# Visalia Public Safety Sales Tax Measure Program Guidelines

This sales tax measure will provide a secure, local revenue stream to the City of Visalia that will be used entirely to provide additional police and fire personnel and services to protect our community. Visalian's deserve to know how the funds will be spent. Detailed spending plans have been developed so voters can have a clear understanding of how the monies will be spent if the 1/4¢ sales tax is approved. Program guidelines have also been established to govern how the money can be spent, to specify the accounting, audit and oversight guidelines that will be implemented to make certain that the funds are spent according to the voter's direction, and to ensure the public is well-informed of the progress and process.

### Fiscal Accountability Protections

An Independent Auditor will annually review and audit expenditures of funds specifically derived from the Public Safety Measure, to ensure compliance with the expenditure plans and with prudent, established accounting regulations and practices. The results will be part of the City's annual audit.

The City will utilize the existing Citizens Advisory Committee to provide an oversight function - to at least annually review revenues and expenditures, providing a second independent verification that all expenditures are being made as promised to Visalia residents. The findings of both the Citizen's Advisory Committee and the Independent Auditor will be reviewed by the City Council and made available to the public.

Each June, as the City's budget is adopted following public hearings, the City Manager will recertify the plan to the City Council, stating what monies have been received, what monies have been spent and what monies are available. The financial consequences of these changes will be reflected in the recertified plan. The City Manager will also certify that the monies have not been used for purposes other than Public Safety.

On the first City Council meeting in January, 2013, followed by the first meeting in January 2021 and every 8 years thereafter, the City Council will hold a public hearing to review the progress on the Public Safety plan and the continuing need for the sales tax. Public comments will be taken and the Council will consider the appropriateness of the sales tax. To continue the sales tax, 4/5ths of the Council must affirm the tax.

If the Council fails to affirm the tax, all operating expenditures for the tax will discontinue within 90 days of the action and the tax will discontinue as soon as enough resources have been accumulated to satisfy any outstanding indebtedness.

## **Dedicated Accounting Structure**

This Expenditure Plan specifies that all revenues from the Measure are to be utilized for the sole purpose of improving our community's public safety, with the revenue to be directed to the police and fire departments respectively, in the proportions of 40% to Fire and 60% to Police. These proportions were mutually agreed upon based upon the historical budgetary funding proportions of the two departments.

The City will establish separate funds into which these specific monies shall be deposited. These accounts shall be separate for police and for fire and shall be the source of their respective expenditures as established in the approved expenditure plans. Any balances in these funds, positive or negative, shall earn or pay interest accordingly.

Based on public safety needs and unique circumstances, the City may opt to advance funds from the City's General Fund into the individual police and fire accounts in order to most effectively accomplish the objectives of the program. If this is done, any advanced funds must be reimbursed to the City's General Fund within twenty-four (24) months of the date of the advance. To ensure the highest level of fiscal accounting, funds may not be shifted or loaned between the separate police and fire accounts.

The City Council will not use public safety revenue measure funds to replace General Fund dollars budgeted for normal operations at the previous year's service levels. In the event of an economic emergency, the City Council may only alter this provision by a supermajority (4/5<sup>th</sup>) vote.

### **Economic Uncertainty Fund**

Because the ¼ cent sales tax is used for essential services that are needed during both good and bad economic times, the City Council will establish a contingency/reserve fund adequate to assure that services are maintained in the event sales tax revenues decline.

A contingency/reserve account will be established as follows: A contingency/reserve fund containing twenty-five (25) percent of the annually budgeted revenues will be established. In any given year when the reserve fund holds less than the required twenty-five (25) percent of annual revenues, the first use of funds will be to implement the plan's current year program and then establish the contingency/reserve fund in the first year and add to it in the following years.

In the event that actual revenues in any given year are less than budgeted revenues, the City Council may use the reserve fund to make up the difference between budgeted revenues and actual revenues.

### Priorities if additional revenues are available

In the event that the contingency/reserve is fully funded and all annual planned expenditures have been implemented, the use of the additional unanticipated sales tax revenues will be used first to accelerate the implementation of the plan and then to provide additional public safety facilities, personnel, and equipment based upon the specific needs of the community.