



**Measure B Citizens' Oversight Committee  
Wednesday, April 14, 2021 7:00 pm**

Join Zoom Meeting  
<https://zoom.us/j/96566344496?pwd=S1I0UCtqUmovR1RsQIM0MmVrcXZqUT09>

You can also dial in using your phone:  
+1 669-900-9128  
Meeting ID: 965 6634 4496  
Passcode: 508637

## **AGENDA**

- 1. ROLL CALL**
- 2. REVIEW MINUTES OF APRIL 16, 2020**  
*Recommendation is to add attendance information and approve.*
- 3. UPDATE ON ROAD REHABILITATION AND MAINTENANCE PROGRAM**  
*Committee to receive presentation.*
- 4. UPDATED MEASURE B FINANCIAL INFORMATION AND RECOMMENDATION TO CITY COUNCIL FOR USE OF MEASURE B IN FISCAL YEAR 2021-22 BUDGET**
  - Measure B Fund Balance
  - Larkspur Public Finance Authority Draw on Bonds  
*Recommendation is to make debt service payments in FY 2021-22.*
- 5. AUDITED FINANCIAL STATEMENT FOR FISCAL YEAR 2019-20**  
*Recommendation is to receive audited statement.*
- 6. APPOINTMENT OF A SUB-COMMITTEE TO REVIEW A PUBLIC MESSAGE ON USE OF MEASURE B FUNDS**  
*Recommendation is to appoint a sub-committee.*
- 7. PUBLIC COMMENT AND OPEN TIME FOR COMMITTEE MEMBERS**
- 8. ADJOURN**



**Measure B Citizens' Oversight Committee  
Thursday, April 16, 2020**

## **MINUTES**

The Committee convened at 2:00pm by videoconference using the GoTo Meeting platform.

### **1. ROLL CALL**

*Unfortunately, the video record of this meeting was lost. If Committee members can remind staff whether they were present for the last meeting, staff will enter that information into the minutes for their adoption.*

Present:

Absent:

### **2. UPDATE ON ROAD REHABILITATION AND MAINTENANCE PROGRAM**

*The committee received an update from Julian Skinner, Director of Public Works/City Engineer.*

### **3. UPDATED MEASURE B FINANCIAL INFORMATION**

- Measure B Fund Balance
- Larkspur Municipal Finance Authority Draw on Bonds
- Debt Service Payment Process

*The committee received information from City Manager Dan Schwarz.*

### **4. RECOMMENDATION TO CITY COUNCIL FOR USE OF MEASURE B IN FISCAL YEAR 2020-21 BUDGET**

*The Committee concurred unanimously with staff's recommendation to limit the use of Measure B Funds to obligations associated with debt service.*

### **5. PUBLIC COMMENT AND OPEN TIME FOR COMMITTEE MEMBERS**

*No members of the public commented.*

### **6. ADJOURN**



**CITY ADMINISTRATION**

**MEMORANDUM**

April 9, 2021

TO: Measure B Citizens' Oversight Committee

FROM: Dan Schwarz, City Manager

SUBJECT: INFORMATION FOR THE COMMITTEE MEETING OF APRIL 14, 2021

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The primary purpose of the Committee's April meeting is to consider the City Manager's recommendation for the use of Measure B revenues in the upcoming fiscal year. Though the impact of the pandemic on Measure B revenue has not been as severe as staff projected in last year's budget, I remain of the opinion that the City should be conservative in its approach to the use of the Measure B Fund.

**It is my recommendation that for Fiscal Year 2021-22, the Measure B Fund only be used to make debt service payments.** During Fiscal Year 2021-22, staff anticipates proposing a reserve policy for the Measure B Fund, as well as preparing a list of potential uses of Measure B money in excess of the reserve policy.

As expected, the COVID-19 pandemic and the associated restrictions on commerce resulted in a reduction in sales and use tax revenue for the City's General Fund and the Measure B Fund. Fortunately, the drop was not as severe as staff projected. It is staff's assessment that a few key factors helped produce better-than-expected revenue:

- consumer confidence among Larkspur residents was higher than statewide and national trends, likely reflective of the fact that many Larkspur residents were able to maintain their employment through work-at-home arrangements;
- most of Larkspur's higher sales tax producing, brick and mortar businesses were allowed to remain open throughout the pandemic;
- delivered goods subject to the Measure B tax were in high demand; and
- the full impact of the Supreme Court's "Wayfair" decision was realized for the first time.

The last item concerns *South Dakota vs. Wayfair (2018)*, which established conditions for which states can require a business based in another state to charge sales tax. California has been aggressive in pursuing sales tax from businesses that meet the Wayfair criteria, resulting in an influx of revenue that was exacerbated by the pivot to online sales during the pandemic. The Measure B tax is also collected more aggressively as a result of the *Wayfair* decision.

As of March 31, 2021, the balance in the Measure B Fund stands at \$3,903,577.07. Per the attached debt service schedule, the City is required to make two payments per fiscal year toward the bond debt. One payment is an interest-payment. The other payment is principal plus interest. Debt service is scheduled to be approximately \$1.6 million per fiscal year, though the actual amount is reduced by the investment returns the trustee realizes on the bond proceeds. The City has one remaining debt service payment in the current fiscal year that will be \$1.13 million minus whatever earnings the trustee realized. After making this payment, the Measure B Fund will have a balance well above \$1.6 million. As such, at the close of the fiscal year on June 30, 2021, the Measure B Fund will have a reserve in excess of one year of total debt service, which staff has been using as an unofficial reserve target in these early years of the fund.

Per the request of Committee members attached is a simplified ledger report for the Measure B Fund, showing all revenue and expenditures from the Fund through March 31, 2021. Also included is a summary of the amount available from the bond proceeds and the requisitions of that money to date.

#### Attachments

- 1) Debt Service Schedule
- 2) Measure B Fund ledger
- 3) Summary of Draw on Bond Proceeds

## NET DEBT SERVICE

Larkspur PFA, New Issue 2018  
UBS - Larkspur PFA Bid - 22 Years LDS FINAL

Date	Principal	Interest	Total Debt Service	Net Debt Service
12/01/2018		387,938.54	387,938.54	387,938.54
06/01/2019	540,000	498,778.13	1,038,778.13	1,038,778.13
12/01/2019		485,278.13	485,278.13	485,278.13
06/01/2020	635,000	485,278.13	1,120,278.13	1,120,278.13
12/01/2020		469,403.13	469,403.13	469,403.13
06/01/2021	665,000	469,403.13	1,134,403.13	1,134,403.13
12/01/2021		452,778.13	452,778.13	452,778.13
06/01/2022	700,000	452,778.13	1,152,778.13	1,152,778.13
12/01/2022		435,278.13	435,278.13	435,278.13
06/01/2023	735,000	435,278.13	1,170,278.13	1,170,278.13
12/01/2023		416,903.13	416,903.13	416,903.13
06/01/2024	770,000	416,903.13	1,186,903.13	1,186,903.13
12/01/2024		397,653.13	397,653.13	397,653.13
06/01/2025	810,000	397,653.13	1,207,653.13	1,207,653.13
12/01/2025		377,403.13	377,403.13	377,403.13
06/01/2026	850,000	377,403.13	1,227,403.13	1,227,403.13
12/01/2026		356,153.13	356,153.13	356,153.13
06/01/2027	895,000	356,153.13	1,251,153.13	1,251,153.13
12/01/2027		333,778.13	333,778.13	333,778.13
06/01/2028	940,000	333,778.13	1,273,778.13	1,273,778.13
12/01/2028		310,278.13	310,278.13	310,278.13
06/01/2029	985,000	310,278.13	1,295,278.13	1,295,278.13
12/01/2029		285,653.13	285,653.13	285,653.13
06/01/2030	1,035,000	285,653.13	1,320,653.13	1,320,653.13
12/01/2030		259,778.13	259,778.13	259,778.13
06/01/2031	1,085,000	259,778.13	1,344,778.13	1,344,778.13
12/01/2031		243,503.13	243,503.13	243,503.13
06/01/2032	1,120,000	243,503.13	1,363,503.13	1,363,503.13
12/01/2032		226,703.13	226,703.13	226,703.13
06/01/2033	1,150,000	226,703.13	1,376,703.13	1,376,703.13
12/01/2033		208,015.63	208,015.63	208,015.63
06/01/2034	1,190,000	208,015.63	1,398,015.63	1,398,015.63
12/01/2034		188,678.13	188,678.13	188,678.13
06/01/2035	1,230,000	188,678.13	1,418,678.13	1,418,678.13
12/01/2035		168,690.63	168,690.63	168,690.63
06/01/2036	1,265,000	168,690.63	1,433,690.63	1,433,690.63
12/01/2036		148,134.38	148,134.38	148,134.38
06/01/2037	1,310,000	148,134.38	1,458,134.38	1,458,134.38
12/01/2037		126,028.13	126,028.13	126,028.13
06/01/2038	1,355,000	126,028.13	1,481,028.13	1,481,028.13
12/01/2038		103,162.50	103,162.50	103,162.50
06/01/2039	1,400,000	103,162.50	1,503,162.50	1,503,162.50
12/01/2039		78,662.50	78,662.50	78,662.50
06/01/2040	1,445,000	78,662.50	1,523,662.50	1,523,662.50
12/01/2040		53,375.00	53,375.00	53,375.00
06/01/2041	1,500,000	53,375.00	1,553,375.00	1,553,375.00
12/01/2041		27,125.00	27,125.00	27,125.00
06/01/2042	1,550,000	27,125.00	1,577,125.00	1,577,125.00
	25,160,000	13,191,548.11	38,351,548.11	38,351,548.11

**CITY OF LARKSPUR**  
**MEASURE B FUND REVENUES AND EXPENDITURE**

*balance as of March 31, 2021*

DATE	REVENUE	EXPENDITURE	BALANCE	NOTES
6/25/2018	123,044.46		123,044.46	tax revenue
6/30/2018	566.35		123,610.81	interest - CalTrust
7/24/2018	136,069.58		259,680.39	tax revenue
7/31/2018	392.79		260,073.18	interest - LAIF
8/24/2018	170,134.13		430,207.31	tax revenue
9/24/2018	162,489.52		592,696.83	tax revenue
10/24/2018	213,208.81		805,905.64	tax revenue
10/31/2018	2,324.25		808,229.89	interest - LAIF
11/16/2018		288,469.87	519,760.02	transfer to cover debt service
11/28/2018	262,838.22		782,598.24	tax revenue
12/24/2018	166,499.78		949,098.02	tax revenue
1/24/2019	199,677.12		1,148,775.14	tax revenue
1/31/2019	1,813.12		1,150,588.26	interest - LAIF
2/25/2019	256,587.94		1,407,176.20	tax revenue
3/25/2019	200,337.54		1,607,513.74	tax revenue
4/17/2019		11,243.36	1,596,270.38	transfer to cover fee to State of California
4/24/2019	196,390.07		1,792,660.45	tax revenue
4/30/2019	2,306.95		1,794,967.40	interest - LAIF
5/24/2019	175,978.76		1,970,946.16	tax revenue
6/1/2019		783,808.28	1,187,137.88	transfer to cover debt service
6/24/2019	180,030.03		1,367,167.91	tax revenue
6/30/2019	7,285.41		1,374,453.32	interest - CalTrust
7/24/2019	200,158.73		1,574,612.05	tax revenue
7/31/2019	4,316.83		1,578,928.88	interest - LAIF
8/26/2019	168,207.31		1,747,136.19	tax revenue
9/24/2019	191,196.74		1,938,332.93	tax revenue
10/24/2019	190,609.03		2,128,941.96	tax revenue
10/31/2019	7,339.94		2,136,281.90	interest - LAIF
11/25/2019	215,422.50		2,351,704.40	tax revenue
12/1/2019		232,758.27	2,118,946.13	transfer to cover debt service
12/24/2019	173,011.52		2,291,957.65	tax revenue
1/1/2020		727.32	2,291,230.33	fee for revenue audit
1/24/2020	191,824.64		2,483,054.97	tax revenue
1/31/2020	6,436.09		2,489,491.06	interest - LAIF
1/31/2021	1,944.31		2,491,435.37	interest - LAIF
2/25/2020	317,521.96		2,808,957.33	tax revenue
3/25/2020	154,213.22		2,963,170.55	tax revenue
4/24/2020	131,089.33		3,094,259.88	tax revenue
4/30/2020	5,853.56		3,100,113.44	interest - LAIF
5/15/2020		974,088.98	2,126,024.46	transfer to cover debt service
5/26/2020	107,553.34		2,233,577.80	tax revenue
6/1/2020		3,158.04	2,230,419.76	fee for revenue audit
6/24/2020	252,897.23		2,483,316.99	tax revenue
6/30/2020	219,599.26		2,702,916.25	tax revenue
6/30/2020	186,051.24		2,888,967.49	tax revenue
6/30/2020	14,824.38		2,903,791.87	interest - CalTrust
7/31/2020	4,330.68		2,908,122.55	interest - LAIF
8/24/2020		4,633.65	2,903,488.90	fee for revenue audit
9/24/2020	201,493.29		3,104,982.19	tax revenue
10/26/2020	218,053.92		3,323,036.11	tax revenue
10/31/2020	3,161.44		3,326,197.55	interest - LAIF
11/25/2020	217,463.96		3,543,661.51	tax revenue
12/24/2020	195,126.78		3,738,788.29	tax revenue
12/31/2020		245.00	3,738,543.29	trustee charges
12/31/2020		3,105.00	3,735,438.29	trustee charges
12/31/2020		417.97	3,735,020.32	trustee charges
12/31/2020		3,625.00	3,731,395.32	trustee charges
12/31/2020		3,175.00	3,728,220.32	trustee charges
12/31/2020		467,233.93	3,260,986.39	transfer to cover debt service
1/25/2021		300.00	3,260,686.39	startup fee to HdL
1/25/2021	186,690.19		3,447,376.58	tax revenue
2/25/2021	254,602.86		3,701,979.44	tax revenue
3/24/2021	201,597.63		3,903,577.07	tax revenue

**LARKSPUR PUBLIC FINANCE AUTHORITY  
DRAW ON LEASE REVENUE BONDS**

<b>DATE</b>		<b>DRAW</b>	<b>REMAINING</b>
7/11/2018	Starting Amount Held by bond Trustee		25,160,000.00
7/11/2018	Requisition #1	247,327.00	24,912,673.00
8/8/2019	Requisition #2	1,786,034.96	23,126,638.04
5/1/2020	Requisition #3	1,336,527.46	21,790,110.58
7/3/2020	Requisition #4	1,004,893.08	20,785,217.50
1/4/2021	Requisition #5	1,665,738.41	19,119,479.09
1/4/2021	Requisition #6	1,254,744.67	17,864,734.42



**CITY ADMINISTRATION**  
**MEMORANDUM**

April 9, 2021

TO: Citizens' Oversight Committee

FROM: Cathy Orme, Administrative Services Director

SUBJECT: Measure B Financial Statement for Fiscal Year Ending June 30, 2020

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The Measure B transaction and use tax went into effect on April 1, 2018. The Measure B Citizens' Oversight Committee determined that the cost to have a stand-alone audit of the Measure B Fund was not a good use of taxpayer money. Instead, the Measure B Fund is independently audited as part of the City's annual comprehensive audit. The Measure B Fund is then included in the City's Financial Statements.

Attached is the page from the City's Financial Statements addressing the Measure B Fund for the Fiscal Year Ending June 30, 2020. As shown, the Measure B Fund received total revenue of \$2,327,105. The Measure B Fund had no direct expenditures during the fiscal year. The Measure B Fund transferred \$1,206,847 to the Larkspur Public Financing Authority during the fiscal year; these transfers were to cover the City's debt service payments for the road rehabilitation program and the administrative fees charged by the City's sales tax auditor.

On June 30, 2020, the Measure B Fund had a net positive balance of \$2,906,594.

ATTEST:

  
Cathy Orme, Administrative Services Director



# City of Larkspur

## Combining Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Non-Major Governmental Funds For the year ended June 30, 2020

	Measure B		
	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Taxes	\$ 2,400,000	\$ 2,327,105	\$ (72,895)
Licenses and permits	-	-	-
Use of money and property	45,000	43,517	(1,483)
Other agencies	-	-	-
Charges for services	-	-	-
Other revenue	-	-	-
<b>Total revenues</b>	<u>2,445,000</u>	<u>2,370,622</u>	<u>(74,378)</u>
<b>EXPENDITURES:</b>			
Current:			
Recreation	-	-	-
Special projects	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,445,000</u>	<u>2,370,622</u>	<u>(74,378)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	-
Transfers out	-	(1,206,847)	(1,206,847)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(1,206,847)</u>	<u>(1,206,847)</u>
<b>Net change in fund balances</b>	<u>2,445,000</u>	<u>1,163,775</u>	<u>(1,281,225)</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>1,742,819</u>	
End of year		<u>\$ 2,906,594</u>	



**CITY ADMINISTRATION**  
**MEMORANDUM**

April 9, 2021

TO: Citizens' Oversight Committee

FROM: Dan Schwarz, City Manager

SUBJECT: Appointment of a Sub-Committee to Review a Public Message on Use of Measure B Funds

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This summer, staff proposes to conduct a "Your Measure B Dollars at Work" campaign. Staff recommends the appointment of a sub-committee to provide feedback on the materials. As there are nine members on the full committee, a sub-committee can be up to four members (to avoid Brown Act issues).