



Finance & Technology Department

Measure N 10 Year Plan and 26/27 & 27/28 Budget Discussion

March 16, 2026

WHAT IS 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.
- Measure N was approved by the voters November 2016 and became effective April 1, 2017.
- The Measure uses a detailed 10-year plan.



MEASURE N REQUIREMENTS

Revenues:

- 10% of budgeted revenues must be split into the following categories:
 - 2% Youth Programs
 - 8% Maintenance and Emerging Needs

Expenditures:

- Money shall not be used for debt service payments;
- Expenditure plan and amendments must be approved as outlined in the plan.
- 30% of Operating Expenditures shall be maintained in Uncertainty Fund for a fiscal emergency

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 and amendments prior to adoption.
- Reviews Independent Accountants' Report on Applying Agreed-Upon Procedures

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

- Independent Auditor will annually review revenues and expenditures from the Measure, to ensure compliance with the Ballot Measure, Program Guidelines & Expenditure Plan.

- **Effectiveness Review**

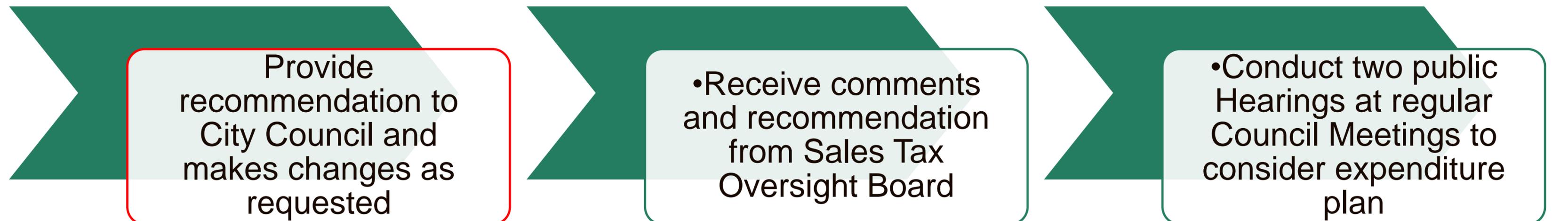
- Review progress of the Measure N Plan and the continuing need for the sales tax measure at a City Council meeting before April 1, 2025, and every 8 years thereafter. The first effectiveness review was approved in March 2025.

MEASURE N EXPENDITURE PROCESS

Tonight's meeting is to discuss:

- Next proposed 10-year plan (Years 11-20); and
- FY 26/27 & 27/28 proposed budget.

Measure N funds require the following actions to adopt the proposed spending plan:



Provide recommendation to City Council and makes changes as requested

•Receive comments and recommendation from Sales Tax Oversight Board

•Conduct two public Hearings at regular Council Meetings to consider expenditure plan

CURRENT 10 YEAR PLAN

Current plan is on year 9 and has had amendments to add additional staff, programs and capital. The final year of the original plan is FY 26/27 (Year 1 of new bi-annual budget)

Measure N Achievements



Essential Services Category

Police:

- Hired personnel and purchased the required equipment & vehicles for the following positions:
 - 29 Police Officers
 - 4 Community Service Officers
 - 11 Professional Staff
- Implemented the body worn camera program and continue to fund with Measure N

Essential Services Category

Fire:

- Funded personnel and purchased the following equipment & vehicles:
 - Funded 1 Administrative Captain and 1 Deputy Chief
 - Purchased Ladder Truck
 - Purchased Mobile Aire Truck
- Constructed Station 56 located on Lovers Lane
- Design and Construct Station 51
- Implemented Paramedic Squad Program which consisted of hiring personnel & purchasing equipment & vehicles for the following positions:
 - 6 Paramedics
 - 1 EMS Coordinate

Streets:

- Funds approximately \$4 million annually which totaled \$39.5 million over the 10 year plan.
- Completed the Downtown Street Light Replacement Project totaling \$9.2 million.

Essential Services Category

Parks and Recreation:

- Hired Personnel and purchased essential equipment & vehicles for the following positions:
 - 1 Landscape Inspector
 - 1 Park Maintenance Technician
 - 1 Park Maintenance Worker
 - 1 Recreation Coordinator

- Funded additional maintenance for a total of \$2.2 million. Each category received approximately \$55 thousand annually:
 - Trailway maintenance
 - Tree maintenance
 - Building maintenance
 - Parks maintenance

Maintenance & Emerging Needs Category (8% of Sales Tax)

- Funded deferred building maintenance totaling \$6.3 million over the last 9 years.

Youth Category (2% of Sales Tax)

- Set aside \$2.4 million for youth programs. Of this \$1.2 was spent over the last 9 years:
 - Manual Hernandez Clubhouse
 - Funded grants for youth programs
 - Funding for the PAL League Activities

Uncertainty Fund Balance

- Maintained the Uncertainty Fund at 30% of operating expenditures. As of June 30, 2025, the amount was \$3.1 million.

NEW PROPOSED 10 YEAR PLAN (Years 11-20)

New Plan Components:

- Plan starts in FY 27/28 (2nd Year of the bi-annual budget).
- Proposed 10-year plan continues with the original intent of the plan providing essential city services and maintenance of parks, trails and roads.
- Plan continues to fund everything that is in the current 10-year plan plus add additional full-time employees, capital and increase maintenance funding.

Revenue Assumptions

| | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 | Total |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Revenues | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | 2036-37 | |
| % Growth | 2.5% | 2.5% | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% | |
| Measure N Sales Tax | 20,173,600 | 20,677,900 | 21,298,200 | 21,937,100 | 22,595,200 | 23,273,100 | 23,971,300 | 24,690,400 | 25,431,100 | 26,194,000 | 230,241,900 |
| Interest /Misc Earnings | 855,000 | 872,100 | 889,500 | 907,300 | 925,400 | 943,900 | 787,100 | 802,800 | 823,900 | 840,400 | 8,647,400 |
| Total Revenues | 21,028,600 | 21,550,000 | 22,187,700 | 22,844,400 | 23,520,600 | 24,217,000 | 24,758,400 | 25,493,200 | 26,255,000 | 27,034,400 | 238,889,300 |

Assumes no recession in the next 10 years.

Essential Services Category

Police:

- Hire personnel and purchase the required equipment & vehicles for the following positions:
 - 7 Police Officers
 - 2 Community Service Officers
 - 2 Professional Staff

Fire:

- Design and Construct Station 57
- Purchase Station 57 engine
- Hire 3 of the required 9 full-time employees for Station 57

Streets:

- Annual street maintenance of \$4 million increasing by .05% annually.

Parks and Recreation:

- Annual Trailway, Tree, Building and Parks maintenance increasing 2% annually

Maintenance & Emerging Needs Category (8% of Sales Tax)

- Building maintenance of \$1.1 to \$1.5 million annually
- Remainder of the 8% of budget revenues to fund emerging needs

Youth Category (2% of Sales Tax)

- Fund a total of 2% of budgeted revenues for Police and Recreation youth programs

Uncertainty Fund Balance

- Maintain the Uncertainty Fund at 30% of operating expenditures.

PROPOSED 10 YEAR PLAN

ESSENTIAL SERVICES

| | Year 11 2027-28 | Year 15 2031-32 | Year 20 2036-37 | Total | Comments |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|------------------------|
| <u>Essential Services</u> | | | | | |
| <u>Revenues</u> | | | | | |
| Sales Tax | 18,156,200 | 20,335,700 | 23,574,600 | 207,217,700 | |
| Interest & Misc Earnings | 600,000 | 649,400 | 535,700 | 5,855,600 | |
| Total Revenues | 18,756,200 | 20,985,100 | 24,110,300 | 213,073,300 | |
| <u>Expenditures</u> | | | | | |
| Police | | | | | |
| Continued Expenses From 1st 10 Yrs | 9,356,600 | 10,648,600 | 12,621,100 | 108,937,100 | 44 Employees |
| Personnel - Police Officers | 173,600 | 571,400 | 1,462,600 | 7,485,200 | 7 New Employees |
| Personnel - Professional Staff | 115,700 | 352,100 | 542,400 | 3,236,900 | 4 New Employees |
| New Personnel Equipment/Vehicles | 122,600 | 195,200 | | 1,103,400 | |
| Fire | | | | | |
| Continued Expenses From 1st 10 Yrs | 2,119,900 | 2,321,300 | 2,790,400 | 23,895,100 | 9 Employees |
| Station 57 | | | | 15,100,000 | |
| Engine 57 | | | | 1,500,000 | |
| Station 57 Personnel | | | 774,200 | 1,522,200 | 3 New Employees |
| Streets Capital | 4,020,000 | 4,100,000 | 4,205,000 | 41,115,000 | Increase .05% annually |
| Parks & Recreation | | | | | |
| Continued Expenses From 1st 10 Yrs | 628,900 | 695,700 | 822,000 | 7,126,600 | 4 Employees |
| Trailway Maintenance | 61,200 | 66,200 | 73,100 | 669,800 | Increased 2% annually |
| Tree Maintenance | 61,200 | 66,200 | 73,100 | 669,800 | Increased 2% annually |
| Building Maintenance | 61,200 | 66,200 | 73,100 | 669,800 | Increased 2% annually |
| Parks Maintenance | 61,200 | 66,200 | 73,100 | 669,800 | Increased 2% annually |
| State Sales Tax Fees | 237,200 | 256,600 | 283,200 | 2,595,600 | |
| Total Expenditures | 17,019,300 | 19,405,700 | 23,793,300 | 216,296,300 | |

PROPOSED 10 YEAR PLAN

2% YOUTH

8% MAINTENANCE & EMERGING NEEDS

| | Year 11 2027-28 | Year 15 2031-32 | Year 20 2036-37 | Total |
|--|----------------------------|----------------------------|----------------------------|-------------------|
| 2% Youth - Police & Rec | | | | |
| Revenues | | | | |
| Sales Tax | 403,500 | 451,900 | 523,900 | 4,604,900 |
| Interest | 51,000 | 55,200 | 60,900 | 558,100 |
| Total Revenues | 454,500 | 507,100 | 584,800 | 5,163,000 |
| 2% Youth - Police & Rec Exp | 403,500 | 451,900 | 523,900 | 4,604,900 |
| 8% Maintenance & Emerging Needs | | | | |
| Revenues | | | | |
| Sales Tax | 1,613,900 | 1,807,600 | 2,095,500 | 18,419,300 |
| Interest | 204,000 | 220,800 | 243,800 | 2,233,700 |
| Total Revenues | 1,817,900 | 2,028,400 | 2,339,300 | 20,653,000 |
| Expenditures | | | | |
| Building Maintenance | 1,500,000 | 1,200,000 | 1,200,000 | 12,000,000 |
| Emerging Needs | 561,900 | 607,600 | 895,500 | 6,867,300 |
| Total Expenditures | 2,061,900 | 1,807,600 | 2,095,500 | 18,867,300 |

26/27 & 27/28 PROPOSED MEASURE N BUDGET

Changes to the proposed 10-year plan will be included in the budget numbers for FY 27/28



26/27 & 27/28 PROPOSED MEASURE N BUDGET

Revenue

Sales Tax Projection:

Sales Tax Projection is increasing 2.5% per year

Expenditures

- FY 26/27 is based on current plan & FY 27/28 proposed plan
- Uses updated cost estimates
- Includes new amendments

New Positions per plan

- FY 26/27 (Current Plan)
 - 2 Police Officer
 - 1 Police Professional Staff
- FY 27/28 (Proposed New Plan)
 - 1 Police Officer
 - 1 Police Professional Staff

FY 26/27 Plan Amendments

1. Replace wrecked Police vehicle - \$109,000
2. Additional appropriation for Station 51 construction - \$21 million
3. Increase building maintenance - \$1.5 million



FY 26/27 PROPOSED BUDGET (YR 10)

| | | | | | |
|------------------------|----|--|-------------------|--|------------------|
| Police | 29 | Police Officers | 5,321,400 | 2% Youth Programs | |
| | 15 | Professional Staff | 2,317,900 | Youth Programs | 393,600 |
| | 2 | Police Cars & Equipment | 217,000 | | |
| | 1 | Replace Wrecked Vehicle | 91,500 | 8% Maintenance & Emerging Needs | |
| | | Operating Expenses | 1,087,400 | Building Maintenance | 1,500,000 |
| | | Body Cameras | 515,300 | Emerging Needs* | - |
| | | | 9,550,500 | Total | 1,500,000 |
| Roads | | Street Maintenance | 4,000,000 | Vehicle Replacement | |
| | | | | Replace Wrecked Vehicle | 17,500 |
| Parks & Rec | 4 | Park & Rec Employees | 476,200 | | |
| | | Trailway Maintenance | 60,000 | | |
| | | Tree Maintenance | 60,000 | | |
| | | Building Maintenance | 60,000 | | |
| | | New Park Maintenance | 60,000 | | |
| | | Operating Expenses | 127,100 | | |
| | | | 843,300 | | |
| | | Deputy Chief, Admin Capt, & Squad Staffing | 1,659,300 | | |
| | | Operating Expenses | 387,000 | | |
| Fire | | Additional Appropriation Station 51 | 21,000,000 | | |
| | | | 23,046,300 | | |
| | | State Fees, Audits, Accounting | 231,600 | | |
| | | | 231,600 | | |
| Other | | | | | |
| | | Essential Services Total | 37,671,700 | | |

*Note: Emerging Needs money will not be appropriated until staff returns to Council with a recommended policy/plan.



FY 27/28 PROPOSED BUDGET (YR 11)

| | | | | | | |
|------------------------|----|--|-------------------|--|--|-------------------|
| Police | 30 | Police Officers | 5,721,300 | | 2% Youth Programs | |
| | 16 | Professional Staff | 2,515,600 | | Youth Programs | 403,500 |
| | 1 | Police Cars & Equipment | 122,600 | | | |
| | | Operating Expenses | 1,114,900 | | 8% Maintenance & Emerging Needs | |
| | | Body Cameras | 527,800 | | Building Maintenance | 1,500,000 |
| | | | 10,002,200 | | Emerging Needs* | - |
| | | | | | Total | 1,500,000 |
| Roads | | Street Maintenance | 4,020,000 | | | |
| Parks & Rec | 4 | Park & Rec Employees | 497,600 | | | |
| | | Trailway Maintenance | 61,200 | | | |
| | | Tree Maintenance | 61,200 | | | |
| | | Building Maintenance | 61,200 | | | |
| | | New Park Maintenance | 61,200 | | | |
| | | Operating Expenses | 131,300 | | | |
| | | | 873,700 | | | |
| | | Deputy Chief, Admin Capt, & Squad Staffing | 1,719,500 | | | |
| | 9 | Operating Expenses | 400,400 | | | |
| Fire | | | 2,119,900 | | | |
| | | State Fees, Audits, Accounting | 237,200 | | | |
| Other | | | 237,200 | | | |
| | | Essential Services Total | 17,253,000 | | | |
| | | | | | Grand Total | 19,156,500 |

*Note: Emerging Needs money will not be appropriated until staff returns to Council with a recommended policy/plan.

PROJECTED FUND BALANCE

| 2026/27 - Year 10 | Beginning Cash | Projected Revenues | Expenditures | Transfer | Ending Cash |
|----------------------------------|-----------------------|---------------------------|---------------------|-----------------|--------------------|
| Essential Services | 25,494,977 | 18,463,500 | 37,671,700 | (288,960) | 5,997,817 |
| 8% Maint & Emerging Needs | 6,296,307 | 1,774,500 | 2,038,800 | | 6,032,007 |
| 2 % Youth Programs | 1,723,160 | 443,600 | 393,600 | | 1,773,160 |
| Measure N Operating Funds | 33,514,444 | 20,681,600 | 40,104,100 | | 13,802,984 |
| Economic Uncertainty | 3,647,550 | | | 288,960 | 3,936,510 |
| Vehicle Replacement | 2,104,002 | 333,300 | 17,500 | | 2,419,802 |
| Measure N Total | 39,265,996 | 21,014,900 | 40,121,600 | 288,960 | 20,159,296 |

| 2027/28 - Year 11 | Beginning Cash | Projected Revenues | Expenditures | Transfer | Ending Cash |
|----------------------------------|-----------------------|---------------------------|---------------------|-----------------|--------------------|
| Essential Services | 5,997,817 | 18,756,200 | 17,253,000 | (217,260) | 7,283,757 |
| 8% Maint & Emerging Needs | 6,032,007 | 1,817,900 | 2,061,900 | | 5,788,007 |
| 2 % Youth Programs | 1,773,160 | 454,500 | 403,500 | | 1,824,160 |
| Measure N Operating Funds | 13,802,984 | 21,028,600 | 19,718,400 | | 14,895,924 |
| Economic Uncertainty | 3,936,510 | | | 217,260 | 4,153,770 |
| Vehicle Replacement | 2,419,802 | 343,300 | | | 2,763,102 |
| Measure N Total | 20,159,296 | 21,371,900 | 19,718,400 | 217,260 | 21,812,796 |



RECOMMENDATION:

Approve the new proposed 10-year plan and the FY 26/27 & 27/28 Budget, with recommended changes, and continue with the budget process.

