

MEASURE X CITIZEN OVERSIGHT COMMITTEE REGULAR MEETING AGENDA

TELECONFERENCE LOCATION:
InterContinental Hotel

Committee Member Michele Martinez will attend this meeting of the Committee via teleconference from the InterContinental Hotel lobby located at 100 Chopin Plaza, Miami FL 33131.

JUNE 19, 2019

**Room 1600
20 Civic Center Plaza
Santa Ana, CA
6:00 PM**



**Vacant
Chair**

Michele Martinez
Committee Member - Ward 1

Alonzo Lugo
Committee Member - Ward 3

Christopher Leo
Committee Member - Ward 5

Abigail Landaverde
Committee Member - Ward 2

Vacant
Committee Member - Ward 4

Keith Carpenter
Committee Member - Ward 6

Vacant
City-Wide Member

Kathryn Downs
Executive Director
Finance & Management Services Agency (FMSA)

Sergio Vidal
Assistant Director
FMSA

Kristin Andrade
Recording Secretary
FMSA

If you need special assistance to participate in this meeting, please contact Michael Ortiz, City ADA Program Coordinator, at (714) 647-5624. Please call prior to the meeting date, to allow the City enough time to make reasonable arrangements for accessibility to this meeting. [Americans with Disabilities Act, Title II, 28 CFR 35.102]

MEASURE X CITIZEN OVERSIGHT COMMITTEE MEETING INFORMATION

Five-Year Strategic Plan (2014-2019)

Detailed information at: <http://www.santa-ana.org/strategic-planning/>

Vision, Mission and Guiding Principles - The City of Santa Ana is committed to achieving a shared vision for the organization and its community. The vision, mission and guiding principles (values) are the result of a thoughtful and inclusive process designed to set the City and organization on a course that meets the challenges of today and tomorrow.

Vision - The dynamic center of Orange County which is acclaimed for our: •Investment in youth •Safe and healthy community
•Neighborhood pride •Thriving economic climate •Enriched and diverse culture •Quality government services

Mission - To deliver efficient public services in partnership with our community which ensures public safety, a prosperous economic environment, opportunities for our youth, and a high quality of life for residents.”

Guiding Principles

•Collaboration •Efficiency •Equity •Excellence •Fiscal Responsibility •Innovation •Transparency

Strategic Plan Goals/Objectives/Strategies:

- Goal 1 - Community Safety
- Goal 2 - Youth, Education, Recreation
- Goal 3 - Economic Development
- Goal 4 - City Financial Stability
- Goal 5 - Community Health, Livability, Engagement & Sustainability
- Goal 6 - Community Facilities & Infrastructure
- Goal 7 - Team Santa Ana

CODE OF ETHICS AND CONDUCT - The people of the City of Santa Ana, at an election held on February 5, 2008, approved an amendment to the City Charter of the City of Santa Ana which established the Code of Ethics and Conduct for elected officials and members of appointed boards, Committees, and committees to assure public confidence. A copy of the City's Code can be found on the Clerk of the Council's webpage.

The following are the core values expressed: *Integrity · Honesty · Responsibility · Fairness · Accountability · Respect · Efficiency*

AGENDA DESCRIPTION - The agenda descriptions provide the public with a general summary of the items of business to be considered by the Committee. The Committee is not limited in any way by the “Recommended Action” and may take any action which the Committee deems to be appropriate on an agenda item. *Except as otherwise provided by law, no action shall be taken on any item not listed on the agenda.*

AGENDA & MINUTES - Staff reports and documents relating to each agenda item are on file in the office of the Finance and Management Services Agency and are available for public inspection during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Thursday and alternate Fridays. Finance and Management Services Agency is located in City Hall, 20 Civic Center Plaza, 3rd Floor, Santa Ana, California, and (714) 647-5420. Committee meeting agendas for regular meetings, staff reports, and minutes are available 72 hours before a Committee meeting and 24 hours for Special Meetings at the following website address: www.santa-ana.org;

PUBLIC COMMENT - Pursuant to Government Code Sec. 54954.3, the public may address the Committee on any and all matters within the Committee's jurisdiction. To speak, please register by submitting a completed “Request to Speak” form to the Committee Secretary. Speaker forms will be available at the meeting.

To speak on an item on the Agenda, enter the Agenda item number on your speaker form. The Chairperson will call your name when the Agenda item is considered.

To speak on an item not on the Agenda, check the public comments box on your speaker form. The Chairperson will call your name during the Public Comments portion of the meeting.

When speaking, please state your name and address. Limit your remarks to three (3) minutes. The number of speakers and allotted time may be limited at the discretion of the Chairperson.

CONSENT CALENDAR - All matters listed under the consent calendar are considered to be routine by the Committee and will be enacted by one motion without discussion. A member of the Committee may “pull” any item from the consent calendar for a separate vote.

SENATE BILL 343 - As required by Senate Bill 343, any non-confidential writings or documents provided to a majority of the Committee members regarding any item on this agenda will be made available for public inspection in the office of the Finance and Management Services Agency during normal business hours.

TRANSLATION SERVICES - For translation services in other languages, contact Kristin Andrade, Recording Secretary, at 714-647-6960 no later than 48 hours prior to the scheduled meeting.

**CITY OF SANTA ANA
MEASURE X CITIZEN OVERSIGHT COMMITTEE
REGULAR MEETING AGENDA**

JUNE 19, 2019

6:00 PM

CALL TO ORDER

VACANT, Chair

Committee Members: CARPENTER,
LANDAVERDE, LEO, LUGO, MARTINEZ

Executive Director, Assistant Director, Recording
Secretary

PLEDGE OF ALLEGIANCE

ROLL CALL

Recording Secretary

PUBLIC COMMENTS - Persons wishing to speak regarding the Consent Calendar Items should file a "Request to Speak" form with the Recording Secretary. Member of the public will be allotted 3 minutes to speak, unless additional time is granted by the Chairperson. **REQUESTS TO SPEAK SHALL NOT BE ACCEPTED AFTER THE PUBLIC COMMENT SESSION BEGINS WITHOUT PERMISSION OF THE PRESIDING CHAIR.**

Agendas will be posted at the teleconference location and the teleconference location will conduct the meetings in a manner that protects the rights of any party or member of the public appearing before the Committee.

CONSENT CALENDAR ITEMS

RECOMMENDED ACTION: Approve staff recommendations for Consent Calendar Item 1.

1. EXCUSED ABSENCES

RECOMMENDED ACTION: Excuse absent Committee member(s): Martinez

***** END OF CONSENT CALENDAR *****

BUSINESS CALENDAR ITEMS

2. COMMITTEE MEMBER INTRODUCTIONS

RECOMMENDED ACTION: Each Member introduce themselves to the Committee.

3. ELECTION OF THE CHAIRPERSON AND VICE-CHAIRPERSON FOR 2019-2020

RECOMMENDED ACTION: Elect a Chairperson and Vice-Chairperson for fiscal year 2019-2020.

4. REVIEW CALIFORNIA BROWN ACT REQUIREMENTS {STRATEGIC PLAN GOAL NO. 5, OBJECTIVE NO. 1}

RECOMMENDED ACTION: Receive and file a brief overview of state open meetings law.

5. REVIEW INTRODUCTION TO BUDGET AND SALES TAX {STRATEGIC PLAN GOAL NO. 4, OBJECTIVE NO. 3}

RECOMMENDED ACTION: Receive and file.

6. REVIEW OVERVIEW OF MEASURE X IMPLEMENTATION {STRATEGIC PLAN GOAL NO. 4, OBJECTIVE NO. 3}

RECOMMENDED ACTION: Receive and file.

7. REVIEW EXPECTED MEASURE X ALIGNED SPENDING {STRATEGIC PLAN GOAL NO. 4, OBJECTIVES NO. 1 & 3}

RECOMMENDED ACTION: Receive and file.

*** END OF BUSINESS CALENDAR ***

COMMENTS

8. PUBLIC COMMENTS (Non-agenda items)

AT THIS TIME the members of the public may address the Committee members regarding any non-agenda items within the subject matter jurisdiction of the Committee. NO action may be taken on non-agenda items unless authorized by law.

Pursuant to California Government Code section 54953(b)(3), any member of the public wishing to address the legislative body directly pursuant to California Government Code section 54954.3 may do so at each teleconference location at the time the item is considered.

9. STAFF MEMBER COMMENTS

AT THIS TIME City staff members may address the Committee members regarding any non-agenda items within the subject matter jurisdiction of the Committee. NO action may be taken on non-agenda items unless authorized by law.

10. COMMITTEE MEMBER COMMENTS

AT THIS TIME the Committee members may comment on non-agenda matters and ask questions of or give directions to staff. NO action may be taken on non-agenda items unless authorized by law.

ADJOURNMENT The next regular meeting of the Measure X Citizen Oversight Committee is scheduled for September 11, 2019, at 6:00 PM in Room 1600, 20 Civic Center Plaza, Santa Ana, CA.

NEWS

GDP: Grew 2.6% in 2018Q4; 3.4% in 2018Q3; and 4.2% in 2018Q2. Consumer spending was robust due to a strong job market, tax cuts and household income gains. Business investment, after faltering in the third quarter, bounced back in final three months of the year.

The California Department of Tax and Fee Administration announced that it will require out-of-state retailers to collect and remit use tax beginning on April 1, 2019 if in the preceding or current calendar year their sales into California exceed \$100,000, or 200 or more separate transactions.

Real Estate Sales in California: Statewide sales of existing, single-family homes in January 2019 totaled 357,730, down 3.9% from December and down 12.6% from January 2018. The 30-year, fixed-mortgage interest rate averaged 4.46% in January, up from 4.03% in January 2018 (Freddie Mac).

Top 25 Sales Tax Generators

7-ELEVEN FOOD STORES	GUARANTY CHEVROLET	ROGER DUNN GOLF SHOPS
ARCO AM/PM MINI MARTS	HD SUPPLY CONSTRUCTION SUPPLY	ROSS STORES
BUILDERS SURPLUS	HOME DEPOT	SAF-T-CO SUPPLY
CALIFORNIA MOTORS DIRECT	IPC (USA)	TARGET STORES
CHEVRON SERVICE STATIONS	MACY'S DEPARTMENT STORE	VOLKSWAGEN SOUTH COAST
CREVIER BMW/CREVIER MINI	MAIN ELECTRIC SUPPLY CO.	WAL MART SUPERCENTER
FINANCIAL SERVICES VEHICLE TRUST	MCDONALD'S RESTAURANTS	WAXIE CORPORATION
FREEWAY HONDA	NORTHGATE MARKET	XEROX CORPORATION
G & M OIL COMPANY		

Business Activity

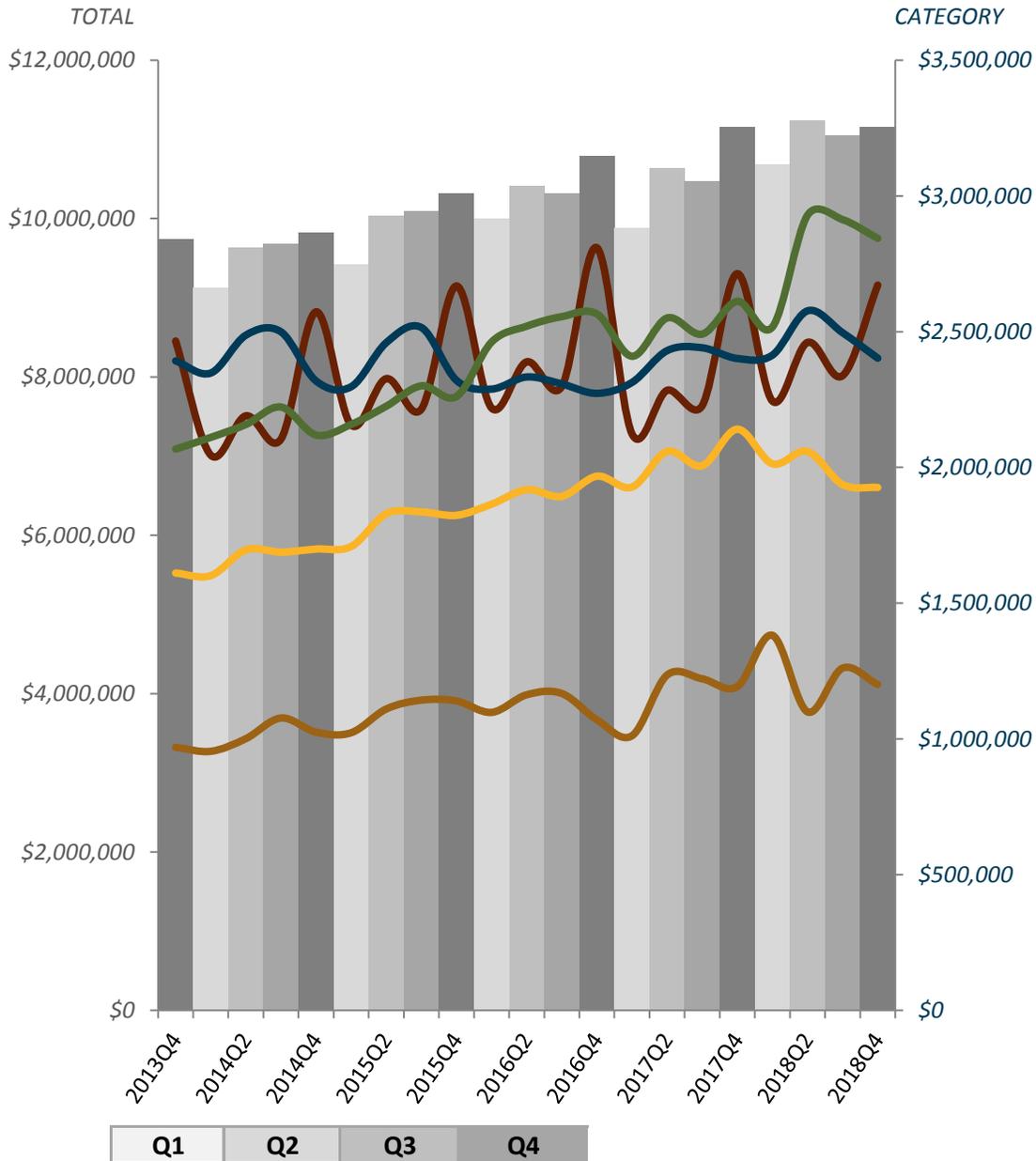
	Quarter over Quarter			Year over Year		
	Santa Ana	South Coast	California	Santa Ana	South Coast	California
TOTAL	-0.1%	-1.4%	-0.6%	4.7%	3.4%	3.9%
GENERAL RETAIL	-1.6%	-0.9%	-0.2%	3.9%	1.7%	1.9%
FOOD PRODUCTS	-10.0%	-5.3%	-4.0%	-2.4%	2.6%	2.3%
TRANSPORTATION	0.0%	3.9%	3.4%	3.2%	4.2%	5.1%
CONSTRUCTION	0.7%	-6.1%	-1.5%	6.0%	8.5%	10.8%
BUSINESS TO BUSINESS	8.9%	-2.2%	-2.4%	11.3%	3.3%	3.0%
Restaurants	-6.8%	-2.0%	-2.0%	-2.3%	2.1%	2.0%
Auto Sales - New	-0.8%	6.6%	4.8%	5.1%	2.5%	3.7%
Service Stations	12.6%	5.3%	5.2%	12.3%	10.3%	11.1%
Bldg.Matis-Whsle	5.5%	0.2%	3.7%	3.8%	7.0%	9.5%
Heavy Industry	-3.4%	3.9%	2.2%	-0.9%	5.4%	4.8%
Miscellaneous Retail	-8.9%	-2.6%	-3.3%	-2.3%	1.3%	1.8%
Department Stores	-1.2%	1.3%	4.1%	1.0%	1.2%	1.9%
Food Markets	-17.0%	-17.3%	-11.1%	-2.7%	4.6%	3.8%
Apparel Stores	-4.3%	-1.2%	-2.1%	-1.1%	1.8%	1.1%
Light Industry	7.6%	-2.9%	-1.4%	3.4%	1.1%	1.4%
Electronic Equipment	23.1%	13.7%	0.1%	20.5%	7.7%	0.0%
Bldg.Matis-Retail	-7.4%	-15.2%	-8.9%	9.9%	10.6%	12.6%
Leasing	0.9%	-5.7%	-3.1%	11.5%	4.3%	5.7%
Auto Parts/Repair	-11.2%	-4.4%	-3.0%	-9.5%	-1.6%	-1.6%

SANTA ANA: Sales Tax Performance Analysis by Quarter

TOTAL

Confidential

Economic



TOTAL				
2018Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$11,153,552	-0.1%	-\$6,890	4.7%	\$1,964,211

GENERAL RETAIL				
2018Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$2,671,494	-1.6%	-\$42,339	3.9%	\$365,390
% of 2018Q4 Total:		24.0%		

FOOD PRODUCTS				
2018Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$1,926,043	-10.0%	-\$214,805	-2.4%	-\$198,652
% of Total:		17.3%		

TRANSPORTATION				
2018Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$2,402,382	0.0%	\$1,117	3.2%	\$303,818
% of Total:		21.5%		

CONSTRUCTION				
2018Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$1,200,525	0.7%	\$7,927	6.0%	\$281,437
% of Total:		10.8%		

BUSINESS TO BUSINESS				
2018Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$2,843,669	8.9%	\$231,744	11.3%	\$1,139,852
% of Total:		25.5%		

QoQ = 18Q4 / 17Q4

YoY = YE 18Q4 / YE 17Q4

30020 City of Santa Ana				Sales	QoQ	Aug FY	Payments	Amounts	Cash Received
Sales	Allocation	Received	Description	Allocations	Quarter Total	Change	Received	Received	Quarter Total
Jun '16	Aug '16	Sep '16	Clean-up	2,631,102	12,878,702	51.0%			2016Q3
Jul '16	Aug '16	Sep '16	1st Advance	3,041,900			Sep '16	5,673,002	12,846,302
Aug '16	Sep '16	Oct '16	2nd Advance	3,041,900			Oct '16	3,041,900	
Sep '16	Oct '16	Nov '16	3rd Advance	4,055,700	2016Q3		Nov '16	4,055,700	
Sep '16	Nov '16	Dec '16	Clean-up	1,558,851	11,698,352	40.1%			2016Q4
Oct '16	Nov '16	Dec '16	1st Advance	3,229,900			Dec '16	4,788,751	11,886,351
Nov '16	Dec '16	Jan '17	2nd Advance	3,229,900			Jan '17	3,229,900	
Dec '16	Jan '17	Feb '17	3rd Advance	4,306,500	2016Q4		Feb '17	4,306,500	
Dec '16	Feb '17	Mar '17	Clean-up	1,325,006	12,091,305	39.0%			2017Q1
Jan '17	Feb '17	Mar '17	1st Advance	2,992,100			Mar '17	4,317,106	11,853,506
Feb '17	Mar '17	Apr '17	2nd Advance	2,992,100			Apr '17	2,992,100	
Mar '17	Apr '17	May '17	3rd Advance	3,989,500	2017Q1		May '17	3,989,500	
Mar '17	May '17	Jun '17	Clean-up	990,246	10,963,946				2017Q2
Apr '17	May '17	Jun '17	1st Advance	3,437,500			Jun '17	4,427,746	11,409,346
May '17	Jun '17	Jul '17	2nd Advance	3,293,100			Jul '17	3,293,100	
Jun '17	Jul '17	Aug '17	3rd Advance	4,583,400	2017Q2		Aug '17	4,583,400	
Jun '17	Aug '17	Sep '17	Clean-up	444,476	11,758,476	-8.7%			2017Q3
Jul '17	Aug '17	Sep '17	1st Advance	3,192,500			Sep '17	3,636,976	11,513,476
Aug '17	Sep '17	Oct '17	2nd Advance	3,192,500			Oct '17	3,192,500	
Sep '17	Oct '17	Nov '17	3rd Advance	4,033,900	2017Q3		Nov '17	4,033,900	
Sep '17	Nov '17	Dec '17	Clean-up	1,292,771	11,711,672	0.1%			2017Q4
Oct '17	Nov '17	Dec '17	1st Advance	3,342,800			Dec '17	4,635,571	11,861,971
Nov '17	Dec '17	Jan '18	2nd Advance	3,342,800			Jan '18	3,342,800	
Dec '17	Jan '18	Feb '18	3rd Advance	4,457,000	2017Q4		Feb '18	4,457,000	
Dec '17	Feb '18	Mar '18	Clean-up	1,309,471	12,452,072	3.0%			2018Q1
Jan '18	Feb '18	Mar '18	1st Advance	3,038,000			Mar '18	4,347,471	12,147,271
Feb '18	Mar '18	Apr '18	2nd Advance	3,038,000	2018Q1		Apr '18	3,038,000	
Mar '18	Apr '18	May '18	Clean-up	4,503,369	10,579,368	-3.5%			2018Q2
Apr '18	May '18	Jun '18	1st Advance	3,710,703			Jun '18	3,710,703	11,252,072
May '18	Jun '18	Jul '18	2nd Advance	3,865,251	2018Q2		Jul '18	3,865,251	
Jun '18	Jul '18	Aug '18	Clean-Up	3,180,085	10,756,038	-8.5%			FY 2017-2018 45,943,626
							Aug '18	3,180,085	

30020 City of Santa Ana				Sales	QoQ	Aug FY	Payments	Amounts	Cash Received
Sales	Allocation	Received	Description	Allocations	Quarter Total	Change	Received	Received	Quarter Total
		Aug '18	CDTFA Missing	476,300	Aug '18 CDTFA "Advance on Missing Payments" (June)			476,300	2018Q3
Jul '18	Aug '18	Sep '18	1st Advance	3,981,457			Sep '18	3,981,457	11,503,093
Aug '18	Sep '18	Oct '18	2nd Advance	5,093,104	2018Q3		Oct '18	5,093,104	
Sep '18	Oct '18	Nov '18	Clean-Up	5,303,425	14,854,287	26.8%	Nov '18	5,303,426	
									2018Q4
Oct '18	Nov '18	Dec '18	1st Advance	4,298,187			Dec '18	4,298,187	14,694,717
Nov '18	Dec '18	Jan '19	2nd Advance	3,942,090	2018Q4		Jan '19	3,942,090	
Dec '18	Jan '19	Feb '19	Clean-Up	4,893,387	13,133,664	5.5%	Feb '19	4,893,387	
									2019Q1
Jan '19	Feb '19	Mar '19	1st Advance	3,962,200			Mar '19	3,962,200	12,797,677
Feb '19	Mar '19	Apr '19	2nd Advance	3,155,900	2019Q1		Apr '19	3,155,900	
Mar '19	Apr '19	May '19	Clean-Up	4,570,368	11,688,468	10.5%	May '19	4,570,368	
									2019Q2
Apr '19	May '19	Jun '19	1st Advance	3,381,800			Jun '19	3,381,800	11,108,068
May '19	Jun '19	Jul '19	2nd Advance	3,381,800	2019Q2		Jul '19	3,381,800	
Jun '19	Jul '19	Aug '19	Clean-Up	5,761,463	12,525,063	16.4%	Aug '19	5,761,463	
									2019Q3
Jul '19	Aug '19	Sep '19	1st Advance	3,537,100			Sep '19	3,537,100	12,680,363
Aug '19	Sep '19	Oct '19	2nd Advance	3,537,100	2019Q3		Oct '19	3,537,100	
Sep '19	Oct '19	Nov '19	Clean-Up	6,026,142	13,100,342	-11.8%	Nov '19	6,026,142	
									2019Q4
Oct '19	Nov '19	Dec '19	1st Advance	3,507,000			Dec '19	3,507,000	13,070,242
Nov '19	Dec '19	Jan '20	2nd Advance	3,507,000	2019Q4		Jan '20	3,507,000	
Dec '19	Jan '20	Feb '20	Clean-Up	5,974,862	12,988,862	-1.1%	Feb '20	5,974,862	
									2020Q1
Jan '20	Feb '20	Mar '20	1st Advance	3,354,300			Mar '20	3,354,300	12,836,162
Feb '20	Mar '20	Apr '20	2nd Advance	3,354,300	2020Q1		Apr '20	3,354,300	
Mar '20	Apr '20	May '20	Clean-Up	5,714,622	12,423,222	6.3%	May '20	5,714,622	
									2020Q2
Apr '20	May '20	Jun '20	1st Advance	3,509,300			Jun '20	3,509,300	12,578,222
May '20	Jun '20	Jul '20	2nd Advance	3,509,300	2020Q2		Jul '20	3,509,300	
Jun '20	Jul '20	Aug '20	Clean-Up	5,978,834	12,997,434	3.8%	Aug '20	5,978,834	
									FY 2018-2019
									52,201,482
									FY 2019-2020
									51,509,861

2019 DISBURSEMENT CALENDAR

EFT / WARRANT PAYMENTS					
CALENDAR QUARTER	RETURN PERIOD	RETURN DUE DATE	DISBURSEMENT PERIOD	STATEMENT RELEASE DATE	WARRANT EFT DATE*
4Q 2018	OCTOBER 2018	11/30/2018	DECEMBER 2018 (1ST ADVANCE)	12/19/2018	12/24/2018
	NOVEMBER 2018	12/31/2018	JANUARY 2019 (2ND ADVANCE)	01/18/2019	01/24/2019
	DECEMBER 2018	1/31/2019	FEBRUARY 2019 (CLEAN-UP)	02/20/2019	02/25/2019
1Q 2019	JANUARY 2019	02/28/2019	MARCH 2019 (1ST ADVANCE)	03/20/2019	03/25/2019
	FEBRUARY 2019	03/31/2019	APRIL 2019 (2ND ADVANCE)	04/19/2019	04/24/2019
	MARCH 2019	04/30/2019	MAY 2019 (CLEAN-UP)	05/21/2019	05/24/2019
2Q 2019	APRIL 2019	05/31/2019	JUNE 2019 (1ST ADVANCE)	06/19/2019	06/24/2019
	MAY 2019	06/30/2019	JULY 2019 (2ND ADVANCE)	07/19/2018	07/24/2018
	JUNE 2019	07/31/2019	AUGUST 2019 (CLEAN-UP)	08/21/2019	08/26/2019
3Q 2019	JULY 2019	08/31/2019	SEPTEMBER 2019 (1ST ADVANCE)	09/19/2019	09/24/2019
	AUGUST 2019	09/30/2019	OCTOBER 2019 (2ND ADVANCE)	10/21/2019	10/24/2019
	SEPTEMBER 2019	10/31/2019	NOVEMBER 2019 (CLEAN-UP)	11/20/2019	11/25/2019
4Q 2019	OCTOBER 2019	11/30/2019	DECEMBER 2019 (1ST ADVANCE)	12/19/2019	12/24/2019
	NOVEMBER 2019	12/31/2019	JANUARY 2020 (2ND ADVANCE)	TBD	TBD
	DECEMBER 2019	01/31/2020	FEBRUARY 2020 (CLEAN-UP)	TBD	TBD

* Every effort will be made to make each payment on the scheduled date, however unforeseen circumstances may result in changes.

California Sales and Use Tax Rates by County and City*
Operative April 1, 2019 (includes state, county, local, and district taxes)

ALAMEDA CO. 9.25%

City of Alameda 9.75%
City of Albany 9.75%
City of Hayward 9.75%
City of Newark 9.75%
City of San Leandro 9.75%
City of Union City 9.75%

ALPINE CO. 7.25%

AMADOR CO. 7.75%

BUTTE CO. 7.25%

City of Oroville 8.25%
Town of Paradise 7.75%

CALAVERAS CO. 7.25%

City of Angels Camp 7.75%

COLUSA CO. 7.25%

City of Williams 7.75%

CONTRA COSTA CO. 8.25%

City of Antioch 9.25%
City of Concord 8.75%
City of El Cerrito 9.75%
City of Hercules 8.75%
City of Martinez 9.25%
Town of Moraga 9.25%
City of Orinda 8.75%
City of Pinole 9.25%
City of Pittsburg 8.75%
City of Pleasant Hill 8.75%
City of Richmond 9.25%
City of San Pablo 8.75%

DEL NORTE CO. 7.50%

EL DORADO CO. 7.25%

City of Placerville 8.25%
City of So. Lake Tahoe 7.75%

FRESNO CO. 7.975%

City of Coalinga 8.975%
City of Fowler 8.975%
City of Huron 8.975%
City of Kerman 8.975%
City of Kingsburg 8.975%
City of Reedley 8.475%
City of Sanger 8.725%
City of Selma 8.475%

GLENN CO. 7.25%

City of Orland 7.75%

HUMBOLDT CO. 7.75%

City of Arcata 8.50%
City of Eureka 8.50%
City of Fortuna 8.50%
City of Rio Dell 8.75%
City of Trinidad 8.50%

IMPERIAL CO. 7.75%

City of Calexico 8.25%
City of El Centro 8.25%

INYO CO. 7.75%

KERN CO. 7.25%

City of Arvin 8.25%
City of Bakersfield 8.25%
City of Delano 8.25%
City of Ridgecrest 8.25%
City of Wasco 8.25%

KINGS CO. 7.25%

City of Corcoran 8.25%

LAKE CO. 7.25%

City of Clearlake 8.75%
City of Lakeport 8.75%

LASSEN CO. 7.25%

LOS ANGELES CO. 9.50%

City of Avalon 10.00%
City of Burbank 10.25%
City of Commerce 10.00%
City of Compton 10.25%
City of Covina 10.25%
City of Cudahy 10.25%
City of Culver City 10.25%
City of Downey 10.00%
City of El Monte 10.00%
City of Glendale 10.25%
City of Hawthorne 10.25%
City of Huntington Park 10.25%
City of Inglewood 10.00%
City of La Puente 10.00%
City of Lawndale 10.25%
City of Long Beach 10.25%
City of Lynwood 10.25%
City of Pico Rivera 10.25%
City of Pasadena 10.25%
City of Pomona 10.25%
City of San Fernando 10.00%
City of Santa Fe Springs 10.50%
City of Santa Monica 10.25%
City of So. El Monte 10.00%
City of South Gate 10.25%

MADERA CO. 7.75%

City of Chowchilla 8.75%
City of Madera 8.25%

MARIN CO. 8.25%

Town of Corte Madera 9.00%
Town of Fairfax 9.00%
City of Larkspur 9.00%
City of Novato 8.50%
Town of San Anselmo 8.75%
City of San Rafael 9.00%
City of Sausalito 8.75%

MARIPOSA CO. 7.75%

MENDOCINO CO. 7.875%

City of Fort Bragg 8.875%
City of Point Arena 8.375%
City of Ukiah 8.875%
City of Willits 8.375%

MERCED CO. 7.75%

City of Atwater 8.25%
City of Gustine 8.25%
City of Los Banos 8.75%
City of Merced 8.25%

MODOC CO. 7.25%

MONO CO. 7.25%

Town of Mammoth Lakes 7.75%

MONTEREY CO. 7.75%

City of Carmel-by-the-Sea 8.75%
City of Del Rey Oaks 9.25%
City of Gonzales 8.25%
City of Greenfield 9.50%
City of King City 8.75%
City of Marina 9.25%
City of Monterey 8.75%
City of Pacific Grove 8.75%
City of Salinas 9.25%
City of Sand City 8.75%
City of Seaside 9.25%
City of Soledad 8.75%

NAPA CO. 7.75%

City of St. Helena 8.25%

NEVADA CO. 7.50%

City of Grass Valley 8.50%
City of Nevada City 8.375%
Town of Truckee 8.25%

ORANGE CO. 7.75%

City of Fountain Valley 8.75%
City of Garden Grove 8.75%
City of La Habra 8.25%
City of La Palma 8.75%
City of Placentia 8.75%
City of Santa Ana 9.25%
City of Seal Beach 8.75%
City of Stanton 8.75%
City of Westminster 8.75%

PLACER CO. 7.25%

Town of Loomis 7.50%
City of Roseville 7.75%

PLUMAS CO. 7.25%

RIVERSIDE CO. 7.75%

City of Cathedral City 8.75%
City of Coachella 8.75%
City of Hemet 8.75%
City of Indio 8.75%
City of La Quinta 8.75%
City of Menifee 8.75%
City of Murrieta 8.75%
City of Norco 8.75%
City of Palm Springs 9.25%
City of Riverside 8.75%
City of Temecula 8.75%
City of Wildomar 8.75%

SACRAMENTO CO. 7.75%

City of Galt 8.25%
City of Isleton 8.75%
City of Rancho Cordova 8.25%
City of Sacramento 8.75%

SAN BENITO CO. 8.25%

City of Hollister 9.25%
City of San Juan Bautista 9.00%

SAN BERNARDINO CO. 7.75%

City of Barstow 8.75%
City of Montclair 8.00%
City of San Bernardino 8.00%
Town of Yucca Valley 8.75%

SAN DIEGO CO. 7.75%

City of Chula Vista 8.75%
City of Del Mar 8.75%
City of El Cajon 8.25%
City of La Mesa 8.50%
City of National City 8.75%
City of Oceanside 8.25%
City of Vista 8.25%

SAN FRANCISCO CO. 8.50%

*(For more details, refer to www.cdtfa.ca.gov/taxes-and-fees/sales-use-tax-rates.htm.)

Please note: Some communities located within a county or a city may not be listed. If you are in doubt about the correct rate or if you cannot find a community, please call our toll-free number at 1-800-400-7115 (TTY:711), or call the local California Department of Tax and Fee Administration office nearest you for assistance.

SAN JOAQUIN CO. 7.75%

City of Lathrop 8.75%
City of Lodi 8.25%
City of Manteca 8.25%
City of Stockton 9.00%
City of Tracy 8.25%

SAN LUIS OBISPO CO. 7.25%

City of Arroyo Grande 7.75%
City of Atascadero 7.75%
City of Grover Beach 7.75%
City of Morro Bay 7.75%
City of Paso Robles 7.75%
City of Pismo Beach 7.75%
City of San Luis Obispo 7.75%

SAN MATEO CO. 8.75%

City of Belmont 9.25%
City of Burlingame 9.00%
City of East Palo Alto 9.25%
City of Redwood City 9.25%
City of San Mateo 9.00%
City of So. San Francisco 9.25%

SANTA BARBARA CO. 7.75%

City of Carpinteria 9.00%
City of Guadalupe 8.00%
City of Santa Barbara 8.75%
City of Santa Maria 8.75%

SANTA CLARA CO. 9.00%

City of Campbell 9.25%
City of Los Gatos 9.125%
City of San Jose 9.25%

SANTA CRUZ CO. 8.50%

City of Capitola 9.00%
City of Santa Cruz 9.25%
City of Scotts Valley 9.00%
City of Watsonville 9.25%
Santa Cruz (Unincorporated Area) 9.00%

SHASTA CO. 7.25%

City of Anderson 7.75%

SIERRA CO. 7.25%

SISKIYOU CO. 7.25%

City of Dunsmuir 7.75%
City of Mount Shasta 7.50%
City of Weed 7.50%
City of Yreka 7.75%

SOLANO CO. 7.375%

City of Benicia 8.375%
City of Fairfield 8.375%
City of Rio Vista 8.125%
City of Suisun City 8.375%
City of Vacaville 8.125%
City of Vallejo 8.375%

SONOMA CO. 8.25%

City of Cotati 9.25%
City of Healdsburg 8.75%
City of Rohnert Park 8.75%
City of Santa Rosa 9.00%
City of Sebastopol 9.00%
City of Sonoma 8.75%

STANISLAUS CO. 7.875%

City of Ceres 8.375%
City of Oakdale 8.375%

SUTTER CO. 7.25%

TEHAMA CO. 7.25%

City of Corning 7.75%
City of Red Bluff 7.50%

TRINITY CO. 7.25%

TULARE CO. 7.75%

City of Dinuba 8.50%
City of Farmersville 8.75%
City of Lindsay 8.75%
City of Porterville 9.25%
City of Tulare 8.25%
City of Visalia 8.50%
City of Woodlake 8.75%

TUOLUMNE CO. 7.25%

City of Sonora 7.75%

VENTURA CO. 7.25%

City of Oxnard 7.75%
City of Port Hueneme 8.75%
City of Santa Paula 8.25%
City of Ventura 7.75%

YOLO CO. 7.25%

City of Davis 8.25%
City of W. Sacramento 8.25%
City of Woodland 8.00%

YUBA CO. 7.25%

City of Marysville 8.25%
City of Wheatland 7.75%
Yuba (Unincorporated Area) 8.25%

ORDINANCE NO. NS-2952

AN ORDINANCE OF THE CITY OF SANTA ANA ADDING
ARTICLE VII TO CHAPTER 35 OF THE SANTA ANA
MUNICIPAL CODE RELATED TO A TRANSACTIONS AND
USE TAX TO BE ADMINISTERED BY THE CALIFORNIA
DEPARTMENT OF TAX AND FEE ADMINISTRATION

The City Council of the City of Santa Ana does ordain as follows:

SECTION 1. Authority. The City Council and the Voters of the City of Santa Ana enact this ordinance in accordance with the authority granted to cities by Article XI, Section 7 of the California Constitution and Section 7285.9 of the California Revenue and Taxation Code.

SECTION 2. Addition of article. Article VII is hereby added to Chapter 35 of the Santa Ana Municipal Code to read as follows:

CHAPTER 35- TAXATION

ARTICLE VII. - TRANSACTIONS AND USE TAX.

Sec. 35-200. - Short title.

This article shall be known as the "Transactions and Use Tax" and shall be applicable in the incorporated territory of the City of Santa Ana ("city").

Sec. 35-201. - Definitions.

For the purpose of this article the following words terms shall have the meaning given in this section:

"In the city" means and includes all territory within the city limits.

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the later of the adoption of this chapter and the approval by the voters of the city of a measure approving the imposition of an increased transactions and use tax; provided that, if the city shall not have entered into a contract with the California Department of Tax and Fee Administration as required by section 35-203. prior to such date, the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

Sec. 35-202. - Purpose.

This article of the Santa Ana Municipal Code has been adopted for the following purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

(1) To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2, which authorizes the city to adopt this tax. This article shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

(2) To adopt a retail transactions and use tax that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

(3) To adopt a retail transactions and use tax that imposes a tax and provides a measure therefor that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.

(4) To adopt a retail transactions and use tax that can be administered in a manner that will, to the greatest degree possible, be consistent with the provisions of Parts 1.6 of Division 2 of the said Revenue and Taxation Code, and thereby minimize the cost of collecting city transactions and use taxes, and at the same time minimize the burden of record keeping upon person's subject to taxation under the provisions thereof.

Sec. 35-203. - Contract with state.

Prior to the operative date, the city shall contract with the California Department of Tax and Fee Administration to perform all functions incidental to the administration and operation of this transactions and use tax ordinance. If the city has not contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract. The city council may make any technical amendments to this chapter required by the California Department of Tax and Fee Administration, except for any changes affecting the tax rate, tax methodology, or its manner of collection.

Sec. 35-204. - Imposition of transactions and use tax – Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the city at the rate of one and one half cents (1.5) of any gross receipts of the retailer from the sale of all tangible personal property sold at retail in the city on and after the operative date of this article until March 31, 2029 and then at the rate of one cent (1) until March 31, 2039.

Sec. 35-205. - Place of sale.

For the purposes of this article, all retail sales are consummated at the place of business of the retailer, unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the state or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

Sec. 35-206.- Imposition of use tax – Use tax rate.

An excise tax is hereby imposed on the storage, use, or other consumption in the city of tangible personal property purchased from any retailer on or after the operative date of this article, at the rate of one and one-half cents (1.5) of the sales price of the property subject to the tax until March 31, 2029 and then at the rate of one cent (1) of the sales price of the property subject to the tax until March 31, 2039. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

Sec. 35-207. - Adoption of provisions of state law – Generally.

Except as otherwise provided in the article and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with § 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this article as though fully set forth herein.

Sec. 35-208. - Adoption of provisions of state law – Limitations; Limitations on collection of use taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

(1) Wherever the State of California is named or referred to as the taxing agency, the name of this city shall be substituted therefor. However, the substitution shall not be made when:

(A) The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

(B) The result of that substitution would require action to be taken by or against this city or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this article.

(C) In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

(i) Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the state under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

(ii) Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

(D) In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

(2) The word "city" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

Sec. 35-209. - Permit not required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this article.

Sec. 35-210. - Exemptions and exclusions.

(1) Measure of Tax. There shall be excluded from the measure of the transactions and use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

(2) Transactions Tax Exemptions. There are exempted from the computation of the amount of transactions tax the gross receipts from:

(A) Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

(B) Sales of property to be used outside the city which is shipped to a point outside the city, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the city shall be satisfied:

(i) With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-city address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

(ii) With respect to commercial vehicles, by registration to a place of business out-of-city and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

(C) The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date.

(D) A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date.

For the purposes of subsections (2)(C) and (2)(D) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(3) Use Tax Exemptions. There are exempted from the use tax imposed by this chapter, the storage, use or other consumption in this city of tangible personal property:

(A) The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

(B) Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

(C) If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date.

(D) If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase

of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date.

For the purposes of subsections (3)(C) and (3)(D) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(4) Exemption from Collection of Use Tax. Except as provided in subsection (5), a retailer engaged in business in the city shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the city or participates within the city in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the city or through any representative, agent, canvasser, solicitor, subsidiary, or person in the city under the authority of the retailer.

(5) Retailer Not Exempt from Collection of Use Tax. "A retailer engaged in business in the city" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the city.

(6) Credit Against Use Tax for Transactions Tax Paid Elsewhere. Any person subject to use tax under this chapter may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Sec. 35-211. - Adoption of amendments to state law.

All amendments subsequent to the effective date of this chapter to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this article, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this article.

Sec. 35-212. - Enjoining collection prohibited.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action, or proceeding in any court against the State or the city, or

against any officer of the State or the city, to prevent or enjoin the collection hereunder, or Parts 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Sec. 35-213. – Termination.

The authority set forth in this Article VII to impose a retail transactions and use tax shall continue until March 31, 2039.

Sec. 35-214. - Oversight committee.

The City Council shall, by resolution establish as citizen oversight committee to act in an advisory role to the City Council in reviewing the annual revenue and expenditures of funds from the tax authorized by this article. The resolution shall establish the committee members' terms, qualifications and duties, and the committee's scope of authority.

Sec. 35-215. - Annual Audit.

An annual audit of the revenue generated by the sales and use tax and the expenditures made will be conducted by an independent certified public accountant.

Sec. 35-216. - Annual Expenditures Disclosure.

The City of Santa Ana will publically disclose on an annual basis a list of expenditures made with sales and use tax monies for the preceding fiscal year.

Sec. 35-217. – Sunset Provision.

On March 31, 2029, the rate of one and one half cents (1.5) will be reduced to one cent (1) until March 31, 2039 for a total of twenty (20) years.

SECTION 3. Effective Date. Pursuant to the California Constitution Article XIIC(2)(b) and California Elections Code 9217, if the requisite number of qualified voters voting in the election on Measure "X" vote in favor of the adoption of such measure, this ordinance shall be deemed valid and binding and shall be considered adopted upon the date that the vote is declared by the City Council, and shall go into effect ten (10) days after that date.

SECTION 4. Severability. If any section, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Ordinance. The People of the City of Santa Ana hereby declare that they would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the Ordinance be enforced.

SECTION 5. Certification/Summary. Following the City Clerk's certification that the citizens of Santa Ana have approved this Ordinance, the Mayor shall sign this Ordinance and the City Clerk shall cause the same to be entered in the book or original

ordinance of said City; and shall cause the same, or a summary thereof, to be published as required by law.

PASSED, APPROVED, and ADOPTED by the People of the City of Santa Ana this 6th day of November, 2018.



Miguel A. Pulido
Mayor

APPROVED AS TO FORM:



Sonia R. Carvalho
City Attorney

AYES	Councilmembers	<u>Benavides, Martinez, Pulido, Sarmiento, Solorio, Tinajero, Villegas (7)</u>
NOES:	Councilmembers	<u>None (0)</u>
ABSTAIN:	Councilmembers	<u>None (0)</u>
NOT PRESENT:	Councilmembers	<u>None (0)</u>

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, MARIA D. HUIZAR, Clerk of the Council, do hereby attest to and certify that the attached Ordinance No. NS-2952 to be the original ordinance adopted by the voters of the City of Santa Ana on November 6, 2018 and certified by the City Council on December 11, 2018.

Date: 12/17/2018



Maria D. Huizar
Clerk of the Council
City of Santa Ana

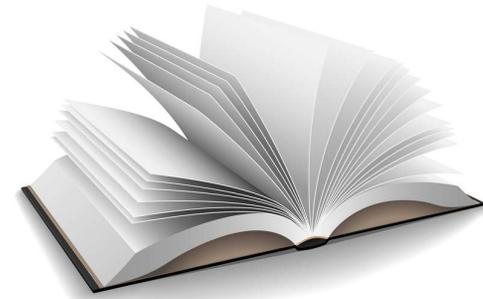
MEASURE X CITIZEN OVERSIGHT COMMITTEE

Agenda Items:

5. Introduction to Budget and Sales Tax
6. Measure X Implementation
7. Measure X Spending

JUNE 19, 2019

Terms



FISCAL YEAR – July 1 through June 30.

BUDGET – annual spending plan adopted by City Council one year at a time.

APPROPRIATION – City Council approved expenditure budget.

FUND – A separate set of books (revenues & expenditures, assets & liabilities) for a specific purpose. Governed by Governmental Accounting Standards Board. The City's financials are comprised of many funds.

FUND BALANCE – Assets minus liabilities = Fund Balance. Can be accumulated for “rainy day”, asset replacement, or large projects.

RESTRICTED REVENUE – Revenue from other agencies that comes with spending and compliance requirements.

GENERAL FUND – The primary operating fund of the City. Accounts for all unrestricted (general purpose) revenue. Measure X is General Fund revenue.

General Fund Imbalance

FY18-19 budget included

- \$10.2 million use of General Fund Reserve (spend more than revenue)
- \$1.5 million of cost savings assumption – not implemented
- Original Cannabis revenue estimate \$7.9 million too high
- \$2.1 million of non-recurring revenue for sale of land

FY19-20 impacts to budget

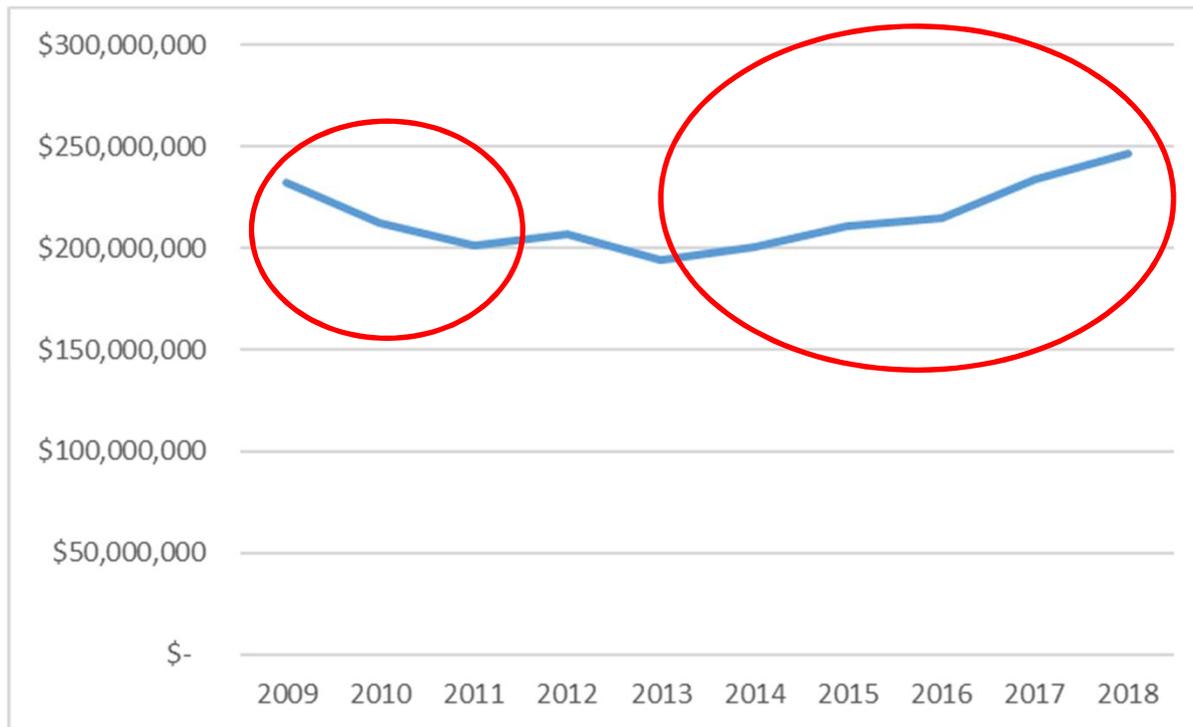
- CalPERS contribution increases by \$8.6 million
- POA compensation increases by \$8.4 million
- General Liability and Workers Comp claim payments and settlements have increased, and actuarial liabilities exceed assets by at least \$4 million. Recovery charges to General Fund increased by \$1 million.

General Fund expenditures may exceed revenues by \$40 million without Measure X

FY19-20 General Fund Budget

		FY18-19 Expected	FY19-20 Proposed
	Beginning Unassigned Fund Balance	\$ 56,363,889	\$ 57,769,992
Includes Measure X →	Revenue/Sources	263,792,039	316,678,040
	Expenditures/Uses	(262,385,936)	(315,332,480)
	Estimated Net Activity	<u>1,406,103</u>	<u>1,345,560</u>
	Estimated Ending Spendable Fund Balance	<u>\$ 57,769,992</u>	<u>\$ 59,115,552</u>
City Council Policy {	Operating Reserve (16.67%)	43,974,133	52,790,229
	Economic Uncertainty Reserve (1%)	<u>2,637,920</u>	<u>3,166,780</u>
	Total Minimum Requirement	<u>46,612,053</u>	<u>55,957,010</u>
	Excess Over Minimum	<u>\$ 11,157,939</u>	<u>\$ 3,158,542</u>

General Fund Expenditures



Reductions after the Great Recession, average 5% increase over the last 5 years

City Revenue Basics

- General taxes require majority vote at election – used for any purpose
 - Sales Tax, Hotel Visitors Tax, Business Tax, Utility Users Tax, Cannabis Tax
- Special taxes require 2/3 vote at election – restricted for a specific use
- Property-Related Fees – Prop 218 mail ballot election or majority protest hearing
- User Fees – cannot exceed City’s cost to provide the service to the user
- Property Rental – can be market rate

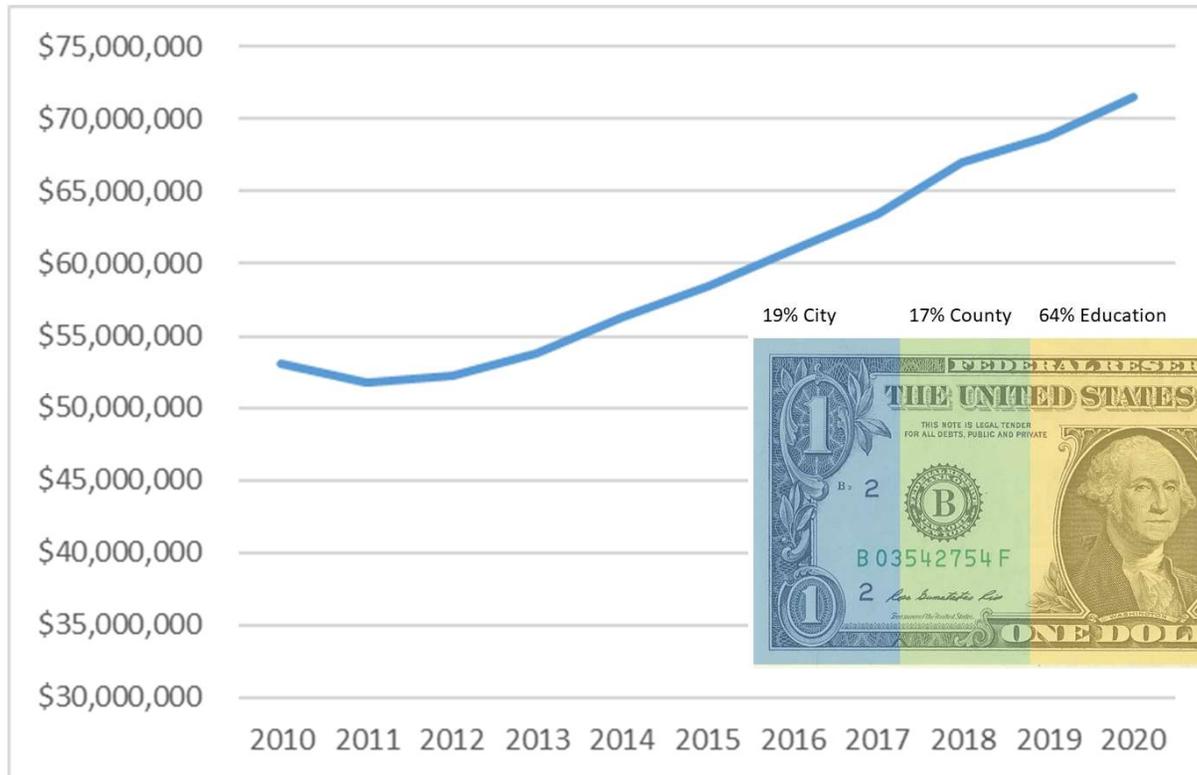


26% of General Fund Revenue

Property Tax

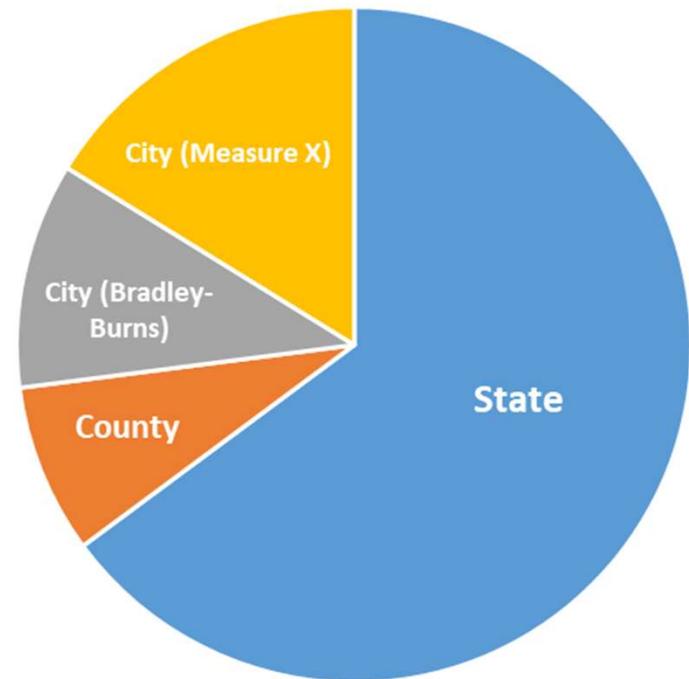
10 years + FY19-20 (9 years actual, 2 years estimate), includes base + VLF in-lieu

3.0% average annual increase
3.9% FY19-20 increase projected by consultant



Sales Tax Rate

State	6.00%
County	0.75%
City (Bradley-Burns)	1.00%
Subtotal Base Rate	7.75%
City (Measure X)	1.50%
Total Santa Ana Rate	9.25%



Reminder: Measure X decreases to 1.0% in 2029, and sunsets in 2039

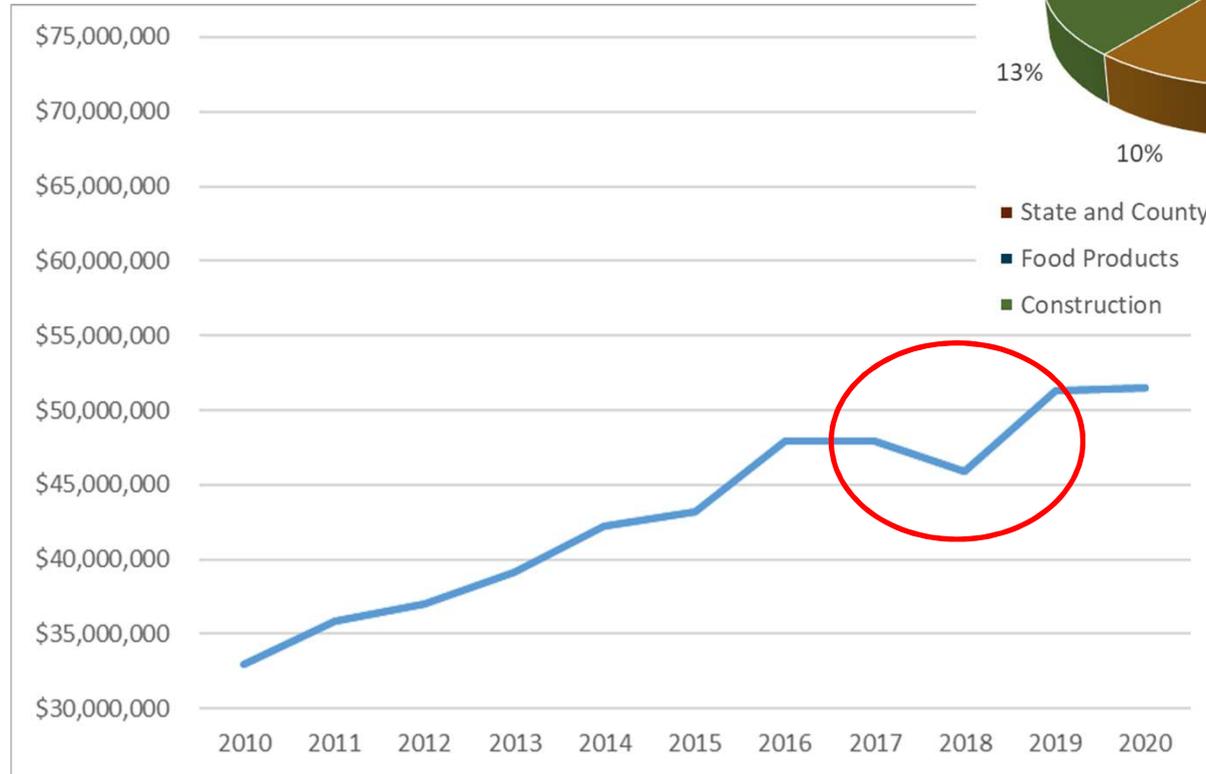
20% of General Fund Revenue

Sales Tax (BRADLEY-BURNS)

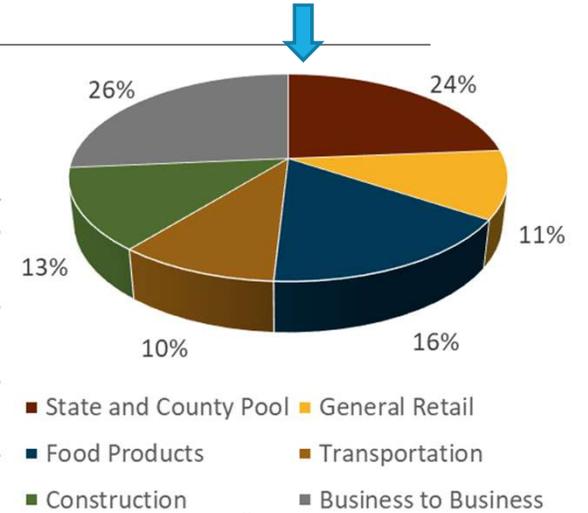
10 years + FY19-20 (9 years actual, 2 years estimate)

4.7% average annual increase

0.4% FY19-20 increase projected by consultant



Growth came from these segments



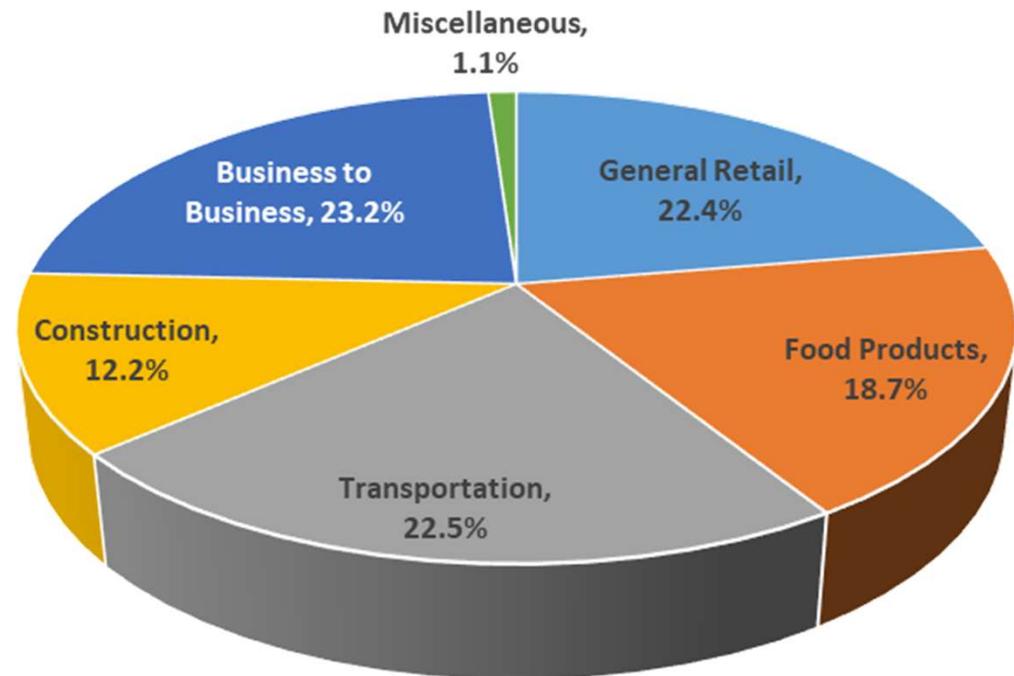
Sales Tax Producers

Top 25 businesses produce 34.4% of sales tax revenue

Top 100 businesses produce 57.0%

Fastest Growing Segments:

- Business to Business
- State & County Pool



Measure X Ballot Language

Ballot Title:

City of Santa Ana, Santa Ana Neighborhood Safety, Homeless Prevention and Essential City Services Enhancement Measure

Ballot Language:

To maintain effective 9-1-1 response; retaining firefighters and police officers; addressing homelessness; fixing streets; maintaining parks, youth and senior services, and unrestricted general revenue purposes; shall the sales tax be increased one and one half (1.5) cents until 2029 providing approximately \$60 million dollars annually, then reduced to one (1) cent providing approximately \$40 million dollars annually, until 2039, requiring annual audits, citizens oversight and for Santa Ana use only?

Measure X is General Fund Revenue – can be used for any legal purpose

Measure X Ordinance

Ordinance NS-2952

Transactions & Use Tax

- Applicable to sales of tangible property at retail – imposed on seller (Section 35-204)
- Applicable to consumption/storage of personal property – imposed on purchaser of tangible property in cases where no California sales tax is collected (Section 35-206)
- Rate of 1.5 cents April 1, 2019 through March 31, 2029 (years 1-10)
- Rate of 1.0 cents April 1, 2029 through March 31, 2039 (years 11-20)
- Tax sunsets and is no longer effective April 1, 2039

Measure X Implementation

- City contracts with California Department of Tax and Fee Administration (CDTFA) to collect our tax – initial cost up to \$175,000, unknown recurring cost
- CDTFA distributes sales tax to cities monthly:
 - Advance estimate
 - Advance estimate
 - Actual true-up quarterly
- Measure X will be separately reported
- Sales tax information is confidential – We cannot provide anything that enables the public to infer sales by business
- Sales Tax Consultant MuniServices (Avenu Insights & Analytics)
 - Sales tax analytics
 - Follow-up on anomalies (CDTFA distribution to wrong agency, abnormal business activity, etc.)

Vehicle Incentive Program

- City Council approved program
- \$500 rebate for each Santa Ana resident leasing or buying a new or used vehicle
- Expected annual cost of \$1,725,000
- Ends March 31, 2024



Measure X Aligned Existing Spending FY18-19

Santa Ana Police - 16% Calls for Homeless	10,065,046
Dedicated 10% allocation of Police Deputy Chief	27,793
Retaining & Recruiting Police Officers (salary & benefit enhancements)	4,154,530
OC Fire Authority - 19% Calls for Homeless	6,095,477
Parks & Recreation Agency actual staff time homeless response	40,396
Code Enforcement actual staff time homeless response	40,374
City Attorney's Office partial allocation of 4 attorneys for homeless issues	114,988
Homeless Services Program - strategy for housing and service coordination	247,998
Parks & Facility Maintenance	7,068,563
Library Youth & Young Adult	1,833,324
Youth Recreation Programs	4,070,783
Expected FY18-19 Measure X Aligned Spending	\$ 33,759,272

Represents our existing level of effort

Measure X Aligned New Spending FY19-20

Recruiting & Retaining Police Officers	8,407,885
Police Department Recruiting (Human Resources)	79,125
Additional Traffic Collision Investigators	229,712
Additional Police Overtime	2,000,000
Homeless Cleaning Team Contractual & Vehicles	321,000
Improve Park Maintenance	2,136,400
Parks Tree Replacement & Other Supply	442,000
Additional Park & Recreation Staffing	1,589,940
New Allocations	<u><u>\$ 15,206,062</u></u>

Additions to proposed FY19-20 for new spending allocations

Next Steps for Committee

- Mayor's appointment scheduled for June 18. Ward 4 Member to be appointed after election in November 2019.
- September 11, 2019 – MuniServices (sales tax consultant) presentation and results of Apr-Jun receipts
- December 11, 2019 – WNDE (independent auditor) presentation and results of Jul-Sep receipts
- March 11, 2020 – Annual report to City Council, including any recommendations, and results of Oct-Dec receipts

