

**MEASURE C OVERSIGHT COMMITTEE
JANUARY 27, 2026**

ITEM: 7.1

**FISCAL YEAR END JUNE 30, 2025 MEASURE C
FINANCIAL STATUS REPORT**

RECOMMENDATION: **Receive Financial Status Report on Lathrop Public Safety and Essential City Services Transaction and Use Tax (Measure C) as of Fiscal Year Ending June 30, 2025**

DISCUSSION:

The Measure C Oversight Committee was established in association with the adoption of the Lathrop Public Safety and Essential City Services Transaction and Use Tax (Measure C). The primary responsibility of this committee is to review the expenditure of revenues collected to determine that the funds have been expended in accordance with the general purpose defined in the Measure.

The Council amended Fiscal Year 2024/2025 budget projected Measure C revenues to be \$10.35 million and expenditures to be \$10.27 million. At the end of the fiscal year, actual revenues received came in at \$10.43 million or 101% of budget. Expenditures at the end of the fiscal year came in under budget at \$9.74 million or 95% of budget. The unspent funds will remain within the Measure C Fund and will be reported in the ending fund balance and made available for future programs or projects.

In Fiscal Year 2024/2025, Measure C funded the following programs/projects:

- Public Safety
 - 9.5 Police Positions
 - 3.5 Sworn Officers
 - 1 Sergeant
 - 2 School Resource Officer
 - 1 Detective
 - 1 Lieutenant
 - 1 Crime & Intelligence Analyst
 - Funded Housing Assistance Program for Sworn LPD Staff
- Other Essential City Services
 - Parks and Recreation - Operation and Maintenance/Staffing of the Generations Center
 - Capital Improvement Projects
 - Lathrop High Pedestrian Signal
 - Historic Lathrop Beautification (50%)
 - Sangalang Park Shade Structure
 - Valverde Park Revitalization
 - Citywide Crime Deterrent Cameras

- LMFD
 - 9 Firefighters
 - 1.98 Line Battalion Chiefs
 - 1 Deputy Fire Marshal
 - Overtime to provide constant staffing at fire stations in the City of Lathrop
 - Replacement of Self-Contained Breathing Apparatus (SCBA)
 - Continue funding of Advanced Life Support (ALS)
 - Funded payoff of fire engine at Fire Station 34
 - Funded Housing Assistance Program for Sworn LMFD Staff

The financial implications associated with the recovering economy in a post-pandemic environment remain unpredictable. Due to this unpredictability an adequate fund balance will become more important than ever to accurately fund the current needs funded through Measure C. In October 2010, the City Council adopted a Fund Balance Reserve Policy that applies to all City funds. Establishing a Fund Balance Reserve demonstrates sound fiscal awareness and responsibility. Both the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO) recommend the establishment of a formal policy regarding fund balances as a method to manage the fiscal risk associated with a local public agency. The City's Reserve Policy states that the acceptable reserve balance range is 10% to 50% of expenditure, with a primary goal of 50%. In addition, the City has an Equipment Replacement Reserve Fund that is used for large equipment replacement purchases.

To stay consistent with the City's current Reserve Policy, the Measure C Committee established a reserve account of 25% of operating revenues for the Measure C Fund. The reserve fund balance as of June 30, 2025 is:

Reserve Fund (25% of Expenditures)	\$	761,288
Equipment Replacement	\$	235,000

After the establishment of the Reserve Funds, the ending fund balance of Measure C as of June 30, 2025, is:

Measure C: Essential City Services	\$	5,519,373
Measure C: LMFD	\$	1,088,923

Measure C revenue is based entirely on sales tax collected via taxable sales within the City. Sales Tax can fluctuate drastically depending on the local economy. At any time, a new business may come into the City or a business may close. Because of this volatility, the City has continued to be conservative with its budget projections.

REASON FOR RECOMMENDATION:

In association with the Adoption of the Lathrop Public Safety and Essential City Services Transaction and Use Tax Measure (Measure C), the Measure C Oversight

MEASURE C OVERSIGHT COMMITTEE
JANUARY 27, 2026

Page 3 of 3

Committee will meet semi-annually to review the expenditure of revenue collected pursuant to the Measure.

ATTACHMENTS:

A. Measure C: Essential City Services, Income Statement as of June 30, 2025

APPROVALS:



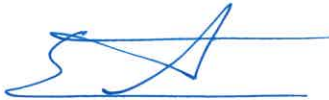
Cari James
Director of Finance

1/15/2026
Date



Thomas Hedegard
Deputy City Manager

1/21/2026
Date



Salvador V. Navarrete
City Attorney

1-21-2026
Date



Stephen J. Salvatore
City Manager

1-22-26
Date

Income Statement
City of Lathrop
Essential City Services
Lathrop Public Safety and Essential City Services Transaction and Use Tax
As of 06/30/2025 - Final Audited
ATTACHMENT "A"

	<u>24/25 Adjusted</u> <u>Budget</u>	<u>Year to Date</u>	<u>% of</u> <u>Budget</u>
Revenue			
Essential City Services	6,180,000	6,053,803	98%
Interest Essential City Services	50,000	317,861	
Lathrop Manteca Fire District	4,120,000	4,035,869	98%
Interest LMFD		18,896	
Total Revenue	10,350,000	10,426,428	101%
Operating Expenditures			
Essential City Services			
Salaries (Generations Center)	590,254	548,589	93%
Operation & Maint (Generations Center)	465,030	288,366	62%
Capital Improvements	3,105,834	2,917,930	94%
Intergov Contract Service (Police)	1,833,516	1,833,516	100%
Indirect Costs	156,350	156,350	100%
Total Essential City Services Expenditures	6,150,984	5,744,751	93%
40% Transferred to LMFD	4,120,000	3,992,727	
Not yet transferred			
HDL		1,235	
Total Lathrop Manteca Fire District	4,120,000	3,993,962	97%
Net Changes in Fund Balance			
Essential City Services	79,016	626,913	
LMFD	-	60,802	
Total Net Changes in Fund Balance	79,016	687,715	
Beginning Fund Balance			
Essential City Services	5,888,748	5,888,748	
LMFD	1,028,120	1,028,120	
Total Net Changes in Fund Balance	6,916,868	6,916,868	
Reserve Funds			
Essential City Services Fund Balance Reserve	(761,288)	(761,288)	
Essential City Services Equip Replace Reserve	(235,000)	(235,000)	
Total Reserve Fund Balance	(996,288)	(996,288)	
Ending Fund Balance			
Essential City Services	4,971,476	5,519,373	
LMFD	1,028,120	1,088,923	
Net Surplus (Loss)	5,999,596	6,608,295	

Prepared By: Cari James

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