



**Measure B Citizens' Oversight Committee
Wednesday, January 30, 2019, 5:30 pm**

Larkspur City Council Chambers
400 Magnolia Avenue, Larkspur, CA

AGENDA

- 1. ROLL CALL**
- 2. SELECTION OF VICE-CHAIR**
- 3. APPROVAL OF MINUTES OF JULY 9, 2018**
- 4. UPDATE ON ROAD REHABILITATION AND MAINTENANCE PROGRAM**
Committee to receive presentation.
- 5. MEASURE C OVERSIGHT ACTIVITIES**
 - A. UPDATE ON MEASURE C ACCOUNTING**
Committee to receive summary of accounting through 6/30/18.
 - B. REVIEW AND ACCEPTANCE OF AUDITED FINANCIAL STATEMENTS**
Committee to review and consider accepting financial statements for FY17-18.
 - C. RECOMMENDATION FOR THE USE OF THE BALANCE OF THE MEASURE C FUND**
Staff to recommend uses of balance of the Measure C account.
- 6. MEASURE B OVERSIGHT ACTIVITIES**
 - A. REVIEW AND ACCEPTANCE OF AUDITED FINANCIAL STATEMENTS**
Committee to review and consider accepting financial statements for FY17-18.
 - B. RECOMMENDATION FOR THE USE OF MEASURE B REVENUE**
Staff to recommend uses in FY19-20 for Measure B revenue.
- 7. PUBLIC COMMENT AND OPEN TIME FOR COMMITTEE MEMBERS**
- 8. ADJOURN**

**MEASURE B
CITIZENS' OVERSIGHT COMMITTEE
MEETING MINUTES**

Larkspur City Council Chambers
400 Magnolia Avenue, Larkspur CA
July 9, 2018

1. INTRODUCTIONS / ROLL CALL

City Manager Dan Schwarz called the meeting to order at 5:00 p.m.

COMMITTEE PRESENT: Jan Hobbel; James Holmes; William Levinson; Steve McClure; Michael Popovich; Greg Reber; JoAnn Tsang

COMMITTEE ABSENT: Bob Simon; Tamara Hull

STAFF PRESENT: City Manager Dan Schwarz; Public Works Director Julian Skinner, Municipal Advisor Mark Pressman

2. APPROVAL OF MINUTES OF JUNE 4, 2018

James Holmes recommended amending the minutes for Section 5 to add the following italicized language.

Upon motion by James Holmes, seconded by Michael Popovich, the Committee recommended the following Measure B expenditures, *in order of priority*, during Fiscal Year 2018/29.

Upon motion by William Levinson, seconded by Michael Popovich, the Committee approved the minutes as amended. The vote was seven in favor, two absent.

3. MEASURE C OVERSIGHT ACTIVITIES

A. REVIEW OF AUDITED FINANCIAL STATEMENT

City Manager Schwarz reported on the audited financial statement for the Fiscal Year ending June 30, 2017.

Upon motion by Mike Popovich, seconded by JoAnn Tsang, the Committee approved the audited financial statement for the Fiscal Year ending June 30, 2017. The vote was seven in favor, two absent.

4. PRESENTATION: 2018 ISSUANCE OF LEASE REVENUE BONDS BY THE LARKSPUR PUBLIC FINANCE AUTHORITY BY MARK PRESSMAN, WULFF, HANSEN, & CO.

Mark Pressman of Wulff, Hansen, & Co. presented on the issuance of lease revenue bonds by the Larkspur Public Financing Authority (LPFA). The bond financing will provide approximately \$26 million in net project funds to the City at a cost of approximately \$1.6 million per year. The bonds will be secured by lease payments to be made by the City under a lease agreement between the LPFA and the City for the lease of City Hall, the Library, Fire Station #1 and Piper Park.

5. PUBLIC COMMENT AND OPEN TIME FOR COMMITTEE MEMBERS

There was no public comment.

6. ADJOURN

The meeting was adjourned at 6:13 p.m.

Attested

Jamie Kuryllo
City Clerk



CITY ADMINISTRATION
MEMORANDUM

January 24, 2019

TO: Citizens' Oversight Committee

FROM: Cathy Orme, Administrative Services Director

SUBJECT: Measure C Financial Statement for Fiscal Year Ending June 30, 2018

The Measure C Citizens' Oversight Committee determined that the cost to have a stand-alone audit of the Measure C Fund was not a good use of taxpayer money. Instead, the Measure C Fund is independently audited as part of the City's annual comprehensive audit. The Measure C Fund is then included in the City's Financial Statements.

The Measure C transaction and use tax went into effect on April 1, 2014.

Attached is the draft page from the City's Financial Statements for the Fiscal Year Ending June 30, 2018 addressing the Measure C Fund. The auditor is in the process of finalizing the document for presentation to the City Council on February 20, 2019; the numbers presented are the numbers that will be in the final document. As shown, Measure C Fund received total revenue of \$1,280,254.

A summary of expenditures in the program for FY2017-18 is attached.

On June 30, 2018, the Measure C Fund had a net positive balance of \$2,395,162.45.

ATTEST: Cathy Orme
Cathy Orme, Administrative Services Director

CITY OF LARKSPUR
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR YEAR ENDED JUNE 30, 2018

	SPECIAL REVENUE FUNDS			
	400 Park Development	800 Property Development	900 906 RMA Gas Tax	Measure C
REVENUES				
Taxes			\$332,489	✓ \$1,257,067
License and permits				
Use of money and property	✓ \$1,847	✓ \$499	10,057	✓ 23,187
Charges for services				
Donations				
Other revenue	✓ 134,651	✓ 125		
Total Revenues	<u>136,498</u>	<u>624</u>	<u>✓ 342,546</u>	<u>1,280,254</u>
EXPENDITURES				
Current:				
Planning and community development				
Recreation				
Special projects				
Capital outlay				
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>136,498</u>	<u>624</u>	<u>342,546</u>	<u>1,280,254</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				✓ 446,663
Transfers (out)	✓ (12,239)		✓ (251,870)	✓ (1,212,283)
Total Other Financing Sources (Uses)	<u>(12,239)</u>		<u>(251,870)</u>	<u>(765,620)</u>
NET CHANGE IN FUND BALANCES	124,259	624	90,676	514,634
BEGINNING FUND BALANCES	42,925	✓ 56,404	✓ 886,338	✓ 1,880,528
ENDING FUND BALANCES	<u>✓ \$167,184</u>	<u>✓ \$57,028</u>	<u>\$977,014</u>	<u>✓ \$2,395,162</u>

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CITY ADMINISTRATION
MEMORANDUM

January 24, 2019

TO: Citizens' Oversight Committee

FROM: Dan Schwarz, City Manager

SUBJECT: Update on Measure C Accounting through June 30, 2018

Attached for the Committee's information is a summary of Measure C financial activity since the inception of the tax. The sheet summarizes activity through June 30, 2018 to match the Auditor's financial statements.

CITY OF LARKSPUR
MEASURE C ACTIVITY
THROUGH JUNE 30, 2018

FISCAL YEAR	TRANSACTION	REVENUE	EXPENDITURE	BALANCE	AUDITOR'S STATEMENT
FY13-14	tax revenue	142,880.97		142,880.97	
FY13-14	interest income	34.02		142,914.99	142,915.00
FY14-15	tax revenue	1,142,649.60		1,285,564.59	
FY14-15	transfer to street maintenance/rehab		855,000.00	430,564.59	
FY14-15	interest income	1,364.12		431,928.71	431,929.00
FY15-16	tax revenue	1,445,751.16		1,877,679.87	
FY15-16	transfer to street maintenance/rehab		810,000.00	1,067,679.87	
FY15-16	vegetation management		25,270.00	1,042,409.87	
FY15-16	interest income	4,176.02		1,046,585.89	954,086.00
FY16-17	tax revenue	1,369,780.14		2,416,366.03	
FY16-17	transfer to street maintenance/rehab (later determined to be miscoded)		446,663.48	1,969,702.55	
FY16-17	fire truck lease		97,954.22	1,871,748.33	
FY16-17	interest income	8,779.11		1,880,527.44	1,880,528.00
FY17-18	tax revenue	1,257,066.72		3,137,594.16	
FY17-18	interest income	23,188.21		3,160,782.37	
FY17-18	correction – miscoded transfer occurred in FY16-17	446,663.48		3,607,445.85	
FY17-18	transfer to street maintenance/rehab		1,114,329.18	2,493,116.67	
FY17-18	fire truck lease		97,954.22	2,395,162.45	2,395,162.00
		<u>5,842,333.55</u>	<u>3,447,171.10</u>		

(1) Staff booked revenue of \$92,500 on June 30, 2016. The auditor determined it should be assigned to FY16-17.



CITY ADMINISTRATION

MEMORANDUM

January 24, 2019

TO: Citizens' Oversight Committee

FROM: Dan Schwarz, City Manager

SUBJECT: Recommendation for the Use of the Balance of Measure C Funds

Measure C, the *Larkspur Street Repair and Essential City Services Measure*, passed in November 2013 and remained in effect until March 31, 2018. All road rehabilitation projects under Measure C are complete. The fund balance for Measure C currently stands at \$2,436,426.26. In the final quarter of Fiscal Year 2018-19, the Administrative Services Director will conduct a series of transfers to move money from special funds to capital projects. The Council approved budget for a transfer from the Measure C Fund to cover incurred road rehabilitation expenses is \$1,130,157. There is also an approved transfer to cover a lease payment on a fire truck in the amount of \$97,954.22. The anticipated balance at year's end will be \$1,208,315.04 (plus interest).

This ending balance is higher than expected for two reasons. Foremost, the City transitioned to its Measure B-funded road rehabilitation program in Fiscal Year 18-19, ending our Measure C program one year early. Second, the State of California changed financial accounting software during this period, creating delays in the transfer of transaction and use tax revenue from the State to local agencies; the City was still receiving Measure C payments in December 2018, which made it difficult to program use of the money. (The State has not confirmed whether Measure C payments are concluded.)

The primary uses of Measure C money have been road rehabilitation and fire protection and prevention. Staff recommends that these uses be emphasized with all remaining Measure C monies, as well. It is staff's recommendation that the following uses be approved for the balance of Measure C:

- Set aside \$377,644 to make the remaining annual lease payments on the fire truck that has been continually funded by Measure C.
- Place \$250,000 into a FireWise/Vegetation Management Account. Marin agencies are working together to employ best practices identified as "lessons learned" from the Wine Country and Butte County fires. Central Marin Fire is now employing an expert in FireWise prevention, a program that helps property owners reduce and mitigate fire hazards on their properties. Establishing an account to fund these efforts will allow the City and Central Marin Fire to plan a multi-year program for this key prevention effort.

- Contribute \$250,000 to the rehabilitation of the City's fire stations; anticipated cost to rehabilitate both stations is between \$500,000 to \$1,000,000.
- Hold the remaining balance as a reserve for the City's annual road maintenance program and Measure B activity (approximately \$350,000).



CITY ADMINISTRATION
MEMORANDUM

January 24, 2019

TO: Citizens' Oversight Committee

FROM: Cathy Orme, Administrative Services Director

SUBJECT: Measure B Financial Statement for Fiscal Year Ending June 30, 2018

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The Measure B transaction and use tax went into effect on April 1, 2018.

Attached is the draft page from the City's Financial Statements for the Fiscal Year Ending June 30, 2018 addressing the Measure B Fund. The auditor is in the process of finalizing the document for presentation to the City Council on February 20, 2019; the numbers presented are the numbers that will be in the final document. As shown, Measure B Fund received total revenue of \$259,681.

No expenditures occurred in Fiscal Year 2017-18.

On June 30, 2018, the Measure **B** Fund had a net positive balance of \$259,681.

ATTEST:



Cathy Orme, Administrative Services Director

OPEN FOR
Fund
Name

SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUNDS		Total Nonmajor Governmental Funds
450 Twin Cities Child Care	907 Measure B	327 Greenbrae Marina Improvement	915 Lease Revenue Bonds	
	✓ \$259,114	✓ \$12,419	✓	\$2,212,700
✓ \$3,268	/ \$567			160,687
✓ 513,114				68,312
✓ 300		✓ 2,904		1,420,883
✓ 516,682	259,681	15,323		90,288
				296,971
				67,046
476,459				798,202
58,485		✓ 12,217		81,175
✓ 534,944		12,217		97,640
(18,262)	259,681	3,106		1,044,063
				3,205,778
		31,000		478,225
				(2,744,517)
		31,000		(2,266,292)
(18,262)	259,681	34,106		939,486
✓ 266,358		(34,796)		6,850,856
248,096	/ \$259,681	(\$690)		\$7,790,342

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CITY ADMINISTRATION
MEMORANDUM

January 24, 2019

TO: Citizens' Oversight Committee

FROM: Dan Schwarz, City Manager

SUBJECT: Recommendation for the Use of Measure B Funds for Fiscal Year 2019-20

Measure B, *the Larkspur Essential Services Measure*, passed in November 2017 and became effective on April 1, 2018. Each year, staff will prepare recommendations for the use of Measure B funds, in accordance with the governing ordinance. These recommendations will be presented to the Measure B Citizens Oversight Committee, which serves as an advisory body to the City Council with respect to staff's recommendations.

For Fiscal Year 2019-20, staff recommends the following expenditures for Measure B:

- Debt service for the City's 5-Year Road Repair Plan; and
- Contribution to the Reserves for Measure B.

Reserves for Measure B shall be used to help the City make debt payments in years when the economy is less robust. If the Council decides there are sufficient reserves, monies can be applied to projects that are consistent with the purpose of Measure B. Following Fiscal Year 2019-20, staff believes there will be sufficient data to conduct a trend analysis and establish a recommended reserve level for the fund.