Mission Statement:
To provide municipal services, infrastructure, and a high quality of life through trusted leadership, accountability, and efficiency for the benefit of our community

CITY OF ANGELS
FINANCE/POLICY COMMITTEE MEETING
March 28, 2024
2:00 p.m.

THIS MEETING WILL BE HELD AT ANGELS FIRE HOUSE, 1404 VALLECITO ROAD AND WILL BE OPEN TO PUBLIC.

In person public attendance will be available with limited seating. Seats are available on a first come, first served basis. Members of the public shall have the right to observe and offer public comment at the appropriate time. CITY COUNCIL appreciates your interest and encourages your participation.

Mayor: Jennifer Herndon
Council Member: Caroline Schirato
City Finance Director: Michelle Gonzalez
City Clerk: Rose Beristianos

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. **ROLL CALL**
2. **PUBLIC COMMENT:** The public may address the Council on any item of public interest not otherwise on the agenda that is within the jurisdiction of the city. No action may be taken. Matters to be addressed may be referred to City Staff or placed on a subsequent meeting Agenda. Speakers are limited to five minutes per person

3. **APPROVAL OF MINUTES:** Draft minutes, dated February 22, 2024
4. **APPROVAL OF THE AGENDA AS POSTED (OR AMENDED)**
5. **NEW BUSINESS**
    - **A.** Discussion regarding Measure A and Next Steps
    - **B.** Update on Tax Revenue Trends & Investments
6. **COUNCIL MEMBER COMMENTS OR FUTURE AGENDA ITEMS**
7. **NEXT COMMITTEE MEETING:** April 25, 2024, 2:00 pm
8. **ADJOURNMENT**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at City Hall 209-736-2181. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II) Materials related to an item on this Agenda submitted to the City Council after distribution of the Agenda packet are available for public inspection at City Hall at 200 Monte Verda Street Ste. B, Angels Camp, CA 95222 during normal business hours. The Agenda is also available on line at www.angelscamp.gov.

Vision Statement:
Dedicated to preserving our rich history and providing a safe and thriving community that is devoted to families, businesses, and visitors

Mission Statement:
To provide municipal services, infrastructure, and a high quality of life through trusted leadership, accountability, and efficiency for the benefit of our community

CITY OF ANGELS DRAFT MINUTES

FINANCE/POLICY COMMITTEE MEETING
February 22, 2024 2:00 p.m.

THIS MEETING WAS HELD AT ANGELS FIRE HOUSE, 1404 VALLECITO ROAD AND WAS OPEN TO PUBLIC.

In person public attendance will be available with limited seating. Seats are available on a first come, first served basis. Members of the public shall have the right to observe and offer public comment at the appropriate time. CITY COUNCIL appreciates your interest and encourages your participation.

Mayor: Jennifer Herndon
Council Member: Caroline Schirato
City Administrator: Rebecca Callen
Deputy City Clerk/Finance Director: Michelle Gonzalez

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. ROLL CALL

2. PUBLIC COMMENT: **NONE**

3. NEW BUSINESS:
   - **A.** Tampering with Water Meters and Water Theft, Rebecca Callen, City Administrator
     REVIEWED TAMPERING WITH WATER METERS AND WATER THEFT POLICY AND RECOMMENDED IT BE BROUGHT TO CITY COUNCIL

4. CITY ADMINISTRATOR COMMENTS - **NONE**
5. COUNCIL MEMBER COMMENTS OR FUTURE AGENDA ITEMS - **GRAFFITI PROCEDURE**
6. NEXT COMMITTEE MEETING **3/28/2024, 2:00 P.M., FIRE HOUSE**
7. ADJOURNMENT
   ACTION: MOTION TO ADJOURN THE MEETING AT 3:03 P.M. BY COUNCIL MEMBER SCHIRATO, SECONDED BY MAYOR HERNDON, PASSED 2 YES.

_____
Jennifer Herndon, Mayor

_____
Michelle Gonzalez, Deputy City Clerk

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CITY OF ANGELS PO Box 667, 200 Monte Verda St. Suite B, Angels Camp, CA 95222 P: (209) 736-2181

DATE: March 28, 2024

TO: City Council

FROM: Michelle Gonzalez, Finance Director

RE: **DISCUSSION REGARDING MEASURE A AND NEXT STEPS**

RECOMMENDATION:
Discussion regarding 'Measure A' Calaveras local fire protection transactions and use tax.

STRATEGIC PLAN ALIGNMENT:

BACKGROUND:
Measure A was on the ballot as an initiative in Calaveras County on March 5, 2024, and was approved, enacting a 1% sales tax in the county. The measure aims to provide funding for local fire protection services in Calaveras County by imposing a transaction and use tax, typically a sales tax, on certain transactions within the county.

DISCUSSION:
Governing boards are responsible for using funds to improve the speed of response and the quantity and quality of personnel available to immediately respond to emergencies. Funds may also be used to improve or replace necessary equipment and facilities. No more than thirty percent (30%) of these funds may be used to improve or replace equipment and facilities, and no less than seventy percent (70%) may be used for staffing, including incentives, training, and stipends for volunteer firefighters; compensation, incentives, and training for paid firefighters; and personal protective equipment for firefighters.

Sixty-nine percent (69%) of funds made available shall be divided evenly among the ten local fire agencies – nine fire districts and one city fire department – in existence in 2021.

One percent (1%) of funds shall be allocated to the San Andreas Fire Protection District to compensate for the burden of protecting non-property-tax-paying countywide infrastructure, including the Government Center, Jail, Courthouse, and Hospital.

Thirty percent (30%) of funds shall be proportionately allocated to the local fire agencies based on their share of the county population rounded to the nearest whole percentage point. Calaveras County shall each year use the most current available census data and other local information, including maps of housing and estimated household size, to estimate the population of each local fire district as well as the City of Angels Camp.

Each fire district or, in the case of the Angels Camp Fire Department, the City of Angels Camp, shall, by June 1 each year, produce a response improvement plan and budget detailing how it will use the revenue from the Calaveras Local Fire Protection Tax in the coming fiscal year beginning July 1. Following voter approval of this

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measure, the fire districts and the City of Angels Camp will have 30 days to submit plans for the remainder of the 2022-23 fiscal year. These plans will be submitted to the Calaveras County Fire Services Joint Powers Authority.

If any agency or agencies choose either temporarily or permanently not to receive Calaveras Local Fire Protection Tax funding, then the allocation formula shall be changed. Only 10% can be rolled forward at the end of the fiscal year of unspent funds.

Below is an estimate found on the Calaveras Local Fire Protection Committee (The Yes on Measure A Campaign)

'Based on actual sales tax distributions to Calaveras County and Angels Camp reported by the California Dept. of Tax ad Free Administration, here's how much revenue a 1% sales tax increase would have generated for fire protection in three recent fiscal years (July 1 to June 30).

If allocated with 69% divide evenly among the agencies, 1% to San Andreas Fire to compensate for the burden of protecting countywide infrastructure including the jail, hospital and government center, and the remaining 30% allocated proportionately by district population.'

DISTRICT	2020-21	2021-22	2022-23
Altaville Melones	$ 342,860.03	$ 392,777.42	$ 393,342.64
Angels Camp	$ 408,794.65	$ 468,311.54	$ 468,985.45
Calaveras Consolidated	$ 725,280.83	$ 830,875.31	$ 832,070.96
Central Calaveras	$ 408,794.65	$ 468,311.54	$ 468,985.45
Copperopolis	$ 435,168.50	$ 498,525.19	$ 499,242.58
Ebbetts Pass	$ 501,103.12	$ 574,059.31	$ 574,885.39
Mokelumne Hill	$ 342,860.03	$ 392,777.42	$ 393,342.64
Murphys	$ 408,794.65	$ 468,311.54	$ 468,985.45
San Andreas	$ 452,751.06	$ 518,667.62	$ 519,414.00
West Point	$ 369,233.88	$ 422,991.07	$ 423,599.76

FINANCIAL IMPACT:
The tax revenue generated from Measure A will be dedicated solely to funding fire protection services and related emergency response efforts. For four years from the date on which the voters ratify this measure, the appropriations limit (GANN limit) shall be increased by the amount of funding that each receives each year as long as the tax is in effect. At the end of that period, a county-wide election could be held asking voters if they wish to reauthorize the appropriation limit for fire districts to spend the money. Projections need to be taken into consideration to determine whether the City would need to request a GANN Limit increase if we exceed it.

ATTACHMENTS:
Measure A Calaveras Local Fire Protection Transactions and Use Tax

CITY OF ANGELS PO Box 667, 200 Monte Verda St. Suite B, Angels Camp, CA 95222 P: (209) 736-2181

DATE: March 28, 2024

TO: City Council

FROM: Michelle Gonzalez, Finance Director

RE: **UPDATE ON TAX REVENUE TRENDS AND INVESTMENTS**

RECOMMENDATION:
Update to subcommittee the tax dollars and current investments into the General Fund and growth over the last five years.

STRATEGIC PLAN ALIGNMENT:

BACKGROUND:
The city receives tax revenue from various sources, including Sales Tax, Transient Occupancy Tax, and Property Tax, among others. Over time, the city has experienced growth across all these revenue streams. This upward trend is expected to persist, especially as we explore opportunities such as annexation and projects like Habitat for Humanity developments.

Last year, the City implemented an investment policy enabling us to allocate cash into secured accounts. One strategy we employed was investing in certificates of deposits (CDs), through which we were able to secure a rate slightly over 5%. By diversifying our cash investments between Bank of Stockton CDs and the State Local Agency Investment Fund (LAIF), we have established a framework for generating additional funds that can be utilized at the discretion of the City Council.

DISCUSSION:
The City of Angels has witnessed significant growth in tax revenue, as depicted in the graph below. Over the past five years, sales tax has doubled, reaching a projected amount for the current year. This increase in sales tax revenue now constitutes half of the total revenue for the General Fund.

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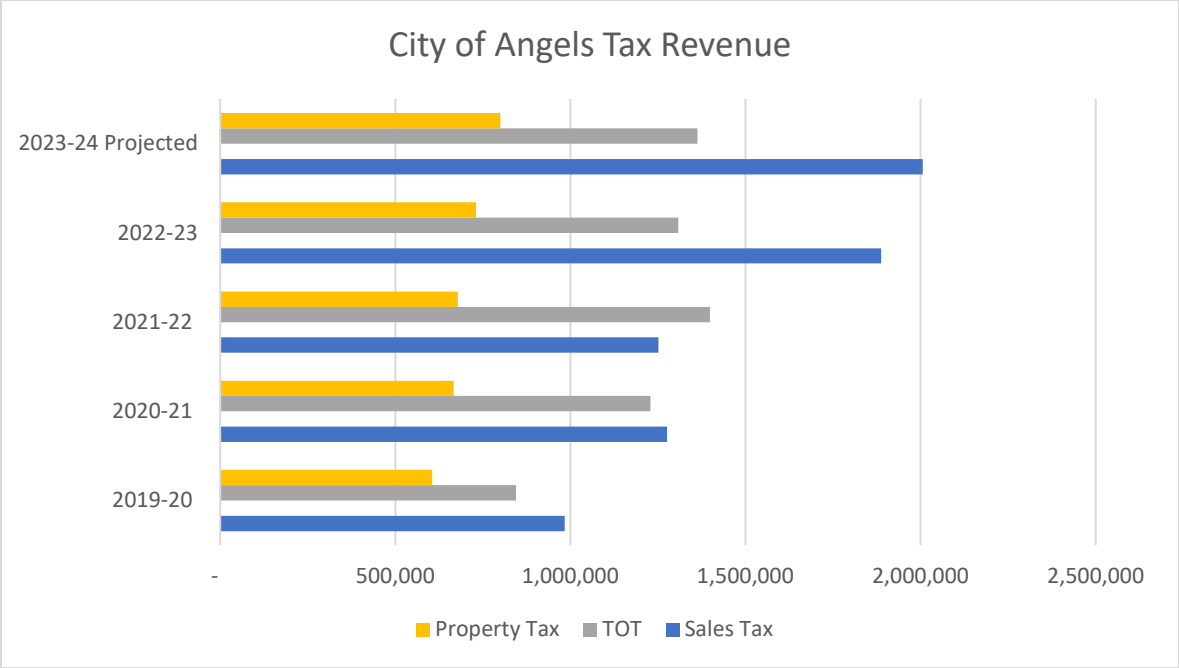

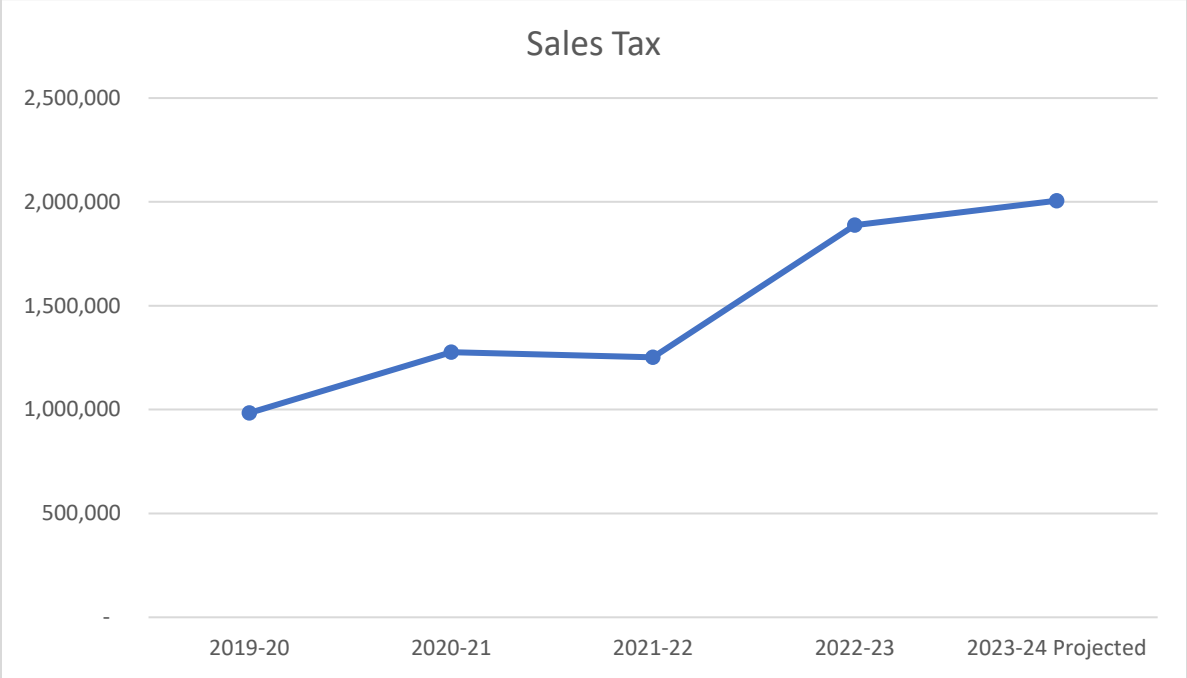

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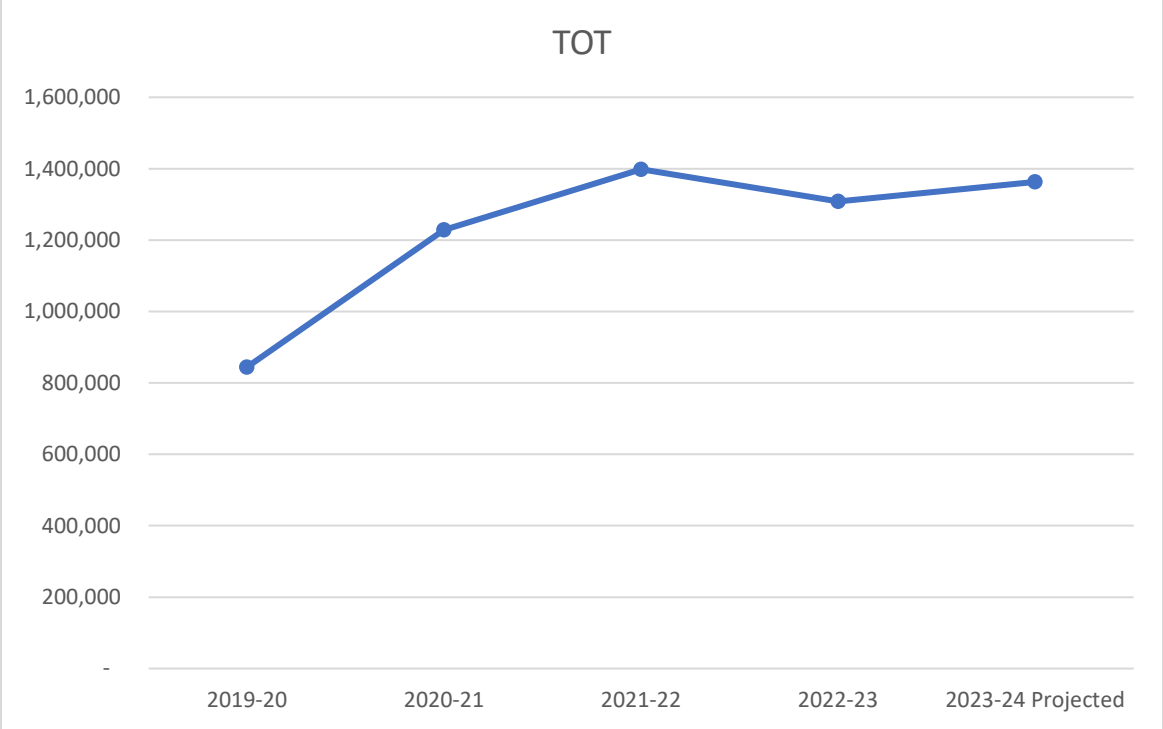
The Transient Occupancy Tax experienced growth during the COVID-19 pandemic, as hotels and vacation rentals surged in popularity amidst increased tourism. In the fiscal year 2022-23, there was a slight decrease in revenue. However, in the current year, we are on track to exceed budgeted numbers, with a slight increase over the previous year.



Property tax experienced an impressive 8% growth over the prior year, surpassing the conservative budget projection of 2% growth for Fiscal Year 2023-24. With ongoing new housing developments and annexations, it is likely that this revenue source will continue to grow for the city.

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Investing outside of the city's State LAIF funds is a recent development, occurring within the last year and a half. We have opted for secure investments such as certificates of deposit and high-yield money market accounts. By cultivating strong banking relationships, we've been informed about opportunities for financial growth and savings through reputable local financial institutions. Looking ahead, we plan to establish a relationship with an investment firm next year to construct a secure financial investment portfolio for the City. Estimated revenue on interest investments for the current fiscal year is over a million dollars.

Moreover, by transitioning banks, we have saved over $30,000 in unnecessary bank fees. This shift has not only saved costs but has also facilitated the generation of earnings allocated to all of our revenue funds, including the General Fund, Enterprise Fund, Special Revenue Fund, and Fiduciary accounts.

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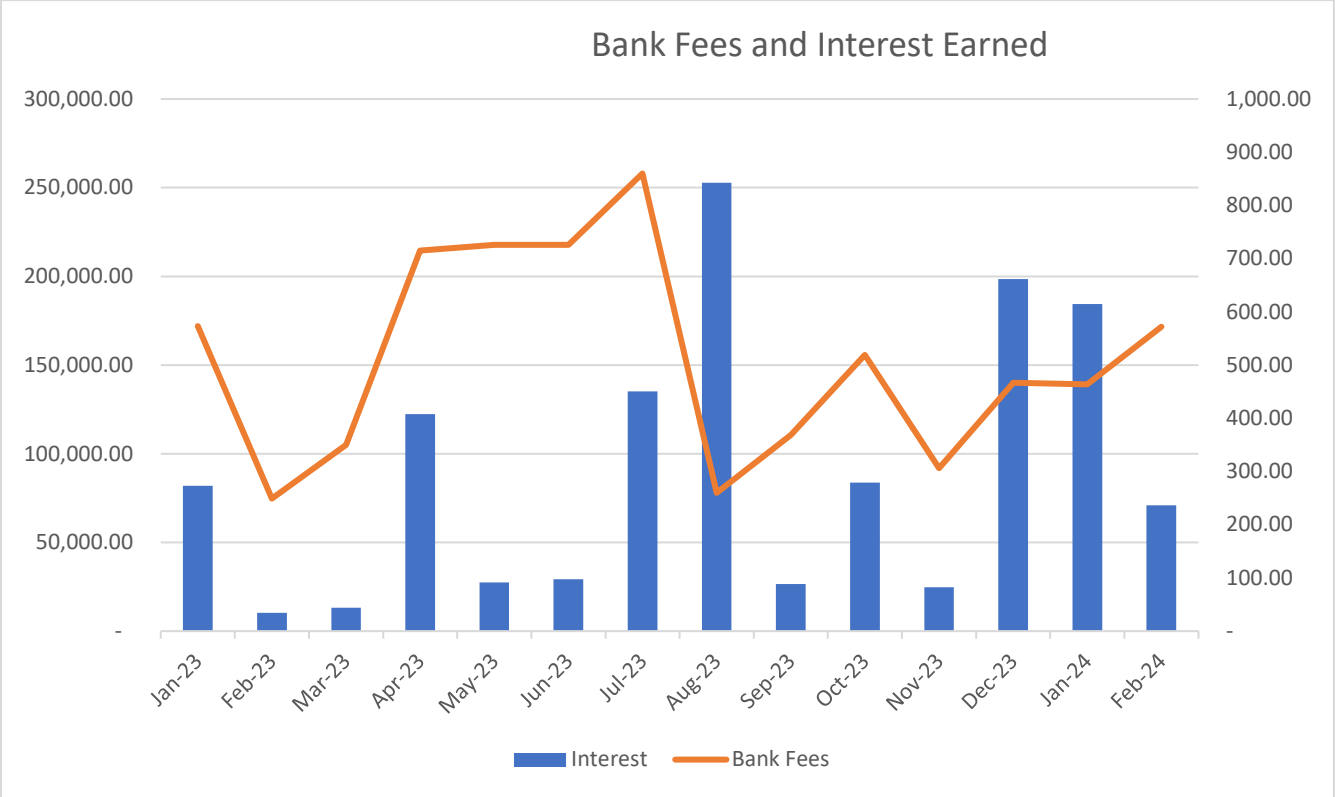

FINANCIAL IMPACT:

Increased revenues for the City, stemming from safe and sound investment practices as well as growth in tourism, sales, and home ownership, will continue to serve as robust revenue sources for the City.

ATTACHMENTS:

None