



Meeting Date: 06/28/11

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input checked="" type="checkbox"/> Other Appointment Item

Prepared By: Martin R. Erickson, Special Assistant to the City Manager Agenda Item No. Q-1

Reviewed By: City Manager KEB City Attorney DM Finance JLC Other (Specify) \_\_\_\_\_

**DATE:** June 20, 2011

**TO:** City Council

**FROM:** Edmund F. Sotelo  
City Manager

**SUBJECT:** Measure "O" Half-Cent Sales Tax Allocations for Various Projects

**RECOMMENDATION**

That City Council:

1. Review and provide direction on Measure O funding options, including the continuation of previously approved projects and programs and various youth recreation and senior services projects.
2. Authorize the City Manager to establish the appropriate budgets for the approved projects and programs.

**DISCUSSION**

On November 4, 2008 Oxnard voters approved Measure "O" for a 1/2 cent general purpose sales tax increase to be used to enhance City services. As a general purpose sales tax, Measure O only required a simple majority for passage; however, it achieved 65.1% approval from voters, nearly two-thirds support.

Through community surveys and discussions with the City Council, various priority areas have been identified, including the City's approved priorities for clean, safe, prosperous, and attractive neighborhoods. Similar priorities were identified in several surveys. In March and July of 2010, City Council allocated a combined \$8.2 million for various projects and programs related to Parks and Open Space, Traffic and Road Improvements, Public Safety and Gang Prevention/ Intervention, and Recreation and Youth Programming. In January of 2011, Council allocated \$12.7 million for the College Park, Phase 1C project.

## Measure "O" Half-Cent Sales Tax Allocations for Various Projects

June 20, 2011

Page 2

On April 12, 2011 City Council held a Study Session to discuss long-term Measure O funding. Based on the previous community surveys and input from the community and City Council, staff presented a preliminary list of projects and programs to assist City Council in reviewing and discussing long-term funding options. City Council conceptually approved a funding allocation based on community input and City Council priorities, and also directed staff to return with certain public safety projects, including Fire Station #8. City Council also directed staff to return with a plan to migrate long-term on-going costs from Measure "O" to the General Fund.

On May 17, 2011 City Council approved the following public safety programs: Fire Station #8 at College Park, Police and Fire Computer Aided Dispatch (CAD), Records Management Systems (RMS), Mobile Data Center (MDC), CAD-911/RMS/MDC, and Enhanced Community Policing.

Staff is recommending the continuation of a number of previously approved programs and also projects from last summer (see attachments 1 & 2), while also noting projects that have either been completed, or received Measure O funding in the previous year and will continue with other funding sources (attachment 3). Staff is recommending further discussion to establish budgets for youth/recreation and senior services programs previously conceptually approved by Council at the April 12, 2011 meeting. Additionally, based on direction from City Council staff is presenting a more detailed update of the plan to migrate long-term on-going costs to the general fund.

### **FINANCIAL IMPACT**

Since the Measure O ½ cent sales tax became effective in April 2009, \$18.9 million has been collected through May 2011 with an additional \$220,000 in interest earnings. By the end of Fiscal Year 2010-11, \$21 million will have been collected, all of which has been allocated by City Council. Annual revenues are estimated to be \$10 million. The cost of Fiscal Year 2011-12 projects and programming listed in the attachments is anticipated to be \$2.7 million, excluding potential bond funding. FY 2012-13 total \$3.2 million for continued funding of approved projects.

The on-going costs are recommended for funding with Measure O funds initially and transitioned to the General Fund over the life of Measure O. Based on long-term financial projections, staff proposes dedicating approximately 1% General Fund revenue growth to transition on-going costs from Measure O to the General Fund beginning in Fiscal Year 2013-14. These projections assume at least 2 recessions during the next 16 years included in this analysis, Attachment 4. Average annual General Fund revenues are projected to grow by \$3.8 million. The impact of inflation and population growth on base programs and budgets is projected to require \$3 million assuming 2% inflation and 1% population growth. By the time Measure O sunsets, it is estimated that \$13.3 million would be available for on-going costs from Measure O projects and programs.

**Measure "O" 1/2 Cent Sales Tax  
Continued Funding for Approved Projects  
FYs 2011-12 & 2012-13**

Department/Description	Funded Prior Years	FY 2012	FY 2013	
<b>Development Services</b>				
Intellegent Traffic System (ITS)	Development Services	3,500,000	70,000	61,200
<b>General Services</b>				
Campus Park Phases I & II *	Equipment FY 2012 and Maintenance FY 2013	850,000	300,000	480,000
College Park Project - Phase IC	Equipment FY 2012 and Maintenance FY 2013	12,726,400	250,000	600,000
<b>Public Works</b>				
Alley Reconstruction	Continue Funding	500,000	500,000	500,000
Roadway Repair	Continue Funding	1,162,000	500,000	500,000
<b>Recreation</b>				
City Corps Townkeeper Program	Expand program	275,000	425,000	575,000
PAL (Soccer Infrastructure and Programming)	Continue Funding	200,000	200,000	200,000
Preschool to You Program Enhancement	Continue Funding	170,000	135,000	135,000
Community Based Organization Contributions	Continue Funding	150,000	150,000	150,000
<b>Total</b>		<b>19,533,400</b>	<b>2,530,000</b>	<b>3,201,200</b>

\* Construction funding proposed from Community Development Commission HERO bonds

**Measure "O" 1/2 Cent Sales Tax  
Funding Requirements to Complete Approved Projects  
FY 2011-12**

Department/Description		Funded Prior Years	FY 2012	Total
<b>Fire</b>				
Fire Station Asphalt Replacement (Stn. 1, 2 & 4)	Additional costs due to high water table.	250,000	55,000	305,000
<b>General Services</b>				
Del Sol Park Walking Track	ADA requirements	175,000	30,000	205,000
<b>Recreation</b>				
Snackbar - Community Center Park West	ADA requirements	350,000	50,000	400,000
<b>Total</b>		<b>775,000</b>	<b>135,000</b>	<b>910,000</b>

**Measure "O" 1/2 Cent Sales Tax  
Completed/Other Approved Projects**

<b>Department/Description</b>	<b>Funded Prior Years</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>City Manager</b>			
Alliance Safety Blueprint - Youth Development	200,000	-	-
<b>General Services</b>			
TAGRS Graffiti Software System	100,000	-	-
East Village Park*	20,000	3,345,000	150,000
Sports Park Project*	150,000	7,114,000	375,000
<b>Recreation</b>			
Oxnard Tennis Center Courts Resurfacing	75,000	-	-
South Oxnard Center Floor Replacement **	120,000	-	-
<b>Total</b>	<b>665,000</b>	<b>10,459,000</b>	<b>525,000</b>

\* Anticipate use of bond or other financing for construction

\*\* Anticipate improvements to be completed under budget.

**General Fund Revenue Growth  
Availability for Measure O Replacement  
From 2014-2029 (16 years)**

**Requirements  
(\$ millions)**

<b>Base</b>		<b>108.5</b>
	<u>Annual</u>	<u>Year 21</u>
Inflation	2.0	32.5
Population	1.0	16.3
To Measure O	0.8	13.3
<b>Total Growth</b>	<b>3.8</b>	<b>62.1</b>

**Allocations  
(\$ millions)**

	<u>Annual</u>	<u>Year 21</u>
Public Safety & Gang Prevention/Intervention	0.5	9.2
Traffic & Road Improvements	0.1	1.2
Recreation & Youth Programming	0.1	1.5
Parks & Open Space	0.1	1.4
<b>Total Growth</b>	<b>0.8</b>	<b>13.3</b>