



**EXETER MEASURE P CITIZENS OVERSIGHT COMMITTEE AGENDA**  
**MONDAY, JUNE 17, 2024, 5:30 PM**  
**137 North "F" Street, Exeter, California 93221**

**MEASURE P CITIZENS  
OVERSIGHT COMMITTEE**

Jennifer Dunlap  
Patricia Thompson  
Mary Barker  
Steve Garver  
William Stimple  
Veronica Casanova  
Troy Kadin

**CITY ADMINISTRATOR**  
Adam Ennis

**MAYOR**

Frankie Alves

**MAYOR PRO TEM**  
Justin Mills

**COUNCIL MEMBERS**

Jacob Johnson  
Vicki Riddle  
Barbara Sally

**DIRECTOR OF FINANCE**

Eekhong Franco

**MEASURE P SECRETARY**  
Francesca Quintana

**CITY ATTORNEY**

Julia Lew

**5:30 p.m.**

**A. OPENING CEREMONIES**

1. Call to Order
2. Roll Call

**B. PUBLIC COMMENT**

*This is the time for citizens to comment on subject matters that are within the jurisdiction of the Exeter Measure P Citizens Oversight Committee. If a citizen wishes to comment on an item listed as a Public Hearing, comments should be presented during the Public Hearing. In compliance with public meeting laws, the Committee Members cannot discuss topics that are not included on tonight's published agenda. Comments shall be limited to five (5) minutes for each individual, ten (10) minutes for an individual representing a group, and thirty (30) minutes overall for the entire public comment period, unless otherwise indicated by the Chair. Speakers are asked to begin their comments by stating their name and address.)*

**C. SCHEDULED MATTERS**

1. Review and discuss Measure P funding status updates for Measure P Expenditure Plan for Fiscal Year 2024/2025 and 2025/2026 Budget (pp. 3 – 6)  
*Presented by Eekhong Franco, Director of Finance*

**D. MEETING ADJOURNMENT**

State of California        )  
County of Tulare            ) ss.  
City of Exeter                )

I declare under penalty of perjury that I am employed by the City of Exeter, in the Administrator's Office; and that I posted this Agenda on the bulletin board in the Finance Office and on the bulletin board outside of City Hall on June 13, 2024.

Francesca Quintana, City Clerk

++++  
In compliance with the Americans with Disabilities Act, and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the City Clerk (559) 592-9244. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting and/or provision of an appropriate alternative format of the agenda and documents in the agenda packet. (28 CFR 35.102-35. 104 ADA Title II).

---

Materials related to an item on this Agenda submitted to the legislative body after distribution of the agenda packet are available for public inspection at City of Exeter, Administration Office 100 N. C Street, Exeter CA during normal business hours.

**City of Exeter  
Agenda Item Transmittal**

**Meeting Date:** June 17, 2024

**Agenda Item Number:** C.1.

**Wording for Agenda:** Review and discuss Measure P funding status updates for Measure P Expenditure Plan for Fiscal Year 2024/2025 and 2025/2026 Budget.

**Submitting Department:** Finance  
**Contact Name:** Eekhong Franco, Finance Director  
**Phone Number:** 559-592-2755  
**Email:** [efranco@exetercityhall.com](mailto:efranco@exetercityhall.com)

**Department Recommendation:**

Staff recommends that the Measure P Committee:  
Review and discuss Measure P funding status updates and revised six-year funding plan for Fiscal Year 2024/2025 and 2025/2026 Budget.

**Summary:**

The Measure P (Fund 141) is a relatively new special revenue fund to account for the one percent Transactions and Use Tax (Ordinance 694) approved by the voters of the City of Exeter in November of 2020. This supplemental general sales tax measure was proposed and approved mainly to continue funding public safety, streets, parks, building facility maintenance, and other essential City services. The five-year funding plan was approved May 11, 2021 (Resolution 2021-10) based on the original estimate of about \$850,000 in annual revenue. The cost of the original list of needs developed for use of the Measure P funding was significantly higher than this original revenue projection. Therefore, the original expenditure list was prioritized, and the higher priority items were funded, and the remaining items were kept on the expenditure list but were identified as deferred items. The City started to receive the Measure P funds in May 2021. In the first couple of years for this tax measure, revenue came in higher than originally projected (\$1.6M in FY 2021/2022 and \$1.8M in FY 2022/2023). At that point the deferred expenditure items were then included in the funded portion of the expenditure plan, With the previously deferred items now included in the funded list, it was projected that the fund could have \$300,000 to \$400,000 remaining in revenue above expenditures. However, based on the expectation of a downturn in the economy, the potential for cost increases for the items in the expenditure plan and not having a longer history of revenues to use for projections, the Measure P Citizen's Oversight Committee and the City Council chose not to plan for the use of the extra revenue at that time due to these uncertainties. The City has collected \$1,204,841 so far this fiscal year, July 2023 through March 2024, and it is anticipated that the annual revenue for this year is to exceed its original staff projection of \$1.3M by approximately \$200,000 in the current fiscal year. This projected revenue is below previous year revenues, which also corresponds with the drop being experienced in the City's General Fund Sales Tax.

Although revenues are currently projected higher than anticipated for this year, staff revenue projections at \$1.5M have shown the overall downturn of this sales tax measure. Staff recommends an optimistic but conservative and flexible approach to the upcoming budgets for several reasons. The City only has a few years of history to base future projections on, potentially reducing reliability. In addition, Measure P is based on sales tax and sales tax can

**For action by:**  
 Measure P Citizens Oversight Committee

**Regular Session:**  
 Consent Calendar  
 Regular Item  
 Public Hearing

**Review:**

**City Administrator  
(Initials Required)**



fluctuate with the economy. The tax base not only includes the existing physical businesses in the City, but the online sales, new auto sales, construction materials, and business to business sales. The City has built a reserve that will help ensure sufficient funding is in place for potential cost increases in capital projects, unexpected cost increases, potential revenue decreases and needs.

Through May 31, 2024, a total of \$486,600 was spent and an additional \$326,000 expenditure is anticipated to occur during the remaining fiscal year. The remaining revenue is part of the accumulation of funding needed for larger projects such as the fire engine replacement and larger street repairs. Based on the revenue projection considerations discussed above, a revised long-range expenditure plan is being proposed. In the proposed expenditure plan, Measure P fund has enough to cover expenditures and reserves.

The requested expenditures are \$1,667,060 and \$1,634,905 for FY2024-2025 and FY2025-2026, which includes some capital expenditures that were included in the accumulated fund balance. There is an increase in operating expenditure requests for FY2024-2025 by \$415,450 primarily from relocating Animal Control cost from General Fund to Measure P. The Animal Control contract was approved by Council on May 14, 2024, for an annual cost of \$216,900 for the base services. In addition to the annual cost for the Animal Control base services, staff have allocated up to \$10,000 for any additional costs that may arise based on the agreement. Also, as with all funds, expenditure increases include increased cost for salaries and benefits and Capital Improvement projects for the upcoming years. With fund balance usage for some capital projects the Measure P revenues will cover planned expenditures even with the current downturn in revenues.

### **Background:**

During November 2020, the Exeter Local Control and Essential Services Measure, Measure P, was approved by the voters to be able to utilize the one percent sales taxes for the benefit of the City of Exeter. To ensure fiscal accountability and transparency, the Measure P Oversight Committee was formed. There are seven members on the committee, and they serve staggered four-year terms.

### Measure P Funding Program Highlights:

The expenditure plan has been carried out over the last couple of years. The Community Services officer position has now been in place for 2 ½ years and the Police Department was able to utilize this funding for a full-time officer along with funding partial personnel cost for an additional Lieutenant and Sergeant. These were vital steps in improving overall Police Department operations. Along with personnel improvements, the much-needed building maintenance and repair work is also in progress on the Police/Administration building.

Also, the Recreation Department has been up and running with the assistance of Measure P funding. The one-time funding to upgrade registration software was a great investment for the City. The recreation program has received (20-50%) increased registrations across all sports, and the department is hoping to reestablish adults' sports in the near future. Furthermore, starting the fire engine replacement fund is another major program milestone. The Fire Engine replacement fund will take several years to build up before a replacement can be purchased.

There are multiple Measure P projects that are still under way for the current fiscal year: Street overlays and City facility maintenance work.

### Measure P Funding Status:

Based on the updated but still conservative projections by the sales tax consultant, the Measure P revenue is now estimated to yield \$1.6 million for the current fiscal year with a 11.4% drop

from prior years. For FY 2021/2022, City collected \$1.6M and \$1.8M in FY 2022/2023. Based on the current year actuals of \$1.2M revenue collected, staff projects revenue may come in slightly less than consultant projections at \$1.5M. Also, since Measure P is a sales tax-based revenue source, the revenue can fluctuate with the economy. With the current fiscal year revenue projections have shown the downturn of this sales tax measure and staff projects it may take a year or two before funding starts to build up gradually to prior year revenue totals. but the City has built a reserve that will help ensure sufficient funding is in place for potential cost increases in capital projects, unexpected cost increases, potential revenue decreases and needs. Based on the proposed expenditure plan, Measure P fund has enough to cover expenditures and reserves.

**Table 1: Tax Consultant Measure P Revenue Projections**

Exeter 2020 Measure P 1% Sales & Use Tax Forecast Summary

Accrual through August Clean-up

Voter Approved	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28	FY 28 - 29	FY 29 - 30
Cash Projection	1,884,000	1,670,000	1,858,000	1,894,000	1,934,000	1,972,000	2,009,000	2,043,000
Percent Change	29.2%	-11.4%	11.3%	1.9%	2.1%	2.0%	1.9%	1.7%

Measure P Funding Plan

Conversely, the Measure P sales tax is fairly new; therefore, the forecasting for the first few years can be challenging. The tax base not only includes the existing physical businesses in the City, but also online sales, new auto sales, construction materials, and business to business sales.

As to the expenditure plan, the Staff is recommending three new expenditures along with continuing to fund the already approved items.

The following is the breakdown of new expenditures staff is recommending:

- \$60,000 Full-time recreation leader position. This position will be replacing one part-time recreation leader position. (ongoing item)
- \$226,900 Animal Control Services. Expenditure is being requested to relocate cost from General Fund to Measure P. (ongoing item)
- \$60,000 Corporation Yard building repairs & updates (one-time)

The detailed expenditure plan is listed below:

TABLE 2: PROPOSED MEASURE P EXPENDITURE PLAN

PROJECT DESCRIPTION		Project Fund total as of 6/30/2024	FY2023/24 FUNDING NEED	FY2024/25 FUNDING NEED	FY2025/26 FUNDING NEED	FY2026/27 FUNDING NEED	FY2027/28 FUNDING NEED	FY2028/29 FUNDING NEED	FY2029/30 FUNDING NEED
Admin fee to State (revenue offset)	Ongoing		5,000	5,000	5,000	5,000	5,000	5,000	5,000
Animal Control	Ongoing		-	226,900	238,245	250,157	262,665	275,798	289,588
Carnegie building maintenance	Ongoing		6,500	6,500	6,500	6,500	6,500	6,500	6,500
City Hall building maintenance	Ongoing		3,000	3,000	3,000	3,000	3,000	3,000	3,000
Fire station building maintenance	Ongoing		10,600	10,600	10,600	10,600	10,600	10,600	10,600
Police and Administration building maintenance	Ongoing		21,800	21,800	21,800	21,800	21,800	21,800	21,800
Corporation yard building maintenance	Ongoing		12,000	12,000	12,000	12,000	12,000	12,000	12,000
Corporation yard building Repairs & Updates	One time			60,000					
Carnegie building repairs and updates	One time	10,000		-					
City Hall building repairs and updates	One time	3,300		-					
Corporation Yard repairs and updates	One time	33,750		-					
Fire station building repairs and updates	One time	17,000		-					
Police and Administration building repairs and	One time	54,750		-					
Code enforcement departmental operations	Ongoing		5,000	5,000	5,000	5,000	5,000	5,000	5,000
Code enforcement personnel	Ongoing		166,200	152,860	156,560	167,519	179,246	191,793	205,218
Annual Street Rebuilds	Ongoing		300,000	300,000	300,000	300,000	300,000	300,000	300,000
Annual Street Overlays	Ongoing		300,000	300,000	300,000	300,000	300,000	300,000	300,000
Fire engine replacement	Ongoing	300,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Park maintenance and capital improvements	Ongoing		40,000	40,000	40,000	40,000	40,000	40,000	40,000
PD officer funding & PD two Officer Salary Increase (Sg & LT Promo)	Ongoing		186,700	268,400	277,000	296,390	317,137	339,337	363,090
PD Operations	Ongoing		50,000	50,000	50,000	50,000	50,000	50,001	50,002
Rec - PT Rec Leader to FT	Ongoing			60,000	64,200	68,694	73,503	78,648	84,153
Rec Program Costs: Software, Equipment Replacement	Ongoing		15,000	15,000	15,000	15,000	15,000	15,000	15,000
Rec Program Expansion (Adults)	Ongoing		15,000	15,000	15,000	15,000	15,000	15,000	15,000
Rec Program Expansion (Youth)	Ongoing		15,000	15,000	15,000	15,000	15,000	15,000	15,000
<b>TOTAL FUNDING NEED</b>		<b>418,800</b>	<b>1,251,800</b>	<b>1,667,060</b>	<b>1,634,905</b>	<b>1,681,660</b>	<b>1,731,451</b>	<b>1,784,477</b>	<b>1,840,952</b>

**Additional Funding Consideration:**

The Committee also discussed at the previous year's meeting the possibility of accelerating the funding commitment for the fire engine replacement if revenues do end up allowing for it. It is currently set at \$100,000 a year and it will take approximately eight years or more to build up enough funds to be able to replace the current Fire Engine 11. There could be an advantage to replacing the engine sooner based on anticipated changes in the Fire service contract terms with the Tulare County Fire Department. Additionally, the need for starting a City Facility fund was also brought up to address upcoming space needs for future service expansion. Therefore, Measure P Committee could recommend to the Council if any revenue received above the proposed expenditure plan over the next couple of years be put towards the fire engine replacement and/or the City Facility fund.

**Fiscal Impact:**

After the two-year Measure P Expenditure Plan discussion, Measure P funding will be included in the overall City FY2024/2025 and FY2025/2026 budgets that are to be brought to Council for consideration and adoption on June 25, 2024.

**Prior Council/Board Actions:** N/A.

**Attachments:** N/A.

**Recommended motion to be made by Council/Board:** I move to provide a recommendation to the City Council as discussed.