



DATE: January 31, 2024

TO: Measure U Oversight Committee

FROM: Jessie Gooch, Finance Director

SUBJECT: Measure U Biannual Report Overview for Fiscal Year Ended June 30, 2023

RECOMMENDATION

It is recommended that the Measure U Oversight Committee Receive the Measure U Report for the Fiscal Year Ended June 30, 2023.

BACKGROUND

On August 3, 2020, the Petaluma City Council adopted Ordinance No. 2743 adding Chapter 4.18 to the Petaluma Municipal Code, setting forth a one-cent transactions and use tax which was subsequently approved by more than simple majority of Petaluma voters in the November 2020 election. The general-purpose tax measure, known as Measure U, increased sales tax by one percent to fund governmental services including Police, Fire, disaster emergency preparedness, repairing roads, supporting local businesses, and keeping public spaces safe and clean, as identified by the Petaluma community as top priorities, and as set forth in the Ordinance.

Measure U sales tax is a locally controlled revenue source that includes transparency and accountability requirements: independent citizen oversight, biannual independent financial review, all funds spent locally and no funding that can be taken by the State. Spending is to be consistent with the intent of the City's ordinance.

A five-member Citizen Oversight Committee, appointed by the City Council, is to review and comment on the use of the City Transaction and Use Tax proceeds pursuant to Section 4.18.140 of the Petaluma Municipal Code. Committee members are appointed for 4-year terms. The City will prepare biannual reports for the Committee's review. The Committee will review the reports which will include information about Use Tax proceeds collected and the use of those proceeds. The Committee will meet biannually to review and comment on the reports. The comments shall address the following: How the City's use of the tax proceeds in the prior year relates to the

spending priorities identified by the community that were included in the recitals to Measure U and comments on the proposed Measure U appropriations for the upcoming budget year prior to the City council budget hearings.

DISCUSSION

Two reports are provided to the Committee annually – an annual fiscal-year end summary report for the prior fiscal year typically provided to the Committee in January and a mid-year update for the current fiscal year including preliminary budget information for the upcoming fiscal year.

The Measure U Annual Report for Fiscal Year 2022-23 presented to the Committee this evening serves to meet the required reporting to the community per the voter-approved ordinance. Because the City is on a July - June fiscal year, it's important to note that the report covers activity and project status updates from July 1, 2022 to June 30, 2023. Also included is an introductory / historical background section about Measure U as well as a description of the budget categories for Measure U for the current fiscal year 2023-24.

At the Committee's next meeting on February 28, staff will present a mid-year update for FY 2023-24 as well as preliminary budget information for the upcoming 2024-25 fiscal year budget cycle.

CASE STUDIES

ENVIRONMENTAL REVIEW

CITYWIDE GOALS & PRIORITIES

FURTHER RECOMMENDATION

ATTACHMENTS

1. Measure U Oversight Committee Biannual Report for Fiscal Year Ended June 30, 2023.

