

FY 2022

**Measure L and Measure V
Annual Report**



CITY OF RIDGECREST CA

**Citizen's Oversight
Committee**

August 02, 2023

Committee Members:

Chair: Holly Staab
Vice Chair: Vu Ngo
Chip Holloway
Nicole Harper
Chris Hill

Spotlight!

Revenue from a local tax measure can never be taken by the state.

1. Introduction

The fiscal year 2021-2022 (FY22) report is the tenth annual report prepared by the Oversight Committee regarding the use of revenue 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 and use tax measure approved in 2012 for the City of Ridgecrest to adopt a 1% tax on general sales. Measure L's five-year term expired in 2017, but funds continue to trickle in due to previously unpaid tax bills.

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

Measure V funding is a General Fund Tax. General Fund Taxes have no legal obligation to be allocated to any specific department. However, Measure V was approved based on a commitment from the City Council that the funds would be used to retain city services for streets and public safety.

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 Annual Comprehensive Financial Report (ACFR)
- 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 separately to provide 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 22, Public Safety funds were used for equipment and labor. Public Works expenditures included equipment, labor, material, and contract services.

1.4. Source of Report Data

The Committee reviewed financial data from the City of Ridgecrest 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!

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

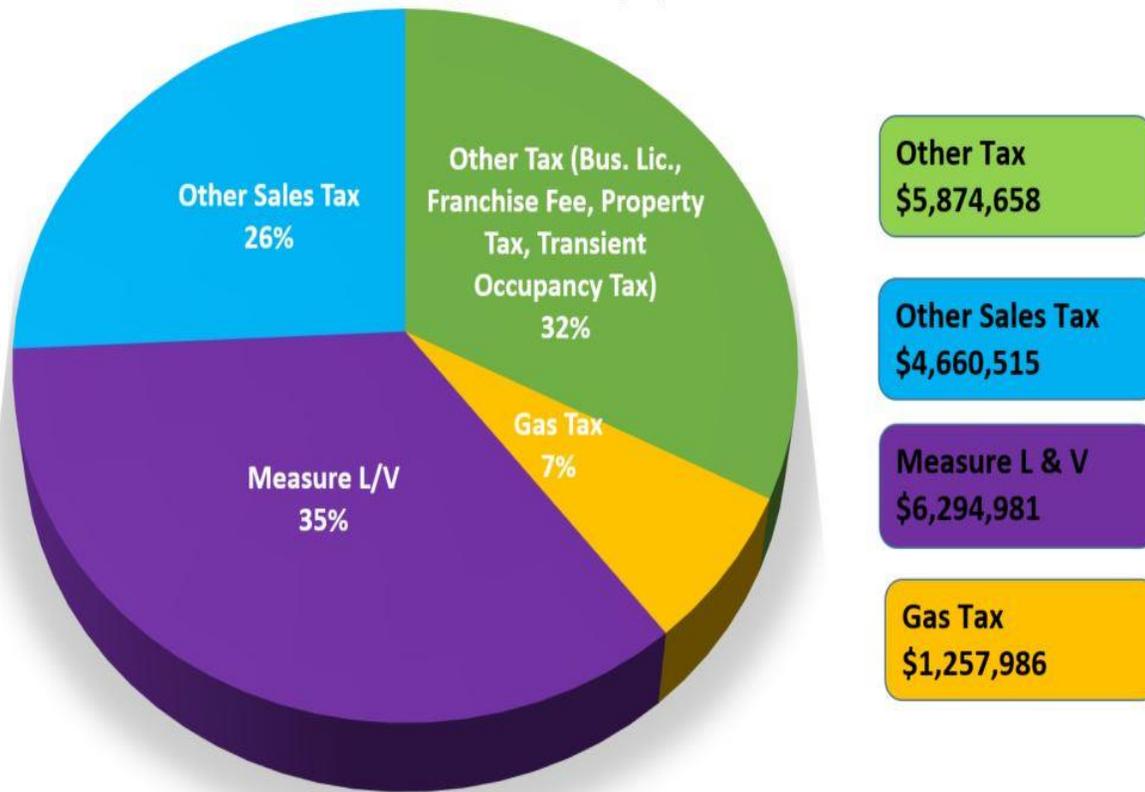
Spotlight!

The City has a plan through 2030 to address 100% of our street infrastructure.

2. Executive Summary for FY 22

- Total Tax Revenue for FY22: \$18,088,658
- Total from Measure V: \$6,293,726
- Total from Measure L: \$1,255

FY 22 Revenue by Source (%)



Measures L and V generated 35% of the City of Ridgecrest's tax revenue for FY 22.

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

Thanks to Measure V, Ridgecrest has felt less of an impact from the ever-decreasing availability of funding streams. Measure V accounts for 60% of Ridgecrest Police Department's budget and 40% of Public Works' streets budget with the remainder primarily being gas tax, SB1, Road Maintenance and Rehabilitation Account (RMRA), and Transportation Development Act (TDA) Article 3 funding.

Spotlight!

Having a plan is only one piece of the puzzle, funds are needed to see it through.

Spotlight!

The City has more than 126 miles of aging street infrastructure.

Due to the multitude of legislative measures that reclassified felonies as misdemeanors, mandated early release, and 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.

A majority of the City's General Fund (roughly 60%) pays for salaries, electricity for street lights, and street sign maintenance. That leaves only 40% to cover nearly 90% of Public Works costs to maintain all of Ridgecrest’s streets. Without Measure V funds, the City would not be able to cover the most basic level of maintenance on our streets.

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 (or similar revenue source) will be essential to sustained funding of road maintenance and improvements to the City’s \$137 million-dollar transportation infrastructure. With the conclusion of FY22, the city is ahead of schedule and has successfully rehabilitated approximately 63% 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 plan in January of 2024.

3. Findings for Fiscal Year 2022

3.1. General

FY22 began with a carryover of \$6,322,178 from the prior year. Sales tax revenue from Measure L was \$1,255, and Measure V was \$6,293,725. These combined for a total of \$12,617,159 available for expenditures. Revenue unspent at the end of FY22, \$7,695,245, is already budgeted into future City projects, and will be spent in FY23. Measure V continues to provide a stable and increasing funding source each year and is heavily relied upon by both Streets and Public Safety.

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

<i>10th Year</i>	<i>FY 2021-2022 Amended Budget</i>	<i>FY 2021-2022 Actual Amounts</i>	<i>Percentage Utilized</i>
Prior Year Carry Over		\$6,322,178	
Sales Tax – Measure L		\$1,256	
Sales Tax – Measure V		\$6,293,725	
Expenditures:			
Police Department	\$ 2,891,198	\$1,798,091	62%
Engineering	\$220,840	\$85,013	38%
Street Maintenance	\$2,194,223	\$1,139,935	52%
Capital Projects	\$4,076,454	\$1,898,874	47%
Total Expenditures	\$9,382,715	\$4,921,913	52%
Revenue Over Expenditure	\$(4,389,715)	\$1,373,068	
Amount to Carry Over		\$7,695,246	

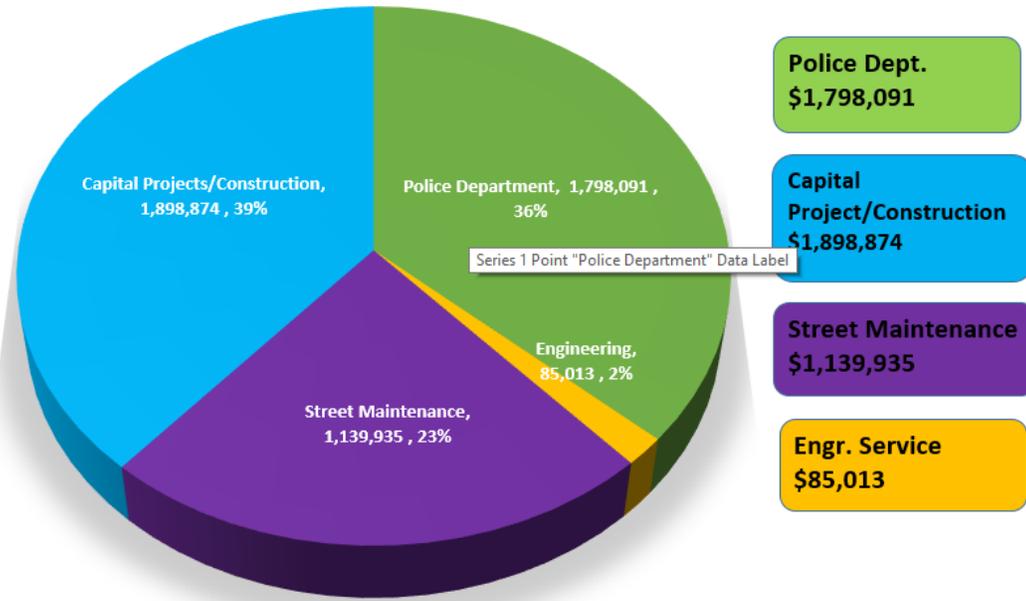
Spotlight!

In 2017, the estimated total cost to repair Ridgecrest’s aging streets was \$145 million. Today, it’s closer to \$210 million.

Spotlight!

Increased reporting requirements, combined with staffing shortages, resulted in a 23% drop in officer-initiated incidents. RPD needs more officers to keep our streets safe.

FY 22 Measure L/V Expenditure



3.2. Public Safety (Ridgecrest Police Department) Expenditures Summary

In covering approximately 60 percent of the entire public safety budget, Measure V expenditures of \$1,798,091 funded multiple Department positions, officer training and background investigations, and the purchase of ten vehicles.



RPD purchased 8 fully-outfitted Ford Patrol Vehicles which replaced vehicles that were 6-8 years old with over 150k miles as well as 2 electric vehicles for use by PACT.

During FY22, the Police Department received 24,058 calls for service, which averaged to 66 calls per day (a slight increase from FY21's 65 calls per day). Officer initiated incidents decreased by 23 percent, which corresponded with lack of staffing during the same time period. Due to a recent change in state

Spotlight!

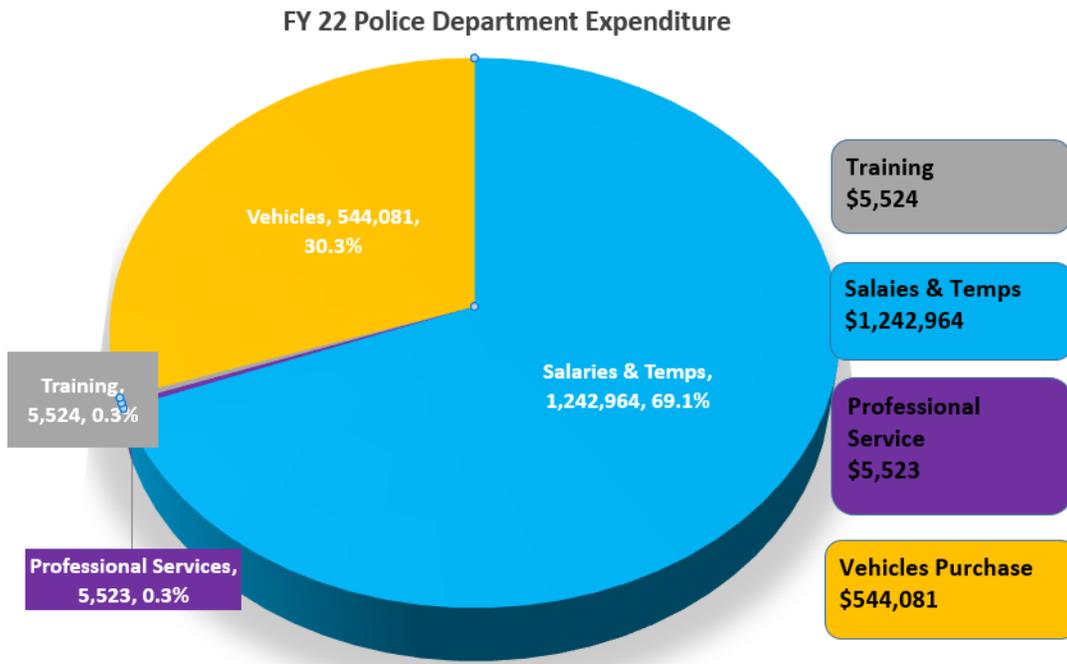
RPD struggles to attract, hire, and retain officers. Modern equipment and workforce satisfaction are imperative to acquire and retain

Spotlight!

RPD competes nationally to attract, recruit and retain officers. Competitive wages are a must.

reporting requirements, it is impossible to accurately compare FY22 crime reporting statistics with FY21 statistics as the reporting metrics are drastically different. When comparing the first 4-month period of FY22 with the same 4-month period of FY23 using the new reporting metrics, there is a 23% reduction in what was previously called Part One Crimes (murder, rape, aggravated assault, robbery, burglary, larceny, motor vehicle theft, arson, human trafficking).

The drastic change in reporting requirements caused each officer to spend significantly more time completing and processing crime reports. This takes away valuable time from their day, which otherwise could be directed to patrolling our streets and responding to calls.



Despite this many other challenges, the Police Department continued to monitor crime trends, while 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 meet the community’s public safety needs by providing neighborhood patrols, responding quickly to 9-1-1 calls, and continued crime prevention programs.

Spotlight!

Proper maintenance, like slurry seals, increase a street’s life span by 33%, and add 7-10 years of usable life.

Spotlight!

In 2013 a new Police vehicle was \$40,000.00, today the cost exceeds \$75,000.00.

3.3. Public Works Department Expenditures Summary

For the Public Works Department, Measure L and V funds continue to provide matching funds for numerous Federal and State Capital Improvement projects. In FY22 Measure V provided matching, and contract funds for more than 1.5 million dollars of competitive grant funding. These funds were expended on the FY21 Measure V paving project, preliminary engineering (PE) for the Ward Avenue Phase I and II rehab project, the City Design Standards Update, FY 22 Measure V Paving PE, FY 22 Measure V Chip Seal PE, and Franklin Ave PE.

Measure V continues to fund the majority of the City’s Hot Mix Asphalt (HMA) paving projects and slurry program on local streets. In FY22 alone, approximately 5.0 centerline miles of roads were replaced/repaired/ maintained. This was a far cry from last year’s 9.2 miles, but construction throughout town by outside contractors derailed the City’s work plans for the entire year. The 5.0 miles of work did raise Ridgecrest’s Pavement Condition Index (PCI), an objective and repeatable method for assessing pavement conditions, to an estimated 64. 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 Ridgecrest’s score was only 23.5, and in 2020 it was 63. Measure V funds contribute to the average yearly rising cost of \$2,100,000 per centerline-mile to replace road infrastructure, and are the primary funding source for all Street Infrastructure Projects.



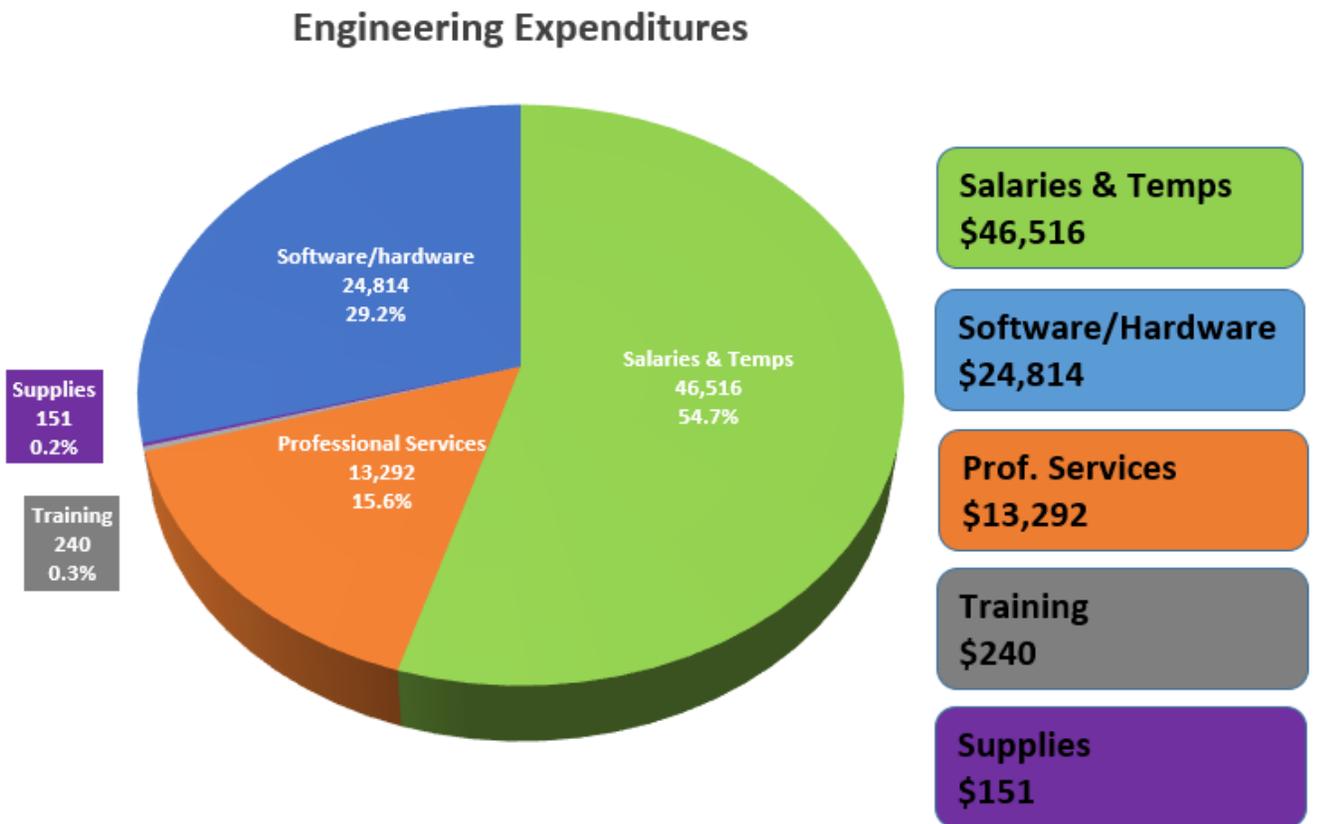
This Street Sweeper and Bobcat was purchased using FY22 Measure V funds. Having modern equipment saved the City more than 13,000 on equipment maintenance. This equipment is used for slurry preparation, street sweeping, median grading etc.

Spotlight!

Modern equipment will get maintenance to your street faster!

Spotlight!

The City is working to complete the current five-year plan two years early, and has already made progress toward another 5-year plan.



With every year a street is not maintained, the maintenance cost increases roughly 12% due to inflation and the additional material and labor involved. This does not account for the worsening condition of the street. Measure V funds are imperative in the City’s goal to not undo progress made, and to reach the sustainability point where each City street is maintained once every seven years.

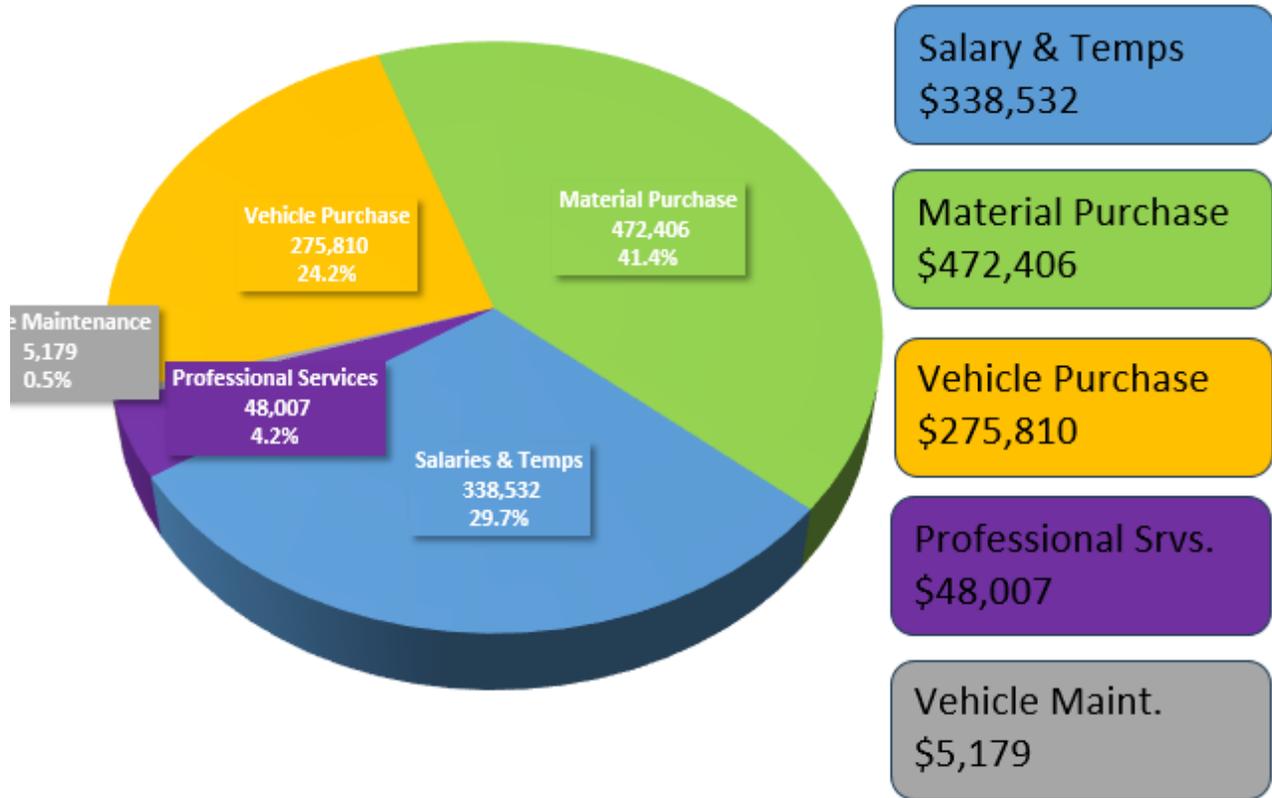
Spotlight!

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

Spotlight!

The City has a ten-year track record of investing your tax dollars exactly as promised!

Street Maintenance Expenditures



It is common to see a carryover of Measure V funds budgeted to Public Works. Multiple factors drive this situation, but Public Works uses an aggressive, forward-looking strategy, bidding projects which will complete all of the Five-Year Pavement Rehabilitation Plan paving and chip seal projects projected through 2025 by the end of FY24.

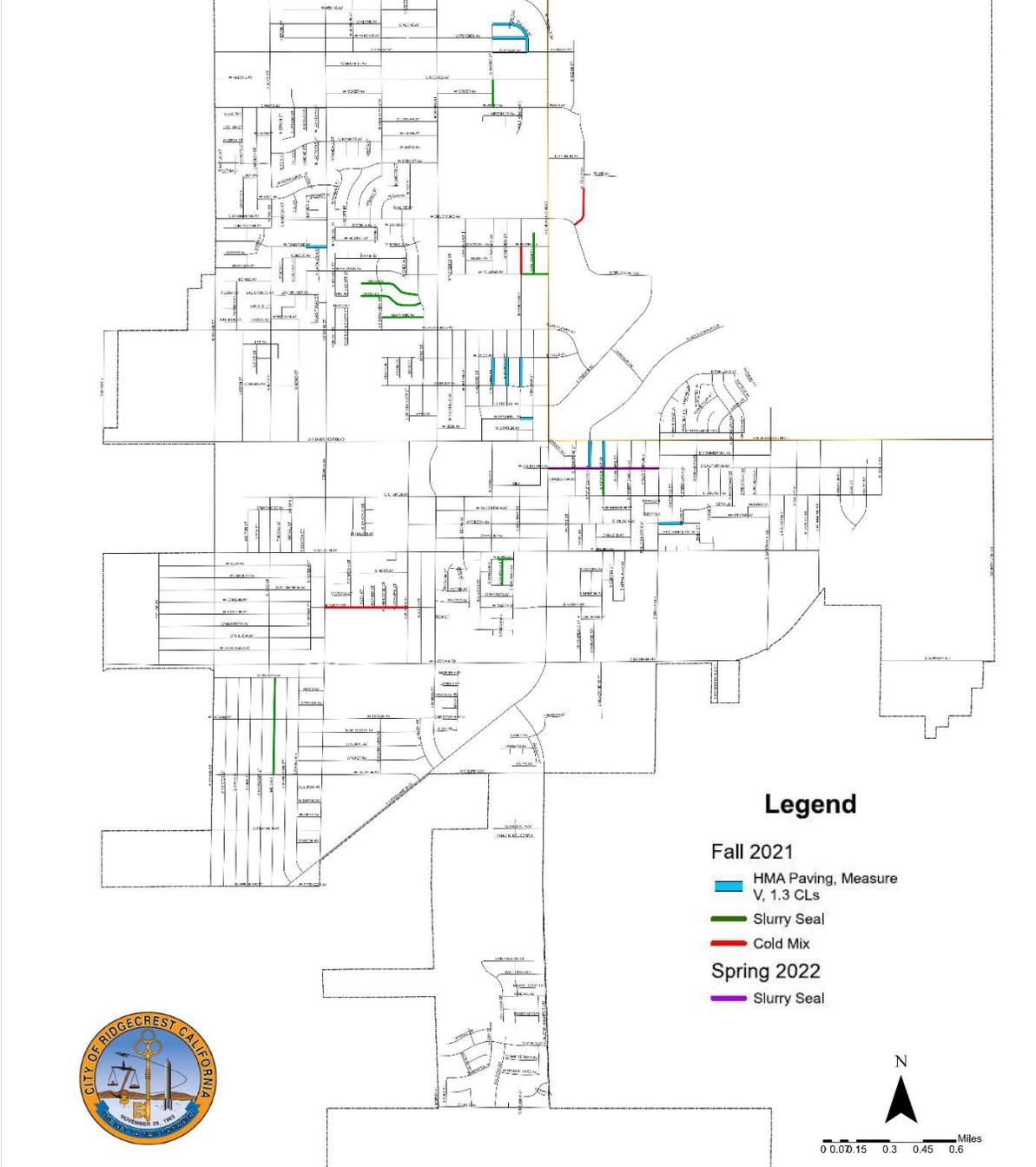
Note: The City's FY is July 1 through June 30. However, the paving year is approximately April through October. Consequently, paving contracts often overlap fiscal years and final expenditures are subject to adjustment in the subsequent year's ACFR.

Spotlight!

At the end of FY 2022 the City's condition rating exceeded 64.

Spotlight!
Public Works improved five center-line miles during FY22, with another 13 planned for FY23.

City of Ridgecrest Maintenance and Rehabilitation



Spotlight!
Citizens can learn more about how Measure V revenues and other city funds are expended by reading the ACFR or watching the annual Budget Workshop.

Spotlight!

Measure V has grown from 14% of total revenues to 36%; further illustrating how Federal, State and County revenues continue to be a less reliable source of funding.

4. Conclusion and Recommendations

The Measure V Committee has analyzed all relevant expenditures from FY22 and concludes that the intentions as expressed in the original compact with the citizens of Ridgecrest have been fulfilled in the best manner possible.

The Committee applauds the proactive and diligent way the Public Works department continues to utilize Measure V funds to effectively improve the City of Ridgecrest’s streets. The Committee also applauds the manner in which the Ridgecrest Police Department utilizes 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. In addition, the utilization of technology is imperative to stretch the Measure V dollars. The committee looks forward to the recent Crack Mapping project completion so streets can have better targeted repairs.

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. Without Measure V, or other version of a revenue measure in place, the City of Ridgecrest would not be able to maintain current or develop future public works or public safety resources.

The Bottom Line _____

The original impetus for a local tax measure was the stated fiscal emergency created when the State of California eliminated Redevelopment Agencies. That elimination resulted in a nearly 4-million-dollar hit to the city, which was already suffering from the state raiding more than \$50 million between 1985 and 2012. One of the biggest benefits of a local generated tax measure is the state can never steal those funds. In the current budget cycle the amount of sales tax the City sees from non-local measures is 4.3 million, Measure V exceeds 6 million. With the Wayfair decision, it is imperative to have a local sales tax measure so Safety and Streets can be maintained. Ridgecrest’s City Council committed to use Measure L, and now Measure V revenue specifically for streets and public safety. This year marks the 10th oversight committee report and we can conclusively say this council, and all previous councils, have held to that commitment. The City of Ridgecrest’s citizens and visitors continue to benefit greatly from the maintenance and improvements made possibly by these funds.

Spotlight!

This year marks the 10th oversight committee report. We can conclusively say this Council, and all previous Councils, have held to the promise made to taxpayers.