



City of
RIDGECREST
California

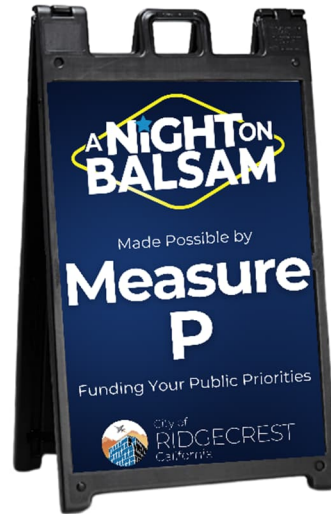
MEASURE P ANNUAL REPORT

For Fiscal Year Ending June 30, 2023

CITIZEN'S OVERSIGHT COMMITTEE

INTRODUCTION

The fiscal year 2022-2023 (FY23) report is the first annual report prepared by the Oversight Committee regarding the use of revenue from Measure P sales tax. City of Ridgecrest Ordinance 22-06 Chapter 9, Article 86 (2022) requires that a report be generated annually by the Oversight Committee regarding the usage of Measure P funds. The committee is dedicated to the oversight of these funds and will maintain reporting standards as outlined in the Ridgecrest Municipal Code (9.3.2.79-83).



WHAT IS MEASURE P?

Measure P is a local sales and use tax measure approved in 2022 for the City of Ridgecrest to adopt a one cent tax on general sales for a nine-year term, expiring in 2032. This measure was approved based on a commitment from the City Council that the funds would be used to address priorities identified by the public such as:

- ✓ Fire Service Contract Costs
- ✓ Reinstatement of 4 Police Officer positions
- ✓ Pool Design and Engineering Costs
- ✓ Pool Bond of \$14 million
- ✓ Pool Operations and Maintenance
- ✓ Recruitment and Retention of City service providers
- ✓ Public Outreach and Events
- ✓ Additional Projects contingent on available funding

TRACKING MEASURE P FUNDS

Despite Measure P being a General Fund tax, a distinct fund has been established to segregate the funds, facilitating their separate tracking within the City's financial system to enhance transparency and accountability. Fund 101, designated as the Measure P fund, serves as the sole repository for Measure P funds, ensuring a clear delineation of resources. The majority of Measure P expenses originate from Fund 101, aligning with its dedicated purpose. However, it's noteworthy that one exception exists, where a transfer to the General Fund 100 is made specifically for recruitment and retention purposes, emphasizing the strategic allocation of resources to address critical needs within the community.

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 City's annual independent audit. This report and the audit results are available to the public by visiting: <https://www.ridgecrest-ca.gov>.

PURPOSE OF THE CITIZEN'S OVERSIGHT COMMITTEE

Measure P was passed by voters in 2022 by majority ruling. As mandated by City of Ridgecrest Ordinance 22-06 Chapter 9, Article 86, this report serves as a crucial mechanism for ensuring accountability and adherence to the priorities outlined by the public.

The Committee regularly met every third Monday after the initial meeting in February 2024 to review and ensure that Fiscal Year 2023 Measure P expenditures were aligned with the City Council's commitments.

CITIZEN'S OVERSIGHT COMMITTEE MEMBERS

The three duties of the Committee are listed in Chapter 9, Article 3, Division 2, Section 9.83 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

The inaugural fiscal year 2022-2023 report underscores the commitment of the Measure P Citizen's Oversight Committee to transparently review and oversee the allocation of revenue generated by the Measure P sales tax. Moving forward, the Oversight Committee remains dedicated to its responsibilities outlined in the Ridgecrest Municipal Code, strives to uphold the trust placed in them by the community and to effectively contribute to the city's continued progress and well-being.

THE 2024 COMMITTEE MEMBERS ARE:

Holly Staab
Chair, Configuration and Data Manager

Bradley Patin
Vice Chair, Business Owner

Denise Gorman
Ranch Manager

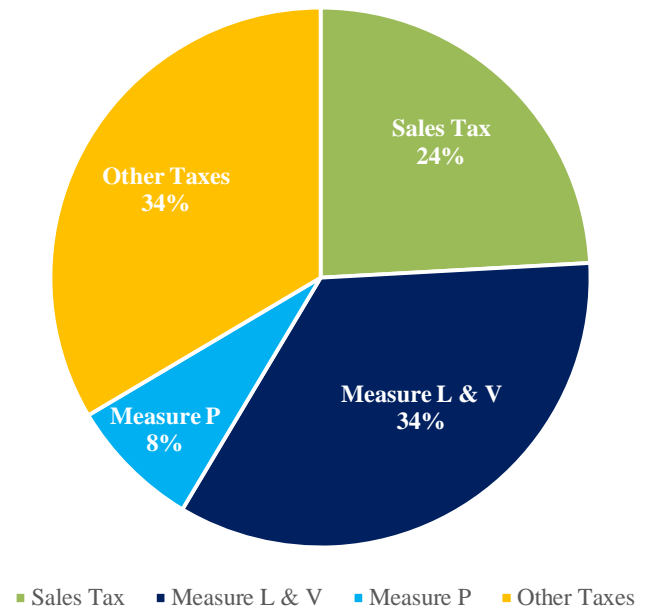
Elidia Dixon
Real Time Telemetry

Todd St. Laurent
Program Manager

EXECUTIVE SUMMARY FOR FISCAL YEAR 2023

Total Tax Revenue for Fiscal Year 2023	\$	19,599,223
Total From Sales Tax	\$	4,731,616
Total From Measure L & V	\$	6,741,842
Total From Measure P	\$	1,556,600
Other Taxes	\$	6,569,165

The Committee's expectation was that the Measure P funds would be spent, as promised, on the Fire Contract, City recruitment and retention, a new community pool, and economic development programs. Our findings are exactly that; the City of Ridgecrest's FY23 amended budget prudently applies Measure P funding toward delivery of promised services and initial pool design and engineering costs. The committee believes that monies generated from this measure will greatly contribute to a brighter future for the community by safeguarding essential services and infrastructure projects while fortifying Ridgecrest against the challenges posed by dwindling funding sources.



In effect over the final quarter of FY23, Measure P generated 8% of the City of Ridgecrest's tax revenue, and is already having a positive impact on funding of critical services including the design of a new community pool.

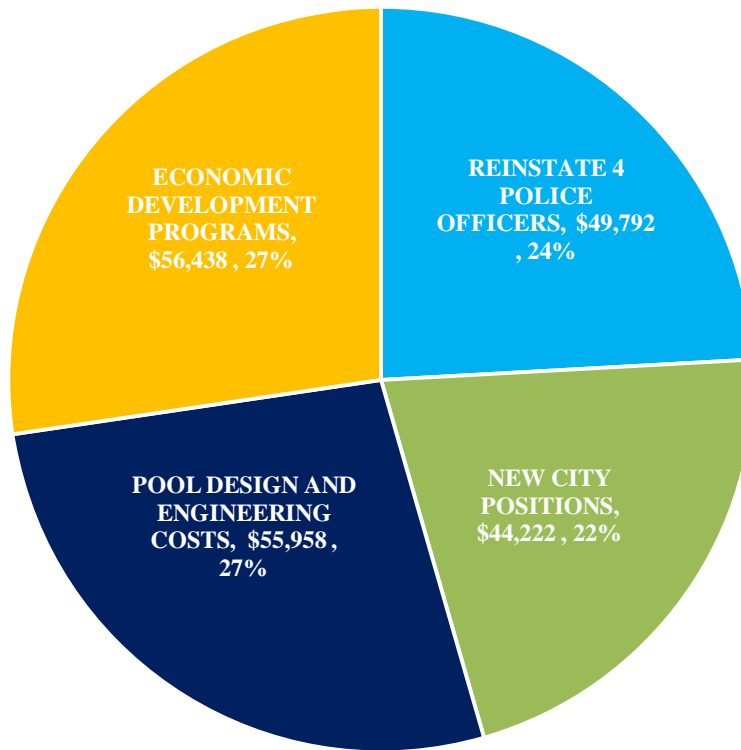
FINDINGS FOR FISCAL YEAR 2023

GENERAL

Measure P became effective on April 1, 2023, providing three months of revenue and corresponding expenses for FY23. During this period, \$1,556,600 was accrued in Measure P add-on sales taxes, along with \$4,516 in revenue from community events, totaling \$1,561,116 in overall Measure P revenue. While the City allocated \$808,951 for expenses, only \$206,411 was expended. Notably, the variance between budgeted and actual expenses primarily stems from deferred costs related to the fire service contract and the recruitment and retention transfer to the General Fund. In response to cash flow considerations, associated with Measure P implementation and collections over only the final quarter of FY23, the independent auditors recommended postponing these expenditures until FY24. Consequently, payments for both items will be reflected in FY24, despite their initial budgetary allocation in FY23.

1ST YEAR - 2022/2023	AMENDED BUDGET	ACTUAL AMOUNTS
REVENUES:		
Sales Tax - Measure P	\$ 1,475,000	\$ 1,556,600
Revenue - Community Events	\$ -	\$ 4,516
Total Revenues	\$ 1,475,000	\$ 1,561,116
EXPENDITURES:		
Fire Contract	\$ 415,183	\$ -
Reinstate 4 Police Officers	\$ 160,000	\$ 49,792
New City Positions	\$ -	\$ 44,222
Recruitment And Retention	\$ 105,000	\$ -
Pool Design And Engineering Costs	\$ 55,957	\$ 55,958
Pool Bond	\$ -	\$ -
Pool Operations And Maintenance	\$ -	\$ -
Economic Development Programs	\$ 72,811	\$ 56,438
Total Expenditures	\$ 808,951	\$ 206,411
Revenue Over Expenditure	\$ 666,049	\$ 1,354,705
AMOUNT TO CARRY OVER TO FY 2024		\$ 1,354,705

Fiscal Year 2023 Measure P Expenditures



Measure P was voted on by the Citizens of Ridgecrest to fund economic development programs, reinstate police officers, as well as recruit and retains new city positions and provide means for constructing and reopening a city pool. Expenditures in FY23 reflect the City's stewardship of funding to deliver upon Measure P provisions.

FIRE SERVICE CONTRACT COSTS

The City of Ridgecrest’s fire services contract with Kern County remains a critical aspect of the city's infrastructure and a key to public safety. With daily occurrences requiring simultaneous fire department responses to multiple residents, the necessity of robust fire protection services is evident. Thanks to Measure P funding, the City can sustain these services, keeping two fire stations operational, despite the contract costs going from \$415,183 to \$1,486,711 by FY28. With only three months of revenue collection in FY23, the FY23 fire contract costs of \$415,183 were temporarily covered by the General Fund in response to cash flow concerns, raised by auditors, and that amount will be reimbursed to the General Fund from Measure P in FY24.



REINSTATE POLICE OFFICER POSITIONS

Through the implementation of Measure P, Ridgecrest was able to restore four crucial police officer positions, that were cut during the budget of FY23 due to lack of sufficient funding. These positions facilitate swift and effective 911 emergency response times, bolstering public safety in our community. Complementing Measure V, which funds 18 positions within the police department, Measure P's support brings the total number of funded positions to 22. Despite the restoration of four police officer positions, the city's actual Measure P spending on this line item in FY23 amounted to only \$49,792 (\$110,208 less than the budgeted amount.) This expenditure reflects the initial phase of implementation. Considering this report reflects only three months of revenue available, and limitation on immediately filling these positions, underutilization of this category is not expected during FY24. The City exhibits a pragmatic approach to budgeting for and expending funds from Measure P, resulting in a good balance between responsible financial management and strengthening the police force to meet community needs.

NEW CITY POSITIONS

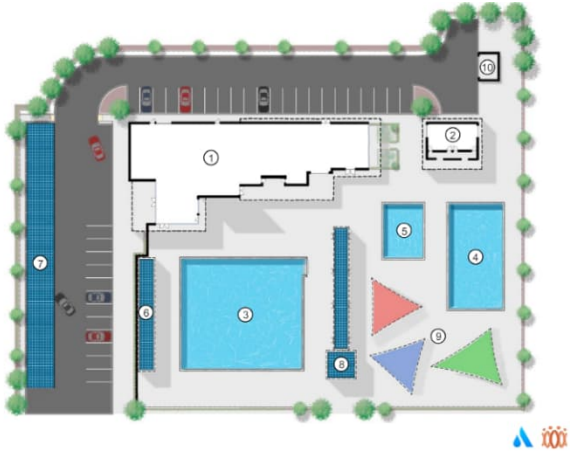
During FY23, Measure P funds facilitated creation of additional city positions including a police dispatcher, police records clerk, an additional human resources administrator, kennel attendant for the animal shelter, and a community event coordinator. Despite the limited timeframe of Measure P's implementation in FY23, the city allocated \$44,222 towards funding these vital roles.

RECRUITMENT AND RETENTION

Efforts to recruit and retain city service providers stand as a cornerstone in ensuring the seamless delivery of essential services upon which Ridgecrest residents depend. Measure P plays a pivotal role in supporting these endeavors, with just more than \$100,000 earmarked to bolster recruitment and retention initiatives in FY23. These funds were to facilitate adjustments to salary schedules and cover increases in medical insurance contributions. However, with only three months of revenue collection in FY23, the planned transfer from the Measure P fund to the General Fund for FY23 was deferred in accordance with auditor recommendations. As a result, the transfer for FY23 and FY24 will be consolidated and executed in FY24, underscoring the city's proactive approach to financial management while reaffirming its commitment to securing and retaining top-tier talent vital to the city's continued prosperity.

POOL DESIGN AND ENGINEERING COSTS

The allocation of Measure P funds towards design and engineering costs marks the initial step in realizing the community's aspiration for a new community pool, a significant priority identified through community surveys. These funds cover the initial start-up expenses necessary to begin the pool's construction process. In FY23, a total of \$55,958 was expended towards these crucial design and engineering activities.



POOL BOND

The allocation of Measure P funds towards securing a \$14 million bond over a ten-year term represents the second step towards realizing a new community pool in Ridgecrest. Although no Measure P funds were expended for the pool bond in FY23, the City continues to progress towards fulfilling this vision and expects to use FY24 revenues for this item.



POOL OPERATIONS AND MAINTENANCE

The allocation of Measure P funds for pool operations and maintenance represents the final step in establishing and sustaining a new community pool in Ridgecrest. As plans are set in motion for the construction and eventual opening of the pool, ensuring adequate resources for ongoing operations and maintenance becomes paramount. Although no Measure P funds were utilized for this purpose in FY23, future allocation of these funds is expected as a part of the city's commitment to not only construct, but to operate and maintain a high-quality recreational facility for the benefit of residents.

ECONOMIC DEVELOPMENT PROGRAMS

Economic development programs funded by Measure P play a pivotal role in fostering community engagement and stimulating growth in Ridgecrest. These programs, specifically geared towards supporting public outreach events in FY23, served as platforms for local businesses and residents to interact and thrive. Notably, events like "Night on Balsam" and "City Nights" stand out as successful endeavors that captured the community's spirit and enthusiasm. In FY23, a total of \$56,438 was allocated towards organizing and executing these events, which not only facilitated community cohesion but also generated \$4,516 in revenue. Through Measure P, Ridgecrest continues to demonstrate its commitment to nurturing a dynamic and prosperous local economy while fostering a strong sense of community among its residents.



A  NIGHT ON
BALSAM



CONCLUSION AND RECOMMENDATIONS

The FY23 report highlights the impactful utilization of Measure P funds towards addressing critical priorities identified by the Ridgecrest community. The Measure P Citizen's Oversight Committee finds that the City is transparent regarding all City revenue and expenditures and practices prudent financial management, effectively allocating resources, and safeguarding essential services. Despite the challenges, such as a short reporting period, deferred expenses, and cash flow concerns, City leaders' commitment to fiscal responsibility and adherence to community-driven priorities remain unwavering. As Ridgecrest continues its momentum to increased progress and prosperity, the influence of Measure P in fortifying the city against fiscal constraints and bolstering community well-being remains evident.

Building on the successes of the past fiscal year, it is recommended that Ridgecrest maintains transparency in their efficient utilization of Measure P funds. Continued collaboration between the Oversight Committee, city officials, and community stakeholders is essential to ensure alignment with community priorities and effective resource allocation. Additionally, measures should be taken to address any lingering challenges, such as budget adjustments, cash flow concerns and deferred expenses, in a proactive and strategic manner. As the city progresses towards the expiration of Measure P in 2032, ongoing evaluation and adaptation of sustainment strategies will be necessary to maximize the long-term impact of Measure P in enhancing the quality of life for Ridgecrest residents and fostering future growth and development.

The Bottom Line

The FY23 report highlights the pivotal role of Measure P in shaping Ridgecrest's future by addressing community priorities and fortifying essential services. With \$1.56 million in Measure P revenue collected, the city has made significant strides in areas such as fire protection, public safety, recreational development, and economic growth. Despite challenges like deferred expenses and cash flow concerns, the Oversight Committee's finds that the City of Ridgecrest's commitment to fiscal responsibility and transparency has ensured prudent resource allocation. Looking ahead, it is imperative to sustain this momentum by fostering continued collaboration, proactive management, and strategic adaptation of measures. By upholding the principles of accountability and community-driven decision-making, Ridgecrest can maximize the long-term impact of Measure P, ensuring a brighter future for all residents.