527)
Total capital outlay	216,994	565,031	(348,037)
Total expenditures	11,480,094	18,779,858	(7,299,764)
Excess (deficiency) of revenues over expenditures	$ -	$ -	$ -

PERSONNEL

Police:			
Sworn	32	29	(3)
Miscellaneous	18	18	-
Total police	50	47	(3)
Fire:			
City	11	21	10
Ambulance/Misc	-	7	7
UVSD	6	-	(6)
Total fire	17	28	11

Notes:

1) Excludes parking enforcement expenditures and associated revenue, dispatch services revenue, and fire prevention services revenue.

2) Does not include Emergency Management services, which are included in Public Safety on the Statement of Revenues, Expenditures, and Changes in Fund Balance.