



Meeting Date: 11/15/11

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 <u>Appointment Item</u>

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

Reviewed By: City Manager *[Signature]* City Attorney *[Signature]* Finance *[Signature]* Other (Specify) _____

DATE: October 21, 2011

TO: City Council

FROM: Edmund F. Sotelo
City Manager

SUBJECT: Measure "O" Half-Cent Sales Tax Review, Project Discussion, and Consideration of Additional Appropriations

RECOMMENDATION

That City Council:

1. Receive an update on previously approved Measure O projects.
2. Approve Measure O funding as identified in Attachment 1 for current projects and authorize the City Manager to make the required budget appropriations.
3. Discuss and provide direction on new Measure O project funding options and authorize the City Manager to establish appropriate budgets for the approved projects and programs.

DISCUSSION

Background

On November 4, 2008, Oxnard voters approved Measure "O" for a ½ 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 funding priorities have been identified, consistent with 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.

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 (Attachment 2) 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. Funding in the amount of \$4.3 million for these programs was adopted as part of the FY 2011-12 budget. Funding for the new Fire Station will be presented to City Council at a future date based on potential financing alternatives.

Current Considerations

In addition to providing a review of the achievements from Measure O funds previously allocated by City Council, staff is recommending additional funding to complete or continue projects and programs approved by Council in the past year. All unexpended balances from FY 2010-11 are recommended for reappropriation. These amounts, along with expenditures through FY 2010-11, are summarized in Attachment 1, as are additional funding recommendations for currently approved projects and programs. This recommendation consists of \$16.2 million of carryover funds already appropriated in FY 2010-11 and \$2 million of new funding for FY 2011-12 as explained below.

There are several projects that are recommended for additional funding. Due to unexpected problems caused by high water table conditions encountered as part of the Fire Station Asphalt Replacement project, an additional appropriation of \$55,000 is recommended. In addition, ADA requirements have resulted in additional costs for the Del Sol Walking Track, \$30,000, and Community Center Park Snack Bar, \$50,000. The total additional allocation for these projects is \$135,000. This increase can be partially funded with savings of \$58,110 from the Oxnard Tennis Center Courts Resurfacing and South Oxnard Center Floor replacement, which have both been completed.

Funding for the new fiscal year is recommended consistent with last year for street and alley repair of \$1,000,000, "Preschool to You" program funding of \$135,000, and Community Based Organizations of \$150,000. The City Corp Townkeepers program is recommended at \$425,000 to expand service area coverage. An allocation of \$200,000 is recommended for ongoing maintenance and operating costs at the newly constructed College Park.

Incorporating additional Measure O funding for enhancements of City services during this challenging economic environment has proven a compelling challenge. Staff continues to gauge the adverse effects of the recently passed state budget, and continuing uncertainties in the federal budget, in determining which Measure O projects to recommend for continuation. Funding for certain programs and projects may need to be reevaluated due to actions taken by the state or federal governments such as the status of Redevelopment agencies.

Staff is recommending Council consider funding for various new projects and programs that will continue to enhance the community. First, the Grow America/Grow Oxnard Fund which would establish small business loan funding for Oxnard businesses is recommended for a one time contribution of up to \$1,000,000. Staff believes this action exemplifies Council direction concerning local job creation, as it will leverage up to \$4 million in revolving loans for local business. This measure has been supported by a unanimous vote of the Oxnard Chamber of Commerce Board of Directors.

Second, staff recommends an allocation for enhancing facilities and programs for Oxnard seniors that would provide for a new facility or upgrading existing facilities depending on what best meets the needs of the senior community. An allocation of \$100,000 would fund the preliminary work on this effort. Similarly, funding of \$100,000 for preliminary work on a youth/teen center is recommended. While such a facility may be co-located with a senior center, to provide savings on land and infrastructure costs, a shared space in a single facility would not necessarily provide the best solution for meeting the needs of seniors and youth.

Third, funding is recommended for major street repair projects. Priority projects include Del Norte and Tierra Vista Neighborhood. Funding is recommended in the amount of \$250,000 for each project to augment potential grant funding.

Based on direction from City Council, staff will present more detailed information on the plan to transition long-term on-going Measure O costs to the general fund.

FINANCIAL IMPACT

Since the Measure O ½ cent sales tax became effective in April 2009, \$22 million has been collected and accrued through June 2011 with an additional \$250,000 in interest earnings. A total of \$21 million has been allocated by City Council through FY 2010-11. The \$4.3 million approved for Police and Fire in FY 2011-12 will be funded from current year revenues. Adequate funds are available for the recommended actions, including a combined \$3.7 million in new funding. Annual revenues are estimated to be at least \$10 million.

Attachment #1 – Measure O Project Financial Status and FY 2012 Funding Request

Attachment #2 – Measure O Long-Term Allocation

**Measure "O" 1/2 Cent Sales Tax
Project Financial Status as of June 30, 2011
and FY 2012 funding Request**

Department/Description	Budget	Expended	Balance to Carryover	New Funding	Total FY 2012
City Manager's Office					
Alliance Safety Blueprint - Youth Development	200,000	96,800	103,200		103,200
Development Services					
Intellegent Traffic System (ITS)*	3,500,000	-	3,500,000		3,500,000
Fire					
Fire Station 8**	-	-	-		-
Fire Station Asphalt Replacement (Strn. 1, 2 & 4)	250,000	101,219	148,781	55,000	203,781
Police					
CAD/RMS***	-	-	-		-
Enhanced Community Policing***	-	-	-		-
Public Works					
Alley Reconstruction	500,000	-	500,000	500,000	1,000,000
Roadway Repair	1,162,000	648,457	513,543	500,000	1,013,543
General Services					
Campus Park Phase I	380,000	239,292	140,708		140,708
Campus Park Phase II	470,000	-	470,000		470,000
College Park Project - Phase IC	12,726,400	2,884,570	9,841,830	200,000	10,041,830
Del Sol Park Walking Track	175,000	19,030	155,970	30,000	185,970
East Village Park	20,000	-	20,000		20,000
Community Center Park West SnackBar Demolition and Reconstruction	350,000	36,102	313,898	50,000	363,898
Sports Park Project	150,000	135,691	14,309		14,309
TAGRS Graffiti Software System	100,000	28,759	71,241		71,241
Recreation					
City Corps Townkeeper Program	275,000	212,692	62,308	425,000	487,308
PAL	200,000	22,608	177,392		177,392
Preschool to You Program Enhancement	170,000	127,618	42,382	135,000	177,382
Community Based Organization Contributions	150,000	115,770	34,230	150,000	184,230
Oxnard Tennis Center Courts Resurfacing	75,000	74,900	100	(100)	-
South Oxnard Center Floor Replacement	120,000	61,990	58,010	(58,010)	-
Total	20,973,400	4,805,498	16,167,902	1,986,890	18,154,792

* ITS design and program develop costs have been charged to EECBG grant and Traffic Impact Funds.

** Fire Station 8 approved for \$8,514,000 of capital costs and \$3,678,300 annually for staffing (24 positions) and operating are not yet appropriated.

*** CAD RMS and Enhanced Policing approved for FY 2011-12 in the amounts of \$1,800,000 and \$2,553,390 respectively.

**Measure O Long-term Allocation
in \$ Millions and Percent of \$200 Million**

