



CITY OF FAIRFIELD

Founded 1856 - Incorporated December 12, 1903

CITY MANAGER'S OFFICE

July 18, 2023

Cheryl Clower
Administrative Assistant to the Grand Jury
cdclower@solano.courts.ca.gov

SENT VIA EMAIL

RE: 2022-2023 Grand Jury Report Entitled: Oversight of Fairfield's Measure P

Dear Ms. Clower:

This letter is in response to the Grand Jury request dated May 1, 2023, regarding the value of the oversight committee with respect to Fairfield's Measure P. The Grand Jury's Findings and Recommendations are listed below, along with the City's response:

FINDING 1 – Fairfield did not comply with its own commitment in its Response to the 2019-20 Grand Jury investigative report to track the use of Measure P revenues.

RECOMMENDATION 1 – The City should immediately begin tracking all funds received pursuant to Measure P and begin reporting on the expenditure of those funds. The City should also immediately begin making information available to the Oversight Committee as to how the Measure P funds are being spent.

RESPONSE 1 – This recommendation has been complied with. The November 2022 Annual Report of the Measure P committee, presented to the City Council, shows the tracking of expenses and is available on the City's website (copy of report attached).

FINDING 2 – The Oversight Committee is not currently an advisory committee and as such is not allowed to advise, or make recommendations to, the Fairfield City Council on the use of Measure P funds.

RECOMMENDATION 2 – The Oversight Committee should be a real oversight committee and be allowed to make recommendations to the City Council with respect to the use of Measure P funds. Such changes to the process would result in more work and more focused work on the part of the members of the Oversight Committee.

Letter to Cheryl Clower

Re: Grand Jury Letter Dated May 1, 2023 – Measure P Oversight Committee

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RESPONSE 2 – The Civil Grand Jury's Recommendation 2, that the Measure P Oversight Committee should advise on how Measure P funds are expended, goes well beyond the requirements as authorized by voters: "...to review the expenditures of revenues collected pursuant to this ordinance" [emphasis added]. Such an advisory role would counter the efficient and effective operations of the City of Fairfield. It is the job of the City Council, duly elected by the voters of Fairfield, to determine how best to expend revenues to deliver basic services to residents.

FINDING 3 – The Oversight Committee, whose members are uncompensated, reviews and analyzes a great deal of financial information, meets four times each year, and is required to report to the Fairfield City Council on the use of Measure P funds. A great deal of time must be devoted to these efforts, and even more time would be required were the City to adopt Recommendation 2, above.

RECOMMENDATION 3A – The number of standard Oversight Committee meetings should be no less than six each year.

RECOMMENDATION 3B – Oversight Committee members should receive an appropriate stipend per meeting attended plus reimbursement of mileage at the legal rate.

RESPONSE 3A & 3B – The Civil Grand Jury's Recommendations 3A and 3B are arbitrary and capricious. The City of Fairfield disagrees.

FINDING 4 – To date, the Oversight Committee's only interaction with the City Council has been to sporadically prepare an annual report and present it to the City Council each year before the completion of the annual audit related to Measure P. The report has not been prepared every year and has been prepared at different times in different years.

RECOMMENDATION 4A – The Oversight Committee should prepare an annual report following the City's fiscal year-end and it should be prepared and presented to the City Council before the end of each calendar year.

RECOMMENDATION 4B – The Oversight Committee should prepare an additional report after receipt and review of the annual third-party audit of Measure P funds and any additional reports it deems necessary or advisable.

RESPONSE 4A – The City refers to our letter dated July 21, 2020 (copy attached), in response to the Grand Jury's report on the same matter in response to recommendation #2. The city agreed to provide the Measure P committee with actual numbers for the fiscal year after the closing of accounting books. The committee has consistently issued the report in the month of November for the past 3 years.

RESPONSE 4B – During their February quarterly meeting, the Measure P committee reviews the annual third-party audit of the Measure P funds. In light of the auditors issuing a positive compliance report, the

Letter to Cheryl Clower

Re: Grand Jury Letter Dated May 1, 2023 – Measure P Oversight Committee

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Committee has not found it warranted to issue any new report as it would be the same numbers presented on an actual basis in their November report.

FINDING 5 – Other than a sporadically issued annual report, the Oversight Committee has no real contact with the City Council or the ability to bring concerns it might have with respect to the use of Measure P funds to the City Council.

RECOMMENDATION 5 – The Oversight Committee should be scheduled on the City Council agenda no less than twice each year and the Committee should be allowed, if not encouraged, to request to be on the City Council agenda additional times as the Committee deems necessary.

RESPONSE 5 – As we have noted in finding number 4, the Measure P committee has not prepared these reports sporadically. Still, it has consistently issued its report in November for the past 3 years. The Committee and its members have full access to the City Council and are free and encouraged to request agenda items to be placed before the City Council. To date, the committee has not deemed it necessary to do so.

FINDING 6 – When the Oversight Committee has prepared an annual report, it has not uniformly been posted on the City's website. Moreover, historical annual reports have not been consistently made available on the City's website.

RECOMMENDATION 6 – The Oversight Committee annual report should consistently be released publicly and posted on the City of Fairfield's website shortly after it is presented to the City Council. All such annual reports should remain available indefinitely on the City's website.

RESPONSE 6 – The City of Fairfield has all Measure P reports posted to the website, and in our official records archive, since 2019. They are posted as soon as the council has reviewed them. The reports are available here: <https://www.fairfield.ca.gov/government/city-commissions-and-committees/measure-p-oversight-committee>

COMMENTS – At one point, one member of the Oversight Committee was a minor. That Commissioner was also a member of the City's Youth Commission. There is no requirement that a minor hold one of the seats on the Oversight Committee.

RESPONSE TO COMMENT – The City shall consider appointing a minor to the Oversight Committee should an opening on the Committee arise.

Letter to Cheryl Clower

Re: Grand Jury Letter Dated May 1, 2023 – Measure P Oversight Committee

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Please let me know if you have any further questions regarding this response.

Respectfully,



DAVID GASSAWAY

City of Fairfield, City Manager

DG/ewb

ATTACHMENTS

1. Solano County Grand Jury Letters Dated May 1, 2023
2. Oversight of Fairfield's Measure P Solano County Civil Grand Jury 2022-2023
3. Measure P Expenses for Fiscal Year 2021-2022
4. Solano County Grand Jury Response Letter Dated July 21, 2020



SOLANO COUNTY CIVIL GRAND JURY

Hall of Justice
600 Union Avenue
Fairfield, California 94533
(707) 435-2575 (P) / (707) 435-2566 (F)
CDClower@Solano.Courts.Ca.Gov
www.SolanoCourts.Ca.Gov

May 1, 2023

Sent via email

Catherine Moy, Mayor
City of Fairfield
1000 Webster Street
Fairfield, CA 94533

RE: 2022-2023 Grand Jury Report Entitled: **Oversight of Fairfield's Measure P**

Enclosed please find a copy of the above named report by the 2022-2023 Solano County Grand Jury. This report is provided to you **in advance of public release** as provided for in Penal Code §933.05(f). Please note that Penal Code §933.05(f) specifically prohibits any disclosure of the contents of this report by a public agency, its departments, officers or governing body prior to its release to the public, which will occur on **Thursday, May 4, 2023**.

You are required to respond in writing to the Presiding Judge and to provide an electronic copy in pdf form to the Grand Jury regarding the Findings and Recommendations contained in the report pursuant to Penal Code §933.05. This section of the Penal Code is very specific as to the format of the responses. The Penal Code §933 (c) is also specific about the deadline for responses. You are required to submit your response to the Grand Jury by **Wednesday, August 2, 2023** on signed letterhead. Each final report, together with the required responses will be filed with the clerk of the court and forwarded to the State Archivist for retention in perpetuity §933 (b). If no response is received from the agencies or elected officials a notation will be included on the filed report.

The electronic copy should be sent to the Grand Jury office at cdclower@solano.courts.ca.gov.

Responses are public records. Should you have any questions, please contact Cheryl Clower, Administrative Assistant to the Grand Jury at (707) 435-2575.

Sincerely,

A handwritten signature in black ink that reads "Carl DuBois". The signature is written in a cursive, slightly slanted style.

Carl DuBois, Foreperson
2022-2023 Solano County Civil Grand Jury

CWD/cdc



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600 Union Avenue
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CDClower@Solano.Courts.Ca.Gov
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May 1, 2023

Sent via email

Karen Rees, Clerk
City of Fairfield
1000 Webster Street
Fairfield, CA 94533

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Sincerely,

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Carl DuBois, Foreperson
2022-2023 Solano County Civil Grand Jury

CWD/cdc



**SOLANO COUNTY
CIVIL GRAND JURY**

2022-2023

OVERSIGHT OF FAIRFIELD'S MEASURE P

May 4, 2023

Oversight of Fairfield's Measure P
Solano County Civil Grand Jury 2022-2023

I. SUMMARY

Measure P is a transactions and use tax (also known as a sales tax) of 1% on purchases in the City of Fairfield. This investigation and report are a follow-up to a 2019-2020 Solano County Civil Grand Jury report concerning oversight of Fairfield's use of Measure P funds. The investigation was undertaken with the knowledge that, in 2022, the voters of the City of Vallejo passed that City's own Measure P, a 7/8 cent transaction and use tax very similar to Fairfield's Measure P.

The 2022-2023 Solano County Civil Grand Jury investigated the value of the oversight committee with respect to Fairfield's Measure P (the Fairfield Taxpayer Committee, hereinafter referred to as the "Oversight Committee"). Among the issues examined was the Oversight Committee's access to information relating to the collection and use of Measure P funds as well as the Committee's ability to have input in Fairfield City Council decisions about the City's use of Measure P funds.

II. INTRODUCTION

Fairfield voters extended Measure P in 2016 for an additional fifteen years, recognizing the importance of the revenue generated by this source. This extension included continuation of the Oversight Committee.

The Oversight Committee is supposed to monitor the revenue collected pursuant to Measure P and to report on the use of those funds. It is designed to "ensure transparency and oversight of the revenue generated by Measure P." Specifically, the Oversight Committee is charged with reviewing the annual independent audit of Measure P as well as other City financial reports "necessary to advise the City Council."

In the fiscal year ending June 30, 2022, Measure P funds collected were \$25,896,770 (approximately 21.21% of Fairfield's total general fund in 2021-22). The Oversight Committee is charged with the responsibility to confirm that the funds collected are spent *in accordance with* the issues outlined in the original ballot presentations.

The purpose of investigations by the Civil Grand Jury is to identify the actions of governing agencies in the County and determine if those agencies are performing in a beneficial manner for the citizens of Solano County. In an investigative report of the 2019-20 Solano County Civil Grand Jury concerning the Measure P tax oversight process, several issues required attention. The 2022-23 Civil Grand Jury determined to do a follow-up examination of the topic.

III. METHODOLOGY

Interviews

- City of Fairfield elected official
- City of Fairfield staff members
- Measure P Fairfield Taxpayers Committee members

Review

- Texts of 2012 and 2016 Measure P ballot measures
- 2019-2020 Solano County Civil Grand Jury Investigative Report entitled “Fairfield Measure P” and Response of the City of Fairfield
- Documents and data provided by City of Fairfield staff
- City of Fairfield Ordinance Nos. 2012-20 and 2016-18 and Resolution Nos. 2013-31 and 2017-235
- Measure P Fairfield Taxpayers Committee annual reports produced in 2019, 2020, 2021, and 2022 (all of these reports, except the report for 2022, were uploaded to the City’s website on September 28, 2022, after the commencement of this investigation)
- Measure P Oversight Committee Brochures for 2019, 2020, 2021, and 2022 (all of these brochures were uploaded to the City’s website on November 17, 2022, after the commencement of this investigation)
- Measure P Oversight Committee Meeting Minutes for 2019, 2020, 2021, and 2022.
- Measure P Oversight Committee Meeting Agendas for 2019-2022
- Eide Bailly Independent Auditor’s Report on Compliance with Ordinance 2012-20 (Measure P Transactions and Use Tax) dated December 15, 2022, December 2, 2021, December 3, 2020, and December 2, 2019
- City of Fairfield Mid-Cycle Budget Updates for FYs 2021-22 and 2022-23, 2019-20 and 2020-21, 2017-18 and 2018-19, and 2015-16 and 2016-17
- City of Fairfield Budgets for FYs 2021-22 and 2022-23, 2019-20 and 2020-21, 2018-19, 2015-16 and 2016-17, and 2014-15
- City of Fairfield Annual Comprehensive Financial Reports for FY 2021-22, 2020-21, 2019-20, 2018-19, 2017-18, 2016-17, 2015-16, and 2014-15
- City of Fairfield Popular Annual Financial Report for FYs 2021-22, 2020-21, 2019-20, 2018-19, 2017-18, 2016-17, 2015-16, and 2014-15
- “Reports show Measure P dollars spread across Fairfield’s police, fire, other categories,” Daily Republic, November 18, 2022
- Ballotpedia.com webpages relating to 2012 and 2016 Measure P ballot measures

Attended

- Measure P Fairfield Taxpayers Committee meeting on August 15, 2022
- Fairfield City Council meeting on November 15, 2022

IV. STATEMENT OF FACTS

Passage of Measure P

On November 6, 2012, the voters of the City of Fairfield passed Measure P, a ballot measure establishing a 1% transactions and use tax for five years. Measure P on the 2012 ballot asked the following question of voters:

“To address the City of Fairfield’s Fiscal Emergency, offset significant budget cuts and state financial takeaways, and maintain City services, including neighborhood police patrols, firefighters, 9-1-1 response times, crime, drug and gang prevention programs, maintenance of streets, medians and street lights, parks and recreation service, and other general services, shall an ordinance be adopted to enact a one cent sales tax for five years, with citizen’s oversight, annual independent audits and all funds spent only in Fairfield?”

The ballot measure expressly stated there would be “citizen’s oversight.” Approximately 67% of voters approved Measure P.

Measure P was placed on the ballot as a “general tax” proposition, meaning that it would pass with a simple majority voting in favor and that, if approved, funds received pursuant to the tax would be placed in the City’s general fund and could be used for any legitimate purpose. Had the measure been placed on the ballot as a “special tax,” it would have required a 2/3 majority vote in favor, and the money could only be spent on a designated specific purpose or purposes. *See* California Constitution, Article XIIC.

The Oversight Committee

The voters passed Measure P in November 2012. The Fairfield City Council subsequently passed the Fairfield Transactions and Use Tax Ordinance, designated City Ordinance No. 2012-20. By that Ordinance, the City Council added Article VII to the Fairfield Municipal Code (the “Code”).

Section 18.84 of the Code provided that the City’s independent auditors “shall [annually] complete a Transactions and Use Tax Ordinance Compliance and Internal Control Audit Report. Such report shall review whether the tax revenues collected pursuant to this ordinance are collected, managed and expended in accordance with the requirements of this ordinance.”

Section 18.85 provided that “the City Council shall establish a Fairfield Taxpayers Committee to review the expenditure of revenues collected pursuant to this ordinance.” That section further provided that the Oversight Committee would consist of five residents and taxpayers of Fairfield.

The Fairfield City Council passed Resolution No. 2013-31 in February 2013 to establish the Oversight Committee. Exhibit A to that Resolution provides that the Oversight Committee is to “monitor the revenue collected by the Measure P transactions and use tax, as well as report on the use of the funds.” The Oversight Committee was also required to “ensure transparency and oversight of revenue generated by Measure P.”

The Oversight Committee's duties were to "consist of reviewing the annual independent audit (performed by an independent auditor on the Measure P generated revenue and expenses during the previous fiscal year), as well as reviewing any other City financial reports necessary to advise the City Council."

Exhibit A to that Resolution further provides that the Oversight Committee meet at least once each year. Additional meetings may be scheduled as necessary. The Oversight Committee minutes and reports "are a matter of public record, and may be posted on the City's website."

The Fairfield City Council appointed its initial five members of the Oversight Committee in 2013. Additional members of the Committee were subsequently appointed when positions were vacant. Since its inception, the Oversight Committee has sought to meet four times each year. Its members are volunteers and are not compensated for time spent reviewing materials or preparing for or attending meetings. Meetings are held at night at various locations within Fairfield, as determined by the Committee in conjunction with City staff. Very few citizens attend these meetings.

Although the Oversight Committee is not specifically required to prepare annual reports, the Oversight Committee has taken it upon itself to prepare them. The Oversight Committee has been inconsistent in preparing such reports and a related brochure with respect to Measure P. The reports and brochures have not been prepared every year; some have been prepared at various times during the year. For example, the City's fiscal year runs from July 1 of one year until June 30 of the next year, but annual reports were prepared:

- March 2015
- February 2016
- September 2019
- November 2020
- November 2021
- November 2022

The annual reports to date have addressed the accomplishments of the City in the prior year with respect to **all** revenues received rather than just those received pursuant to Measure P. Also, since the resolution creating the Oversight Committee expressly states that the Committee's duties "do not include decision-making or advisory responsibilities," the annual reports have not made suggestions or recommendations as to how Measure P funds should be spent. Moreover, the members of the Oversight Committee do not attend budget meetings or participate in the preparation of budgets for Measure P revenues.

Measure P in Action

Since its adoption, Measure P has resulted in the collection of millions of dollars in tax revenues. Revenues collected by Fairfield each full year have represented between 18% and 22% of the City's total general fund revenues received (see Chart 1).

Fiscal Year	Measure P Revenues	Total General Fund Revenues	Measure P Revenues as Percentage of Total
2021-2022	\$ 25,896,770	\$ 122,108,407	21.21%
2020-2021	\$ 23,328,607	\$ 115,363,642	20.22%
2019-2020	\$ 19,704,287	\$ 106,858,828	18.43%
2018-2019	\$ 19,602,753	\$ 107,327,231	18.26%
2017-2018	\$ 19,465,133	\$ 100,842,708	19.30%
2016-2017	\$ 18,374,515	\$ 94,668,108	19.41%
2015-2016	\$ 17,489,693	\$ 95,074,353	18.40%
2014-2015	\$ 16,642,078	\$ 86,672,944	19.20%
2013-2014	\$ 16,000,486	\$ 79,712,803	20.07%
2012-2013	\$ 724,233	\$ 67,464,495	1.07%

Chart 1. Annual collections pursuant to Measure P as a Percentage of Total General Fund Revenues

Upon receipt of these funds, they are placed in the City’s general fund.

The City contracts with HdL Companies for that entity to perform analytics on the funds collected pursuant to Measure P. HdL looks at the sources of the Measure P revenues. Thus, it is possible to identify the source of funds received pursuant to Measure P.

Independent auditors conducted an audit each year since its passage. In the audit conducted for FY 2020-21, the auditors cautioned as follows:

“In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of Ordinance 2012-20 approved by the City Council on November 6, 2012, insofar as they relate to the collection, management and expenditure of Measure P sales taxes in the City general fund. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced terms, provisions, or conditions of the Ordinance, insofar as they relate to accounting matters.”

Since the passage of Measure P and the establishment of the Oversight Committee, the City of Fairfield has provided financial information to the Oversight Committee. The City has also made various City government officials and staff available to attend meetings held by the Committee and to provide the Committee with requested information. The Oversight Committee has met regularly since its inception to review Measure P collections and how the City has spent its general fund.

However, the City has not tracked exactly how Measure P funds have been used and has not provided information relating to the *specific* uses of Measure P funds to the Oversight Committee. As a result, the Oversight Committee has only been able to address how the City spends **all** of its revenues rather than the specific funds brought to the City pursuant to Measure P.

Technology is now available to the City of Fairfield to track Measure P funds. It is now possible to track the exact funds received pursuant to Measure P and how the City uses those funds.

15-Year Extension of Measure P

With Measure P set to expire in 2018, the City placed another Measure P on the ballot in 2016 to extend the term of the measure for an additional 15 years until 2033. The ballot asked voters whether they desired:

“To renew expiring funding without increasing tax rates, shall the Ordinance be adopted extending the existing 1% sales tax for fifteen years to preserve approximately \$16 million in local annual funding for the City of Fairfield that the state cannot take away to support neighborhood police patrols, firefighting and rapid 9-1-1 emergency response, crime prevention programs, fixing potholes and repairing neighborhood streets, parks and recreation, and other general services, with mandatory audits and independent oversight?”

The ballot measure expressly stated that there would be “independent oversight.” Nearly 69% of voters approved the 15-year extension of Measure P.

Previous Solano County Civil Grand Jury Report on Measure P

The 2019-2020 Solano County Civil Grand Jury conducted an investigation concerning Fairfield’s Measure P and prepared a report relating to that investigation. The report included five recommendations:

1. Develop a system to track Measure P dollars from collection to disbursement so that the public can easily see how and where these funds are applied.
2. Enhance public transparency and consistency by directing the Fairfield Taxpayers Committee to base any reporting on actual year-end data rather than forecast data.
3. Establish a protocol to validate the accuracy of financial data before it is published by the Fairfield Taxpayers Committee.
4. Expand the annual audit scope to include additional procedures directed primarily toward obtaining knowledge of noncompliance relating to accounting matters.
5. Amend Resolution No. 2013-31 to define “taxpayer.”

The City, in its response to that investigative report, stated that it partially agreed with Recommendation 1, but stated, in part, that Measure P approved a General Tax rather than a Special Revenue Tax and, as such, revenues collected pursuant to Measure P could be “used to support any municipal purpose.” In other words, the City expressed that the verbiage in the ballot measures as to how the Measure P funds could or would be used was in no way binding or a limitation on the City’s ability to use those funds. Ultimately, in its response, the City agreed (although without providing a “timeframe for implementation” as required by California Penal Code § 933.05) that it would “implement a tracking system on expenditures (disbursements) that demonstrates Measure P’s contributions to various City services.” Unfortunately, as of the date

this investigation commenced, the City of Fairfield had not implemented such a tracking system or made such information available to the Oversight Committee.

In its response, the City partially agreed with Recommendation 2. In so doing, the City stated that sometimes actual numbers were relied upon, and sometimes budgeted numbers were relied upon. Ultimately, the City agreed that, going forward, it would provide the Committee with actual year end data.

The City, in its response, disagreed with Recommendation 3.

In its response, the City partially agreed with Recommendation 4, contending that the annual audit of the City's financial statements was sufficient. Ultimately, the City agreed "since the City will be implementing a tracking tool for Measure P expenditures, the annual audit will include a review of these expenditures." As detailed above, no such tracking had been implemented as of the commencement of this investigation, so no such expenditure review was done.

In its response, the City did not expressly state that it agreed or disagreed with Recommendation 5, instead opting to state that the recommendation was "not warranted."

A copy of the 2019-2020 Solano County Civil Grand Jury investigative report entitled "Fairfield Measure P" as well as the response of the City of Fairfield to that report, can be found on the website for the Superior Court of California, County of Solano (currently located at <https://solano.courts.ca.gov/divisions/grand-jury/reports/>).

V. FINDINGS AND RECOMMENDATIONS

FINDING 1 – Fairfield did not comply with its own commitment in its Response to the 2019-20 Grand Jury investigative report to track the use of Measure P revenues.

RECOMMENDATION 1 – The City should immediately begin tracking all funds received pursuant to Measure P and begin reporting on the expenditure of those funds. The City should also immediately begin making information available to the Oversight Committee as to how the Measure P funds are being spent.

FINDING 2 – The Oversight Committee is not currently an advisory committee and as such is not allowed to advise, or make recommendations to, the Fairfield City Council on the use of Measure P funds.

RECOMMENDATION 2 – The Oversight Committee should be a real oversight committee and be allowed to make recommendations to the City Council with respect to the use of Measure P funds. Such changes to the process would result in more work and more focused work on the part of the members of the Oversight Committee.

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RECOMMENDATION 3B – Oversight Committee members should receive an appropriate stipend per meeting attended plus reimbursement of mileage at the legal rate.

FINDING 4 – To date, the Oversight Committee’s only interaction with the City Council has been to sporadically prepare an annual report and present it to the City Council each year before completion of the annual audit related to Measure P. The report has not been prepared every year and has been prepared at different times in different years.

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RECOMMENDATION 4B – The Oversight Committee should prepare an additional report after receipt and review of the annual third-party audit of Measure P funds and any additional reports it deems necessary or advisable.

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RECOMMENDATION 6 – The Oversight Committee annual report should consistently be released publicly and posted on the City of Fairfield’s website shortly after it is presented to the City Council. All such annual reports should remain available indefinitely on the City’s website.

COMMENTS

At one point, one member of the Oversight Committee was a minor. That Commissioner was also a member of the City’s Youth Commission. There is no requirement that a minor hold one of the seats on the Oversight Committee.

In the interest of involving young people in the governance of their community, the City might consider adding a minor to the membership of the Oversight Committee.

REQUIRED RESPONSES

Fairfield Mayor
Fairfield City Council

COURTESY COPIES

Clerk of the Solano County Board of Supervisors
Fairfield Taxpayers Committee
Vallejo City Council

Measure P Expenses For FY 21/22

Measure P Funding Description	FY 2021-22		FY 2021-22		FY 2021-22	
	Budget	%	Revised Budget	%	Actuals	%
Public Works - Improving Streets and Roads	4,507,000		5,012,000			
Streets Team					1,151,728	
Annual Seal Coat Program					750,000	
Maintain Local Streets (traffic O&M Signals)					2,595,487	
Subtotal	4,507,000	21%	5,012,000	19%	4,497,215	17%
Public Works - Enhancing Quality of Life	950,000		1,400,000			
Park Maintenance					980,571	
Homeless Engagement & Response Team (HEART)					800,832	
Subtotal	950,000	4%	1,400,000	5%	1,781,403	7%
Fire Department - Maintain Fire Service Levels	6,471,000		6,959,271			
26 Firefighters/Engineers, 1BC					5,327,048	
Vehicle Replacement/Maintenance Contributions					1,500,099	
Subtotal	6,471,000	30%	6,959,271	27%	6,827,147	26%
Police Department - Strengthening Public Safety	8,853,000		11,423,259			
35 Police Officers					7,459,680	
PAL Center					221,787	
Vehicle Replacement Contributions					524,148	
6 Dispatchers					743,645	
Crime Prevention Unit					1,978,480	
Homeless Intervention Team (HIT)					802,265	
Subtotal	8,853,000	41%	11,423,259	44%	11,730,005	45%
Parks & Recreation - Enhancing Quality of Life	947,000		984,514			
Adult Recreation Center/Senior Day Programming					255,294	
Allan Witt Aquatics Complex					638,690	
Downtown Theatre					167,016	
Subtotal	947,000	4%	984,514	4%	1,061,000	4%
TOTAL	21,728,000	100%	25,779,044	100%	25,896,770	100%



CITY OF FAIRFIELD

Founded 1856

Incorporated December 12, 1903

City Manager's Office

July 21, 2020

Home of
Travis Air Force Base

Honorable Donna L. Stashyn
Presiding Judge of the Superior Court
600 Union Avenue
Fairfield, CA 94533

COUNCIL

Mayor

Harry T. Price
707 428 7395

Vice-Mayor

Pam Bertani
707 428 6298

Councilmembers

707 428 6298

Catherine Moy

Chuck Timm

Rick Vaccaro

• • •

City Manager

Stefan T. Chatwin
707 428 7400

• • •

City Attorney

Gregory W. Stepanich
707 428 7419

• • •

City Clerk

Karen L. Reas
707 428 7384

• • •

City Treasurer

Arvinda Krishnan
707 428 7038

DEPARTMENTS

City Manager's Office

707 428 7400

• • •

Community Development

707 428 7461

• • •

Finance

707 428 7036

• • •

Fire

707 428 7375

• • •

Human Resources

707 428 7394

• • •

Parks & Recreation

707 428 7465

• • •

Police

707 428 7382

• • •

Public Works

707 428 7485

Dear Judge Stashyn:

This letter is in response to the Grand Jury request dated May 29, 2020 regarding Fairfield Measure P. The Grand Jury's Findings and Recommendations are listed below along with our response:

Finding 1 - There is no clear detailed accounting structure that allows tracking Measure P dollars from collection to expenditure for specific purchases or programs, resulting in a lack of transparency to the public.

Recommendation 1 - Develop a system to track Measure P dollars from collection to disbursement so that the public can easily see how and where these funds are applied.

City Response to Finding and Recommendation 1 - The City partially agrees with the finding and recommendation.

Unlike a Special Revenue Tax, which can only be used for a specific project or purpose, Measure P is a General Tax that can be used to support any municipal purpose. As such, Measure P revenues are deposited into the City's General Fund and represents approximately 17% of General Fund Revenues. Expenses in the General Fund include approximately 65% for police, fire, emergency response and public safety programs; 4% for maintenance of streets and streetlights; 7% for parks and recreation services; and 24% for all other general services.

The City's accounting structure does track the collection of Measure P revenues. Additionally, the City's accounting structure provides for *all* expenditure tracking. However, for general revenues (such as property tax, sales tax, and Measure P), the City does not attempt to link (or attach) specific expenditures to specific revenue source as that is not a requirement of General Taxes.

Measure P, as a General Tax, is deposited in the City's General Fund where the City charges all the services outlined in the ballot measure. Similarly, there are no expenditures within the General Fund that cannot be paid for by Measure P.

The City will continue to track the collection of Measure P revenues, however, in an effort to achieve greater transparency, the City will implement a tracking system on expenditures (disbursements) that demonstrates Measure P's contributions to the various City services.

Finding 2 – Most Measure P progress reports distributed to the public are based on interim budget data, and revenue projections, which can potentially confuse the public.

Recommendation 2 – Enhance public transparency and consistency by directing the Fairfield Taxpayers Committee to base any reporting on actual year-end data rather than forecast data.

City Response to Finding and Recommendation 2 - The City partially disagrees with the finding.

The City agrees with the recommendation.

The Fairfield Taxpayers Committee Measure P Progress Report dated February 22, 2016 contained year-end actual revenue collection data as well as budgeted figures. The most recent Progress Report done in August 2019 presented budgeted figures. Going forward, if the Committee chooses to present an Annual Report, City staff will provide the Committee with actual year-end data to encourage more consistency and transparency.

Finding 3 – The Fairfield Taxpayers Committee requests information from the City Finance Department to prepare public reports. There is no established process for City Staff to verify the information is presented is accurately before publication.

Recommendation 3 – The City establish a protocol to validate the accuracy of financial data before it is published by the Fairfield Taxpayers Committee.

City Response to Finding and Recommendation 3 - The City disagrees with the finding and recommendation.

The current protocol to validate accuracy of the financial data is to email reports to the Finance Department and City Manager in advance of its release. City staff reviews and provides a response with suggested edits/corrections, if applicable. Additionally, the Fairfield Taxpayers Committee uses data provided by the Finance Department staff through a variety of reports presented throughout the year at the quarterly Measure P Oversight Committee public meetings.

Finding 4 – The annual Transaction and Use Tax Ordinance Compliance and Internal Control Audit Report does not include sufficient procedures directed at obtaining knowledge of noncompliance with the collection, management, and expenditure of Measure P Revenues pursuant to the ordinance.

Recommendation 4 – Expand the scope of the annual audit to include additional procedures directed primarily toward obtaining knowledge of noncompliance relating to accounting matters.

City Response to Finding and Recommendation 4 – The City partially agrees with finding and recommendation.

The City's financial statements are audited annually in accordance with the auditing standards generally accepted in the U.S. and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the U.S. The City's independent auditors review the financial statements of all governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City. This annual audit includes a review of the General Fund, which encompasses all general revenues and expenditures, including Measure P. In addition to the City's annual audit, the auditors perform and issue an "Independent Auditors' Report" specific to Measure P on "Compliance with Ordinance 2012-20 (Measure P Transactions and Use Tax). To date, auditors have found nothing that caused them to believe that the City has failed to comply with all provisions of Ordinance.

However, since the City will be implementing a tracking tool for Measure P expenditures, the annual audit will include a review of these expenditures.

Finding 5 – The Fairfield Taxpayers Committee qualifications specify that prospective members should be taxpayers, but "taxpayer" is not defined.

Recommendation 5 – Amend Resolution No. 2013-31 to define "taxpayer".

Letter to the Honorable Donna L. Stashyn
Re: Response to May 29, 2020, Grand Jury Request
July 21, 2020
Page 4

The recommendation is not warranted.

Fairfield Taxpayers Committee qualifications include that members be residents as well as taxpayers in the City of Fairfield. "Taxpayer" can be defined as "one that pays or is liable for a tax".

Taxpayer. (n.d). in *Merriam-Webster*. Retrieved from <https://www.merriam-webster.com/dictionary/taxpayer>

I trust that the information provided adequately responds to the Grand Jury's Findings and Recommendations.

Sincerely,



STEFAN T. CHATWIN
City Manager

STC/mtb

Attachments

- 2019-2020 Grand Jury Report Entitled: Fairfield Measure P

Attachment

GRAND JURY



Hall of Justice
600 Union Ave
Fairfield, California 94533
(707) 435-2575
Fax: (707) 435-2566

cdclower@solano.courts.ca.gov

May 19, 2020

Sent via email

Harry T. Price, Mayor
City of Fairfield
1000 Webster Street
Fairfield, CA 94533

RE: 2019-2020 Grand Jury Report Entitled: Fairfield Measure P

Enclosed please find a copy of the above-named report by the 2019-2020 Solano County Grand Jury. This report is provided to you in advance of public release as provided for in Penal Code §933.05(f). Please note that Penal Code §933.05(f) specifically prohibits any disclosure of the contents of this report by a public agency, its departments, officers or governing body prior to its release to the public, which will occur on **Friday, May 22, 2020**.

You are required to respond in writing to the Presiding Judge and to provide an electronic copy in pdf form to the Grand Jury regarding the Findings and Recommendations contained in the report pursuant to Penal Code §933.05. This section of the Penal Code is very specific as to the format of the responses. The Penal Code §933 (c) is also specific about the deadline for responses. You are required to submit your response to the Grand Jury by **Monday, August 17, 2020**, on signed letterhead. Each final report, together with the required responses will be filed with the clerk of the court and forwarded to the State Archivist for retention in perpetuity §933 (b). If no response is received from the agencies or elected officials a notation will be included on the filed report.

The electronic copy should be sent to the Grand Jury office at cdclower@solano.courts.ca.gov.

Responses are public records. Should you have any questions, please contact Cheryl Clower, Administrative Assistant to the Grand Jury at (707) 435-2575.

Sincerely,

Terry Riddle
Foreperson
2019-2020 Grand Jury

TLR/cdc



SOLANO COUNTY GRAND JURY
2019-2020

Fairfield Measure P

Fairfield Measure P

Solano County Grand Jury 2019-2020

I. SUMMARY

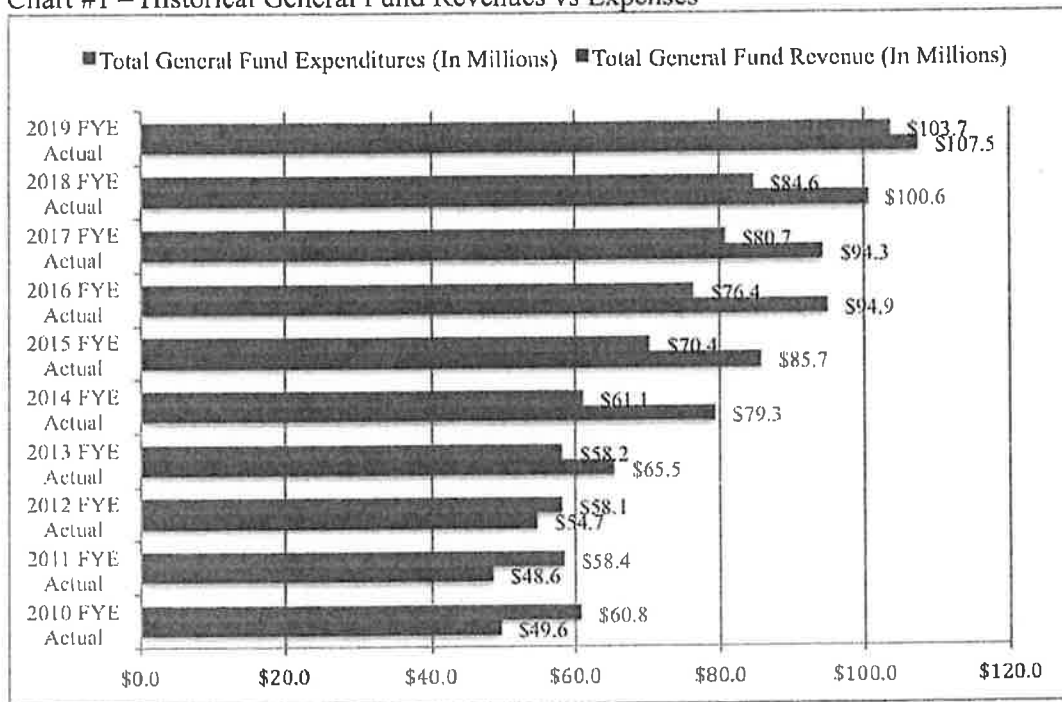
In 2012, the voters of the City of Fairfield passed Measure P, a ballot measure establishing a one percent sales tax for five years. Fairfield voters extended the measure in 2016 for an additional fifteen years. It directed the City to create the Fairfield Taxpayers Committee to ensure transparency and oversight of the revenue generated. The Grand Jury found that the sources of this additional revenue can be clearly identified but the City's accounting system currently cannot specifically track how this revenue is spent.

II. INTRODUCTION

Voters of the City of Fairfield approved Measure P in 2012, which enacted a one percent sales tax for five years. In 2016 voters confirmed the extension of the measure for an additional fifteen years, through March 31, 2033. These revenues have allowed the City to recover from budget shortfalls resulting from the 2008 economic downturn. The City Council passed a resolution which established the Fairfield Taxpayers Committee to review the use of revenues collected pursuant to Measure P and set forth terms, guidelines and duties of the Committee. The Grand Jury investigated how the revenues are collected and spent and how the Fairfield Taxpayers Committee performs its oversight function.

A 10-year review of the City of Fairfield's Comprehensive Annual Financial Report (CAFR) for the General Fund's (GF) total revenues and total expenditures is depicted in the chart below. The values are for Fiscal Year End (FYE) 2010 through 2019 and are expressed in millions. The budget shortfall in the GF is evident in the graph for FYE 2010 through 2012 when expenditures exceeded revenues.

Chart #1 – Historical General Fund Revenues vs Expenses



III. METHODOLOGY

Interviews

- City of Fairfield staff
- Measure P Fairfield Taxpayers Committee member
- Solano County Taxpayers' Association member

Review

- Documents and data provided by City of Fairfield staff
- 2012 and 2016 Measure P ballot measure
- City of Fairfield Ordinance No. 2012-20, Ordinance No. 2016-18 and Resolution No. 2013-31
- Measure P Fairfield Taxpayers Committee annual reports produced in March 2015, February 2016, and September 2019
- Measure P information available on City of Fairfield's website
- Brochures prepared by Fairfield Taxpayers Committee for public distribution
- City of Fairfield, California Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2014
- City of Fairfield, California CAFR for the Fiscal Year ended June 30, 2015
- City of Fairfield, California CAFR for the Fiscal Year ended June 30, 2016
- City of Fairfield, California CAFR for the Fiscal Year ended June 30, 2017
- City of Fairfield, California CAFR for the Fiscal Year ended June 30, 2018
- City of Fairfield, California Fiscal Year 2016-17 Budget in Brief

- City of Fairfield, California Fiscal Year 2017-18 Budget in Brief
- City of Fairfield, California Fiscal Year 2019-20 Budget in Brief
- City of Fairfield, California Mid-Cycle Update to Fiscal Year 2017-18 and 2018-19 Budgets
- City of Fairfield, California Popular Annual Financial Report, Fiscal Year Ended June 30, 2017
- City of Fairfield, California Fiscal Year 2016-17 Measure P Report through March 31, 2017
- City of Fairfield, California Monthly Interim Financial Report for the Month ended May 31, 2019
- December 9, 2014 Vavrinek, Trine, Day & Co., LLP *Independent Auditors' Report on Compliance with Ordinance 2012-20 (Measure P Sales Tax)*.
- December 2, 2019 Eide Bailly *Independent Auditor's Report on Compliance with Ordinance 2012-20 (Measure P Transactions and Use Tax)*.
- Auditing industry article entitled *Audits: Roles and Responsibilities for Elected Officials*
- City of Fairfield Financial Reporting Policies

Attended

- Measure P Fairfield Taxpayers Committee meeting in November 2019

IV. STATEMENT OF FACTS

In November 2012, the citizens of the City of Fairfield approved ballot Measure P that asked:

“To address the City of Fairfield’s Fiscal Emergency, offset significant budget cuts and state financial takeaways, and maintain City services, including neighborhood police patrols, firefighters, 9-1-1 response times, crime, drug and gang prevention programs, maintenance of streets, medians and street lights, parks and recreation services, and other general services, shall an ordinance be adopted to enact a one cent sales tax for five years, with citizen’s oversight, annual independent audits and all funds spent only in Fairfield?”

Following approval of the ballot measure, on November 6, 2012, the City Council adopted Ordinance No. 2012-20, known as the Fairfield Transactions and Use Tax Ordinance, to implement Measure P. The ordinance added a new Article VII to Chapter 18 (Taxation) of the Fairfield Municipal Code to describe the mechanism for collecting the newly adopted retail transactions and use tax and to enact other provisions of the ballot measure, including the following:

“By no later than December 31 of each year, the City’s independent auditors shall complete a Transactions and Use Tax Ordinance Compliance and Internal Control Audit Report. Such report shall review whether the tax revenues collected pursuant to this ordinance are collected, managed and expended in accordance with the requirements of this ordinance (Section 18.84).”

And,

“By no later than June 30, 2013, the City Council shall establish a Fairfield Taxpayers Committee to review the expenditure of revenues collected pursuant to this ordinance. The Committee shall consist of at least five members appointed by the City Council. The Committee members shall be residents and taxpayers in the City. The terms of Committee members and their specific duties shall be established by resolution of the City Council. (Section 18.85)”

In February 2013, the City Council passed Resolution No. 2013-31 that established the Fairfield Taxpayers Committee to review the use of revenues collected pursuant to Ordinance 2012-20, and set five-year terms, guidelines, and established duties of the committee. It should be noted that this Resolution incorrectly refers to Ordinance No. 2012-12¹ in some of the recitals. The Resolution required the establishment of a five-member oversight board designated as the Fairfield Taxpayers Committee composed of Fairfield residents and taxpayers.

Per the Resolution, the Fairfield Taxpayers Committee’s purpose is to ensure transparency and oversight of the revenue generated by Measure P. The Resolution defines the powers and duties of the Committee as follows:

“The Fairfield Taxpayers Committee will ensure transparency and oversight of the revenue generated by Measure P. Enterprise and other funds generated independent of Measure P are outside the purview of the Fairfield Taxpayers Committee.

Fairfield Taxpayers Committee duties will consist of reviewing the annual independent audit (performed by an independent auditor on the Measure P generated revenue and expenses during the previous fiscal year), as well as reviewing any other City financial reports necessary to advise the City Council.

The duties of the Fairfield Taxpayers Committee do not include decision-making or advisory responsibilities regarding spending priorities, funding source decisions or financing plans. The Fairfield Taxpayers Committee serves in an advisory-only role to the City Council limited to the use of Measure P revenues.”

Therefore, the only duties of the Fairfield Taxpayers Committee consist of reviewing the annual independent audit on the Measure P generated revenue and expenses and briefing the City Council on the use of Measure P revenues.

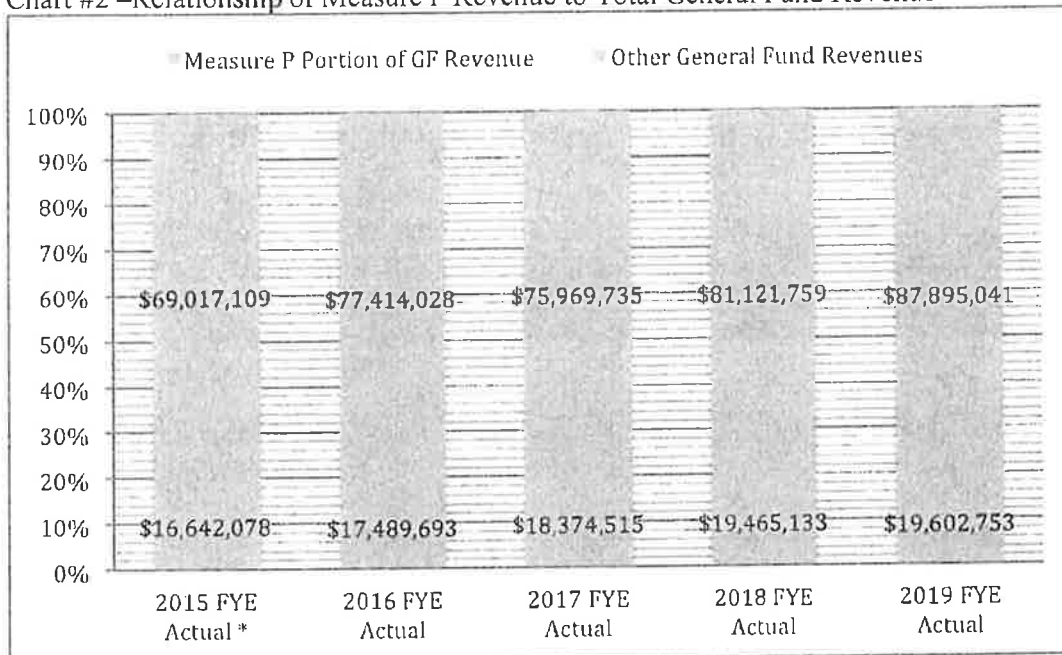
To be appointed to the Fairfield Taxpayers Committee an individual must be a taxpayer and a resident of the City of Fairfield. Residency may be verified annually by the City Clerk’s office through voter registration or utility bills. There are no criteria in the Resolution for defining what constitutes a taxpayer or for establishing any age requirements for Committee membership.

¹ Ordinance No. 2012-12 is a City of Fairfield ordinance authorizing an amendment to the contract between the City of Fairfield and the Board of Administration of the California Public Employees’ Retirement System.

Measure P became effective on April 1, 2013 and was set to expire on March 31, 2018. The revenues generated, which constituted approximately 19 percent of the total General Fund, could be used for any municipal purpose. This allowed the City to shore up its financial reserves, address long-term liabilities and immediate needs, as well as provide for additional funding to meet community needs.

The following chart shows that Measure P revenue constitutes approximately 19 percent of total General Fund revenue for FYE 2015-2019. The values are primarily based on the respective City of Fairfield’s Comprehensive Annual Financial Reports (CAFR). In the initial years Measure P funds were simply included with the sales taxes or sales and transaction taxes total. With FYE 2016 Measure P funds were reported in a separate line item entitled Transaction and Use Taxes (Measure P).

Chart #2 –Relationship of Measure P Revenue to Total General Fund Revenue



* The 2015 value is from the Measure P Fairfield Taxpayers Committee Progress Report dated February 22, 2016

Recognizing the importance of the funds collected by Measure P, in November 2016, Fairfield voters extended Measure P through March 31, 2033. The ballot proposed:

“To renew expiring funding without increasing tax rates, shall the Ordinance be adopted extending the existing one percent sales tax for fifteen years to preserve approximately \$16 million in local annual funding for the City of Fairfield that the state cannot take away to support neighborhood police patrols, firefighting and rapid 9-1-1 emergency response, crime prevention programs, fixing potholes and repairing neighborhood streets, parks and recreation, and other general services, with mandatory audits and independent oversight.”

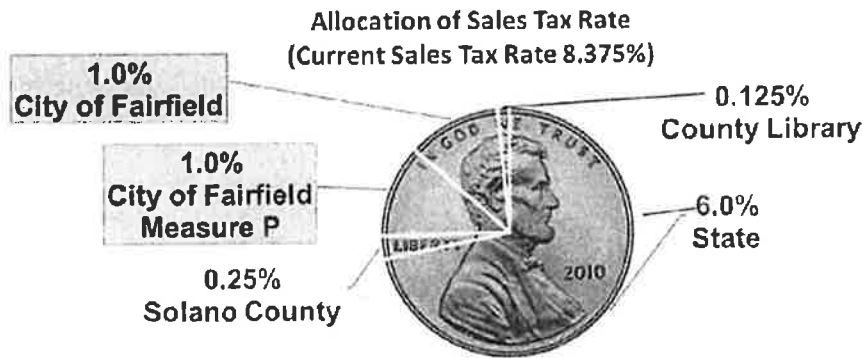
The City adopted Ordinance No. 2016-18 on November 8, 2016 extending the term of Measure P. The Ordinance also renewed the requirement for completion of an independent auditor's report to review whether the tax revenues collected pursuant to Measure P are collected, managed and expended in accordance with the requirements of the Ordinance (Section 18.84).

The Ordinance (Section 18.85) also provides that:

“The City Council shall continue the Fairfield Taxpayers Committee established in 2013 to review the expenditure of revenues collected pursuant to this ordinance. The Committee shall consist of at least five members appointed by the City Council. The Committee members shall be residents and taxpayers in the City. The terms of the Committee members and their specific duties established by Resolution No. 2013-31 on February 19, 2013 shall continue in full force and effect; provided, however, that the City Council may amend Resolution No. 2013-31 by resolution of the City Council.”

Measure P Impact on City of Fairfield

Measure P is a transaction and use tax and is implemented in the same manner as a sales tax. The State Board of Equalization manages the collection and distribution of the tax-generated revenue and distributes funds to the City monthly. The graphic below displays how sales and use tax is distributed. The City of Fairfield retains the entire amount of Measure P revenue.



HdL Companies is the service provider selected by the City to manage and track the collection and distribution process between the City and the State. This company provides quarterly projected sales and transaction tax revenues (Accrual Basis) for the City. These projections are used to post values to the general ledger and also form the basis of the regular reports provided to the Fairfield Taxpayers Committee by the City.

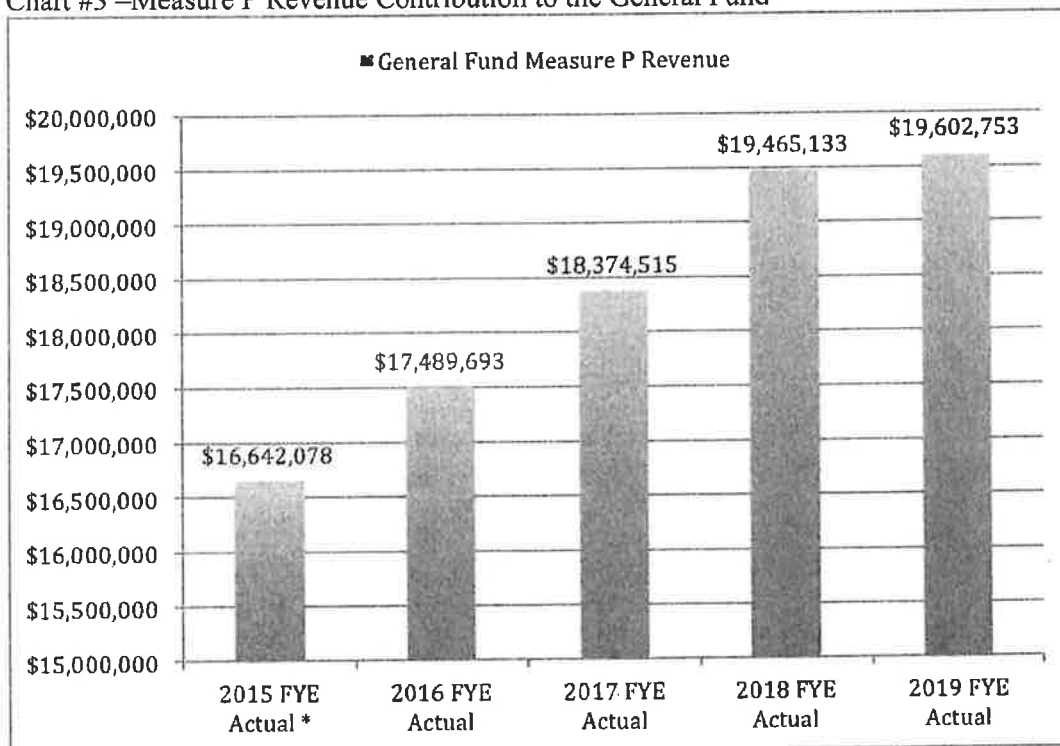
The funds go into the City General Fund along with those collected from other revenue sources and can be used for any municipal purpose. The City Manager's Office and Finance Department, with support from each of the operating departments, manage the budget process. Public hearings and community workshops are conducted on the proposed budgets to review all appropriations and sources of funding. This is the only mechanism for public participation in deciding how Measure P funds should be used. The City is able to track the sources of revenue,

but since they are co-mingled in the General Fund, the City accounting system, as currently configured, cannot identify Measure P funds that are allocated to individual cost centers for specific uses or projects. Therefore, there is currently no straightforward way to track revenues generated by Measure P to their specific uses in City operations.

Information presented to the public by the Fairfield Taxpayers Committee concludes that Measure P is functioning as intended. In addition to stabilizing the General Fund, it has improved public safety by restoring a fire station, implementing a Homeless Intervention Team, investing in a fire training tower, and re-establishing the Fire Prevention Division, among other activities. Street and road conditions have been improved by using Measure P dollars to increase funding for maintenance of streets and roads and to repair potholes. Public safety has improved through reduced police response times and the retention of police positions threatened by budget shortfalls. Youth and senior services have also been improved or expanded, enhancing the quality of life in Fairfield.

The following chart shows the contribution of Measure P revenue to the General Fund for FYE 2015-2019.

Chart #3 –Measure P Revenue Contribution to the General Fund



* The 2015 value is taken from the Measure P Fairfield Taxpayers Committee Progress Report dated February 22, 2016

A 10-year review of the City of Fairfield’s CAFR for the General Fund’s expenditures in four key departments is presented in Chart #4 below. The values are for FYE 2010 through 2019 and

are expressed in millions. The four categories shown include those targeted for Measure P support. They are:

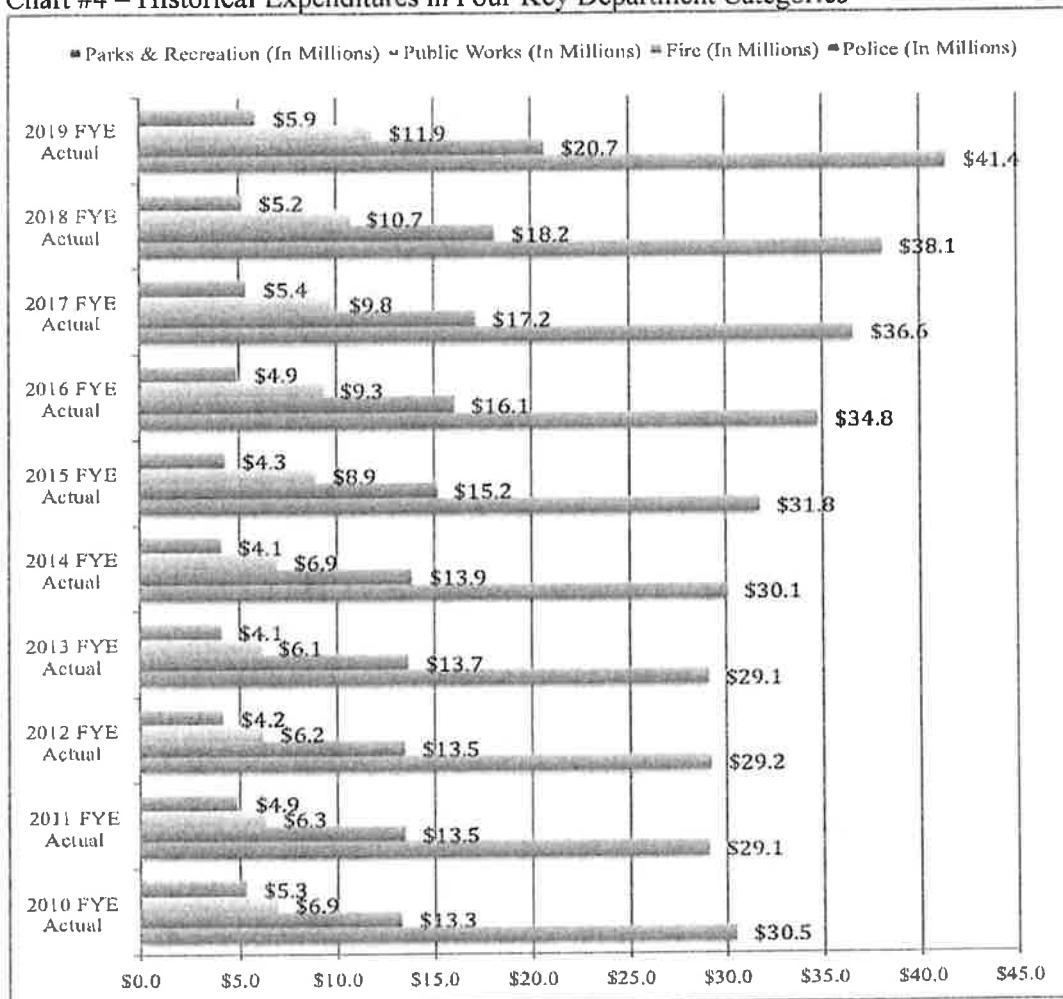
Police: Patrol, Traffic, Investigations, Administration, Dispatch, and Community Services

Fire: Suppression, Prevention, Operations, and Administration

Public Works: Parks, Traffic, Sewer, Building, Streets, Vehicles, Engineering, Golf, Transit, and Water

Parks & Recreation: Adult, Teen, and Youth Programs, Aquatics, Facilities, Marketing & Events, Preschool, and Sports

Chart #4 – Historical Expenditures in Four Key Department Categories



Fairfield Taxpayers Committee

The Grand Jury found that the Fairfield Taxpayers Committee does not participate in the City budgeting process and does not, in fact, provide input as to the use of Measure P revenues. It depends on City staff for their estimate as to how Measure P revenues are applied. The City staff analysis is based on City Council priorities and comes down to what expenditures would be eliminated if Measure P ends.

The Fairfield Taxpayers Committee has met quarterly since November 2013 and, although no reporting is required by Resolution 2013-31, it has presented three annual progress reports to the Mayor and City Council. The committee requests data from City staff and uses it to develop these reports and brochures prepared for public distribution. However, there is no established process for City staff to verify that the information is presented accurately. The Grand Jury found the reports presented a confusing mixture of forecast figures and interim budgetary figures. They discuss the impacts of Measure P revenues and provide a percentage breakdown of where they are used. For example, the annual report presented in 2019 states that the Measure P fund allocations were: Police, 41%; Fire, 24%; Streets and Roads, 22%; Parks and Rec, 6%; City-Wide Public Safety Support, 4% and Homeless Engagement and Response Team, 3%.

In its February 22, 2016, Measure P Progress Report, the Fairfield Taxpayers Committee stated that the auditors had issued an opinion letter. In this letter, the auditors concluded:

“In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of Ordinance 2012-20, insofar as they relate to the collection, management and expenditure of Measure P sales taxes in the City General Fund. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City’s noncompliance with the above referenced terms, provisions, or conditions of the Ordinance, insofar as they relate to accounting matters.”

As reported in the 2016 Progress Report, the Fairfield Taxpayers Committee noted this finding by the auditors and discussed whether further work might be warranted to determine compliance. It concluded that given the broad latitude to expend the Measure P funds granted to the City Council, the scope of the audit was adequate.

V. FINDINGS AND RECOMMENDATIONS

FINDING 1 - There is no clear detailed accounting structure that allows tracking Measure P dollars from collection to expenditure for specific purchases or programs, resulting in a lack of transparency to the public.

RECOMMENDATION 1 - Develop a system to track Measure P dollars from collection to disbursement so that the public can easily see how and where these funds are applied.

FINDING 2 –Most Measure P progress reports distributed to the public are based on interim budget data, and revenue projections, which can potentially confuse the public.

RECOMMENDATION 2 - Enhance public transparency and consistency by directing the Fairfield Taxpayers Committee to base any reporting on actual year-end data rather than forecast data.

FINDING 3 – The Fairfield Taxpayers Committee requests information from the City Finance Department to prepare public reports. There is no established process for City staff to verify that the information is presented accurately before publication.

RECOMMENDATION 3 – The City establish a protocol to validate the accuracy of financial data before it is published by the Fairfield Taxpayers Committee.

FINDING 4- The annual Transaction and Use Tax Ordinance Compliance and Internal Control Audit Report does not include sufficient procedures directed at obtaining knowledge of noncompliance with the collection, management, and expenditure of Measure P revenues pursuant to the ordinance.

RECOMMENDATION 4– Expand the scope of the annual audit to include additional procedures directed primarily toward obtaining knowledge of noncompliance relating to accounting matters.

FINDING 5 – The Fairfield Taxpayers Committee qualifications specify that prospective members should be taxpayers, but “taxpayer” is not defined.

RECOMMENDATION 5 – Amend Resolution No. 2013-31 to define “taxpayer.”

REQUIRED RESPONSES (ALL FINDINGS)

Fairfield Mayor
Fairfield City Council

COURTESY COPIES

Clerk of the Solano County Board of Supervisors
Chair of the Fairfield Taxpayers Committee