



REPORT TO MEASURE Z CITIZEN COMMITTEE

To: Honorable Members of the Committee

From: Jason Simpson, City Manager

Prepared by: Brendan Rafferty, Fiscal Officer

Date: May 4, 2022

Subject: Fiscal Year 2022-23 Measure Z Budget Spending Plan

Recommendation

Review and approve the Fiscal Year 2022-23 Measure Z Budget Spending Plan.

Background

On November 3, 2020, residents of the City of Lake Elsinore voted in favor of Measure Z, a locally controlled one-cent, or one percent, transaction and use tax to generate unrestricted general fund dollars to address City service, public safety, and local recovery needs. Measure Z will soon be formally codified in Chapter 3.30 of the Lake Elsinore Municipal Code, which is available online on the City's website.

The Measure Z Citizen Committee's primary role is to independently review and provide advice and guidance concerning the expenditure of Measure Z revenues. The Committee is tasked with a meeting, in a public forum, at least twice each calendar year to discharge the responsibilities of the Committee. Specifically, the Committee must annually review and report on the City's proposed and actual expenditure of proceeds generated by the transactions and use tax along with reviewing the independent annual audit of those revenues and expenditures prepared by a Certified Public Accounting firm. The Committee's report shall then be submitted to the City Council for review and discussion at a public meeting of the City Council.

Discussion

Before the passage of Measure Z, the City engaged residents and businesses as part of its Let's Talk Lake Elsinore campaign to identify the community's needs. Based on this effort and ongoing community opinion surveys, residents identified the following spending priorities:

- Preparing for any public health or catastrophic emergency
- Having adequate 911 emergency capacity
- Continuing to address homelessness and supporting residents and families in transition
- Improving fire protection and paramedic services
- Keeping public areas safe, healthy, and clean
- Continuing law enforcement services, including effectively staffed neighborhood patrols

- Supporting residents and local businesses through our local recovery

The City has identified Measure Z projects for the Fiscal Year 2022-23 as outlined in the attached Measure Z Budget Spending Plan based on the priorities identified by the community. As shown, staff estimated the City will have approximately \$17.3 million in Measure Z funds for the Fiscal Year 2022-23. This amount includes fund balance, revenues, and investment earnings.

Incorporating suggestions made by the Measure Z Citizen Committee at the February 24th, 2022 meeting, staff is recommending allocating Measure Z funding to each of the following areas:

DESCRIPTION	FY2022-23	
	AMOUNT	% SHARE
Police Services	\$ 1,720,146	9.92%
Fire Services	1,994,300	11.51%
Animal Control	174,000	1.00%
Road and Infrastructure Improvements/Maintenance	11,833,936	68.28%
Homeless Services	1,609,684	9.29%
	<u>\$ 17,332,066</u>	<u>100.00%</u>

While the City has made great strides toward maintaining our streets and roads in recent years, many of our local streets have not been repaired or resurfaced in more than 20 years. A significant number of projects have been included to address the community's desires to pave roads, fix potholes and repave our streets while also completing deferred maintenance in the City's parks and other City facilities. The improvements planned this year include Cambern Avenue widening, Central Avenue and Dexter Avenue traffic modifications, and a traffic light at Dexter Avenue and 3rd Street.

In addition, funding has been included to help keep Lake Elsinore healthy, safe, clean, and well maintained by adequately addressing homelessness, resolving public safety issues throughout the City, and supporting the community through the pandemic.

The Committee's report of its review of the proposed budget spending plan is needed before the City Council's meeting on June 14, 2022. City Staff will be presenting the proposed FY2022-23 Measure Z spending plan to the City Council including comments from the Committee as part of the overall budget.

Fiscal Impact

The proposed expenditures as outlined in the Fiscal Year 2022-23 Measure Z Budget Spending Plan will be adopted by the City Council as part of the Fiscal Year 2022-23 Annual Operating Budget.

Exhibits

A – Fiscal Year 2022-23 Measure Z Budget Spending Plan