A G E N D A

REGULAR MEETING OF THE
GENERAL TAX OVERSIGHT COMMITTEE
(MEASURE S)

MONDAY, APRIL 18, 2022
4:30 P.M. VIA ZOOM

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

NOTICE
Pursuant to Government Code Section 54953, subdivision (b), and in accordance with the provisions of SB 361 (2021), the following General Tax and Oversight Committee includes participation via the application ZOOM.

THE CALIFORNIA DEPARTMENT OF PUBLIC HEALTH REQUIRES MASKING FOR ALL INDOOR PUBLIC SETTINGS. MEMBERS OF THE PUBLIC ARE REQUIRED TO WEAR FACE MASKS WHILE IN CITY FACILITIES, IF YOU DO NOT HAVE A FACE MASK, ONE WILL BE PROVIDED FOR YOU.

DUE TO CORONAVIRUS COVID-19, CITY HALL IS CLOSED TO THE PUBLIC IN THE EVENING. RESIDENTS MAY ATTEND THE MEETING VIA THE ZOOM APPLICATION.

ZOOM MEETING INFORMATION:
WEBSITE: https://zoom.us/join
MEETING ID: 876 4392 1953
CALL IN PHONE NUMBER: (707) 438-1720

REMOTE PUBLIC COMMENT IS AVAILABLE FOR THE GENERAL TRANSACTIONS AND USE TAX OVERSIGHT COMMITTEE MEETING BY EMAILING CLERK@suisun.com (PRIOR TO 12:00 NOON ON April 19, 2022) OR VIA WEBSITE OR THE ZOOM PHONE APPLICATION.
(If attending the meeting via phone press *9 to raise your hand and *6 to unmute/mute for public comment.)

ROLL CALL
Committee Members

PUBLIC COMMENT
(Oral participation from the audience is limited to 3 minutes to each speaker).

REPORTS: (Informational items only.)
1. City Manager Update – (Folsom: gfolsom@suisun.com).
GENERAL BUSINESS


3. General Tax Oversight (Measure S) Committee Annual Update - (Deol: ideol@suisun.com).
   a. Accept the Annual Update of the General Tax Oversight Committee on Fiscal Year (FY) 2020-21 Measure S Activity: and

4. Update on Measure S Financial Status for FY 2021-22 - (Deol: ideol@suisun.com).

5. Discuss FY 2022-23 Proposed Budget - (Deol: ideol@suisun.com).

6. Discussion of Future Agenda Items, Meeting Dates and Similar Administrative Matters – (Folsom: gfolsom@suisun.com).

REPORTS: (Informational items only.)

ADJOURNMENT

Agenda related writings or documents provided to a majority of the Committee less than 72 hours prior to a committee meeting will be made available for public inspection during normal business hours.
AGENDA TRANSMITTAL

MEETING DATE: April 18, 2022

COMMITTEE AGENDA ITEM: General Tax Oversight (Measure S) Committee Annual Update:
   a. Accept the Annual Update of the General Tax Oversight Committee on Fiscal Year (FY) 2020-21 Measure S Activity: and

FISCAL IMPACT: Acceptance of the audit does not have any fiscal impact.

BACKGROUND: On November 8, 2016, Suisun City voters approved ballot Measure S to enact Ordinance 742 that, among other actions, established a 1% Transactions and Use Tax for general use and created the General Tax Oversight Committee (the “Committee”) to provide transparency on the collection and expenditure of the tax. The City Council subsequently approved Resolution 2017-36 to set the guidelines and compensation for the Committee. City Code requires an annual independent audit of Measure S, and Council resolution tasks the Committee with reviewing the audit report.

STAFF REPORT: The City Code requires an annual independent audit of Measure S funds, and the Committee has to review and accept the audit report before it is adopted by the City Council. The audit report found no material discrepancies in the handling of Measure S funds, nor between the adopted budget intent and actual expenditures. The statement was prepared to present the revenue and expenditures pursuant to Measure S and Ordinance No. 742.

The Fiscal Year 2020-21 Budget expected $2.8 million in Measure S revenues. Actual receipts were approximately $3.2 million, or $358,774 more than expected. The total resources included a beginning balance of $3.5 million. The total available budgeted resources were $6.3 million.

The Fiscal Year 2020-21 Budget expected $5.8 million and the actual expenditures were $5.0 million. The actual expenditures were less than budgeted amount due to some personnel cost savings and few capital projects were not initiated or completed. Savings accrued in the hiring of staff were principally due to a lag between the anticipated date of hire and the actual date of hire.

Facility Repairs and Storm Channel Rehab projects were not done. The Public Safety Communication System and Business Management Phase I projects came out under budget. Overall, the FY 2020-21 Measure S ending balance of $1.7 million exceeded the budget estimate by $1.2 million.

RECOMMENDATION: The staff recommends that the Committee
   a. Accept the Annual Update of the General Tax Oversight Committee on Fiscal Year 2020-21 Measure S Activity: and
ATTACHMENTS:

2. Measure S Financial Analysis
## Measure S Sales & Use Transaction Tax

### Financial Analysis

<table>
<thead>
<tr>
<th>Resources</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amended</td>
<td>Actual</td>
<td>Proposed</td>
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<tr>
<td>Beginning Fund Balance</td>
<td>3,550,718</td>
<td>3,550,719</td>
<td>-</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>2,807,000</td>
<td>3,165,774</td>
<td>3,573,350</td>
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<tr>
<td>Interest Earnings</td>
<td>5,000</td>
<td>-</td>
<td>5,000</td>
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<tr>
<td><strong>Total Resources</strong></td>
<td>6,362,718</td>
<td>6,716,493</td>
<td>3,578,350</td>
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</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Police Department</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ongoing Expenditures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police Officer position (4)</td>
<td>120,116</td>
<td>596,685</td>
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<tr>
<td>Dispatch position (4)</td>
<td>80,000</td>
<td>40,000</td>
<td>423,443</td>
</tr>
<tr>
<td>Community Services Officer position (1)</td>
<td>80,000</td>
<td>40,000</td>
<td>116,249</td>
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<tr>
<td>Fire Department</td>
<td>1,120,400</td>
<td>1,301,447</td>
<td>225,749</td>
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<tr>
<td>Fire Marshal position (1)</td>
<td>85,000</td>
<td>20,000</td>
<td>195,291</td>
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<tr>
<td>Battalion Chief positions (3)</td>
<td>436,000</td>
<td>-</td>
<td>559,131</td>
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<tr>
<td>Fire Captain positions (3)</td>
<td>-</td>
<td>-</td>
<td>495,480</td>
</tr>
<tr>
<td>Computer Technician position (1)</td>
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<td>-</td>
<td>125,573</td>
</tr>
<tr>
<td>City Manager's Office</td>
<td>87,700</td>
<td>80,000</td>
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</tr>
<tr>
<td>Development Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Building &amp; Public Works</td>
<td>-</td>
<td>99,843</td>
<td>49,922</td>
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<tr>
<td>Recreation Department</td>
<td>76,400</td>
<td>76,400</td>
<td>-</td>
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<tr>
<td>Non-Departmental (General Support)</td>
<td>2,670,700</td>
<td>2,670,700</td>
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<tr>
<td><strong>Sub-total</strong></td>
<td>4,640,800</td>
<td>3,935,977</td>
<td>2,963,350</td>
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<tr>
<td><strong>One-time Expenditures</strong></td>
<td></td>
<td></td>
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<tr>
<td>2610 Fire Tablet Command</td>
<td>32,500</td>
<td>32,500</td>
<td>-</td>
</tr>
<tr>
<td>2610 Fire Cradle-point</td>
<td>32,400</td>
<td>32,400</td>
<td>-</td>
</tr>
<tr>
<td>2610 Fire Type - 5 Vehicle</td>
<td>480,000</td>
<td>356,309</td>
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<tr>
<td><strong>Sub-total</strong></td>
<td>-</td>
<td>544,900</td>
<td>421,209</td>
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<tr>
<td><strong>Capital Projects</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2610 Fire Bathroom Remodel</td>
<td>-</td>
<td>165,000</td>
<td>-</td>
</tr>
<tr>
<td>9906 Street Repair Program</td>
<td>10,300</td>
<td>-</td>
<td>340,000</td>
</tr>
<tr>
<td>9992 Public Safety Com. Sys.</td>
<td>385,000</td>
<td>324,657</td>
<td>225,000</td>
</tr>
<tr>
<td>7503 Sun Ridge Lease - Police</td>
<td>60,342</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>9924 Storm Drain Repairs</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>9991 Business Mgmt-Phase 1</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>6315 Storm Channel Rehab</td>
<td>250,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>9900 SR12 Clean CA Grant</td>
<td>510,200</td>
<td>215,000</td>
<td>-</td>
</tr>
<tr>
<td>Contingency</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>1,205,500</td>
<td>754,657</td>
<td>615,000</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>5,846,300</td>
<td>5,235,534</td>
<td>3,578,350</td>
</tr>
</tbody>
</table>

| Ending Balance                                 | 516,418     | 1,679,887  | -          |
CITY OF SUISUN CITY
CALIFORNIA

MEASURE S
GENERAL TRANSACTIONS AND
USE TAX AUDIT
(ORDINANCE NO. 742)

For the Year Ended June 30, 2021
*   *   *

Chavan & Associates, LLP
Certified Public Accountants
15105 Concord Circle, Suite 130
Morgan Hill, CA 95037
<table>
<thead>
<tr>
<th>TABLE OF CONTENTS</th>
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</thead>
<tbody>
<tr>
<td>PAGE NO.</td>
</tr>
<tr>
<td>INDEPENDENT AUDITOR’S REPORT .................................................................</td>
</tr>
<tr>
<td>STATEMENT OF REVENUES AND EXPENDITURES ..................................................</td>
</tr>
<tr>
<td>NOTES TO THE FINANCIAL STATEMENTS ..................................................................</td>
</tr>
<tr>
<td>INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS ..................................................................................</td>
</tr>
<tr>
<td>INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MEASURE S GENERAL TRANSACTIONS AND USE TAX IN ACCORDANCE WITH CITY ORDINANCE NO. 742 ..................................................................................</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR’S REPORT

To the Honorable Mayor and Members of the
City Council of the City of Suisun City
City of Suisun City, California

Report on the Financial Statements

We have audited the accompanying Measure S statement of revenues and expenditures of the City of Suisun City’s (the “City”), as of and for the year ended June 30, 2021, and the related notes to the financial statement, which comprises the Measure S statement of revenues and expenditures for the City.

Management’s Responsibility for the Financial Statements

The City’s management is responsible for the preparation and fair presentation of its financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City’s preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Measure S financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion

In our opinion, the Measure S financial statement referred to above presents fairly, in all material respects, the statement of revenues and expenditures of the City of Suisun City’s Measure S, as of June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Other Information

The accompanying statement was prepared to present the revenues and expenditures pursuant to Measure S and Ordinance No. 742 as described in the Notes and is not intended to be a complete presentation of the City’s revenues and expenditures. It does not purport to, and does not, fairly present the financial statements of the City as of June 30, 2021, and its changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 28, 2022, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City’s internal control over financial reporting and compliance.

C & A UP

March 28, 2022
Morgan Hill, California
**CITY OF SUISUN CITY**  
**CALIFORNIA**  
**MEASURE S GENERAL TRANSACTIONS AND USE TAX**  
**ORDINANCE NO. 742**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The notes to the financial statement are an integral part of this statement.

### REVENUES

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales &amp; Use Tax</td>
<td>$ 2,184,878</td>
<td>$ 2,807,000</td>
<td>$ 3,178,686</td>
<td>$ 371,686</td>
</tr>
<tr>
<td>Net Investment Income (Loss)</td>
<td>5,000</td>
<td>5,000</td>
<td>(12,912)</td>
<td>(17,912)</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 2,189,878</td>
<td>$ 2,812,000</td>
<td>$ 3,165,774</td>
<td>$ 353,774</td>
</tr>
</tbody>
</table>

### EXPENDITURES

**Ongoing Expenditures:**

- **Police Department:**
  - Police Department Staff: $590,900
  - Police Patrol Vehicle: $14,700
  - CAD/RMS Lease (7 Years): $60,000
  - Axon Body Worn Camera/Taser Lease: $20,000
  - **Total Ongoing Police Department Expenditures:** $685,600

- **Fire Department:**
  - Fire Department Staff: $1,018,400
  - Fire Training/Structure Fires: $80,000
  - Fire Turn-Outs (85,000/4 years): $22,000
  - **Total Ongoing Fire Department Expenditures:** $1,120,400

- **City Manager's Office:**
  - City Manager's Office Staff: $87,700

- **Recreation Department:**
  - Recreation Department Staff: $76,400

- **Non-Departmental:**
  - General Support: $2,670,700

- **Total Ongoing Expenditures:** $4,640,800

**Capital projects:**

- Sun Ridge(RIMS) Lease-Police: $60,342
- Storm Channel Rehab: $250,000
- Street Repair Program: $10,300
- Public Safety Communication System: $288,976
- Business Mgmt.-Phase 1: $36,188
- Contingency: $510,200

- **Total Capital Projects:** $1,205,500

**Total Expenditures:** $5,846,300

**Excess (Deficiency) of Revenues over Expenditures:** $(3,656,422)

**Measure S Balance Beginning:** $3,550,719

**Measure S Balance Ending:** $(105,703)

The notes to the financial statement are an integral part of this statement.
1. Description of Reporting Entity

The statement represents the revenues and expenditures for the Measure S General Transactions and use tax under Ordinance No. 742 of City of Suisun City (the “City”) for the year ended June 30, 2021. The accompanying statement of revenues and expenditures presents only the activities from the expenditure of Measure S taxes is not intended to present the financial position and result of operation of the City in conformity with accounting principles generally accepted in the United States of America.

2. Description of Measure S

Measure S is a 1% local tax applied to gross receipts of any retailer within the city and collected similarly to sales and use tax. It was passed by a majority of the voters in November of 2016 through City Ordinance No. 742.

3. Statement of Grant Revenues and Expenditures

The statement of revenues and expenditures presents the eligible costs charged to Measure S by the City and the revenues received from general transactions and use tax from the sale of tangible personal property at retail within the City.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the statement. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The City used the modified accrual basis of accounting. Revenues are recognized when collection of the amounts can be reasonably estimated to be received in the near future, typically 60 days after year end. Expenditures are generally recognized in the period in which goods and services are received or a liability is incurred.

5. Budgeting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end. The City submits requests for appropriations to the City Manager so that a budget may be prepared. The proposed budget is presented to the City Council for review. The Council holds public hearings and adopts a final budget.

The appropriated budget is prepared by fund, function, and department. The City Manager may make transfers of appropriations within a department. Transfers of appropriations between funds require the approval of the City Council. The legal level of budgetary control is the fund level.
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members of the
City Council of the City of Suisun City
City of Suisun City, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Measure S statement of revenues and expenditures of the City of Suisun City (the “City”) as of and for the year ended June 30, 2021, and the related notes to the Measure S financial statement, which comprises City’s Measure S statement of revenues and expenditures, and have issued our report thereon dated March 28, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the Measure S financial statement, we considered the City’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the Measure S financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City’s Measure S financial statement will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure S financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable statutes, rules and regulations of Measure S and City Ordinance No. 742, noncompliance with which could have a direct and material effect on the determination of Measure S financial statement amounts. Unless otherwise noted our separate compliance opinion related to Measure S, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 28, 2022
Morgan Hill, California
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO MEASURE S
GENERAL TRANSACTIONS AND USE TAX
IN ACCORDANCE WITH CITY ORDINANCE NO. 742

To the Honorable Mayor and Members of the
City Council of the City of Suisun City
City of Suisun City, California

Report in Compliance

We have audited the City of Suisun City’s (the City) compliance of the Measure S revenues and expenditures with the types of compliance requirements described in Measure S General Transactions and Use Tax and Ordinance No. 742, as of and for the fiscal year ended June 30, 2021.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws and regulations applicable to Measure S.

Auditor’s Responsibility

Our responsibility is to express an opinion on the City’s compliance with Measure S based on our audit in accordance with the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on Measure S revenues and expenditures occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on Measure S compliance. However, our audit does not provide a legal determination of the City’s compliance.

Opinion on Compliance with Measure S

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Measure S revenues and expenditures for the fiscal year ended June 30, 2021.
Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City’s internal control over compliance with the types of requirements that could have a direct and material effect on Measure S revenues and expenditures to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with Measure S General Transactions and Use Tax and Ordinance No. 742, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report is intended solely for the information and use of City Council and management and is not intended to be and should not be used by anyone other than these specified parties.

C & A UP

March 28, 2022
Morgan Hill, California
Measure S Committee Meeting
April 18, 2022

Agenda

- 2021-2022 Measure S Financial Status
- 2022-2023 Proposed Budget
- Next Meeting Dates/Future Agenda Items
- Questions/Comments
### Measure S Sales & Use Transaction Tax

#### Financial Analysis

<table>
<thead>
<tr>
<th>FY 2020-21</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>FY 2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>2,807,000</td>
<td>1,167,734</td>
<td>3,550,447</td>
<td>1,841,500</td>
<td>3,573,500</td>
</tr>
<tr>
<td>Interest Earnings</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
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<tr>
<td><strong>Total Resources</strong></td>
<td>6,362,718</td>
<td>6,716,493</td>
<td>5,235,554</td>
<td>5,231,413</td>
<td>5,278,500</td>
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<tr>
<td><strong>Expenditures</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Starting Expenditures</td>
<td>685,600</td>
<td>685,600</td>
<td>1,077,173</td>
<td>1,429,680</td>
<td>225,749</td>
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<tr>
<td>Police Department</td>
<td>1,120,400</td>
<td>1,120,400</td>
<td>1,301,447</td>
<td>1,428,891</td>
<td>225,749</td>
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<tr>
<td>Fire Department</td>
<td>89,000</td>
<td>29,000</td>
<td>80,000</td>
<td>40,000</td>
<td>49,500</td>
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<tr>
<td>City Manager's Office</td>
<td>87,700</td>
<td>87,700</td>
<td>80,000</td>
<td>40,000</td>
<td>25,573</td>
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<td>Other Budgeted Services</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Sub-total</td>
<td>4,640,800</td>
<td>4,640,800</td>
<td>5,915,977</td>
<td>3,146,780</td>
<td>2,963,350</td>
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**Financial Analysis**

**Measure S Sales & Use Transaction Tax**

#### Financial Analysis

<table>
<thead>
<tr>
<th>FY 2020-21</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>FY 2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Expenditures</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2630 Fire District</td>
<td>12,300</td>
<td>12,300</td>
<td>12,300</td>
<td>12,300</td>
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<tr>
<td>2630 Police</td>
<td>12,300</td>
<td>12,300</td>
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<td>12,300</td>
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<tr>
<td>2630 Fire Equipment</td>
<td>400,000</td>
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<td>359,200</td>
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<tr>
<td><strong>Sub-total</strong></td>
<td>414,900</td>
<td>414,900</td>
<td>414,900</td>
<td>359,200</td>
<td>-</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 2020-21</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>FY 2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital Projects</strong></td>
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</tr>
<tr>
<td>2630 Fire Equipment Renewal</td>
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<td>269,000</td>
<td>-</td>
<td>340,000</td>
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<tr>
<td>9936 Public Safety Control Sys</td>
<td>305,908</td>
<td>208,976</td>
<td>324,857</td>
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<td>225,000</td>
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<tr>
<td>7540 San Raffaele Fire</td>
<td>215,000</td>
<td>-</td>
<td>215,000</td>
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<tr>
<td><strong>Sub-total</strong></td>
<td>1,035,300</td>
<td>395,300</td>
<td>754,657</td>
<td>754,657</td>
<td>655,000</td>
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<table>
<thead>
<tr>
<th>FY 2020-21</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>FY 2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>5,066,300</td>
<td>5,056,600</td>
<td>5,235,554</td>
<td>5,121,417</td>
<td>5,175,500</td>
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</table>

<table>
<thead>
<tr>
<th>FY 2020-21</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>FY 2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ending Balance</strong></td>
<td>779,438</td>
<td>1,672,387</td>
<td>0</td>
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<td>-</td>
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</table>
Measure S Significant changes

Revenue increase (Online Shopping)  Street Improvements

New Positions  

Measure S Overview

Measure S to fund the following:
- Street Improvements  
  - $340,000
- Multiple positions  
  - $2,511,852
- Software agreement payment  
  - $275,000
- Transfer to GF  
  - $451,499
Measure S Funded Positions

- Police Officer (4)
- Fire Marshal
- Public Safety Dispatcher (4)
- Community Service Officer
- Battalion Chiefs (3)
- Fire Captains (3)
- Computer Technician

Total $2,511,852

Measure S Funded Positions – Proposed New Positions

- Computer Technician $125,573
- Public Safety Dispatcher (2) $194,638
- Fire Captains (3) $495,480
Next Meeting Dates/Future Agenda Items

- Two times a year
  - April - Fiscal Year Budget Prep
  - December/January - Mid-Year Update
- Future discussion items

Questions/Comments:

Thank you!