



**Finance & Technology Department**

# Measure N Independent Accountant' Report (July 1, 2024 – June 30, 2025)

## Measure N

- ▶ The Measure is a 1/2 cent Sales Tax for essential City services such as Police, Fire, Recreation, as well as maintenance of parks, roads, and City facilities.
- ▶ The Measure uses a detailed 10-year plan.
- ▶ Measure N was approved by the voters November 2016 and became effective April 1, 2017.

# Measure N Requirements:

## ► **Revenues:**

- 30% of actual operating expenses go to the Uncertainty Fund for a fiscal emergency.
- 10% of budgeted revenues go to the following programs:
  - 2% Youth Programs
  - 8% Maintenance and Emerging Needs

## ► **Expenditures:**

- Money shall not be used for debt service payments
- Annual expenditure plan must be approved by Council after the following has occurred:
  - City Manager makes a recommendation to City Council.
  - Comments and recommendation received by Sales Tax Oversight Board.
  - Two public hearings are held at regular Council Meetings.

# Measure N Requirements (cont):

► **Sales Tax Oversight Board:**

- Board consists of 11 members that are appointed as specified in the plan
- Reviews Measure N budgets prior to adoption
- Reviews Independent Accountants' Report on Applying Agreed-Upon Procedures

► **Independent Accountants' Report on Applying Agreed-Upon Procedures:**

- An Independent Auditor will annually review tax revenues received and expenditures from the measure, to ensure compliance with the Ballot Measure, Program Guidelines and Expenditure plans.

► **Effectiveness Review:**

- Reviewed the progress of the Measure N Plan and the continuing need for the sales tax measure at City Council meeting on March 17, 2025, and review every 8 years thereafter (next review 2033).

# Measure N FY 24/25 Report

- ▶ Report Completed by M. Green and Company for Fiscal Year ending June 30, 2025.
- ▶ There were no findings.
- ▶ The Measure N Oversight Committee reviewed the report for fiscal year 24/25 on January 12, 2026.

# Measure N Actual to Actuals Comparison (ACFR Document Pg 34 & 38)

## NOTES:

\* Fund balance includes the Economic Uncertainty Fund of \$3,091,410 (30% of the operating expenses).

\*\*GASB 96 requires City to record certain Subscription Based Information Technology (SBITA) Arrangements.

	23/24 Actual	24/25 Actual
<b>REVENUES</b>		
Sales Taxes	\$ 18,394,594	\$ 18,733,236
Interest Earnings & Miscellaneous	1,706,882	2,154,584
Grants - Police	35,611	41,811
<b>Total Revenues</b>	<b>20,137,087</b>	<b>20,929,631</b>
<b>EXPENDITURES</b>		
General Government	(235,867)	(228,496)
Public Safety:		
Fire	(1,628,256)	(1,802,954)
Police	(6,318,012)	(7,047,496)
Community Services	(757,760)	(888,720)
Capital Outlay	(12,214,788)	(5,104,444)
Debt Service (Note 7)		
SBITA-Principal**	(279,520)	(309,507)
SBITA-Interest**	(33,173)	(28,855)
<b>Total Expenditures</b>	<b>(21,467,376)</b>	<b>(15,410,472)</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(1,330,289)</b>	<b>5,519,159</b>
<b>Other Financing Sources (Uses)</b>		
Subscription Assets Acquired	1,644,951	-
Transfers In	-	24,082
Transfers Out	-	(242,500)
<b>Total Other Financing Sources (Uses)</b>	<b>1,644,951</b>	<b>(218,418)</b>
<b>Net Change in Fund Balance</b>	<b>314,662</b>	<b>5,300,741</b>
<b>Fund Balance Beginning of Year</b>	<b>36,585,593</b>	<b>36,900,255</b>
<b>Fund Balance - End of Year *</b>	<b>\$ 36,900,255</b>	<b>\$ 42,200,996</b>



# Measure N Current and Future Projects

Project Name	Roll Amount
Cape Seal	690,000
Reclamite Streets - MS N	1,071,000
Shirk Widening over Mill Creek	339,004
Station 51 Facility	4,142,523
Measure N A/C Repairs and Replacement -Various City Buildings	133,213
Measure N Roof Repairs -Various City Buildings	374,250
Measure N Building Maintenance	<u>1,879,144</u>
<b>TOTAL</b>	<b>8,629,134</b>

\*Note: Station 51 Relocation will need additional funds of approx. \$18 million for construction

# Measure N FY 24/25 – Fund Balance

	<b>Beginning Fund Balance</b>	<b>24/25 Revenues</b>	<b>24/25 Expenditures</b>	<b>Other Financing Sources and (Uses)</b>	<b>Ending Fund Balance</b>	<b>CIP Rolled into FY 25/26</b>	<b>Fund Balance Remaining</b>
Essential Services	26,931,784	17,439,245	14,861,236	(218,418)	29,291,375	6,242,528	23,048,847
8% Maint & Emerging Needs	6,738,424	1,914,563	371,836	-	8,281,151	2,386,606	5,894,545
2 % Youth Programs	1,263,097	451,363	177,400	-	1,537,060	-	1,537,060
<b>Measure N Operating Funds</b>	<b>34,933,305</b>	<b>19,805,171</b>	<b>15,410,472</b>	<b>(218,418)</b>	<b>39,109,586</b>	<b>8,629,134</b>	<b>30,480,452</b>
Economic Uncertainty	1,966,950	1,124,460	-	-	3,091,410	-	3,091,410
<b>Measure N Total</b>	<b>36,900,255</b>	<b>20,929,631</b>	<b>15,410,472</b>	<b>(218,418)</b>	<b>42,200,996</b>	<b>8,629,134</b>	<b>33,571,862</b>

\*Note - The Fire Station 51 relocation construction cost will need an additional appropriation of aprox. \$18 million.

# Measure N Summary

## **Summary:**

The Independent Accountants' Report confirmed that Measure N funds are in accordance with the Ballot Measure, Program Guidelines and Expenditure Plan for Fiscal Year ended June 30, 2025.

## **Action Tonight:**

No formal action is required today. Council is to receive and review the report.

## **QUESTIONS?**

