



**Finance & Technology Department**

# Measure T Independent Accountants' Report

# Measure T

- ▶ The Measure T was approved by the voters March 2004.
- ▶ ¼ cent Sales Tax for enhanced police and fire services.
- ▶ Sales Tax is split – 40% Fire and 60% Police.



# Measure T - Requirements

- ▶ Measure T revenues cannot replace General Fund budgeted operating expenditures for police and fire.
- ▶ Measure T uses a detailed 20 year plan for:
  - Hiring Personnel;
  - Construction of Facilities; and
  - Equipment Purchases.

Original plan included a deficit that would be covered by increased revenues, lower expenditures, and General Fund subsidy. Since 2008, Measure T has been operating on an amended plan due several years of lower revenues, higher expenditures, and no subsidy from the General Fund.

- ▶ Measure T requires an Economic Uncertainty Fund
  - 30% of the actual operating expenses will be deposited into a separate fund for emergency use.

## Measure T – Requirements (cont)

### ► **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.

### ► **Annual Recertification**

- Annual Recertification of the plan with detail of what monies have been received, what monies have been spent, and what monies are available. This is done every June.

### ► **Effectiveness Review**

- Review the progress of the Measure T Plan and the continuing need for the sales tax measure at the first City Council meeting in January 2029, and every 8 years thereafter.
  - Last review completed in 2021

# Measure T - Report

- ▶ Report Completed by M. Green and Company for fiscal year ending June 30, 2025.
- ▶ There were no report finding for FY 24/25.
- ▶ The CAC Committee has reviewed the report on January 7, 2026.

# Measure T Police – Actual to Actuals Comparison (ACFR Document Pg 127 &136)

	23/24 Actual	24/25 Actual
<b>REVENUES</b>		
Measure T Sales Tax	\$ 5,529,066	\$ 5,622,553
Subventions and Grants	29,079	37,731
Interest Earnings + Miscellaneous	483,132	535,935
Total Revenues	<u>6,041,277</u>	<u>6,196,219</u>
<b>EXPENDITURES</b>		
Expenditures	(4,143,408)	(4,733,969)
Capital Outlay	-	(31)
Total Expenditures	<u>(4,143,408)</u>	<u>(4,734,000)</u>
Revenues Over (Under) Expenditures	<u>1,897,869</u>	<u>1,462,219</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
VECC Debt Payment	(151,180)	(151,362)
Transfer to Compensated Absenses Fund	-	(128,731)
Total Other Financing Sources (Uses)	<u>(151,180)</u>	<u>(280,093)</u>
Net Changes in Fund Balance	<u>1,746,689</u>	<u>1,182,126</u>
Fund Balance - Beginning of Year	8,020,104	9,766,793
Fund Balance - End of Year*	<u>\$ 9,766,793</u>	<u>\$ 10,948,919</u>

\*Included in the end of year fund balance is the Economic Uncertainty Fund of \$1,627,972 (30% of operating expenses).

# Measure T Fire – Actual to Actuals Comparison (ACFR Document Pg 128 &137)

	23/24 Actual	24/25 Actual
<b>REVENUES</b>		
Measure T Sales Taxes	\$ 3,686,044	\$ 3,748,368
Charges for Current Services	54,126	152,955
Interest Earnings + Miscellaneous	372,285	401,340
Total Revenues	<u>4,112,455</u>	<u>4,302,663</u>
<b>EXPENDITURES</b>		
Operating	(3,138,955)	(3,414,732)
Capital Expenditures	(538)	(1,037)
Total Expenditures	<u>(3,139,493)</u>	<u>(3,415,769)</u>
Revenues Over (Under) Expenditures	<u>972,962</u>	<u>886,894</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfer to Compensated Absenses Fund	-	(130,050)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(130,050)</u>
Net Changes in Fund Balance	<u>972,962</u>	<u>756,844</u>
Fund Balance - Beginning of Year	6,416,712	7,389,674
Fund Balance - End of Year *	<u>\$ 7,389,674</u>	<u>\$ 8,146,518</u>

\*Included in the end of year fund balance is the Economic Uncertainty Fund of \$1,100,676 (30% of operating expenses).

## **Summary:**

The Independent Accountants' report confirmed that Measure T 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. Just receive and review report.

## **Questions?**





# Measure T – Annual Presentations to Council

