

FY 2021

**Measure L and Measure V
Annual Report**



CITY OF RIDGECREST CA

**Citizen's Oversight
Committee**

September 12, 2022

Committee Members:

Chair: Chip Holloway

Vice Chair: Chris Hill

Jon Harper

Holly Staab

Vu Ngo

This Page Intentionally Left Blank

SPOTLIGHT!

In 2013 a new Police vehicle was \$40,000.00, today the cost exceeds \$70,000.00.

1. Introduction

The fiscal year 2020-2021 (FY21) report is the ninth annual report prepared by the Oversight Committee regarding the use of the proceeds from Measure L and Measure V sales taxes. City of Ridgecrest Ordinance 12-02 Chapter 3 Article 2 (2012), and the City of Ridgecrest Ordinance 16-02 Chapter 3, Article 2 (2016) requires a report be generated annually by the Oversight Committee.

1.1. What are Measure L and Measure V?

Measure L was a local sales tax measure approved in 2012 for the City of Ridgecrest, CA to adopt a 1% tax on general sales. Measure L's five-year term expired in 2017, but funds continue to trickle into the City due to previously unpaid tax bills.

Measure V, also a 1% sales tax, was voted in by the citizens of Ridgecrest in 2016. Measure V has an eight-year term (expiring in 2024), and supersedes the Measure L sales tax.

Measure V funding created a General Fund Tax. General Fund Taxes have no legal obligation to be allocated to any specific department. However, Measure V funding was approved based on retaining the city's services for police and streets.

1.2. Measure V Citizen's Oversight Committee

The three duties of the Committee are listed in Chapter 3 Section 2.117 of the Ridgecrest Municipal Code.

- Review all appropriations of revenues received by the City from the sales and use tax
- Review the City's Comprehensive Annual Financial Report
- Prepare and issue the committee's report on their findings

1.3. Tracking Measure L and Measure V Funds

As a General Fund Tax, all Measure L and V funds are initially deposited in the General Fund. Measure L and V funds are tracked to provide for visibility within the financial system. Public Safety (police) and Public Works (street maintenance) expenditures from Measure L and V funding have unique tracking accounts. For FY 21, Public Safety funds were used for equipment and labor. Public Works expenditures included labor, material, and contract services.

For the Public Works Department, Measure L and V funds provided matching funds for numerous Federal and State Capital Improvement projects, and will continue to do so through its sunset date. In FY21 Measure V provided matching, and contract funds for more than two million dollars of competitive grant funding. These funds were expended on the FY21 Measure V paving project, Preliminary Engineering for Ward Ave. Phase I rehab project, and the City Design Standards Update.

1.4. Source of Report Data

The financial data is from the City of Ridgecrest Annual Comprehensive Financial Report (ACFR) and the City of Ridgecrest Finance Department. The ACFR includes the results of the independent audit. This report and audit results are available to the public by visiting: <https://www.ridgecrest-ca.gov>.

SPOTLIGHT!

The cost to locate, background check, hire and train a new officer is over \$45,000.

SPOTLIGHT!

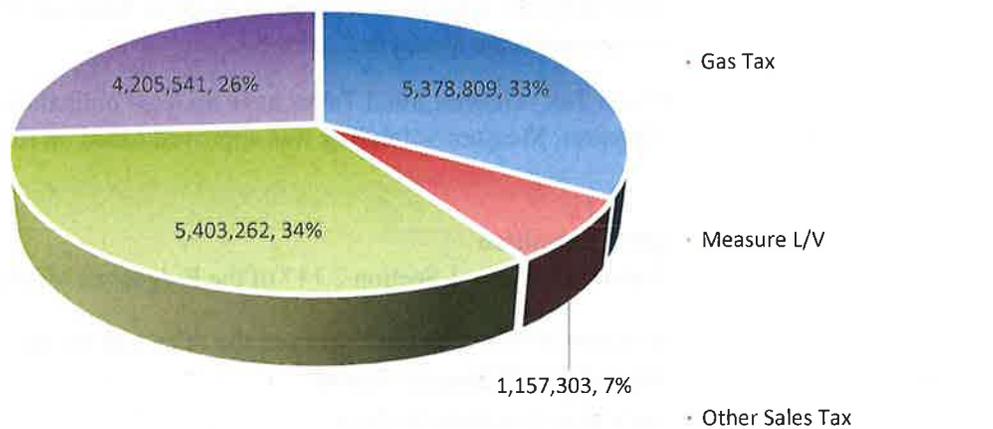
We continue to struggle to attract, hire and retain officers.

2. Executive Summary for FY 2021

- Total Tax Revenue for FY21: \$15,780,319
- Total from Measure V: \$5,387,824
- Total from Measure L: \$15,438

FY21 Revenue by Source

Measures L and V generated 34% of the City of Ridgecrest's tax revenue for FY 21.



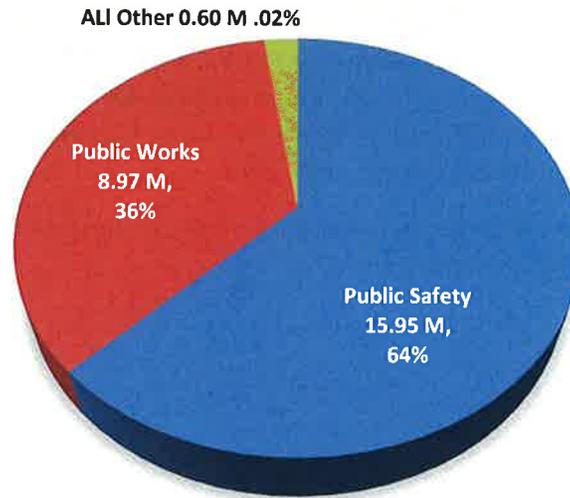
SPOTLIGHT!

We are now competing Nationally for officers; it has never been more important to have competitive wages.

SPOTLIGHT!

The City has over 126 miles of aging street infrastructure. In 2017 the estimated total repair cost was \$145 million. Today the total cost is closer to \$200 million.

**FY 2013-2021 Cumulative Expenditures
\$24.931M**



The revenue generated by Measures L and V continues to only be expended on Public Safety and Public Works.

The Committee's expectation was that the Measure L and V funds would be spent, as promised, on Public Safety and Public Works.

Due to the multitude of legislative measures that have reclassified felonies as misdemeanors, mandated early release, reduced the enforcement powers of public safety officers, California cities are faced with a growing burden on municipal budgets to maintain public safety. Measure V continues to fund a large portion of the Ridgecrest Police Department's budget, lessening this burden on the City of Ridgecrest.

Thanks to Measure V, Ridgecrest has felt less of an impact from limited funding streams available. Measure V accounts for 34% of Ridgecrest Police Department's budget and 40% of Public Works' streets budget. A majority of the City's General Fund (roughly 60%) pays for salaries, electricity for street lights, and street sign maintenance. The remaining 40% is used by Public Works to cover nearly 90% of the cost to maintain streets all over Ridgecrest. Measure V funds cover expenditures such as slurry materials, equipment purchases, and capital projects.

Concerning Public Works, the city's current Five-Year Pavement Rehabilitation Plan laid a road map to resurface 99.2 centerline miles of the city's 126.1-mile street infrastructure. (77% of the city's streets). In the out-years, the continuance of Measure V will be essential to the sustained funding of road maintenance and improvements to the City's \$135 million dollar transportation infrastructure. With the conclusion of FY21, the city is ahead of schedule and has successfully rehabilitated approximately

SPOTLIGHT!

The cost per mile to fully rehab a linear mile of roadway is \$1.8 million, proper maintenance (slurry seals) increase the life span by 33%, and adds 7-10 years of usable life to our street infrastructure.

SPOTLIGHT!

The pavement condition rating in 2011 was 23.5. A score below 40 is impassable.

60% of the aging road infrastructure. With the Five Year Pavement Rehabilitation Plan nearing its end, the city is already preparing the wave of new projects and expects to publicize an updated seven-year plan in January of 2023.

3. Findings for Fiscal Year 2021

3.1. General

FY21 began with a carryover of \$4,264,326 from the prior year. Sales tax revenue from Measure L and Measure V were \$15,438 and \$5,387,824, respectively for a total of \$5,403,262 and combined total of \$9,667,588 (including prior year carryover) available for expenditures. Unspent revenue at the end of the reporting period is \$6,322,178, but is already budgeted into future City projects. Measure V continues to provide a stable and increasing funding source each year.

Financial data and details of expenditures were readily provided to the committee to support the review of the types of effort that Measure L/V funded.

SPOTLIGHT!

At the end of FY 2021 the City's condition rating exceeded 63 - an over 268% improvement, placing us firmly in the Fair category.

SPOTLIGHT!

The city is currently working on projects from a 5 year street rehab plan which addresses 77% of city owned streets.

9TH YEAR	FY 2020-2021 AMENDED BUDGET	FY 2020-2021 ACTUAL AMOUNTS	
PRIOR YEAR CARRY OVER		\$ 4,264,326	
SALES TAX - MEASURE L	\$ -	\$ 15,438	
SALES TAX - MEASURE V	\$ 4,371,979	\$ 5,387,824	
EXPENDITURES:			
POLICE DEPARTMENT	2,627,491	2,210,765	66.08%
ENGINEERING	369,831	79,574	2.38%
STREETS MAINTENANCE CAPITAL	2,689,988	912,313	27.27%
PROJECTS/CONSTRUCTION	1,844,126	142,759	4.27%
TOTAL EXPENDITURES	7,531,436	3,345,411	100.00%
REVENUE OVER EXPENDITURE	\$ (3,159,457)	\$ 2,057,851	
	AMOUNT TO CARRY OVER TO FY 2021	\$ 6,322,177	

SPOTLIGHT!

The city is currently developing a revised plan that will provide projects through 2030 and address 100% of our street infrastructure.

This Page Intentionally Left Blank

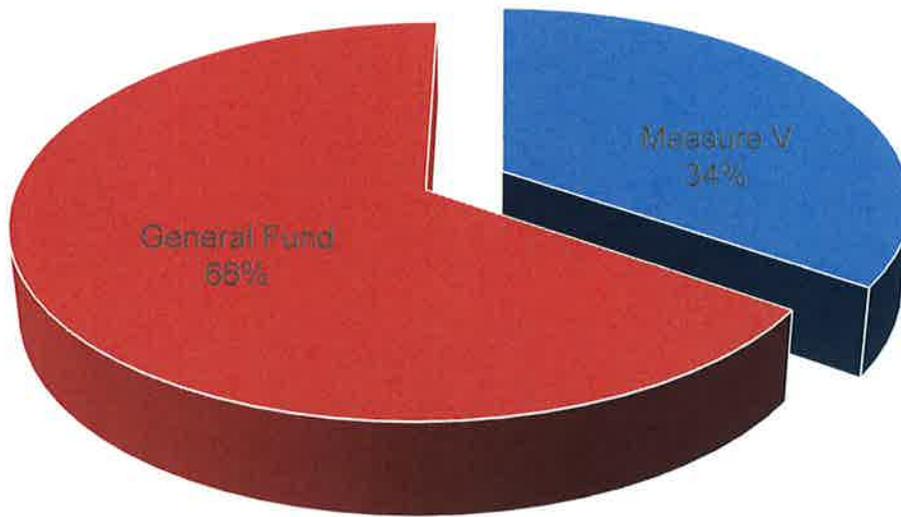
SPOTLIGHT!

Measure V has grown from 14% of total revenues to almost 35%; further illustrating how Federal, State and county revenues continue to be a less reliable source of funding

3.2. Public Safety (Ridgecrest Police Department) Expenditures Summary

In covering approximately one-third of the entire public safety budget, Measure V expenditures of \$2,210,773 funded multiple Department positions, officer training and background investigations, and the purchase of a used Chevrolet Tahoe patrol vehicle.

FY 21 Total RPD Expenditures



During FY21, the Police Department experienced a slight increase in calls for service. The total of 23,738 calls averaged 65 calls per day. Although violent crime in the city increased slightly (9%), property crimes decreased significantly (28%). The Police Department continued to monitor these crime trends, adjusting their focus and priorities to best address public safety in the City of Ridgecrest. By using Measure V funds to maintain the number of sworn officers and support staff, the Department has been able to provide a sufficient number of patrols in neighborhoods, respond quickly to 9-1-1 calls, and continue crime prevention programs.

SPOTLIGHT!

The inflationary cost of all city goods, services, and materials grows at a 2-to-1 ratio when compared to Measure V revenues

This Page Intentionally Left Blank

SPOTLIGHT!

*Having a plan is only one piece of the puzzle,
having the funding to complete the work is critical.*

3.3. Public Works Department Expenditures Summary

Measure V continues to fund the majority of the City’s Hot Mix Asphalt (HMA) paving projects and slurry program on local streets. In FY21 alone, approximately 9.2 centerline miles of roads were replaced/repared/maintained. This work raised Ridgecrest’s Pavement Condition Index (PCI), an objective and repeatable method for assessing pavement conditions, to an estimated 65. This score has Ridgecrest firmly in the Fair range and slightly above the California average of 63. (The scoring index can be seen below)

<i>PCI RATING</i>	<i>CLASS</i>
<i>85-100</i>	<i>Good</i>
<i>70-85</i>	<i>Satisfactory</i>
<i>55-70</i>	<i>Fair</i>
<i>40-55</i>	<i>Poor</i>
<i>25-40</i>	<i>Very Poor</i>
<i>10-25</i>	<i>Serious</i>
<i>0-10</i>	<i>Failed</i>

In 2011 that score was only 23.5, and in 2020 the score was 63. Measure V funds contribute to the average yearly rising cost of \$1,800,000 per centerline mile to replace road infrastructure, and are the primary funding source for all Street Infrastructure Projects. In FY21 the streets team successfully rehabbed approximately 47% more than the anticipated amount. The City of Ridgecrest’s PCI score should continue to grow as they continue to rehab streets in a timely manner.

When it comes to street infrastructure, time is not a friend. With every year a street is not maintained one can anticipate roughly a 12% increase in price due to inflation, additional material and labor. Measure V funds are imperative in the City’s goal to not undo the progress made, and to reach the sustainability point where each City street is maintained once every seven years.

Note: The City of Ridgecrest FY runs from July 1 through June 30. However, the paving year runs from approximately April through October. Consequently, paving contracts often overlap fiscal years and final expenditures are subject to adjustment in the subsequent year’s ACFR.

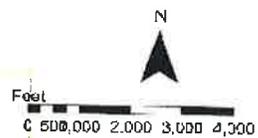
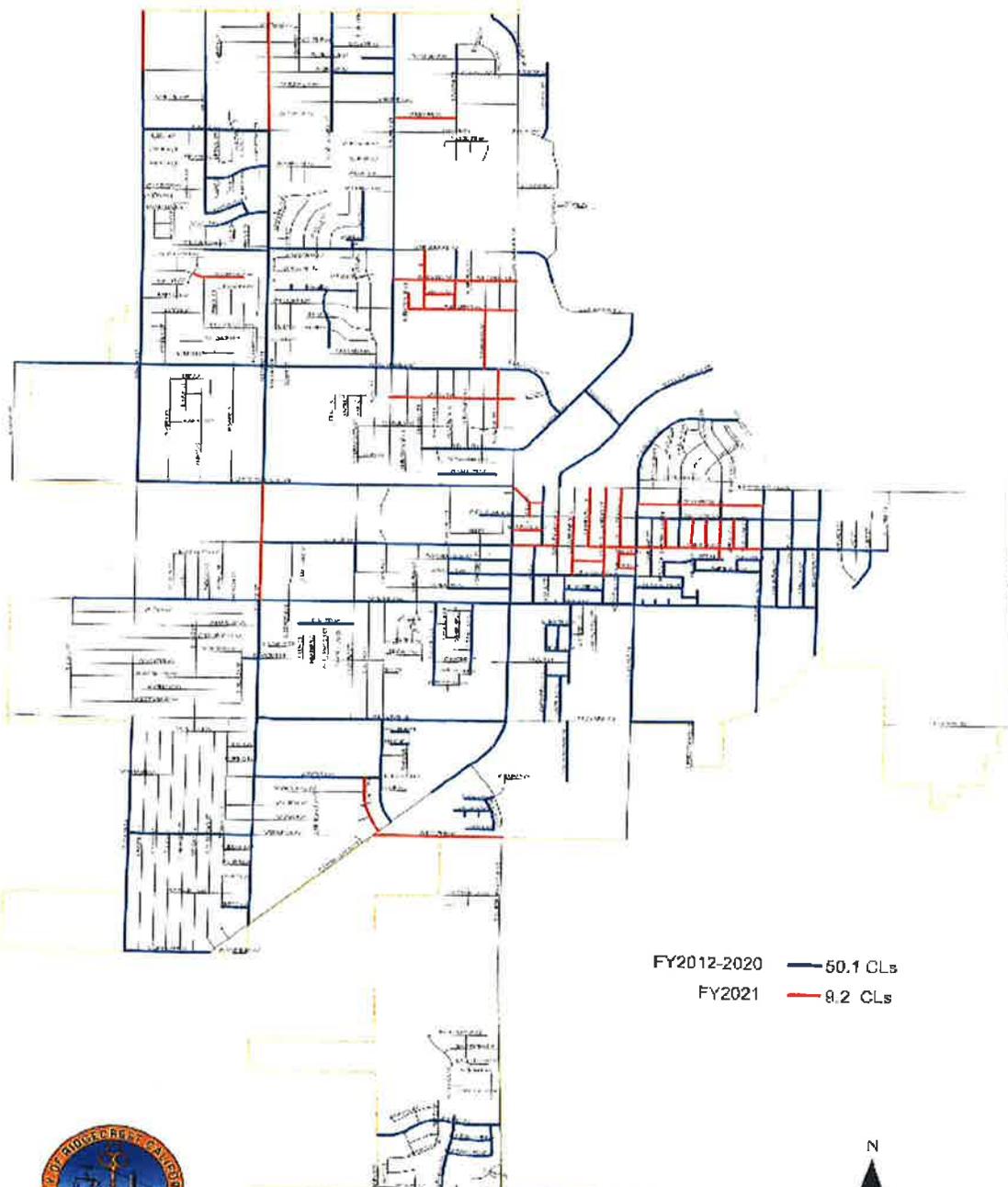
In previous years there has been a carryover of public works funds. Public Works has implemented an aggressive strategy and is currently bidding nine street infrastructure projects which will complete all of the paving projects projected through 2024. As a result, it does not appear there will be any carryover for FY22.

SPOTLIGHT!

The original impetus for a tax measure was due to a stated fiscal emergency. The State of California eliminated Redevelopment Agencies, leaving \$4 million in revenue that needed to be replaced to maintain city services.

This Page Intentionally Left Blank

City of Ridgecrest Street Maintenance 2012-2021



Last Update: June 2022

SPOTLIGHT!

This year marks the 9th oversight committee report. We can conclusively say this council, and all previous councils, have held to the promise made to taxpayers.

4. Conclusion and Recommendations

The Measure V Committee has verified and analyzed all relevant expenditures and concludes that the intentions as expressed in the original compact with the citizens of Ridgecrest have been fulfilled in the best manner possible.

While the pandemic was in full swing projects were delayed, resulting in larger amounts of revenue being carried over. Now that the pandemic is drawing to a close, the Committee expects to see a more aggressive approach toward project execution.

The committee applauds the proactive and diligent way the Public Works department has utilized Measure V funds to effectively improve the City of Ridgecrest's streets. The Committee also applauds the manner in which the Ridgecrest Police Department has utilized Measure V funds to maintain public safety and position the department to serve the community in years to come.

The Measure V Committee encourages the City Council to continue to educate the community on the increasing demands and costs of not only maintaining, but growing our Public Works and Public Safety resources to best meet the needs of our growing community. City events, such as the recently held Budget Workshop, are excellent ways of communicating current status and future needs to concerned citizens.

Based on the Measure V Committee's analysis, the City of Ridgecrest has utilized Measure V funds as promised, validating that this measure is an imperative lifeline to preserve and improve city services and infrastructure. As was stated last year, we applaud City Staff and encourage moving in the same positive direction. Without Measure V, or some other version of a revenue measure in place, the City of Ridgecrest would not be able to maintain current or future public works or public safety resources.

The Bottom Line-

The original impetus for a tax measure was due to a stated fiscal emergency created when the State of California eliminated Redevelopment Agencies across the state. That was almost \$4 million in revenues that needed to be replaced to maintain city services. The council at that time committed to use these funds for only streets and public safety. An oversight committee was created to make sure the funds were used as promised. The city was already struggling due to over \$50 million dollars in previous state funds that were raided from 1985 - 2012. One of the biggest benefits of a local generated tax measure is the state can never steal those funds, and with the proposed oversight we the City can ensure the funds are spent exactly how the public proposed. This year marks the 9th oversight committee report and we can conclusively say this council and all previous councils have held to the promise made to taxpayers.

SPOTLIGHT!

Oversight Committees, such as this, ensure funds are spent exactly as proposed.

This Page Intentionally Left Blank