**City of Pittsburg, CA**

**Measure P and M Citizens Oversight Committee Report**

**Proposed Use of 2017-18 Measure P Funds**

***Background of City of Pittsburg’s Financial Condition***

In 2012, the City faced decreasing revenues, including a 26 percent decrease in sales and property taxes since 2008, amounting to a loss of approximately $2.6 million annually. In addition, the costs to provide essential city services to residents continued to increase. The City had already reduced staff and consolidated City Departments to cut costs. The City had 275 full-time employees in 2008, and through early retirements and not filling vacant positions, the City reduced this number to 239 employees in 2011. In an attempt to further reduce costs, the fiscal year (“FY”) 2011-12 budget called for leaving four (4) police department positions vacant, eliminating the budget for police and maintenance employees at public events, closing the Buchanan Swim Center, and eliminating 14 positions, including eight layoffs.

The City predicted that without an increase in revenues, the City would have a General Fund deficit in FY 2012-13 of approximately $2.7 million, which would have required the City to make additional cuts to City services including a reduction in Police Department services and closing the Senior Center. Faced with severe reductions in income to the General Fund, it would have been very difficult for the City Council to balance the City’s budget without cutting the Police Department’s budget.

To avoid reductions in vital City services, the City Council placed Measure P on the June 2012 ballot to temporarily increase the City’s sales tax. Pittsburg’s voters approved Measure P and the City began collecting the new sales tax beginning in October 2012.

***City of Pittsburg’s 2012 Sales Tax - Measure P Language***

 “To provide funding that stays in Pittsburg and cannot be seized by the State, to be used for Public Safety, gang prevention, job creation programs for local residents, to keep the Senior Center open, to maintain other City services, shall the City of Pittsburg enact a temporary, half-cent sales tax for five years, reduced to one-quarter cent for five years, then the increase be terminated, altogether, with citizen’s oversight committee, mandatory audits and consistent community reporting?”

To which 73.69% of Pittsburg’s voters said “yes”.

Again in FY 2015-16, the City projected that without an extension of Measure P, vital City services currently funded by Measure P would face reductions as Measure P would reduce by 50% in FY 2017-18 and 50% in FY 2022-23. An election to extend Measure P was placed upon the June 2016 ballot, referred to as Measure M.

***City of Pittsburg’s 2016 Sales Tax - Measure M Language***

“To provide funding that stays in Pittsburg and cannot be seized by the State, to be used for Public Safety, gang preventions, job creation programs for local residents, Senior Center operations, repair roads, operate youth programs, and maintain other City Services, shall the City of Pittsburg extend its current half-cent sales tax through fiscal year 2034-35, providing $3.6-$3.8 million annually, then the increase be terminated, altogether, with citizens’ oversight, mandatory audits and consistent community reporting?”

To which 81.31% of Pittsburg voters once again said “yes”.

Since the passage of Measure M in June 2016, both Measure P and Measure M will be referred to as Measure M starting in FY 2017-18.

***Measure P and M Citizen’s Oversight Committee***

Measure P and M required the establishment of a Citizens Oversight Committee (“Committee”) charged with making recommendations to the City Council for the use of the Measure P and M tax revenue. The Committee is charged with:

1. Receiving information from City staff on the receipt of revenues and the expenditures of funds from Measure P and M,
2. Providing recommendations to the City Council on the future use of Measure P and M revenues,
3. Producing an annual report that records the results of its recommendations for expenditure of the revenue generated from the tax, and
4. Presenting this report to the City Council at a public meeting making it part of the public record.

On March 21, 2016, the City Council empaneled a five member Committee with two representatives from the Chamber of Commerce and three current members of the City’s Community Advisory Commission (“CAC”). Committee Members must be a Pittsburg resident and registered voter. Members serve two-year terms.

The City Council appointed the following people to the Committee:

Nancy Hairsine - Chamber of Commerce Representative

Wolfgang Croskey - Chamber of Commerce Representative

Dennisha Marsh - CAC Representative

Edward Borjon - CAC Representative

J. Faye Fields, CAC Representative

The following is a summary of the past use and proposed future uses of both Measure P and M. . To adhere to the intent of both Measures P and M for the FY 2017-18 budget, staff and the committee propose the following funding levels for FY 2017-18:



At the April 26 and May 11, 2017 Committee meetings, City staff presented the following rationales for the proposed allocation:

Public Safety – While the Police Department comprises 61.2% of the City’s General Fund budget, staff recommends maintaining the 86% allocation proceeds to police services. This level of funding provides reassurance to the residents and businesses of Pittsburg, and reflects the City Council’s priority to fund Public Safety while keeping Pittsburg’s crime rates low. These levels of funding provide the Police Department the ability to:

1. Maintain current staffing levels,
2. Continue the work of the Narcotics Division,
3. Commit resources to identification and investigation of human trafficking,
4. Continue to use Community Service Specialists to provide support to Police Officers including handling bookings of arrestees,
5. Track illegal gun ownership, and
6. Continue the Violent Crime and Gang Suppression enforcement activities.

Senior Center – The proposed allocation of eight percent (8%) provides 81.5% of the total operating budget for the Senior Center during this next FY 2017-18. Activity fees, rental income and donations cover the balance of the annual costs. This funding will maintain existing staffing, activities and programming as previously provided by the Senior Center.

Economic Development – The proposed allocation of three percent (3%) provides Economic Development with the ability to support the Future Build job training program, provide permit fee waivers to reduce blighted properties, provide marketing tools (i.e. [www.thinkpittsburg.com](http://www.thinkpittsburg.com) site selection website), and staffing for business attraction and retention activities throughout the City.

Roads Program – The proposed allocation of one percent (1%) will be used for road improvements during FY 2017-18.

Youth Programs – The proposed allocation of two percent (2%) will be used to ensure current youth programs are maintained during FY 2017-18.

***Measure P and M Oversight Committee Findings***

The Committee reviewed the City’s actual receipts and expenditures for FY 2015-16 and FY 2016-17 year-to-date actual receipts and expenditures, finding their uses to be in compliance with the original requirements of Measure P. The Committee also reviewed the FY 2016-17 year-to-date receipts and uses of funds and found their uses to be in compliance with the original requirements of Measure P.

The Committee reviewed the projected revenues and uses for FY 2017-18 and recommends the above allocation as presented in this report. However, the Committee also expressed concerned about the reliance upon Measure P and future Measure M funding by both the Senior Center and Youth programs. The Committee recommends that goals be established for both the Senior Center and the Youth programs to explore alternative resources, such as grants, fundraisers, or increasing rental rates; thus enabling additional funds to be redirected to repair the roads.

The Measure P & M Oversight Committee members expressed gratitude to the voting public who passed Measure M to continue the programs currently funded through Measure P. In addition to expanding the funding requirements to incorporate roads, youth, and other City services with the revenues to be received from the Measure.

The Committee will meet in the fall of 2017 to review the final revenues and expenditures of Measure P for FY 2016-17. At that time, the Committee will make additional recommendations for any excess or shortages based upon the actual receipts from the FY 2016-17 Measure P funds received.