



## Measure T Citizens' Oversight Committee FY 2023 Annual Report

March 20, 2024

### *Summary & Background*

The Measure T Citizens' Oversight Committee provides stewardship of Measure T sales tax revenue. This Annual Measure T Report covers Fiscal Year (FY) 2023, beginning July 1, 2022 through June 30, 2023.

Measure T is a one-cent sales tax, approved by the voters of the City of Redlands, that became effective April 1, 2021. The stated purpose of the tax was to provide funding for safety services, fire protection, paramedics, 911 emergency response, addressing homelessness, police patrols and crime prevention, maintaining library services, parks, sidewalks, and roads, keeping public areas well-maintained and other general services. The measure included a provision for the formation of a Citizens' Oversight Committee, further described in Chapter 2.72 in the Redlands Municipal Code.

The Oversight Committee was established to serve as an advisory body to the City Council and to periodically review the revenues and expenditures of Measure T monies. The seven-member committee is comprised of five (5) citizen members from each Council district and two (2) members representing the City's employee bargaining units. The committee shall advise the Council regarding the use of Measure T revenue, according to the priorities set forth in each fiscal year adopted budget. This includes an annual written report to the Council that summarizes the committee's proceedings and activities during the most recent review period.

For FY 2023, the City Council made the decision to prioritize the following expenditures in the Adopted Budget.

- Continue funding additional public safety staffing, and staffing for other critical services
- Restoring vehicle purchases, IT support and equipment purchases for Fire & Police
- Addressing deferred maintenance for various buildings & facilities
- Restoring contract services for the maintenance of parks, streets, and City facilities
- Addition of Capital Projects -
  - Upgrade and Enhance Community and Senior Center facilities
  - Upgrade and Replace various park facilities

- Downtown and Gateway Improvements
- Specialized Police Department equipment
- Emergency Operations Center Remodel
- Alley & Street Improvement Projects
- Sidewalk/ADA Ramp Replacement Project
- Vactor truck purchase for Streets and Inspections
- Building reserves for future public safety facilities
- Tree Trimming 25% of City Trees
- Funding the annual contribution for Project Homekey Homelessness Solutions grant

During FY 2023, the City received a total of \$20.4 million in Measure T sales tax. This was roughly \$2.2 million higher than the original budget estimate. Sales tax is one of the City's most economically sensitive revenue sources and also one of its largest. The City typically takes a conservative approach to budgeting revenue, so this overperformance is a good indicator of the strength of the local economy. Moving forward, future budgets are more likely to reflect a degree of caution as the City remains braced for economic uncertainty.

#### *Committee Proceedings*

The Committee met in October 2023 and welcomed four (4) new members: Edward Millican, representing District 3; Scott Welsh, representing District 5; Brook Doolittle, representing the group of Non-Public Safety bargaining units; and Battalion Chief Reggie Brown, representing the group of Public Safety bargaining units. After introducing the new members, the election of officers was conducted and committee members were appointed to the positions of Chair, Vicechair and Secretary. Then staff reviewed the duties and responsibilities of the committee members, according to the Redlands Municipal Code. Following this, recent Committee accomplishments were outlined, which included meeting a total of eight (8) times, publishing two annual reports on financial statements, and reviewing the City's first biennial budget for Measure T spending.

After this, the proposed budget for Measure T expenditures for fiscal year 2024 was presented to the Committee. First, General Fund revenue assumptions were discussed. It was explained that the City expects to see a gradual flattening of the growth rate for sales tax revenue, that GDP growth in the national economy is expected to decline to nearly 0% by the middle of calendar year 2024, and that property tax was actually expected to continue showing modest growth – given the fact that it is a lagging economic indicator.

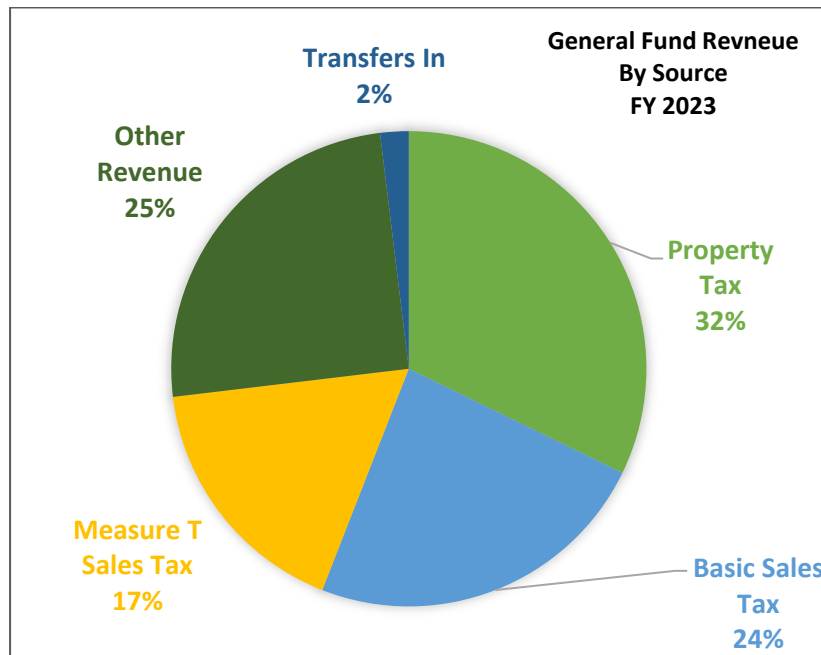
Moving onto the expenditure detail, enhanced public safety spending was discussed in terms of new leases for police and fire department vehicles, new police and fire department radio communications equipment, and the signing of a financially significant agreement with a principal contractor for the design and construction of the new Safety Hall project. Next, an overview on service enhancements was provided and included upgrades and replacements for various park facilities and amenities, continued funding for the Project Homekey Homelessness Solutions program, and other enhancements for the Community and Senior Centers. Lastly, capital and maintenance spending was discussed and this included tree trimming for 25% of the City's urban forest (or roughly 10,000 trees!) and the City's sidewalk and ADA ramp replacement program.

### Financial Summary Information

The total General Fund Revenue for fiscal year (FY) 2023 was approximately \$118.9 million. Measure T sales tax revenue represents 17% of these funds, or \$20.4 million. These revenues were collected between July 1, 2022 and June 30, 2023. See Figure 1.

Fiscal Year 2023 saw Measure T contribute significantly to ongoing efforts to ensure sufficient staffing in the areas of public safety, animal services, fire prevention, library services, and code enforcement, among others. The City has made progress towards long-term goals of shortening the tree-trimming cycle for its roughly 43,000 trees, replacement of sidewalks, installation of ADA ramps, and the enhancement of parks maintenance services. These areas translate into better public infrastructure and better service to the community. The chart below also illustrates how significant sales tax revenues have become in the General Fund. It must be noted that sales tax is a revenue source that is more sensitive to economic disruption than others like property tax revenue.

Figure 1.



Below are a few key takeaways related to the collection of Measure T:

- Year-over-year, Measure T sales tax revenue is roughly \$250,000 (1.2%) less than FY 2022
- Taken together, both Basic Sales tax and Measure T sales tax comprise 41% of General Fund revenue, with Property Tax as the next largest category at 32%
- Overall, Measure T revenues have been higher than original budget estimates projected. That trend may reverse as we enter more economically uncertain times.

Figure 2 below describes the spending categories, the original amount budgeted for each, and actual spending before June 30, 2023. The original budgeted amount as well as the actual amount for Measure T Sales Tax revenue is also included at the bottom of the figure. Since actual Measure T revenues exceeded budget, certain projects were incorporated into the Measure T spending plan as long as they were appropriate in nature given

the original Measure T budget goals. The Committee notes that because Measure T revenue is a general sales tax comingled with other General Fund revenue and pooled for General Fund expenditures, it is not possible to trace all specific expenditures back to Measure T revenue.

Figure 2.

Spending Categories from the FY 2023 Adopted Budget	Adopted Budget FY 2023	Actual FY 2023	Difference
<b>Public Safety</b>			
Police Staffing (previously restored/enhanced)	\$ 2,628,265	\$ 3,391,092	762,827
IT infrastructure and services for PD	123,915	534,000	410,085
Restoration of Fire personnel, including Community Risk Reduction	1,144,424	1,558,866	414,442
Enhanced custody transport services	100,000	277,542	177,542
Police vehicles	686,106	263,589	(422,517)
Fire Light Duty Vehicles	160,000	29,234	(130,766)
Replace Police Department Radios	-	684,650	684,650
Replace Fire Department Radios	-	805,692	805,692
PD Specialized Tools, Vehicle Outfitting, Equipment and Software	428,009	426,001	(2,008)
Renovation of Emergency Operations Center	190,000	115,623	(74,377)
Fire Station Renovations (security, apparatus bay doors)	-	267,938	267,938
Increase in Paramedics cost	-	185,602	185,602
Fire Engine Equipment / Outfitting	-	63,714	63,714
Fire Station 262 Building Standards Remodel	1,500,000	160,022	(1,339,978)
subtotal	6,960,719	8,763,565	1,802,846
<b>Public Infrastructure</b>			
Tree trimming for 25% of City trees	1,000,000	1,195,412	195,412
FCS rolling stock / equipment leases	384,105	270,854	(113,251)
Street Construction	-	1,429,581	1,429,581
Vactor Truck purchase for Streets Division	650,000	657,806	7,806
Replace aged & outdated maintenance equipment	85,000	171,319	86,319
Restored and enhanced contractual service for general maintenance	750,000	716,309	(33,691)
Traffic Signal and Cabinet Maintenance & Replacement	175,000	162,627	(12,373)
Address Facility Deferred Maintenance	334,000	496,489	162,489
Library - Cash Match for CA State Infrastructure Grant	200,613	-	(200,613)
Sidewalk, ADA Ramp & Curb construction	500,000	515,978	15,978
Alley Improvement / Repaving Project	800,000	800,000	-
Addition to Reserve for Future Public Facilities	2,700,000	2,700,000	-
subtotal	7,578,718	9,116,375	1,537,657
<b>Quality of Life</b>			
Library/FCS/Recreation/IT staffing restored	932,388	1,325,627	393,239
Animal Shelter Facility Improvements	-	187,490	187,490
Park Infrastructure Improvements	863,000	91,836	(771,164)
Recreational & Senior Center Programs	136,600	95,964	(40,636)
Downtown & Gateway Improvements	340,000	151,032	(188,968)
Upgrades/Enhancements to Community & Senior Centers	636,500	173,848	(462,652)
Project Homekey grant match	810,101	510,497	(299,604)
subtotal	3,718,589	2,536,294	(1,182,295)
<b>FY 2023 EXPENDITURES TOTAL</b>	<b>18,258,026</b>	<b>20,416,234</b>	<b>2,158,208</b>
<b>FY 2023 REVENUES TOTAL</b>	<b>18,207,000</b>	<b>20,415,886</b>	<b>2,208,886</b>
Actual Difference Revenues (Under)/Over Expenditures	(51,026)	(348)	

You will note there are several differences between the Adopted Budget and the Actual Amounts for FY 2023. Some of this difference can be attributed to the length of time needed to procure vehicles caused by supply chain shortages. Also, some projects involve design and construction phases that tend to require a longer timeline than the 12-month fiscal year. Lastly, revenues were significantly higher than original budget estimates and this provided more opportunities for spending on public safety and public infrastructure, in keeping with the budget goals adopted by City Council for Measure T spending.

Looking over Figure 2 provided on the preceding page (page 4), public safety needs received a total of approximately \$8.8 million in Measure T funds. The Police Department received funding for restoring and enhancing roughly 28 positions within the department. This included 5 police officer positions that were restored after budgets were cut in the midst of the COVID-19 pandemic and an additional 2 officer positions that were added to enhance staffing levels. In addition to this, 14 new vehicles were received and 11 of these replacements are for existing patrol vehicles. Also, the outfitting and gear needed to commission these new vehicles was also funded through Measure T. The Police Department also received funding for several software integrations between their existing computer-aided dispatch system and citation and GIS software products. Other specialized equipment included the purchase of updated SWAT response equipment, GPS trackers to combat organized retail crime and special forensic processing technology tools.



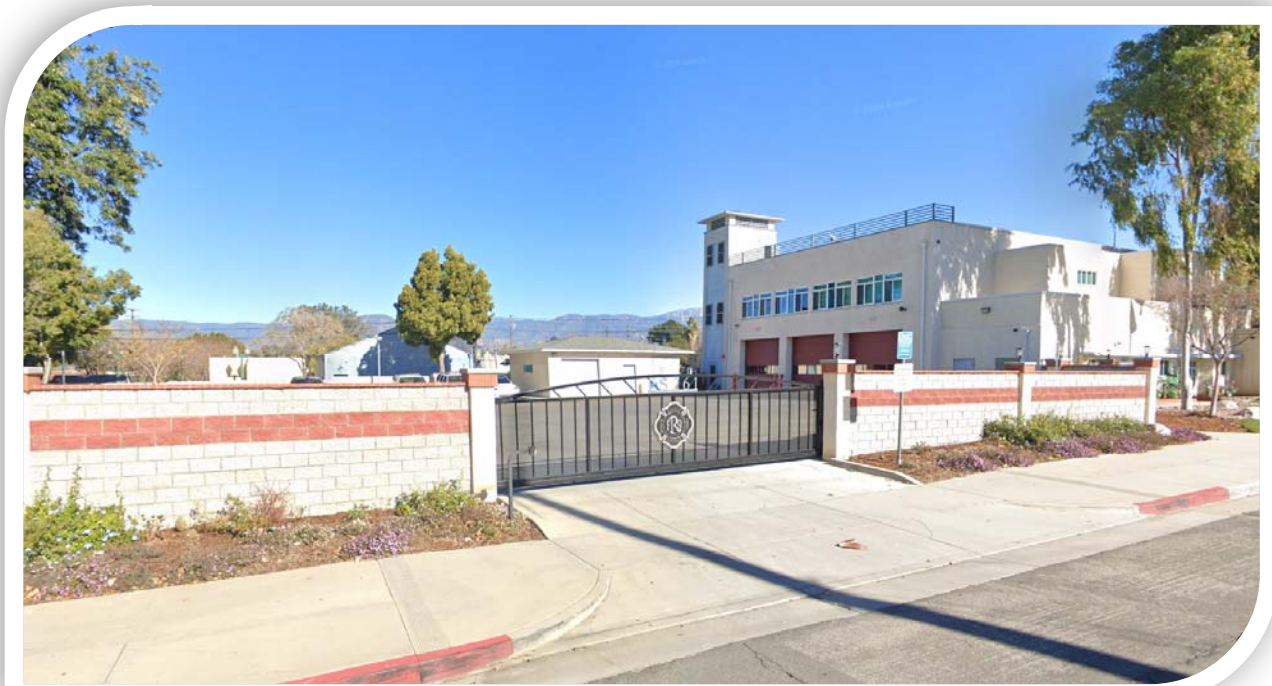
Officers at report writing desks

For the Fire Department, the large upcoming project for which Measure T has been dedicated is the remodel of Fire Station 262 to address updates needed to maintain compliance with building standards for fire station facilities. Some work has been completed to date, but the vast majority of the spending is anticipated to occur in fiscal years 2024 and 2025. In addition to this project, there are other efforts underway to upgrade and replace the Fire Department's light duty fleet with new vehicle leases. There have also been several projects involving fire station facility upkeep. Replacement of the apparatus bay doors was completed for Station 261. Security fencing and a gate were also added to Fire Station 261.





Fire Station 261 Before Security Fence & Gate



Fire Station 261 After Security Fence & Gate



Station 261 Brand New Bay Doors

In terms of public infrastructure, there are several areas in which Measure T has been invested: tree trimming, ADA ramp and sidewalk replacement, park playground improvements, increased replacement of traffic signals and cabinets, proactive servicing of streetlights, replacement of aged and outdated equipment, and public alley repaving.

- 7,100 trees were trimmed, including park and street trees. This is about six times more than the previous annual average trimming level. Also, 330 dead trees were removed. The dead tree population is down to .012% of the total tree inventory. Lastly, a total of 150 new trees were planted.
- Approximately 9,579 square feet of damaged/raised sidewalk and 200 linear feet of curb and gutter was removed and replaced at approximately forty (40) different locations citywide.
- Playground mulch at all city playgrounds was replaced with playground mulch certified to international safety standards for public playground surfaces.
- Three (3) miles of sidewalk blocks and 45 ADA ramps were removed and replaced throughout the City.
- Fourteen (14) streetlights/traffic signals were replaced and 524 streetlights were serviced or repaired.
- A new stump grinder for trees, new deck mower and new Kubota tractor and attachments were purchased for the Parks Division. These purchases replace equipment that was as much as 43 years old (a 1981 stump grinder)
- Roughly nine public alleys, including driveways and sidewalks where needed, were resurfaced and new drainage facilities were installed. Upon completion of this project, only 1.5 miles of alleys will remain to be paved out of sixteen total miles of the City's alleys.
- The Street Division increased its remediation of illegal dumps, spending 411 hours this past fiscal year performing clean-up of such sites.



Tree Trimming Efforts – before & after (Ford Street at E. Highland Avenue)





Alley Repaving Project – before and after on Steele Street

Lastly, Measure T enabled investment into enhancing and restoring certain ‘quality of life’ amenities and services for the community. Some examples of this include:

- Animal Shelter improvements –
  - New shade sails, remodeled cattery, hardscape and landscape improvements
  - Kennel repairs, freezer replacement, heating and cooling system repairs, and installation of a misting system outdoors for the summer months

- Coordinated and facilitated the Step Up In Redlands project, housing roughly 100 people that were experiencing homelessness (Project Homekey at the former Good Nite Inn). Achieved full occupancy less than 6 months after groundbreaking.
- The Library was able to expand literacy programs by integrating remote learning with in-person classes, continued computer and job training workshops and added sessions to popular Storytime offerings.
- Additional improvements to the Redlands Senior Center and Community Center include new flooring, repainting, and lighting in the Community Center; refinished flooring in the gym area and racquetball courts, installed a new electronic scoreboard in the gym and replaced lighting in the Senior Center.
- Recreational and downtown programs were also expanded with the introduction of free special events at the Centers like the Sweethearts Ball youth dance, movies in the park, photo booths, and painting classes; expansion of the Omni Trans bus voucher program and the continuation of the downtown attendant program to provide onsite monitoring and reporting of the conditions in the downtown Redlands business area.



Cattery Facility at the Redlands Animal Shelter – before & after



Groundbreaking at the Good Nite Inn – site of the City’s Project Homekey

### *Conclusions*

The Measure T Citizens' Oversight Committee has reviewed the revenues and expenditures of the Measure T sales tax and found that they were collected and appropriately spent in accordance with the City's budget plan and the original intent of Measure T, and that the City's FY 2023 General Fund Adopted Budget both promoted and maintained the City's core services, including public safety.

Measure T continues to be critical for funding essential city services and infrastructure projects. Additionally, the City is actively working to promote economic development within Redlands to expand and diversify the tax base to provide more long-term revenue stability. The combination of dedicated local revenue from Measure T and a growing local economy provides the local revenue to deliver the services and infrastructure that the residents of Redlands desire.

The Citizens' Oversight Committee understands the passage of Measure T represents a trusted investment by Redlands residents. We believe Measure T funds are being used as intended for the betterment of the community. During the review period, City staff have worked to provide transparent and accurate information to the Committee. We want to thank City taxpayers for approving Measure T and providing the community with a steady, direct source of local funding for vital public services and improvement.

The Citizens' Oversight Committee looks forward to the continued improvements to public safety, infrastructure, and quality of life in the coming budget cycles made possible through funding from Measure T.

Sincerely,

Toni Momberger, Chair, District 4

Scott Welsh, Vicechair, District 5

Ruth Cook, Secretary, District 1

Edward Ico, District 2

Brooke Doolittle, Non-Public Safety Bargaining Unit

Reggie Brown, Public Safety Bargaining Unit

MEASURE T CITIZENS' OVERSIGHT COMMITTEE