



AGENDA

March 30, 2023

Local Sales Tax Citizens' Oversight Committee
6:00 P.M.
Council Chambers
311 Vernon Street
Roseville, California
www.roseville.ca.us

THE CITY OF ROSEVILLE WELCOMES YOUR PARTICIPATION

If an agenda item is open to public comment, such public comment shall be addressed to the chair of the meeting.

Public Comment - Speakers have three minutes under Public Comment to speak on issues that are not listed on the agenda and are within the City's jurisdiction. The Brown Act does not permit any action or discussion on items not listed on the agenda.

Consent Calendar - If applicable, the Consent Calendar consists of routine items that may be approved by one motion. Any person can remove an item from the Consent Calendar to be discussed separately.

Agenda Items - Speakers have five minutes to address items that are listed on the agenda.

Americans with Disabilities Act - Notify the City Clerk or Secretary at least 72 hours in advance if special assistance is required to participate in a meeting including the need of auxiliary aids or services.

Audio/Visual Presentations - If making a presentation regarding an agenda item, audio/visual materials must be submitted to the City Clerk or Secretary at least 72 hours in advance.

Roseville City Clerk 311 Vernon Street, Roseville, CA 916-774-5200 TDD 916-774-5220

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENTS
5. MINUTES
- 5.1. Approval of Minutes

Staff recommends the Local Sales Tax Citizens' Oversight Committee approve

the March 16, 2023 Committee meeting minutes.

6. REQUESTS/PRESENTATIONS

6.1. Report to Council - Approval

Staff recommends the Local Sales Tax Citizens' Oversight Committee adopt a motion to approve the Committee's report to the City Council. Action required.

6.2. Report to Council - Presentation

Staff recommends the Local Sales Tax Citizens' Oversight Committee adopt a motion to designate one or two Committee members to present the Committee's report to the City Council. Action required.

7. ADJOURNMENT



LOCAL SALES TAX CITIZENS' OVERSIGHT COMMITTEE

Title: Approval of Minutes
Contact: Terry Bradley, tbradley@roseville.ca.us, 916-774-5319

Meeting Date: 3/30/2023
Item #: 5.1.

RECOMMENDATION

Staff recommends the Local Sales Tax Citizens' Oversight Committee approve the March 16, 2023 Committee meeting minutes.

BACKGROUND

The request is to approve the minutes of the previous meeting. According to the City's Administrative Standards, the minutes may be approved by majority vote even if one or more of the voting members were not present at the meeting to which the minutes relate.

Respectfully Submitted,

Terry Bradley, Recording Secretary

Dennis Kauffman, Assistant City Manager/Chief Financial Officer

ATTACHMENTS:

Description

March 16, 2023 Meeting Minutes



MINUTES

March 16, 2023

Local Sales Tax Citizens' Oversight Committee
6:00 P.M.
Council Chambers
311 Vernon Street
Roseville, California
www.roseville.ca.us

1. CALL TO ORDER

Chair Kitchell called the meeting to order at 6:00 p.m.

2. ROLL CALL

Present: Duffy, Hill, Kitchell, Krafka, Speight

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Kitchell.

4. PUBLIC COMMENTS

No public comment received.

5. APPROVAL OF MINUTES

5.1. Minutes of Prior Meeting

The Local Sales Tax Citizens' Oversight Committee will consider approval of the March 29, 2022 Committee meeting minutes.

No public comment received.

Motion by Richard Duffy, seconded by John Speight, to approve the minutes of the March 29, 2022 meeting of the Local Sales Tax Citizens' Oversight Committee. The Motion Passed.

Roll call vote: Ayes: Duffy, Hill, Kitchell, Krafka, Speight

6. REQUESTS/PRESENTATIONS

6.1. Appointment of Chair and Vice Chair

The Local Sales Tax Citizens' Oversight Committee to appoint a Chair and Vice Chair for the Committee to serve until December 31, 2023. Action required.

No public comment received.

Motion by Meghan Krafska, seconded by Richard Duffy, to appoint Stephanie Hill as the Chair of the Local Sales Tax Citizens' Oversight Committee. The Motion Passed.

Roll call vote: Ayes: Duffy, Hill, Kitchell, Krafska, Speight

Motion by Kathryn Kitchell, seconded by Richard Duffy, to appoint Meghan Krafska as the Vice Chair of the Local Sales Tax Citizens' Oversight Committee. The Motion Passed.

Roll call vote: Ayes: Duffy, Hill, Kitchell, Krafska, Speight

6.2. Year-end Report

Presentation by Dennis Kauffman, Assistant City Manager/Chief Financial Officer, and Scott Pettingell, Assistant Finance Director, on the City's year-end report, for information.

Dennis Kauffman, Assistant City Manager/Chief Financial Officer, and Scott Pettingell, Assistant Finance Director, made the presentation to the Committee.

No public comment received.

For information only; no action required.

6.3. Report to Council

Staff recommends the Local Sales Tax Citizens' Oversight Committee designate one or two Committee members to prepare the Committee's annual report to the City Council. Action required.

Assistant City Manager/Chief Financial Officer Dennis Kauffman made the presentation to the Committee.

No public comment received.

Motion by Meghan Krafska, seconded by Kathryn Kitchell, to approve Richard Duffy to prepare the Committee's report to the City Council. The Motion Passed.

Roll call vote: Ayes: Duffy, Hill, Kitchell, Krafska, Speight

7. ADJOURNMENT

Motion by Richard Duffy, seconded by John Speight, to adjourn the meeting at 7:00 p.m. The Motion Passed.

Roll call vote: Ayes: Duffy, Hill, Kitchell, Krafka, Speight



LOCAL SALES TAX CITIZENS' OVERSIGHT COMMITTEE

Title: Report to Council - Approval
Contact: Dennis Kauffman, dkauffman@roseville.ca.us, 916-774-5313

Meeting Date: 3/30/2023
Item #: 6.1.

RECOMMENDATION

Staff recommends the Local Sales Tax Citizens' Oversight Committee adopt a motion to approve the Committee's report to the City Council.

BACKGROUND

The Local Sales Tax Citizens' Oversight Committee is charged with the annual review and report to the City Council on the revenue and expenditures of the Measure B Sales and Use Tax.

Respectfully Submitted,

Dennis Kauffman, Assistant City Manager/Chief Financial Officer

ATTACHMENTS:

Description

Memo to Council

Memorandum

To: Roseville City Council

From: Local Sales Tax Citizens' Oversight Committee

Date: March 30, 2023

Subject: Citizens' Oversight Committee update for May 3, 2023 Roseville City Council Meeting

History of Measure B

- Measure B is a half-cent local sales and use tax to protect Roseville's essential services and was approved by voters in the November 6, 2018 election, with the expected annual revenue of \$16 to \$19 million.
- On April 1, 2019, the sales and use tax rate in Roseville increased from 7.25% to 7.75%.

Role of the Citizen Oversight Committee

- The Citizens' Oversight Committee (Committee) was proposed as an independent citizen oversight on the Measure B funds.
- The Committee was created when Measure B passed in the November 6, 2018 election.
- The Committee is charged with the annual review and report to the City Council on the revenue and expenditures of the Measure B sales and use tax.

Current Members	Term End
Richard Duffy	6/30/2023
Stephanie Hill	6/30/2025
Kathryn Kitchell	6/30/2023
Meghan Krafka	6/30/2023
John Speight	6/30/2025

Measure B is a General Tax and the monies collected are appropriated to the General Fund where revenues are not allocated and tracked for a specific purpose. The Measure B ballot information stated that "the City may use the funds for any municipal purpose, including but not limited to essential services such as neighborhood police patrols, fire protection, 9-1-1 emergency response; crime suppression/investigation; street and pothole repair; libraries, parks and recreation; and job creation and economic improvement programs." It is not possible for the Committee to determine the exact programs/services supported by Measure B revenues.

Review of Committee Meeting

- The March 16, 2023 meeting consisted of the following:
 - Appointment of Chair and Vice Chair
 - Presentation of the City's year-end report by Dennis Kauffman, Assistant City Manager/Chief Financial Officer, and Scott Pettingell, Assistant Finance Director. The presentation was a summary of information provided to the Committee as exhibits:
 - Year-end Report: Discussion of Fiscal year July 1, 2021 to June 30, 2022
General Fund revenues and expenditures
 - Measure B Scorecard
 - 2022 City of Roseville ACFR
 - FY2021-22 Fourth Quarter Report
 - General Ledger Detail
 - General Fund Reserves Policy
 - FY2021-22 Annual Budget
 - FY2021-22 Year-end Report and Budget Adjustment Council Communication
 - Roseville Citizens' Oversight Committee Memo March 29, 2022 Final
 - Recommendation by the City staff that the Committee designate one or two Committee members to prepare the Committee's report to the City Council.

Citizens' Oversight Committee Report of the Funds from Fiscal Year 2021/2022

- Fiscal year 2021/2022 resulted in \$28.3M in Measure B revenue which was \$7.2M more than budgeted. Actual Measure B revenues exceeded budget primarily due to the conservative approach in budgeting for major tax revenues to compensate for impacts of the COVID-19 pandemic and general economic recovery.
- The Committee notes that because Measure B revenue is a general tax comingled with other General Fund revenue and pooled for General Fund expenditures, it is not possible to trace specific expenditures back to Measure B revenue.
- General Fund expenditures were \$2.9M less than budgeted. The bulk of this reduction was in salary savings from vacant positions.
- The Police and Fire Departments spent virtually 100% of their budgets.
- Actual results for the year indicate a one-time budget surplus of \$31.5M. Staff prepared a memo to City Council recommending General Fund appropriations that align with the City Council Strategic Plan.

- The Scorecard (attached) provided the Committee with additional information in determining the level of services in comparison to the previous year (FY2021). The Scorecard indicates that budgeted expenditures, staffing levels, and Investment in Reserves for FY2022 were comparable to those in the previous year.
- The Committee concludes that, based on the data provided by City staff and our analysis as described above, police, fire, public works, and parks, recreation and library services were all maintained as evidenced by an increase in expenditures. The Committee also concludes FY2022 Measure B funds were used for their intended purpose.

CC: Dennis Kauffman, Assistant City Manager/Chief Financial Officer
Terry Bradley, Recording Secretary

Attachment: FY2021-22 Measure B Scorecard

Measure B Scorecard

Fiscal Year 2021-22 (FY2021-22)








Measure B is a half-cent local sales and use general purpose tax passed by voters during the November 6, 2018, election to protect Roseville’s essential services.

The primary function of Measure B is to maintain essential services. Revenue generated by Measure B allows the City of Roseville to provide for the continuity of services by restoring and maintaining priority service levels and building and maintaining an Economic Stabilization Reserve Fund as a safeguard for the future. Prior to the passage of Measure B, the City of Roseville faced significant reductions in services, under-funding of long-term obligations, and growing expenses.

Roseville’s Measure B scorecard uses a green, yellow, and red scoring method to present how Measure B funds have impacted services.

- **Green** indicates a restored or enhanced level of resources.
- **Yellow** indicates a maintained level of resources.
- **Red** indicates a diminished level of resources.

Below is a dashboard snapshot of ratings for FY 2021-22 (the fiscal year that started on July 1, 2021, and ended on June 30, 2022); additional details follow.

Category	Rating
<i>Fiscal Investment Snapshot</i>	
Police	
Fire	
Parks, Recreation and Libraries	
Public Works	
Development Services	
All other General Fund departments and transfers	
Investment in Reserves	

In summary, during FY2021-22, Measure B revenues continued allowing the City to maintain current service levels, restore services, and strategically invest in high-priority areas while achieving a balanced budget.

Measure B Priorities

Measure B was passed by voters with the commitment to maintain service levels, invest in high-priority service areas, and build and maintain the City's economic stabilization reserve fund. Measure B sales tax revenue has helped stabilize General Fund services, protect Roseville's quality of life, and increase reserves to weather future economic downturns.

Measure B-related investments in Fiscal Year 2021-22

Maintained essential services

- Cost of doing business increases
- Specialized police and fire services
- Fire engine company
- Recreation and library programs
- Street maintenance levels
- Job-creation and business-recruitment initiatives
- One additional dispatcher
- Unsheltered camp cleanup
- Library, parks, and events stabilization
- Maintenance at citywide parks
 - Crabb Park
 - Central Park
 - Pistachio Park
- Street paving

Restored services that had been reduced prior to Measure B

- Library hours
- 4th of July fireworks
- Fire training and investigations
- Goat grazing for thatch management in open space
- Park maintenance standards
- Industry training and development

Services Added

- Establish new police beat in West Roseville
- One additional police traffic officer
- Additional staff to implement a body-worn camera (BWC) program
- Begin establishment of a Real-Time Crime Center (RTCC)
- Additional staff to support increased efforts to address homelessness (Police; Parks, Recreation & Libraries; Development Services (Code Enforcement))
- One additional Engineer in Public Works to support capital improvement projects (aging infrastructure and increased street miles)
- Increased investment in facility rehabilitation and equipment replacement

Fiscal Health Investments

- Fully fund economic stabilization reserve fund at 15% of the General Fund operations budget
- Pay down CalPERS pension obligation
- Pay down retiree health liability

General Fund Budget Data

A primary objective of Measure B is to ensure the continuity of services for residents. This is demonstrated by the level of investment in General Fund operating departments. The City seeks to keep pace with growth while maintaining a high level of service and meeting the community's needs. This scorecard uses a green, yellow, and red scoring method to present how Measure B funds have impacted services.

- **Green** indicates a restored or enhanced level of resources.
- **Yellow** indicates a maintained level of resources.
- **Red** indicates a diminished level of resources.

General Fund	Adopted Budget Expenditures				
	FY2018-19 (Baseline)	FY2020-21	FY2021-22	FY2020-21 to FY2021-22 % Change	Rating
Police	\$ 40,870,243	\$ 46,426,362	\$ 48,983,125	6%	●
Fire	\$ 32,117,397	\$ 34,649,868	\$ 37,628,398	9%	●
Parks, Recreation and Library	\$ 22,911,376	\$ 26,412,290	\$ 27,428,050	4%	●
Public Works	\$ 7,871,233	\$ 8,016,401	\$ 8,438,406	5%	●
Development Services	\$ 9,624,423	\$ 10,125,452	\$ 10,293,117	2%	●
All other General Fund expenditures and transfers	\$ 35,344,106	\$ 40,664,703	\$ 49,719,765	22%	●
Total	\$ 148,738,778	\$166,295,076	\$ 182,490,861	10%	●

General Fund Departments	Adopted Budget Staffing				
	FY2018-19 (Baseline)	FY2020-21	FY2021-22	FY2020-21 to FY2021-22 % Change	Rating
Police	197	204	211	3%	●
Fire	119	119	119	0%	●
Parks, Recreation and Library	123	117	126	8%	●
Public Works	109	111	118	6%	●
Development Services	67	69	71	3%	●
All other General Fund departments *	86	103	107	4%	●
Total	700	723	752	4%	●

* The Finance Department is included in this chart's "All other General Fund departments" category. The Utility Billing Services (UBS) division, funded by the Electric and Environmental Utility enterprise funds, was overseen by the Finance Department through FY2020-21. Effective FY2021-22, the UBS division was moved to the Electric Department. FY2018-19 and FY2020-21 staffing figures were adjusted to exclude UBS to accurately reflect General Fund staffing.

Notable Changes

The FY2021-22 budget was built on a status quo foundation, including known operational expenses. It did not include any General Fund service level reductions but only included the most critical augmentations, given the uncertainty surrounding the pandemic at the time.

The Police Department's budget increased by 6% in FY2021-22, primarily due to increased labor costs. Police Department staffing increased by four positions during FY2020-21, after the budget was adopted, and by three positions in the adopted FY2021-22 budget. Following is a summary of the position increases:

Police Officers – The City entered into an agreement with Sutter Roseville Medical Center for police services. This agreement funded four additional Police Officers.

Community Services Officer - A CSO position was added to the Department's Investigations Unit to administer the new tiered state-mandated sex offender registry program. The new program requires substantially more work than the current offender registry process and requires a full-time position to keep up with the increased workload since the new registry process took effect on July 1, 2021.

Police Property and Evidence Clerk - The Police Department implemented a body-worn camera (BWC) program. BWCs improve agency transparency and evidence collection; document encounters between law enforcement and the public; strengthen officer performance and accountability; and assist with investigating and resolving complaints and officer-involved incidents. Additionally, BWCs allow law enforcement leadership to gain significant insights into field operations, enabling them to make necessary training, policy, and process improvements. The FY2021-22 budget included additional funds to add a Property Clerk position to support the Department's BWC program.

Records Supervisor - The Records Division has many new mandates, including changing how crimes are reported to the Department of Justice through the new National Incident-Based Reporting System (NIBRS) system, implementing the Racial Identify Profiling Reporting Act, and several other state-mandated programs. In addition, the number of Public Records Act requests has increased significantly. With only one supervisor in Records, the workload has become unmanageable and requires a second supervisory position. In addition, this allows for succession planning in this unit with many technical requirements and requires several years to develop proficiency.

The Fire Department's budget increased by 9% in FY2021-22 due to increasing labor costs and materials, services, and supply costs. Staffing remained constant at 119 positions. With the new fire station #8 underway, additional positions to staff the new station are planned for the FY2023-24 budget.

The Parks, Recreation, and Libraries (PRL) Department budget increased by 4%, and staffing increased by 8% in the FY2021-22 budget. This change is primarily due to increased labor and materials, services, and supply costs associated with maintaining current service levels and additional funding, with associated revenue from community facilities districts, to support the new General Fund positions and program requirements highlighted below.

In FY2021-22, the PRL budget included a new Parks Supervisor, three Park Maintenance Workers, and related equipment to help support and maintain the continually growing park system, which now consists of 80 parks. Eighty-eight park acres and 18 additional acres of streetscapes have been added in recent years. Additional funding to support park maintenance service levels will be invested into replacing aging infrastructure, including playgrounds, restrooms, lighting, signage, improved turf care, planting beds, tree maintenance, and sports fields.

The Public Works budget increased by 5% in FY2021-22 due to increased labor costs and materials, services, and supply costs. Staffing increased by 6% or seven positions from 111 to 118. One of the seven positions was added during FY2021-22 after the budget was adopted, and the remaining six were part of the FY2021-22 budget. The positions funded by the General Fund included:

Engineer - Over the past decade, City street miles have increased by nearly 25 percent, and the City population has grown by 30 percent. These increases, combined with aging infrastructure, have led to a significant increase in maintenance projects, traffic study requests, and the urgent need to construct many of the City’s planned CIPs. To meet these demands, an additional full-time Engineer was included in the Public Works FY2021-22 budget.

Office Assistant - Over the past decade, the number of Roseville streets miles has increased by nearly 25 percent, and the City population has grown by 30 percent. This growth has resulted in more street miles to maintain and more resident concerns to address. In addition, there has been a proportionate increase in the number of work orders to process, invoices to process, assets to track, and paperwork to manage. The existing Street Maintenance support staff resources are unable to keep up with the growing backlog. The FY2021-22 budget included the conversion of a temporary part-time Office Assistant to a regular full-time position to address these ever-increasing workload requirements.

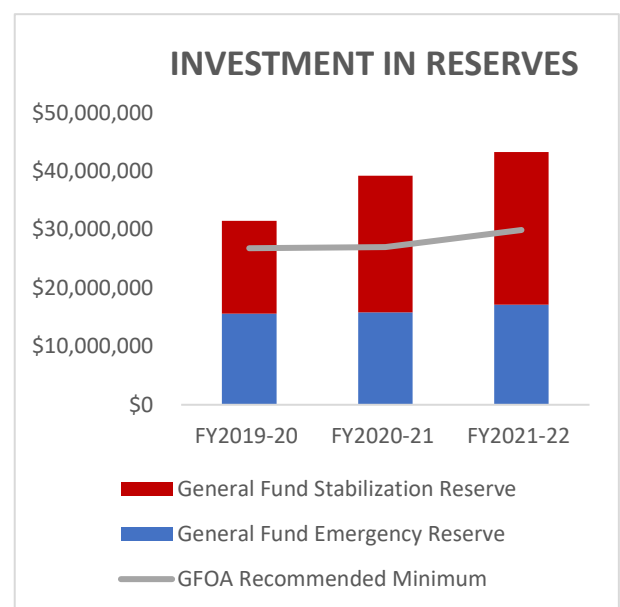
The budget in the All Other General Fund expenditures and transfers category increased by 22%, primarily due to a \$6 million Additional Discretionary Payment (ADP) to CalPERS to pay down the City’s pension liability. In addition, the budget included a \$1.2 million transfer to the Emergency Reserve and a \$2.4 million transfer to the Stabilization Reserve to reach the target reserves of 10% and 15%, respectively.

General Fund expenditures ended FY2021-22 at 98% of the budget, with the Police and Fire departments spending 100% of their budget. The Parks, Recreation, and Libraries Department expended 96% of its funding due to cost controls in materials, services, supplies, and temporary and full-time positions vacancies. The year-end savings in PRL offset a shortfall in park and recreation programming revenue. The Public Works Department ended the year expending 98% of its budget. The two percent variance from the budget is attributed to vacant positions. Development Services expenditures ended the year at 90 percent of the budget, primarily due to higher than anticipated reimbursements from full-cost recovery development projects.

Investment in Reserves

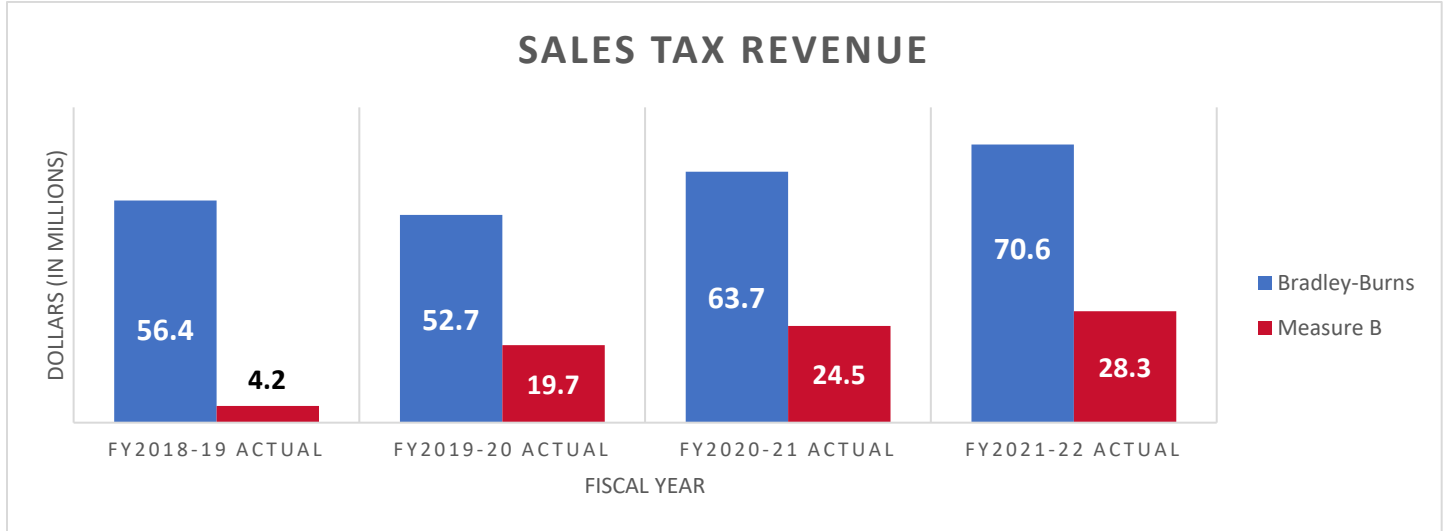
Through June 30, 2022, the City Council transferred nearly \$26 million of General Fund resources, including Measure B revenue, to the General Fund Stabilization Reserve. These funds strengthen the City’s financial position and will help continue essential services during a future economic downturn.

The Government Finance Officers Association (GFOA) recommends a minimum 17% reserve, with higher reserves recommended based on a government’s revenue portfolio. An informal staff survey found that cities in California similar in population report an average of 25% reserves. The City of Roseville’s total General Fund reserves (Stabilization + Emergency) is approximately \$43 million as of June 30, 2022, which equates to the Council-adopted policy target of 25% of operating expenditures.



Sales Tax Revenue

Measure B revenue (shown in red) has steadily increased, enabling the City of Roseville to maintain and expand service priorities to meet the needs of a growing population. Measure B revenues for FY 2021-22 were \$28,328,053.





LOCAL SALES TAX CITIZENS' OVERSIGHT COMMITTEE

Title: Report to Council - Presentation
Contact: Dennis Kauffman, dkauffman@roseville.ca.us, 916-774-5313

Meeting Date: 3/30/2023
Item #: 6.2.

RECOMMENDATION

Staff recommends the Local Sales Tax Citizens' Oversight Committee adopt a motion to designate one or two Committee members to present the Committee's report to the City Council.

BACKGROUND

The Local Sales Tax Citizens' Oversight Committee is charged with the annual review and report to the City Council on the revenue and expenditures of the Measure B Sales and Use Tax.

Respectfully Submitted,

Dennis Kauffman, Assistant City Manager/Chief Financial Officer