



DATE: March 10, 2022

TO: Members of the Measure X Citizens Oversight Committee

FROM: City Manager's Office

SUBJECT: **FY 2022-23 (YEAR 4) MEASURE X SPENDING PLAN AND UPDATED SEVEN YEAR PRELIMINARY EXPENDITURE PLAN**

**SYNOPSIS**

Staff recommends that the Measure X Citizens Oversight Committee (COC) endorse the FY 2022-23 (Year 4) Spending Plan (Attachment 1) and recommend approval to the City Council.

**BACKGROUND**

The role of the Measure X COC is to provide public review and comment on the City Manager's Measure X Spending Plan prior to City Council consideration of the City's annual budget. The Measure X Ordinance approved by the voters, codified as Chapter 34 of the Oceanside City Code, states:

"It is the intent that the Measure X funds be used to improve infrastructure and the delivery of public safety services and the plan (the "Measure X Spending Plan") shall reflect these priorities and include specific proposals for near term expenditures as well as a plan for expenditures throughout the seven (7) year term of the tax, and finance options for larger-scale projects that may require the pledge of Measure X revenues. After review and recommendation by the COC, the Measure X Spending Plan shall be presented to the City Council for its consideration and final decision, in its discretion, as part of the City's annual budget process." (34.6.16 B.)

Staff presented the FY 2021-22 (Year 3) Spending Plan to the Measure X COC on March 11, 2021. The COC voted to endorse the Year 3 Spending Plan and recommend approval to the City Council (6-0-1, Kern Absent). The City Council approved the Year 3 Spending Plan and Preliminary Plan for Expenditures for Years 4-7 at the City Council Budget Hearing on June 2, 2021.

The approved Year 3 Spending Plan includes the following components:

Improved Public Safety Services including Addressing Homelessness	\$4,307,693
Improved Infrastructure:	
Public Safety Infrastructure Projects	7,500,000
Street & Road Repairs/Improvements	4,200,000
Beaches/Beachfront/Pier/Parks	<u>675,000</u>
<b>TOTAL SPENDING PLAN FOR YEAR THREE</b>	<b>\$16,682,693</b>

City Council's approval of the Spending Plan represents the third year of expenditure authority. Each year if actual expenditures come in lower than the budgeted amount, the funds will flow forward into the balance available for budgeting in the following years.

In December 2021, the COC recommended the reallocation of \$150,000 from the Crime Suppression Team to pay start up costs of the Police Chief's proposed Community Services Officer program (discussed below).

**Preliminary Plan for Expenditures for Years 4-7.** The Spending Plan also included a preliminary plan for expenditures for the seven-year duration of Measure X (through March 2026). This plan anticipates continuance of the public safety and homelessness programs throughout the duration of the Measure, including cost escalators where appropriate, and the completion of the infrastructure improvements initiated during years 1, 2, and 3. The total cost to continue/complete these items was estimated at \$53,844,105.

Staff provided an update on implementation of the Year 3 Spending Plan to the COC and City Council on February 15, 2022 and that memo is attached to this report for reference (Attachment 3).

**ANALYSIS**

The City Manager developed the prior years' Spending Plans in consultation with staff based on the priorities outlined in Measure X to improve public safety and infrastructure. To that end, the prior years' Measure X Spending Plan focused on improved public safety services including programs to address homelessness, and infrastructure improvements focused on roads, public safety and beachfront improvements. These priorities ranked highly in the initial survey and citizen feedback during the Measure X process. The Measure X ballot question also specifically listed "police patrols, crime, drug, and gang prevention, fire, paramedic and 9-1-1 response, pothole repair, street maintenance, improved infrastructure, maintain safe, clean parks and beaches, and address homelessness" as examples of general city services that could be funded by Measure X.

**Proposed Year 4 Spending Plan for FY 2022-23.** The Year 4 Spending Plan continues the programs and infrastructure projects initiated in prior years with the following adjustments:

**Revenue.** The City's Sales Tax Consultant, HdL Companies, has estimated Year 4 revenue of \$17,441,820 (net of State administrative fees). This compares to the original projection of \$11,544,721 for Year 4 revenue. The additional revenue is primarily based on increased internet Sales/Use Tax receipts following the United States Supreme Court decision in South Dakota v. Wayfair, Inc., 138 S.Ct. 2080 (2018) and California's enactment of AB 147 implementing this decision. This court decision and law expanded the collection of state sales and use taxes from out-of-state businesses that sell to California residents and businesses over the internet.

Additionally, an estimated \$10,128,949 in unspent funds from Year 3 are being rolled over for reallocation in Year 4. This amount includes \$6.8 million in higher than projected revenues and \$3.3 million in lower than expected expenditures. As a result of these changes, the total amount available for budgeting in Year 4 is \$27,570,769.

**Expenses from Ongoing Projects and Programs.** The Year 4 Spending Plan continues the programs and projects initiated in Years 1, 2, and 3:

1. **Homeless Outreach Team (HOT).** The Spending Plan continues to fund two additional staff serving as the City's second HOT team. The Year 4 budget is increased to \$410,299 based on actual costs for the personnel on this team. These are positions that can be moved into other police programs after seven years when the Measure X revenues end since retirements will create new vacancies in the department.
2. **The Crime Suppression Team.** The Plan provides \$500,000 in Year 4 funding for the Police Department to deploy officers on an overtime basis to engage in additional crime suppression focused on the downtown and transient/homeless issues. This is a reduction of \$150,000 from what was budgeted in Year 3. It is anticipated that the implementation of a Community Services Officer program will reduce the demands on this team.
3. **Additional HOT Social Worker.** The Plan continues funding for an additional contract social worker to partner with the additional HOT team, at a cost of \$77,000 in Year 4.
4. **Homeless Diversion/Prevention, Homeless Reunification Program, and Homeless Hiring Programs.** This line item funds services such as emergency rent, security deposit, and first/last months' rent, bridge housing, and funding to reunite homeless persons with family members as needed in order to keep people from becoming homeless or to rehouse those experiencing homelessness. Additionally, it is proposed to launch a Homeless Hiring Program which will qualify and screen homeless Oceanside residents for a work program in coordination with a nonprofit partner. Staff has reissued a Request for Proposals (RFP) for this project in Year 3 and is reviewing proposals. In order to fund these programs, \$500,000 would be allocated in Year 4.
5. **Contract Sobering Services.** The plan includes funding of \$617,100 for the Contract Sobering Services Center that opened in December of 2020. The budget for this program increased by \$117,100 from Year 3 to pay for additional services provided to those intoxicated with substances other than alcohol. The

County of San Diego provided \$166,000 in funding for these programs in Years 1 and 2; this amount was increased to \$271,000 in Year 3 and staff will continue to seek support from the County of San Diego to fund this important and effective program.

6. **Enhanced Emergency Service Delivery Model (EMT Program).** This program successfully launched in September 2019. The Year 4 budget is increased to \$1,793,577 to account for increases in minimum wage and actual costs for the EMT training academy. This program can be scaled back after seven years when the Measure X revenues end since the additional staff will be hired on limited contracts and other positions will open up through retirements
7. **Fire Station 1 Construction.** Design on the Fire Station1 has been completed. The City received bids from five of the seven pre-qualified general contractors. The Engineer's Estimate was \$16M to \$18.5M. The five bids ranged from \$12.36M to \$15.49M. All bids need to be reviewed and vetted. In addition to the construction contract, funds will be needed for contingency and construction management and inspection. Staff plans to make a recommendation to City Council for award on April 6, 2022.

Staff anticipates a construction start timeframe of May 2022 with an 18-month construction period. \$7.5 million was included in Year 3 to fund construction and another \$5.875 million in Year 4 (\$3.725 million had been allocated in prior years and will also go toward construction). Last Fall, Staff received a \$3.5 million Department of Defense Office of Local Defense Community Cooperation (OLDCC) grant to help offset some of the Measure X funding requests. Staff is also seeking additional State and/or Federal funding to offset the need for additional Measure X funding.

8. **Road Repairs/Overlays/Slurry Seals.** The City invests approximately \$7 million annually in pavement management including overlays, slurry seals and rehabilitation projects, however this funding level is not adequate to maintain the current pavement condition. The City's current Pavement Condition Index (PCI) is 56 and declining. At least \$2.5 million in additional funding is needed annually to increase the City's PCI rating by 8-10 points over ten years, which would indicate that City's streets are in upper fair to very good condition. \$3,500,000 is proposed for the fourth year of Measure X funding.

Between July 2020 and December 2021, Measure X has funded 25 miles of slurry seal work and 10 miles of overlay. An additional 11 miles of slurry seal work and nine miles of overlay will be funded by Measure X and completed in calendar year 2022.

9. **South Strand Rehabilitation Project.** Staff is proposing to surface grind and apply bridge deck repair concrete as an interim measure while a design is prepared to stabilize the voids under the concrete slab and assess the sea wall. The Year 4 plan includes \$2.5 million for continuation of this project.
10. **Buccaneer Beach Park Facilities Study.** Design is underway and \$1.825 million is needed in Year 4 for completion of design and permitting. This process

will include public outreach to ensure the proposed project meets community expectations.

11. **Police Department: Equipment, Training, and Operational Studies.** The Year 4 plan includes \$500,000 for equipment, training, planning, and operational studies designed to increase response time and effectiveness of the Police Department.
12. **Fire Department: Equipment, Training, and Operational Studies.** The Year 4 plan includes \$300,000 for equipment, training, planning, and operational studies designed to increase response time and effectiveness of the Fire Department.

**Proposed New Projects for Year 4 and Going Forward.** After updating the revenues and expenses based on actuals and changes as noted above, the Seven Year Preliminary Expenditure Plan has a projected surplus of \$19.6 million. Based on this forecast, staff is recommending the following changes to the plan:

1. **Community Services Officer Model Implementation.** This proposed Year 4 spending plan includes \$1.7 million to implement an expanded Community Services Officer Program within the Police Department. The number of CSOs would expand from four to 32. This program is designed to create a pipeline of future police officers, dispatchers, forensic technicians, and analysts when vacancies occur. An added benefit is the increased staff capacity throughout the department and allow sworn police officers to more quickly respond to emergencies. This program would be on-going for the duration of Measure X and has been included in the preliminary seven-year spending plan. Note: this program will be made up of provisional positions that could be eliminated following the sunset of Measure X should other funding sources not be identified.
2. **Traffic Calming Measures.** The plan includes \$300,000 in Year 4 funding to implement traffic calming measures throughout the City to improve safety for motorists, pedestrians and cyclists. Measures such as speedhumps, roundabouts, median islands, and intersection turn restrictions are proven to encourage safer, more responsible driving. This program would be on-going for the duration of Measure X and \$300,000/annually has been included in the preliminary seven-year spending plan.
3. **Police Headquarters Expansion/Relocation.** A consultant is completing a needs-assessment study for a new or expanded Police Headquarters. Staff recommends earmarking \$2 million to begin next steps toward implementation of the recommendations from the study. Once the project is defined, staff would return for specific authorization for costs associated with these next steps.

**Preliminary Seven Year Expenditure Plan.** The Spending Plan also includes a preliminary plan for expenditures for the seven-year duration of Measure X (through March 2026). This plan anticipates continuance of the public safety and homelessness programs throughout the duration of the Measure, including cost escalators where appropriate, and completion of the infrastructure improvements initiated during Years 1, 2, and 3. The total cost to continue/complete these items is estimated to be \$47,753,230 which is fully covered by the anticipated revenue leaving a positive balance of \$9.1 million. This is a change from the initial Seven Year Expenditure Plan,

where revenues were not projected to cover expenses. Attachment 2 is a detailed spreadsheet illustrating the preliminary plan for the full seven years of Measure X.

Construction costs for infrastructure improvements are based on current projections and will not be fully known until projects are bid. Staff will continue to look for State and Federal grant opportunities and local funds generated from developer fees and CIP funds to complete infrastructure projects. As Measure X funds are budgeted in the latter years, project funding will need to be adjusted to match projected revenues. For example, some of the projects are scalable, such as the funding for road and street repairs, which means that a larger amount could be allocated in the final year to match the available revenue. Staff has also identified additional high priority capital projects that could be funded in whole or part from Measure X funds, should projects come in under estimates such that additional capacity becomes available.

**Summary of Year 4 Spending Plan.**

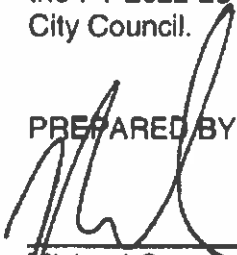
Improved Public Safety Services including Addressing Homelessness	\$6,417,331
Improved Infrastructure:	
Public Safety Infrastructure Projects	5,875,000
Street & Road Repairs/Improvements	6,300,000
Beaches/Beachfront/Pier/Parks	2,325,000
<b>TOTAL SPENDING PLAN FOR YEAR FOUR</b>	<b>\$20,917,331</b>
<b>REVENUE AVAILABLE FOR YEAR FOUR</b>	<b>\$27,570,769</b>
<b>BALANCE TO BE CARRIED FORWARD TO YEAR FIVE</b>	<b>\$6,653,438</b>

**Next Steps.** After review by the Citizens Oversight Committee, the Spending Plan will be presented to the City Council at its budget workshop on April 13, 2022. A public hearing will be conducted in June 2021 where City Council will review and approve a FY 2022-23 budget, including Measure X.

**RECOMMENDATION**

Staff recommends that the Measure X Citizens Oversight Committee (COC) endorse the FY 2022-23 (Year 4) Spending Plan (Attachment 1) and recommend approval to the City Council.

PREPARED BY:

  
\_\_\_\_\_  
Michael Gossman  
Assistant City Manager

SUBMITTED BY:

  
\_\_\_\_\_  
Deanna Lorson  
City Manager

REVIEWED BY:

Jonathan Borrego, Deputy City Manager



Jill Moya, Financial Services Director



Fred Armijo, Police Chief



Rick Robinson, Fire Chief



Leilani Hines, Neighborhood Services Director



Brian Thomas, City Engineer



Hamid Bahadori, Public Works Director



ATTACHMENTS:

1. FY 2022-23 Measure X Spending Plan
2. Detailed Seven Year Preliminary Plan of Expenditures
3. Measure X Projects Update Memo Dated 02/15/2022

## Measure X Draft Spending Plan

### **Revenue Assumptions:**

The FY 2022-23 revenue budget from the Measure is estimated at **\$17,441,820**

Total revenue for seven-year period is estimated at **\$116,663,521**

### **Proposed Spending Plan for FY 2022-23 Only**

<b>Police</b>	<b>Year 4</b>
1. Additional Homeless Outreach Team	\$410,299 Ongoing
2. Crime Suppression Team OT (downtown/homeless)	500,000 Ongoing
3. Community Services Officer Model Implementation	1,719,355 Ongoing
4. Equipment and Studies to Increase Emergency Response Capabilities	500,000 Ongoing
<i>Police Subtotal</i>	<i>\$3,129,654</i>
<b>Homeless - General</b>	
1. Homeless Diversion/Prevention Program & Homeless Reunification	\$500,000 Ongoing
2. Contract Sobering Services	617,100 Ongoing
3. Additional HOT Social Worker	77,000 Ongoing
<i>Homeless Subtotal</i>	<i>\$1,194,100</i>
<b>Fire</b>	
1. Enhanced Emergency Service Delivery Model (contract EMTs)	\$1,793,577 Ongoing
2. Equipment and Studies to Increase Emergency Response Capabilities	\$300,000 Ongoing
<i>Fire Subtotal</i>	<i>\$2,093,577</i>
 <b>Total Public Safety/Homeless</b>	 <b>\$6,417,331</b>

**Infrastructure****Public Safety Projects****Year 4**

1. New Fire Station 1/Emergency Operations Center	\$5,875,000
<i>Public Safety Projects Subtotal</i>	<i>\$5,875,000</i>

**Streets & Roads/Traffic**

1. Road Repairs/Overlays/Slurry Seals	\$3,500,000 Ongoing
2. South Strand Rehabilitation Study	2,500,000 Total estimated cost is \$3.6 million
3. Traffic Calming Measures	300,000 Ongoing
<i>Streets &amp; Roads/Traffic Subtotal</i>	<u><i>\$6,300,000</i></u>

**Beaches/Beachfront/Pier/Parks**

1. Pier Rehab – Concrete - Design	500,000 Estimated cost is \$17M - \$26M
2. Buccaneer Beach Park Facilities Study	1,825,000 Total estimated cost is \$3.4 million
<i>Beaches et.al. Subtotal</i>	<u><i>\$2,325,000</i></u>

**Total Infrastructure** **\$14,500,000**

**GRAND TOTAL FY 2022-23** **\$20,917,331**

City Council's approval of this Spending Plan represents the fourth year of expenditure authority. If actual expenditures for non-capital projects come in lower than the budgeted amount, the funds will flow forward into the balance available for budgeting in Year 5. Unspent balances for capital projects will remain budgeted for that line item until the project is complete and funds are reprogrammed in a future Spending Plan.

**PRELIMINARY PLAN FOR EXPENDITURES YEARS 5 THROUGH 7**

	<b>Projected Funds Available Years 5-7</b>	<b>\$50,181,348</b>	
	<b>Programs and Projects</b>	<b>Annualized Cost</b>	<b>Estimated Costs Years 5-7</b>
<b>Police</b>	Homeless Outreach Team	\$ 426,931	\$ 1,280,793
	Crime Suppression OT	500,000	1,500,000
	CSO Model Implementation	1,880,770	5,642,311
	Equipment and Studies	500,000	1,500,000
<b>Homeless</b>	Contract Social Worker	77,000	231,000
	Enhanced Homeless Diversion & Prevention Programs	500,000	1,500,000
	Contract Sobering Services Center	642,115	1,926,344
<b>Fire</b>	EMT/Deployment (less ambulance)	1,940,927	5,822,782
	Equipment and Studies	300,000	900,000
<b>Roads</b>	Road Repairs/Overlays/Slurry	3,500,000	10,500,000
	Traffic Calming Measures	300,000	900,000
	<b>Subtotal</b>		<b>31,703,230</b>
<b>Infrastructure</b>	<b>Infrastructure to Complete</b>		<b>Estimated Cost</b>
	Police HQ Expansion/Relocation	Balance	2,000,000
	Pier Rehab	Balance	14,050,000
	<b>Subtotal</b>		<b>\$ 16,050,000</b>

<b>Summary</b>	
\$50,181,348	Years 5 - 7 Revenue
47,753,230	Ongoing Expenditures & Capital
\$2,428,118	Balance

**Additional Capital Programs That Could be Funded by Measure X:**

1 Deferred Maintenance - City Facilities	\$1.5 Million	
2 Streets and Roads	\$17.5 Million	
3 Fire Station 8	\$8 Million	
4 Sand Replenishment	\$4.2 Million	Note: \$600K/Year



**Measure X Seven Year Preliminary Expenditure Plan**  
Year 4

	YEAR	Actual 1	Actual 2	Projected 3	Proposed 4	Estimated 5	Estimated 6	Estimated 7	TOTAL	Years 5-7
<b>REVENUES</b>										
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26			
1/2 Cent Sales Tax	\$ 15,973,347	\$16,359,706	\$17,128,000	\$17,618,000	\$18,101,000	\$18,463,020	\$14,124,210	\$	117,767,284	50,688,230
Admin Fees	121,310	128,110	171,280	176,180	181,010	184,630	141,242		1,103,763	506,882
Net available consultant projection years 2, 3 & 4, 2% increase years 6 & 7	15,852,037	16,231,596	16,956,720	17,441,820	17,919,990	18,278,390	13,982,968		116,663,521	50,181,348
Carryforward & revenue above budget		4,930,290	10,365,682	10,128,949	6,653,438	6,074,888	7,569,401			
<b>Amount available for budgeting</b>		<b>21,161,886</b>	<b>27,322,402</b>	<b>27,570,769</b>	<b>24,573,428</b>	<b>24,353,278</b>	<b>21,552,369</b>		<b>116,663,521</b>	
<b>EXPENSES</b>										
<b>POLICE</b>										
Additional Homeless Outreach Team (HOT)*	366,388	378,069	402,254	410,299	418,505	426,875	435,413		2,837,803	1,280,793
Crime Suppression Team (Downtown/Homeless Related)*	649,357	502,302	500,000	500,000	500,000	500,000	500,000		3,651,659	1,500,000
Community Service Officer Model Implementation			150,000	1,719,355	1,808,273	1,898,039	1,936,000		7,511,666	5,642,311
Police - Equipment and Studies to Increase Emergency Response Capability		344,240	655,760	500,000	500,000	500,000	500,000		3,000,000	1,500,000
<b>POLICE SUB TOTAL</b>	<b>1,015,745</b>	<b>1,224,611</b>	<b>1,708,014</b>	<b>3,129,654</b>	<b>3,226,778</b>	<b>3,324,914</b>	<b>3,371,412</b>		<b>17,001,129</b>	<b>9,923,104</b>
<b>HOMELESS</b>										
Enhanced Homeless Diversion & Prevention & Hiring Programs*	91,154	306,512	500,000	500,000	500,000	500,000	500,000		2,897,666	1,500,000
Additional HOT Contract Social Worker*	-	49,854	77,000	77,000	77,000	77,000	77,000		434,854	231,000
Contract Sobering Services for Homeless*	-	327,004	605,000	617,100	629,442	642,031	654,871		3,475,448	1,926,344
<b>HOMELESS SUB TOTAL</b>	<b>91,154</b>	<b>683,370</b>	<b>1,182,000</b>	<b>1,194,100</b>	<b>1,206,442</b>	<b>1,219,031</b>	<b>1,231,871</b>		<b>6,807,968</b>	<b>3,657,344</b>
*Denotes Homeless Related Expenditure										
<b>FIRE</b>										
Enhanced Emergency Service Delivery Model	1,359,268	1,413,398	1,628,439	1,793,577	1,865,320	1,939,932	2,017,530		12,017,464	5,822,782
Fire Equipment and studies to enhance emergency response		300,000	300,000	300,000	300,000	300,000	300,000		1,800,000	900,000
<b>FIRE SUBTOTAL</b>	<b>1,359,268</b>	<b>1,713,398</b>	<b>1,928,439</b>	<b>2,093,577</b>	<b>2,165,320</b>	<b>2,239,932</b>	<b>2,317,530</b>		<b>13,817,464</b>	<b>6,722,782</b>
<b>SUBTOTAL PUBLIC SAFETY/HOMELESS</b>	<b>2,466,168</b>	<b>3,621,379</b>	<b>4,818,453</b>	<b>6,417,331</b>	<b>6,598,540</b>	<b>6,783,877</b>	<b>6,920,813</b>		<b>37,626,560</b>	<b>20,303,230</b>
<b>INFRASTRUCTURE</b>										
Infrastructure budget balances to roll fwd	Allocated	Allocated	Budgeted	Proposed	Estimated	Estimated	Estimated			
	YEAR	1	2	3	4	5	6	7	TOTAL	Years 5-7
<b>Public Safety Capital Projects</b>										
New Fire Station #1 (\$17.1 million)	1,600,000	2,125,000	7,500,000	5,875,000	-	-	-		17,100,000	-
Fire Training Tower & Drafting Pit & Asphalt (\$600K)	600,000								600,000	
Police HQ Expansion/Relocation Study (\$149,825)	100,000	49,825							149,825	
Police HQ Expansion/Relocation Earmark for Next Steps (\$2 million)					2,000,000				2,000,000	2,000,000
<b>Streets &amp; Roads/Traffic/Storm Drains</b>										
Road Repairs - Overlays/Slurry Seal	2,590,422	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000		23,590,422	10,500,000
Traffic Calming Measures				300,000	300,000	300,000	300,000		1,200,000	900,000
South Strand Rehabilitation (\$3.6 million)	400,000		700,000	2,500,000					3,600,000	
<b>Beaches/Beachfront/Pier</b>										
Beachfront Improvement Project Including Police Substation, State grant obtained in lieu of Measure X funding (\$2,555,158)	2,555,158								2,555,158	
Partial funding for Pier View Bridge Rehabilitation/Concrete Portion/Lifeguard HQ - Addl construction funds needed (\$17 - 26 M)	250,000	1,500,000		500,000	6,100,000	6,200,000	1,750,000		16,300,000	14,050,000
Buccaneer Beach Park Facilities Study/Project (\$2.86 million)	360,000		675,000	1,825,000					2,860,000	
<b>INFRASTRUCTURE SUBTOTAL</b>	<b>8,455,580</b>	<b>7,174,825</b>	<b>12,375,000</b>	<b>14,500,000</b>	<b>11,900,000</b>	<b>10,000,000</b>	<b>5,550,000</b>		<b>69,955,405</b>	<b>27,450,000</b>
<b>TOTAL</b>	<b>\$10,921,748</b>	<b>\$10,796,204</b>	<b>\$17,193,453</b>	<b>\$20,917,331</b>	<b>\$18,498,540</b>	<b>\$16,783,877</b>	<b>\$12,470,813</b>		<b>\$107,581,965</b>	<b>\$47,753,230</b>
Overage (Shortfall)	\$4,930,290	\$ 10,365,682	\$ 10,128,949	\$ 6,653,438	\$ 6,074,888	\$ 7,569,401	\$ 9,081,556			

City of Oceanside  
*Office of the City Manager*

# Memorandum

To: Mayor and City Councilmembers  
Measure X Citizens Oversight Committee

From: Deanna Lorson, City Manager   
Michael Gossman, Assistant City Manager 

Date: February 15, 2022

Subject: **MEASURE X PROJECTS UPDATE**

In an effort to ensure that both the City Council and the Measure X Citizens Oversight Committee (COC) are informed about all Measure X initiatives, staff provides quarterly updates outlining the status of projects and programs funded by Measure X.

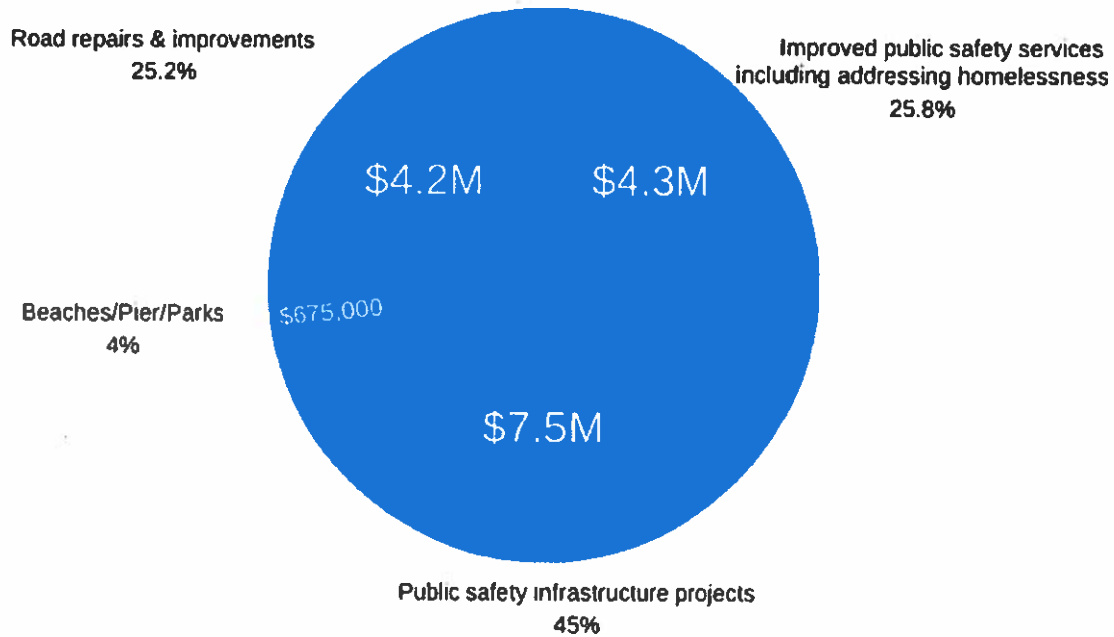
The Measure X FY 2021-22 Budget and Spending Plan was approved by the COC on March 11, 2021, and subsequently approved by the Council at their June 2, 2021 meeting. The expenditures per category included in this report are inclusive of funds spent this fiscal year through December 31, 2021.

Revenue received since the tax went into effect on April 1, 2019, is \$38.4 million. Unspent operating funds go back into the Measure X account for reallocation in subsequent spending plans. Capital Improvement Project and one-time allocations (e.g for equipment or organizational assessments) roll forward into the next FY for the identified projects/equipment.

The Measure X Fund was audited by an independent auditor. This audit was reviewed and approved by the COC on December 16, 2021.

Communications staff is conducting an ongoing awareness and education campaign on Measure X-funded projects and programs. Measure X project updates are shared in the City's newsletter, The Oceanside Tide. Five City webpages were developed, and social media post updates are posted. A second Measure X video promo was released in November. Additionally, Measure X is highlighted on signage placed at all infrastructure projects being funded with this revenue.

## Year 3 Allocation of Funds by Category:



### **POLICE**

#### **Additional Homeless Outreach Team (HOT) including Social Worker**

<b>EXPENDITURES 7/1/21 – 12/31/21</b>	<b>BUDGETED FOR YEAR 3</b>	<b>BUDGETED FOR YEAR 3 + CARRYOVERS</b>
<b>\$213,836</b>	<b>\$479,255</b>	<b>\$479,255</b>

Over the course of the second quarter of FY 2021-22, HOT personnel made a total of 122 contacts with homeless individuals (this count is unduplicated). Of those interactions, the officers were able to assist 120 individuals with service referrals such as care coordination, treatment planning, transportation, hygiene kits, Medi-Cal enrollment, mental health referrals, detox, family reunification, and more. 20 unsheltered people were helped into shelters. One was entered into permanent housing.

#### **Crime Suppression Team OT**

<b>EXPENDITURES 7/1/21 – 12/31/21</b>	<b>BUDGETED FOR YEAR 3</b>	<b>BUDGETED FOR YEAR 3 + CARRYOVERS</b>
<b>\$191,168</b>	<b>\$650,000</b>	<b>\$650,000</b>

To summarize the statistics for crime suppression and encampment details for the second quarter of FY 21-22:

Felony Arrests: 6	Misdemeanor Arrests: 13
Citations Issued: 83	Field Contacts: 26
Encampments Removed: 2	Trash Removed: 2,958 bags

At the December 16, 2021 COC meeting, the committee recommended utilizing \$150,000 of this funding to pay for start-up costs associated with a planned Community Services Officer program implementation.

**Equipment/Studies to Increase Emergency Response Capabilities**

<b>EXPENDITURES 7/1/21 – 12/31/21</b>	<b>BUDGETED FOR YEAR 3</b>	<b>BUDGETED FOR YEAR 3 + CARRYOVERS</b>
<b>\$19,215</b>	<b>\$500,000</b>	<b>\$500,000</b>

These funds will be used for equipment, training, planning, and operational studies designed to increase response time and effectiveness of the Police Department. In Quarter 2, the Police Department purchased software design services for tracking calls for service to hotels/motels in anticipation of future hotel/motel permitting program. The Police Department is in the process of retaining a consultant to prepare an operational study to enhance emergency response capabilities.

**HOMELESSNESS – GENERAL**

**Homeless Diversion/Prevention Program & Homeless Reunification Program**

<b>EXPENDITURES 7/1/21 – 12/31/21</b>	<b>BUDGETED FOR YEAR 3</b>	<b>BUDGETED FOR YEAR 3 + CARRYOVERS</b>
<b>\$116,392</b>	<b>\$500,000</b>	<b>\$500,000</b>

The programs described below are used to address homelessness in combination with other federal and state funds.

- **Reunification Program:** In the second quarter, the City facilitated 12 family reunifications. All individuals reunited with family outside of Oceanside were confirmed to have families awaiting their arrival and providing a safe space for them to reside.
- **Bridge Housing:** Oceanside Bridge Housing provides 12 beds in communal living apartments in the City of Oceanside. Bridge Housing provides a temporary living situation for up to 90 days. In the second quarter, the program provided transitional housing to five residents (15 YTD) experiencing homelessness. This

year, the program recruited a dedicated Social Worker to assist the participants with social, financial, and life skills. As a result, 14 out of the 15 have exited, or are expected to exit, the program successfully into permanent housing.

- **Landlord Incentive Program:** At this time, five landlords have taken advantage of this program. In addition, program funds were used to assist clients with application fees.

**Contract Sobering Services**

<b>EXPENDITURES 7/1/21 – 12/31/21</b>	<b>BUDGETED FOR YEAR 3</b>	<b>BUDGETED FOR YEAR 3 + CARRYOVERS</b>
<b>\$218,677</b>	<b>\$605,000</b>	<b>\$605,000</b>

On June 19, 2020, the City Council approved the Oceanside Sobering Services Center (OSSC) Professional Service Agreement with McAlister Sobering Institute to operate a sobering services center at 1919 Apple Street. In addition to the allocated Measure X funds, the San Diego County Health and Human Services Agency provided funding to the City in support of the OSSC.

On September 1, 2021, the City Council approved Amendment 1 to the Professional Services Agreement (PSA) with McAlister Institute, Inc. for operation of the Oceanside Sobering Services Center. Amendment 1 extends the agreement through June 30, 2022 and expands services to include servicing those in need of other drug-related sobering services outside of alcohol. The expanded services increased the previous budget of \$665,424 to \$770,424, a 16% increase (or \$105,000). This year’s increase will be funded by Measure X funds not spent in year 2.

The City is seeking additional funds from the County of San Diego and any additional funds needed to continue these expanded services in future years will be requested in future spending plans brought to the COC.

During the second Quarter of FY 21-22, the Oceanside Sobering Center served a total of 48 individuals. Eight clients were linked to other resources and 15 went on to a long-term shelter. McAlister continues to work with Housing staff and OPD for all referrals and has assisted in providing additional alcohol, tobacco, and other drug prevention or sobering services when possible.

**FIRE**

**Enhanced Emergency Service Delivery Model**

<b>EXPENDITURES 7/1/21 – 12/31/21</b>	<b>BUDGETED FOR YEAR 3</b>	<b>BUDGETED FOR YEAR 3 + CARRYOVERS</b>
<b>\$806,050</b>	<b>\$1,628,438</b>	<b>\$1,731,750</b>

The Enhanced Emergency Service Delivery Model hires Emergency Medical Technicians (EMTs) to provide basic and advanced life support. The EMTs also handle basic life support medial aid calls and transports. Expenditures aim to provide the City of Oceanside with a higher level of service and reduced response times. Specific actions taken this quarter include the following:

Our most recent Firefighter/Paramedic academy started January 24<sup>th</sup>. Of the nine employees in the academy, four are EMT's who worked for the City under the Measure X funded EMT program. This is double the number of EMT's who were in the last academy and shows how the program is building our ability to hire candidates who we feel will be successful.

Based on additional funding provided by the Measure X program as part of the FY 21-22 budget process, the expansion of the EMT ambulance program to provide a second 24-hour unit (from 12-hour) was implemented in October 2021. We continue to hire EMT level personnel to staff our ambulances with the most recent EMT Academy starting on January 18<sup>th</sup> and another hiring currently taking place with a closing date of January 28<sup>th</sup>.

**Equipment Purchases**

<b>EXPENDITURES 7/1/21 – 12/31/21</b>	<b>BUDGETED FOR YEAR 3</b>	<b>BUDGETED FOR YEAR 3 + CARRYOVERS</b>
<b>\$105,336</b>	<b>\$300,000</b>	<b>\$300,000</b>

For FY 2021-22 an additional \$300,000 in one-time funds was provided to purchase necessary equipment to support Fire, EMS, and Lifeguard operations. These funds will be used to purchase training, rescue, and response equipment to enhance the Fire Department's emergency operations. Equipment purchased or approved this quarter included:

- Recruitment video for the Fire Department (for FF/PM, Lifeguard, and EMT)
- Incident Management training simulator system ("Blue Card")
- Rescue equipment for Truck 217
- Self-Contained Breathing Apparatus (SCBA) upgrades
- Power load patient lifting retrofit for one ambulance
- Covers for relief fire apparatus and ambulances

The Fire Department is in the process of retaining a consultant to prepare an operational study to enhance emergency response capabilities.

## **INFRASTRUCTURE**

### **Public Safety Projects**

#### **New Fire Station 1**

Note: Estimated cost is \$17.1M

<b>EXPENDITURES 7/1/21 – 12/31/21</b>	<b>BUDGETED FOR YEAR 3</b>	<b>BUDGETED FOR YEAR 3 + CARRYOVERS</b>
<b>\$96,495</b>	<b>\$7,500,000</b>	<b>\$11,022,783</b>

The Planning Commission approved the project plan at its November 8, 2021 meeting. Design has been completed; seven contractors pre-qualified to submit bids during Fall 2021. The project is currently out to bid with a bid opening date set for February 24, 2022. It is anticipated the contract award will take place March 23, 2022.

Originally, this project was estimated at \$14.7 million, but is now estimated at \$17.1 million due to escalating labor and materials cost. Staff anticipates a construction start timeframe of May 2022 with an 18-month construction period. \$7.5 million was included in Year 3 to fund construction.

Last Fall, staff received a \$3.5 million Department of Defense Office of Local Defense Community Cooperation (OLDCC) grant to help offset some of the Measure X funding requests. Staff is also seeking additional State and/or Federal funding to offset the need for additional Measure X funding.

### **Training Tower/Drafting Pit/Asphalt**

<b>EXPENDITURES 7/1/21 – 12/31/21</b>	<b>BUDGETED FOR YEAR 3</b>	<b>BUDGETED FOR YEAR 3 + CARRYOVERS</b>
<b>\$6,857</b>	<b>\$0</b>	<b>\$424,000</b>

The City Council awarded the construction contract at its November 3, 2021 meeting. The selected contractor submitted documentation which allowed execution of the contract with Reed Family Enterprises. Staff have received partial submittals from the contractor and set-up special inspection services for the project.

### **Police Headquarters Expansion/Relocation Study**

Note: One time in Year 1

<b>EXPENDITURES 7/1/21 – 12/31/21</b>	<b>BUDGETED FOR YEAR 3</b>	<b>BUDGETED FOR YEAR 3 + CARRYOVERS</b>
<b>\$4,489</b>	<b>\$0</b>	<b>\$133,111</b>

The Phase 1 Needs Assessment draft report was completed and distributed to stakeholder departments for review and comments.

**Streets & Roads/Traffic**

**Road Repairs/Overlays/Slurry Seals**

<b>EXPENDITURES 7/1/21 – 12/31/21</b>	<b>BUDGETED FOR YEAR 3</b>	<b>BUDGETED FOR YEAR 3 + CARRYOVERS</b>
<b>\$1,777,623</b>	<b>\$3,500,000</b>	<b>\$7,059,691</b>

The Annual Overlay and Annual Slurry Seal projects were completed in Fall 2021. Staff have prepared a list of candidate streets for both the Annual Overlay and Annual Slurry projects for internal review, with anticipated advertisement in spring 2022.

**South Strand Rehabilitation Study**

Note: Construction postponed

<b>EXPENDITURES 7/1/21 – 12/31/21</b>	<b>BUDGETED FOR YEAR 3</b>	<b>BUDGETED FOR YEAR 3 + CARRYOVERS</b>
<b>\$17,095</b>	<b>\$700,000</b>	<b>\$1,054,343</b>

Staff negotiated the cost of extra overlay work with the contractor and prepared a Change Order in the amount of \$594,768 to incorporate The Strand’s surface restoration into the existing Street Overlay contract. The Change Order is scheduled for City Council consideration at its February 23, 2022 meeting.

**Beaches/Beachfront/Pier/Parks**

**Beachfront Improvements**

(Includes Police Substation)

<b>EXPENDITURES 7/1/21 – 12/31/21</b>	<b>BUDGETED FOR YEAR 3</b>	<b>BUDGETED FOR YEAR 3 + CARRYOVERS</b>
<b>\$575,211</b>	<b>\$0</b>	<b>\$869,510</b>

The contractor continues construction of the Police substation, public restrooms, and maintenance building. Staff received positive feedback on progress based on comments made by Assembly Member Boerner-Horvath after her December 16, 2021 site visit.

**Pier Rehab – Concrete – Design**

Note: Estimated cost is \$17M - \$26M

<b>EXPENDITURES 7/1/21 – 12/31/21</b>	<b>BUDGETED FOR YEAR 3</b>	<b>BUDGETED FOR YEAR 3 + CARRYOVERS</b>
<b>\$103,206</b>	<b>\$0</b>	<b>\$1,515,087</b>

Staff have met with the design consultant and California Coastal Commission (CCC) staff to discuss potential design options. The existing and potential future portions of the lifeguard headquarters is located within CCC jurisdiction; therefore, design options are dependent on CCC input.

**Buccaneer Beach Park Facilities Study**

<b>EXPENDITURES 7/1/21 – 12/31/21</b>	<b>BUDGETED FOR YEAR 3</b>	<b>BUDGETED FOR YEAR 3 + CARRYOVERS</b>
<b>\$0</b>	<b>\$675,000</b>	<b>\$930,052</b>

The consultant finalized two conceptual designs for the new restroom building and park improvements. Staff conducted a stakeholder workshop related to park design on January 27, 2022.

The next quarterly update will cover the third quarter of the Year 3 Spending Plan (January 1, 2022 – March 31, 2022).

**Cc: Department Directors**