BACKGROUND

Voters passed Ballot Measure G in November 2016. Measure G provides a one percent transaction and use tax, effective April 1, 2017, which is fully allocated to the City of La Quinta. Tax revenues received will be used to maintain services and programs and for needed infrastructure improvements.

The Financial Advisory Commission (FAC) provides oversight of these tax revenues. The first Annual Measure G Sales Tax Oversight Report covers the period April 1, thru June 30, 2017, and provides estimates for fiscal year ending June 30, 2018.

REVENUES

Total Measure G sales tax revenues for the period April 1, thru June 30, 2017 were $1,462,650. This compares with the original budget estimate of $1 million.

Actual tax revenues exceeded the budget estimate due to:

- Higher than anticipated collection and reporting compliance
- Higher levels of purchased goods from neighboring cities for delivery within the City of La Quinta
- Conservative original estimates due to the lack of history.

For the fiscal year ending June 30, 2018, Measure G tax revenues are estimated to be $8 million.

EXPENDITURES

There were no programmed expenditures for the period April 1, thru June 30, 2017 using Measure G tax revenues because these revenues were not received until late June.

Since then, $990,873 of the $1,462,650 tax revenues received was appropriated for two drainage improvement projects; the Eisenhower Drive retention basin ($750,000) and the Calle Tampico drainage study ($240,873). The remaining $471,777 was assigned to reserves pending Council appropriation.

For the fiscal year ending June 30, 2018, programmed expenditures are estimated to be $5,369,500 and entail parkway landscape improvements in North La Quinta, citywide drainage improvements, the Village Road Diet, and a Public Safety Services Fund.

The remaining balance of $2,630,500 was assigned to reserves pending Council appropriation.
ANALYSIS

All Measure G revenues shall be used in accordance with the ballot measure for costs including police protection, projects such as parks, landscaping and flood control, programs attracting businesses, youth/senior services, and sports recreation programs.

CONCLUSION

Measure G tax revenues are being used in accordance with the ballot measure requirements.