

2017 – 2018 SHASTA COUNTY GRAND JURY
City of Anderson 2014 Tax Measures A and B
A Promise Made, A Promise Kept

SUMMARY

An investigation by the 2017-2018 Shasta County Grand Jury into the City of Anderson’s Measure A (a sales tax increase), and Measure B (a tax spending advisory), showed the City of Anderson’s City Council has fulfilled its promise to spend 50% of the tax revenues generated from Measure A on the Police Department. The Grand Jury decided to study this issue in order to hold government accountable and inform citizens whether their Measure B advisory vote was being followed.

The Grand Jury found the elected officials of the City of Anderson had honored the voters’ advisory measure by spending over 50% of sales tax dollars on the Police Department. They also designated additional tax monies to support parks, to increase the General Fund Reserves and to support other general City services. The Grand Jury commends the City of Anderson’s elected officials for keeping the promise they made to the voters.

This investigative report provides Shasta County citizens with information as to how the City officials have used the funds in a way that reflects accountability, transparency, and the promise made.

BACKGROUND

The Shasta County Grand Jury (Grand Jury) investigated the City of Anderson (Anderson) to determine whether the funds generated from Measure A have been allocated as specified in Measure B. Measure A was a one-half cent sales tax for essential general City services. As stated in the argument in favor of Measure A, “Measure A is intended to prevent significant cuts to general City services...this sales tax would be a ‘general tax’ meaning that revenues raised from the tax would go into the City’s general fund to fund any lawful City program, improvement, or service”. The Anderson City Council (City Council) recognized that in order for Measure A to pass, the City voters needed assurance that the sales tax collected from Measure A would be expended as promised. Therefore, a spending advisory was placed on the ballot. Measure B advised that 50 percent of the sales tax dollars collected would be expended on the Anderson Police Department (APD) and the remainder would be used to “support parks, code enforcement, restore general fund reserves, and on other general city services.” This spending advisory measure is an opinion expressed by the voters and not a legally binding decision.

In June of 2014, both Measures A and B successfully passed. Those ballot results are shown in Table A.

Election Results for Measures A and B, June 10, 2014

Measure A	Measure B
YES = 638 votes or 53%	YES = 776 votes or 66.72%
NO = 558 votes or 47%	NO = 387 votes or 33.28%

Table A

Measure A tax passed by a 6% margin, while Measure B advisory passed by a 34% margin, showing strong support for Measure A money being used primarily for the APD.

METHODOLOGY

The Grand Jury interviewed:

- Anderson City Council members
- City of Anderson Administrative personnel
- City of Anderson Police Department personnel

The Grand Jury visited:

- City of Anderson parks: Volonte Park and Anderson River Park

The Grand Jury reviewed:

- Ballot Measures A and B, June 2014
- Anderson Police Department Annual Reports for 2014, 2015, 2016 and 2017
- City of Anderson budgets for FY 2014/2015, FY 2015/2016 and FY 2016/2017
- Staff Reports Measure A and B updates, Anderson City Council 2013 – 2017
- Sales Tax Updates 2014 - 2017
- City of Anderson’s General Reserve Policy
- City of Anderson’s Priority Programs and Projects List 2017 – 2019
- “Law Enforcement Staffing in California” (2016), Public Policy Institute of California
- “K9 Units Play Valuable Role” (2013), Pennlive, newsprint article
- “The Effectiveness of Visible Police Patrol” (1998), Saint Joseph’s College
- Uniform Crime Reporting – Part I Crimes definitions (2017)

DISCUSSION

This report will answer the following questions regarding the Anderson 2014 Tax Measures A and B:

- What are the sales tax dollar amounts generated since passage of Measure A?
- How does the budget reflect allocations of sales tax dollars stipulated in Measure B?
- Has Anderson expended 50% or more of the funds generated by Measure A for the Anderson Police Department?
- How have Anderson police services changed as a result of the infusion of Measure A funds?
- How has Anderson distributed sales tax revenues to support its parks, code enforcement and restore General Fund Reserves?

Sales Tax Dollars Generated

Tax revenues generated since Measure A passed are shown in Table B:

Measure A Tax Revenues, July, 2014 through June, 2017

Fiscal Year	Amount
2014/2015	\$ 902,000
2015/2016	\$ 1,341,849
2016/2017	\$ 1,412,634
TOTAL	\$ 3,656,483

Table B

What the Budget Shows

Since Measure A funds are general use funds, there is no line item in the budget identifying Measure A revenues. Measure A revenues and expenditures are accounted for in total revenue received and total dollars expended as explained in the argument for Measure A, “The tax would be paid in addition to current sales taxes and would be collected at the same time and in the same manner as existing sales taxes.” For the purpose of keeping the City Council and citizens of Anderson informed as to the collection and expenditure of sales tax, a Measure A sales tax revenue and expenditure report is periodically presented at City Council meetings and is available on the City website. The most recent “Sales Tax Update” (2017) is currently available on the City’s website.

50% or More for the Anderson Police Department?

Since the passage of Measure A, expenditures from this sales tax for the APD have exceeded 50% of revenues received as stipulated in Measure B. The ballot measure does not specify whether the 50% spending must occur annually or cumulatively over time. The first year, the tax was implemented part-way through the fiscal year. Expenditures did not total 50%. In each of the succeeding years, however, more than 50% has been expended on the APD. Cumulatively, July 1, 2014, through June 30, 2017, APD expenditures were 54.4% of revenues received, exceeding the 50% promise as shown in Chart A.

City of Anderson Budget Report Measure A Revenues and Police Department Expenditures FY 2014/2015 – FY 2016/2017

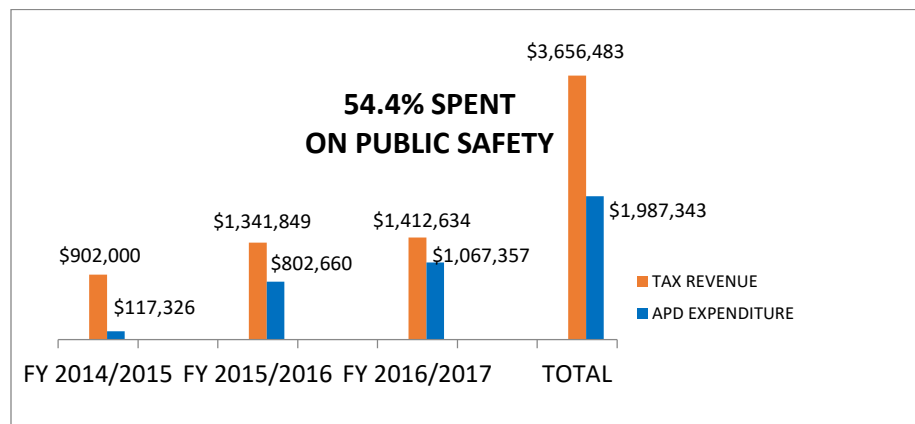


Chart A

Anderson Police Department Expenditures

The APD has used its allocated sales tax dollars to improve its department and provide the City of Anderson with more police on the streets.

Beginning July 1, 2014, APD had 15 sworn officers, including the Chief. As of June 30, 2017, APD has increased to 20 sworn officers. This increase has changed the ratio of police officers to Anderson residents from 1.5 per 1,000 in July, 1 2014, to 2.0 per 1,000 as of June 30, 2017. As of June 30, 2017, the number of patrol units per shift increased from two to four. Those interviewed stated that additional patrol units have increased the department's ability to answer calls, maintain a police presence to deter crime, and be proactive in preventing crime. The K9 unit has increased from two to three dogs utilizing community fund raising supplemented by increased sales tax revenues. A canine unit provides added safety to officers on the streets. Research and interviewees indicated that criminals are less apt to be non-compliant while a canine unit is on the scene.

APD has expanded its support staff to include: One full-time non-sworn Public Service Officer hired in 2015 and a part-time Records Clerk hired in 2016. A Code Enforcement Officer was assigned solely to the APD.

APD has purchased six new vehicles. All patrol vehicles are now model year 2014 or newer. These acquisitions have brought the APD emergency response vehicle count to 15. Additional purchases included non-lethal weapons and general operational equipment.

According to those interviewed, without the additional revenues, the above listed changes would not have been implemented.

New Programs

Measure A funds allowed the following two new programs to be implemented:

- City of Anderson Criminal Justice Student Sponsorship Program. This is a cadet program which provides candidates with a stipend during their training prior to being hired by APD.
- Problem Oriented Policing (POP): POP is an analytic method used by police to develop strategies that prevent and reduce crime. According to those interviewed, the additional time and manpower required to implement this program would not have been possible without the additional revenues from Measure A.

Measure A Tax Spending and Crime Reduction

Since 2014, Anderson has seen a reduction in Part I Crimes (see Glossary for definition). The Grand Jury interviewees attribute this reduction to an increased number of police officers, increased K9s, increased support personnel, a filled full-time Code Enforcement Officer position exclusively allocated to APD, and the purchase of new and/or upgraded equipment. This reduction in Part I crimes is illustrated in Chart B.

**Anderson Police Department 2016 Annual Report
Five Year Comparison: Total Part I Crimes**

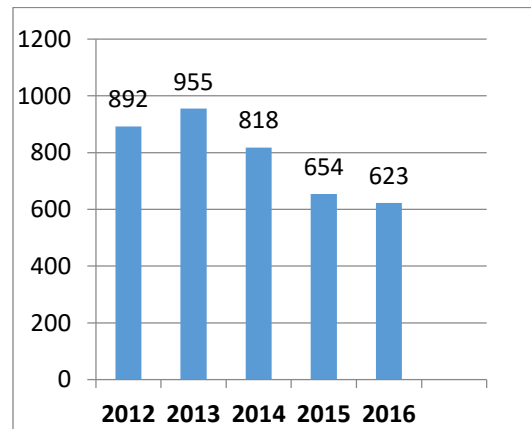


Chart B

Other Measure A Allocations

In addition to the sales tax revenues allocated to the APD, the following expenditures have been implemented:

- Anderson City Park Expenditures

Measure A funding has provided for enhanced park facilities, adding one new restroom facility, remodeling another, as well as other necessary facility upgrades. These funds have allowed for one additional park maintenance staff position. With the increased number of APD officers, regular patrols are now assigned to parks and enhanced police presence.

- City of Anderson Reserves

Measure A taxes have successfully replenished the Anderson's General Fund Reserves. Measure A has enabled the City to increase its General Fund Reserves from 9% to 37%. The Reserve Fund is used to manage unforeseen expenditures and fiscal emergencies and may be used for capital expenditures to expand City facilities per City of Anderson's Reserve Policy.

FINDINGS

- F1. The City of Anderson's City Council has followed the intent of advisory Measure B by increasing funds to the APD, resulting in an increase in staffing, the implementation of programs to reduce crime and increase public safety.
- F2. The City of Anderson's City Council has followed the intent of advisory Measure B by allocating funds to support City parks, code enforcement, and restore General Fund Reserves and other general City services resulting in improved park facilities and greater fiscal security.

COMMENDATION

The Grand Jury commends the City of Anderson's City Council for keeping the promise they made to the voters by fulfilling the intent of Advisory Measure B.

RECOMMENDATIONS

NONE

REQUEST FOR RESPONSES

NONE

The Grand Jury recommends that all governing bodies place their responses to all Grand Jury Reports on their Regular Calendars for public discussion, not on their Consent Calendars.

INVITED RESPONSES

NONE

DISCLAIMERS

When there is a perception of a conflict of interest involving a member of the Grand Jury, that member has been required to recuse from any aspect of the investigation involving such a conflict and from voting on the acceptance of or rejection of that report. No member of the Grand Jury recused from this report.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code § 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

GLOSSARY

City of Anderson Criminal Justice Student Sponsorship Program: The City pays for the Basic Police Officer Standards and Training academy and in addition, provides a \$1,500 signing bonus, approximately every 6 weeks during the academy (4 times) a \$1,000 stipend is provided to the student for living expenses. Also, the student may earn a \$1,000 bonus if they finish in the top 5 of their class.

Measure A (ballot text): “Shall the City of Anderson Ordinance No. 785, authorizing the City of Anderson to collect a one-half cent sales tax for essential general city services, be approved?”

Measure B (ballot text): “Should the City of Anderson allocate 50% of the tax revenue collected from the one-half cent sales tax to the Police Department to mitigate impacts of Prison Realignment (AB 109) and increase Police Department staffing to implement programs to reduce crime and increase public safety, and allocate the remainder to support parks, code enforcement, restore general fund reserves, and other general city services?”

Part I Crimes: Department of Justice, Federal Bureau of Investigation:

“The Uniform Crime Reports program collects data about Part I offenses in order to measure the level and scope of crime occurring throughout the Nation. The Program’s founders chose these offenses because they are serious crimes, they occur with regularity in all areas of the country, and they are likely to be reported to police. Those offenses include:

- Homicide
- Rape
- Robbery
- Aggravated Assault
- Burglary
- Motor Vehicle Theft
- Larceny Theft
- Arson.”

Police Officer to Resident Ratio: “This calculation is 1 officer for every 1,000 residents. The most recent credible research finds that an additional police officer reduces crime by 1.3 violent crimes and 4.2 property crimes per year. Other recent evidence estimates that the crime-reducing benefits of hiring an additional police officer exceed \$300,000 per year, much more than the annual cost of an additional officer”.

Policing Services: These services are performed by a body of government employees who are trained in law enforcement, crime prevention, and detection and authorized to maintain peace, safety and order.

Problem Oriented Policing (POP): Problem-oriented policing (POP) is an analytic method used by police to develop strategies that prevent and reduce crime. Under the POP model, police agencies are expected to systematically analyze the problems of a community, search for effective solutions to the problems, and evaluate the impact of their efforts. POP represents police-led efforts to change the underlying conditions at hot spots that lead to recurring crime problems. It also requires police to look past traditional strategies and consider other possible approaches for addressing crime and disorder.

Public Safety: Public Safety refers to the welfare and protection of the general public. The primary goal is prevention and protection of the public from dangers affecting safety such as crimes or disasters.

Support Personnel: Non-sworn staff assigned to assist with records, documentation, and code enforcement.

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