



CITY COUNCIL STAFF REPORT

DATE: May 2, 2012 CONSENT CALENDAR

SUBJECT: ESTABLISHMENT OF A NEW CAPITAL PROJECT FUND TO BE NAMED THE MEASURE J FUND.

FROM: David H. Ready, City Manager

BY: Department of Finance and Treasury

SUMMARY

The City Council will consider an action that creates a new fund in the City's accounting system that will allow the City to track the revenue and expenses related to Measure J.

RECOMMENDATION:

1. Adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AUTHORIZING THE ESTABLISHMENT OF A NEW CAPITAL PROJECTS FUND TO BE CALLED THE MEASURE J FUND, AND AUTHORIZING THE DIRECTOR OF FINANCE TO CREATE THE APPROPRIATE ACTIVITIES (COST CENTERS) AND ACCOUNT NUMBERS."

STAFF ANALYSIS:

Measure J, the local revenue measure approved by voters in November 2011, increased the City's sales tax by 1%. This new rate became effective April 1, 2012. The City has an agreement with the Board of Equalization to administer and collect the additional local tax Measure J will provide, with payments expected to be received on a monthly basis and the first payment being made near the end of the current fiscal year.


To facilitate the necessary accounting and reporting requirements, staff is recommending that Measure J funds be segregated in a new fund.

FISCAL IMPACT:

Creating a new Measure J fund will have no impact on the General Fund or any other City fund. Its creation streamlines the accounting and provides a clear audit trail for expenses. The change is supported by the City's outside auditors, Lance, Soll & Lunghard.



Geoffrey S. Kiehl
Director of Finance and Treasurer



David H. Ready, City Manager



Douglas Holland, City Attorney

Attachments:
Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AUTHORIZING THE ESTABLISHMENT OF A NEW CAPITAL PROJECTS FUND TO BE CALLED THE MEASURE J FUND, AND AUTHORIZING THE DIRECTOR OF FINANCE TO CREATE THE APPROPRIATE ACTIVITIES (COST CENTERS) AND ACCOUNT NUMBERS.

WHEREAS, on November 8, 2011, voters approved Measure J, the local revenue measure increasing the City's sales tax rate by 1%, which became effective April 1, 2012; and

WHEREAS, the Board of Equalization will administer and collect the additional local tax and remit this revenue to the City; and

WHEREAS, creating a new Measure J fund will allow the City to more effectively track revenue and provide a much better audit trail for expenses; and

WHEREAS, Council approval is necessary for the creation of new funds;

NOW THEREFORE THE CITY COUNCIL DETERMINES, RESOLVES AND APPROVES AS FOLLOWS:

SECTION 1. The Director of Finance is hereby authorized to create a new and separate Capital Projects Fund to be named the Measure J fund.

SECTION 2. The Director of Finance is hereby authorized to create the appropriate activities (cost centers) and account numbers.

PASSED, APPROVED AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL THIS 2ND DAY OF MAY, 2012.

DAVID H. READY, CITY MANAGER

ATTEST:

JAMES THOMPSON, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on February 15, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMES THOMPSON, CITY CLERK
City of Palm Springs, California