



CITY OF LAKEPORT MEASURE Z ADVISORY COMMITTEE AGENDA

REGULAR MEETING

**City Council Chamber, City Hall, 225 Park Street, Lakeport, CA
Wednesday, May 24, 2017**

5:30 P.M.

- 1. CALL TO ORDER** 5:30 p.m.
- 2. APPROVAL OF MINUTES**
- 3. CITIZEN INPUT**

Any citizen may speak for three minutes about any subject of concern to her or him provided that the subject is not already on the agenda. Person's wishing to address the MZAC should complete a Citizen's Input form and submit it to the MZAC Secretary prior to the meeting being called to order.
- 4. DISCUSSION/ACTION ITEMS**
 - A. Election of Officers and Calendar of Meetings
The Secretary will introduce newly appointed member(s) and receive nominations for Chairperson and Vice Chairperson. The Secretary will present the 2017/2018 calendar of meetings.
 - B. Measure Z Advisory Committee (MZAC) Role and Background
Review the role of the Measure Z Advisory Committee and receive background on the Lakeport Public Safety/Essential City Services Measure (Measure Z).
 - C. Proposed Expenditures
Receive a presentation and review proposed Measure Z revenues and expenditures for the 2017/2018 Budget.
- 5. ADJOURN**

Kelly Buendia, Secretary
Posted 5/17/2017



CITY OF LAKEPORT

MEASURE Z ADVISORY COMMITTEE

2017-2018 CALENDAR OF MEETINGS

Wednesday, July 26, 2017
Wednesday, October 25, 2017
Wednesday, January 24, 2018 (*tentative*)
Wednesday, April 25, 2018

The above calendar is presented in accordance with City of Lakeport Municipal Code section 3.29.180 which states that the advisory committee shall meet publicly on at least a quarterly basis.



CITY OF LAKEPORT

MZAC

STAFF REPORT

RE: Initial Meeting of the Measure Z Advisory Committee (MZAC)

MEETING DATE: 5/24/2017

SUBMITTED BY: Nicholas Walker, Finance Director

PURPOSE OF REPORT: Information only Discussion Action Item

ROLE OF THE MEASURE Z ADVISORY COMMITTEE & WHAT IS BEING ASKED OF THE COMMITTEE:

A five-member independent citizens' advisory committee has been created and shall meet annually to review the expenditure of revenues generated by the tax imposed by Measure Z and to make recommendations to the city council regarding those expenditures. Members of the committee will be appointed to terms of not more than four years by the city council. The independent citizens' advisory committee shall meet publicly on at least a quarterly basis to review all revenues and expenditures of the transactions and use tax imposed by this chapter, review annual audit reports related to the tax, and make at least one written annual report to the city council at a public meeting summarizing the independent citizens' advisory committee's findings and including any appropriate recommendations. At this point, Measure Z revenues have not yet been collected by the City. The City is currently in the 17/18 budget process and will present the advisory committee with a budget proposal for anticipated 17/18 Measure Z revenues in the spirit of education and full disclosure.

BACKGROUND

Since 2008, Lakeport's financial challenges have continued to increase largely due to events beyond the City's control. Most notably, the state of California eliminated the City of Lakeport Redevelopment Agency resulting in a loss of approximately \$900,000 annually to the City and greatly decreased the City's ability to promote economic development and retail growth. The effects of the recession, continued State takeaways, falling property values, rising costs in long-term obligations and healthcare and strained revenues have continued to take a toll on the City's operating budget.

City staff has worked diligently to deal with these challenges, including making cuts and reductions to balance the budget, and has worked to conduct City operations as efficiently as possible. Additionally, over the past few years, authorized positions were eliminated or unfilled, including police officers, maintenance, and administrative staff. City staff made contributions to the City's fiscal sustainability by forgoing raises, accepting furloughs, accepting a lower pension formula and paying higher contributions for insurance, even as their workloads have grown to cover the loss in productivity from the vacant positions throughout the City. Despite these efforts to control costs, the City's revenue projections have not improved, creating concerns that threaten to erode the quality of service to residents and the accomplishments that have taken years to develop.

In 2004, the voters of Lakeport had approved a half cent transactions and use tax (also known as "sales taxes") known as Measure I that generates funding for the repair and maintenance of city streets, parks and community service facilities, and expansion of public services and programs. Since its adoption, Measure I has generated \$7.29 million in revenue and the city in turn has spent \$12.5 million on its streets and related infrastructure. Measure I has been a tremendous resource, however the number of untouched road projects looms over. Meanwhile, the City's Police Department downsized to a bare bones operation. With a statewide demand for

police officers, Lakeport has been unable to compete. Recruitment and retention of police officers has reached a critical juncture.

In its goal setting session of February 26, 2016, the City Council set public safety as a top priority for the upcoming fiscal year. With ongoing recruitment and retention difficulties and recognizing the ongoing needs for infrastructure improvements, the City Council asked staff to explore revenue enhancements to offset rising costs and new demands for service.

In April of 2016, staff engaged Fairbank, Maslin, Maullin, Metz and Associates (FM3) to conduct a telephone survey of Lakeport residents to determine their service priorities and gauge support for a one-cent sales tax ballot measure.

PUBLIC OPINION AND COMMUNITY SURVEY RESULTS:

At the June 7, 2016 City Council meeting, the Council was presented with the results of the completed FM3 survey. Public opinion survey results indicated strong community support for sales tax measure (71%) that would protect and maintain local services such as:

- Paving and repairing streets
- Maintaining police emergency response times
- Retaining existing businesses
- Attracting and retaining quality police officers
- Attracting new businesses to the city
- Providing programs for seniors and youth
- Maintaining public parks and the pool

The survey noted a general satisfaction in public safety but 76% dissatisfaction rating for paving and repairing of roads and streets. The survey also indicated that the community supported (69%) a .5% sales tax measure that would prevent cuts to current services. However, a higher percentage (71%) of those surveyed supported a 1% tax that would keep current services and provide service enhancements above the status quo.

On April 25, 2016 the City Council sponsored a Town Hall Meeting to dialogue with the community on the current state of public safety and the Lakeport Police Department. Community members responded overwhelmingly that while the Police Department was doing well, they were concerned about retention of police officers and rising crime and wanted to see an increase in police services.

On July 12, 2016 the City Council sponsored a Town Hall Meeting. The goal of this meeting was to further educate and engage the community regarding funding priorities with shrinking resources. Attendees communicated similarly to survey respondents, with roads and infrastructure and public safety remaining top priority.

ANALYSIS

Lakeport continues to face a variety of fiscal and service delivery challenges, further amplified by the state's seeming indifference to local government concerns and a slow local economic recovery. Lakeport needs locally raised funds for local needs. It must be self-sufficient. Although the City's primary operating fund, the General Fund, has a strong reserve balance of nearly \$3 million dollars, which is approximately 75% of annual outgo, the continued reliance on cost-cutting measures - including those generated by position vacancies - is taking a toll on the City's ability to achieve its goals and provide basic services.

As an example of the costs the City faces to provide basic services, the most recent estimates by the Local Area Planning Commission in 2015 to simply maintain Lakeport's failing paved road infrastructure was over \$2.5 million annually. For roads to receive a slight improvement, \$3.8 million annually would be required. Meanwhile, Measure I on average has generated only \$700,000 annually.

In November of 2016 the majority of voters said yes to the following question **“LAKEPORT PUBLIC SAFETY/ESSENTIAL CITY SERVICES MEASURE**. To maintain/enhance general City services such as: recruiting, hiring, retaining qualified police officers to improve neighborhood patrols/maintain response to property, burglary, violent crimes; paving/repairing local streets/potholes; enhancing business attraction/youth recreational programs; keeping Lakeport’s parks/pool safe/clean; shall the City enact a one-cent sales tax until ended by voters, providing about \$1,500,000 annually, requiring independent audits, citizens’ oversight, all revenues controlled locally?”

The night of the meeting, staff will provide a list of expenditures recommended for the 2017/2018 Budget. The MZAC is asked to review the list for its appropriateness and forward to the City Council with or without findings.

SUGGESTED MOTIONS:

To accept as appropriate the staff recommended Measure Z expenditures for the 2017/2018 Budget.
