

**AGENDA FOR THE MEETING
OF THE MEASURE I CITIZENS' OVERSIGHT BOARD
DECEMBER 12, 2018 – 6:30 P.M.
CONFERENCE ROOM 1, CITY HALL, 13700 LA MIRADA BOULEVARD,
LA MIRADA, CALIFORNIA 90638**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting or other services offered by this City, please call (562) 943-0131 and contact the City Clerk's office or the Human Resources Department. Notification at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

All cell phones, pagers and other audible electronic devices should be in their off or silent position while the meeting is in session.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

**Chairman Scott Watkins
Vice Chairman Hal Malkin
Philip Massey
David Morfin
Lee Olsen**

ACTION ITEMS

- 1. MEETING MINUTES** – It is recommended the Oversight Board approve the minutes of the meeting of September 5, 2018.

REVIEW AND DISCUSSION

- 2. MEASURE I REVENUES AND EXPENDITURES UPDATE** – It is recommended the Oversight Board receive and file the report.
- 3. ORAL REPORT ON THE CITY'S CAPITAL IMPROVEMENT PROJECTS** – It is recommended the Oversight Board review and discuss the Capital Improvement Projects update.

PUBLIC COMMENT

(Any information or materials provided during Public Comments are recorded in the minutes and are subject to public disclosure under the Public Records Act. The speaker is requested, but is not required, to orally state or register his or her name and/or address on the sheet located at the podium, for purposes of recording the information accurately in the minutes.)

BOARD MEMBER REPORTS

ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 72 hours prior to the meeting.

Dated this 7th day of December 2018.



Anne Haraksin, City Clerk

**MINUTES OF THE MEETING OF THE
MEASURE I CITIZENS' OVERSIGHT BOARD
September 5, 2018**

The meeting was called to order at 6:30 p.m. in Conference Room 1, 13700 La Mirada Boulevard, La Mirada, California. Responding to roll call were Board Member Philip Massey, Board Member David Morfin, Board Member Lee Olsen, Vice Chairman Hal Malkin and Chairman Scott Watkins. Also present were City Manager Jeff Boynton, Public Works Director Mark Stowell, and Finance Manager Melissa Pascual.

CALL TO ORDER

Chairman Watkins called the meeting to order.

PLEDGE OF ALLEGIANCE

Chairman Watkins led the pledge of allegiance.

ROLL CALL

City Manager Boynton conducted roll call.

ACTION ITEMS

1. APPROVAL OF MINUTES

Vice Chairman Malkin motioned and Member Olsen seconded to approve the Minutes from the June 7, 2018 meeting.

MOTION CARRIED BY THE FOLLOWING ROLL CALL VOTE:

AYES: Members Massey, Morfin, Olsen, Vice Chairman Malkin, Chairman Watkins
NOES: None
ABSENT: None
ABSTAIN: None

2. ANNUAL REPORT

Member Massey motioned and Member Morfin seconded to approve the Fiscal Year 2017-18 Measure I Annual Report, as amended.

AYES: Members Massey, Morfin, Olsen, Vice Chairman Malkin, Chairman Watkins
NOES: None
ABSENT: None
ABSTAIN: None

REVIEW AND DISCUSSION

3. MEASURE I REVENUES AND EXPENDITURES UPDATE

Finance Manager Melissa Pascual reported on payments received by the California Department of Tax and Fee Administration (CDTFA) and Measure I expenditures. Ms. Pascual said Measure I generated a total of \$5.18 million in revenues to date for Fiscal Year 2017-18.

Finance Manager Pascual said expenditures totaling \$10.45 million were transferred out for Neighborhood Infrastructure Improvement Phases 3 and 4, and planning and design work for Phase 5. The current Fiscal Year 2017-18 fund balance is \$5.94 million.

Members reviewed and discussed the CDTFA tax distribution update and Measure I financial information.

Member Olsen motioned and Vice Chairman Malkin seconded to receive and file the report.

MOTION CARRIED BY THE FOLLOWING ROLL CALL VOTE:

AYES: Members Massey, Morfin, Olsen, Vice Chairman Malkin, Chairman Watkins
NOES: None
ABSENT: None
ABSTAIN: None

4. ORAL REPORT ON THE CITY'S CAPITAL IMPROVEMENT PROJECTS

Public Works Director Mark Stowell provided an update of Measure I funded and other Capital Improvement Projects being completed in La Mirada.

Members asked questions and provided comments about Measure I Phase 5, median landscape renovations, street name sign replacement program, traffic signal upgrades, and Splash! waterslide addition.

PUBLIC COMMENT

None.

BOARD MEMBER REPORTS

Board Members reported on summer activities and upcoming events.

ADJOURNMENT

The meeting was adjourned at 7:20 p.m.

ATTEST:

Jeff Boynton, City Manager

Scott Watkins, Chairman

REVIEW AND DISCUSSION

**Measure I Citizens' Oversight Board
December 12, 2018**

TO: Chairman and Oversight Board Members
FROM: Jeff Boynton, City Manager
ORIGINATED BY: Melissa Pascual, Finance Manager
SUBJECT: MEASURE I REVENUES AND EXPENDITURES UPDATE

BACKGROUND

At the January 22, 2013 City Council meeting, the City Council adopted Resolution No. 13-05 establishing the Measure I Citizens' Oversight Board. The role of the Oversight Board is to review and report on the revenues and expenditures of Measure I funds; review financial audits and reports; monitor the City's progress on the planning, engineering, and construction of infrastructure projects; and issue an Annual Report.

FINDINGS

This report provides information as of November 30, 2018. Attachment "A" includes information on the California Department of Tax and Fee Administration (CDTFA) to the City (revenues) and Measure I-related expenditures. Measure I has generated a total of \$67,774.40 in revenues to date for Fiscal Year 2018-2019. Although Measure I expired on March 31, 2018, the CDTFA recently upgraded its system and continues to remit Measure I funds. The additional revenue may be Measure I funds that were accrued but not remitted based on the previous system. City staff continues to monitor Measure I receipts. The statements provided by the CDTFA are included in Attachment "B"

During this reporting period, expenditures in the amount of \$231,351 transferred out for the Neighborhood Phases III and IV projects, and planning and design for Phase V. The current 2018-19 Fiscal Year fund balance is \$5.77 million.

RECOMMENDED ACTION

It is recommended the Oversight Board receive and file the report.

ATTACHMENT A

CITY OF LA MIRADA
BALANCE SHEET-MEASURE I
AS OF NOVEMBER 30, 2018

ASSETS:

CASH	\$ 5,773,602
TOTAL ASSETS	<u>\$ 5,773,602</u>

FUND BALANCE:

ASSIGNED FOR CAPITAL PROJECTS	\$ 5,773,602
TOTAL FUND BALANCE	<u>\$ 5,773,602</u>

CITY OF LA MIRADA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 MEASURE I
 AS OF NOVEMBER 30, 2018

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	AS OF 11/30/2018
REVENUES							
MEASURE I TRANSACTIONS AND USE TAX	<u>1,524,783.00</u>	<u>4,456,406.00</u>	<u>5,793,139.18</u>	<u>5,743,911.08</u>	<u>6,384,905.46</u>	<u>5,178,916.27</u>	<u>67,774.40</u>
EXPENDITURES							
T/OUT-CAPITAL PROJ. (C1064)- PHASE III	-	-	-	212,685.00	2,803,109.05	4,439,327.04	12,514.01
T/OUT-CAPITAL PROJ. (C1069)- MEASURE I PHASE IV	-	-	-	-	58,764.36	5,504,250.89	213,548.19
T/OUT-CAPITAL PROJ.(C1071)- MEASURE I PHASE V	-	-	-	-	-	323,528.75	5,288.50
T/OUT-CAPITAL PROJ. (C1049)- GENERAL MEASURE I ENG.	-	147,800.00	3,778.00	104,844.11	-	-	-
T/OUT-CAPITAL PROJ. (C1059)- PHASE I	-	-	4,336,719.00	44,547.20	-	-	-
T/OUT-CAPITAL PROJ. (C1068)- STORM DRAIN PROGRAM	-	-	-	5,587.50	575.00	179,022.13	-
T/OUT-CAPITAL PROJ.(C1070)- OLIVE BRANCH DRIVE	-	-	-	-	309,742.00	312.50	-
T/OUT-CAPITAL PROJ. (C1058)- PHASE II	-	-	148,380.00	4,490,349.72	31,560.00	-	-
	-	<u>147,800.00</u>	<u>4,488,877.00</u>	<u>4,858,013.53</u>	<u>3,203,750.41</u>	<u>10,446,441.31</u>	<u>231,350.70</u>
NET CHANGE IN FUND BALANCE	<u>1,524,783.00</u>	<u>4,308,606.00</u>	<u>1,304,262.18</u>	<u>885,897.55</u>	<u>3,181,155.05</u>	<u>(5,267,525.04)</u>	<u>(163,576.30)</u>
FUND BALANCE, BEGINNING OF YEAR	-	1,524,783.00	5,833,389.00	7,137,651.18	8,023,548.73	11,204,703.78	5,937,178.74
FUND BALANCE, END OF YEAR	<u>1,524,783.00</u>	<u>5,833,389.00</u>	<u>7,137,651.18</u>	<u>8,023,548.73</u>	<u>11,204,703.78</u>	<u>5,937,178.74</u>	<u>5,773,602.44</u>

00110-4120.5 MEASURE I SALES TAX REVENUE

YEAR	PER	EFF DATE	AMOUNT	VDR NAME/ITEM DESC
2019	1	7/31/2018	25,967.81	'BOARD OF EQUALIZATION
2019	1	7/31/2018	(25,967.81)	REVERSE FY 17/18 ACCRUAL
2019	2	8/30/2018	64,702.68	'BOARD OF EQUALIZATION
2019	2	8/30/2018	(64,702.68)	REVERSE FY 17/18 ACCRUAL
2019	3	9/30/2018	31,776.11	'BOARD OF EQUALIZATION
2019	4	10/31/2018	10,412.15	'BOARD OF EQUALIZATION
2019	5	11/30/2018	25,586.14	'BOARD OF EQUALIZATION

67,774.40

C1064 RESIDENTIAL STREET PHASE III

9/1/2018	58,198.10	KABBARA	3572441
9/30/2018	(49,884.09)	REVERSE PY ACCRUAL	
11/1/2018	4,200.00	KABBARA	3573087
	<u>12,514.01</u>		

C1069 MEASURE I PHASE IV

9/1/2018	366.50	ANDERSONPENNA	3572394
11/8/2018	5,799.00	ANDERSONPENNA	3573198
9/1/2018	29,340.00	ENGINEERING	3572422
9/17/2018	17,310.00	ENGINEERING	3572578
9/17/2018	2,160.00	ENGINEERING	3572578
9/1/2018	704.00	GEO-ADVANTEC	3572430
10/1/2018	17,150.00	GEO-ADVANTEC	3572746
10/12/2018	1,230.00	GEO-ADVANTEC	3572889
10/12/2018	157,913.69	SEQUEL CONTRACTORS	3572943
10/1/2018	2,560.00	TWINING	3572803
	(6,075.00)	CHECKS RECEIVED FROM SEQUEL CONTRACTORS	
	(6,075.00)	CHECKS RECEIVED FROM SEQUEL CONTRACTORS	
	(2,235.00)	CHECKS RECEIVED FROM SEQUEL CONTRACTORS	
	(6,600.00)	CHECKS RECEIVED FROM SEQUEL CONTRACTORS	
	<u>213,548.19</u>		

C1071 MEASURE I PHASE V

10/1/2018	5,288.50	HARRIS AND ASSOCIATES	3572751
	<u>5,288.50</u>		
	<u>231,350.70</u>		

Local Jurisdiction Statement of Tax Distribution

308 Date: For the periods shown below
09/19/2018

**Payee: CITY OF LA MIRADA TRANS &
USE/DEPUTY CITY MANAGER**

Current	JUL 2018	31,776.11
Advance		
Prior Credits		0.00

mess I

Total Payment (by EFT) 31,776.11

If you have questions regarding this statement,
please contact CDTFA-Local Revenue and
Allocation Unit at 916-324-3000.

[Back to Query Page](#)

Local Jurisdiction Statement of Tax Distribution

308 Date: For the periods shown below
10/19/2018

**Payee: CITY OF LA MIRADA TRANS &
USE/DEPUTY CITY MANAGER**

Current	AUG 2018	10,412.15
Advance		
Prior Credits		0.00

Total Payment (by EFT)	10,412.15
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If you have questions regarding this statement,
please contact CDTFE-Local Revenue and
Allocation Unit at 916-324-3000.

[Back to Query Page](#)

Mass I

Local Jurisdiction Statement of Tax Distribution

308 Date: For the periods shown below
 11/21/2018

**Payee: CITY OF LA MIRADA TRANS &
 USE/DEPUTY CITY MANAGER**

Total Due	3RD QTR 18	67,774.40
Prior Credits		0.00
Prior Advances	3RD QTR 18	-42,188.26
Cost of Admin		0.00
Cost of Bus & Trans Agency		0.00

Balance	3RD QTR 18	25,586.14
Current Advance		0.00

Total Payment (by EFT) 25,586.14

If you have questions regarding this statement,
 please contact CDTFA-Local Revenue and
 Allocation Unit at 916-324-3000.

Back to Query Page

(www.cdtfa.ca.gov/webservices/localJur.jsp)

Q2 2018



City of La Mirada Sales Tax *Update*

Third Quarter Receipts for Second Quarter Sales (April - June 2018)

La Mirada In Brief

La Mirada's receipts from April through June were 17.6% below the second sales period in 2017, though the decline was the result of the State's transition to a new software and reporting system that caused a delay in processing thousands of payments statewide. Sizable local allocations remain outstanding for building material suppliers, restaurants and business-industrial enterprises. Excluding reporting aberrations, actual sales were up 2.5%.

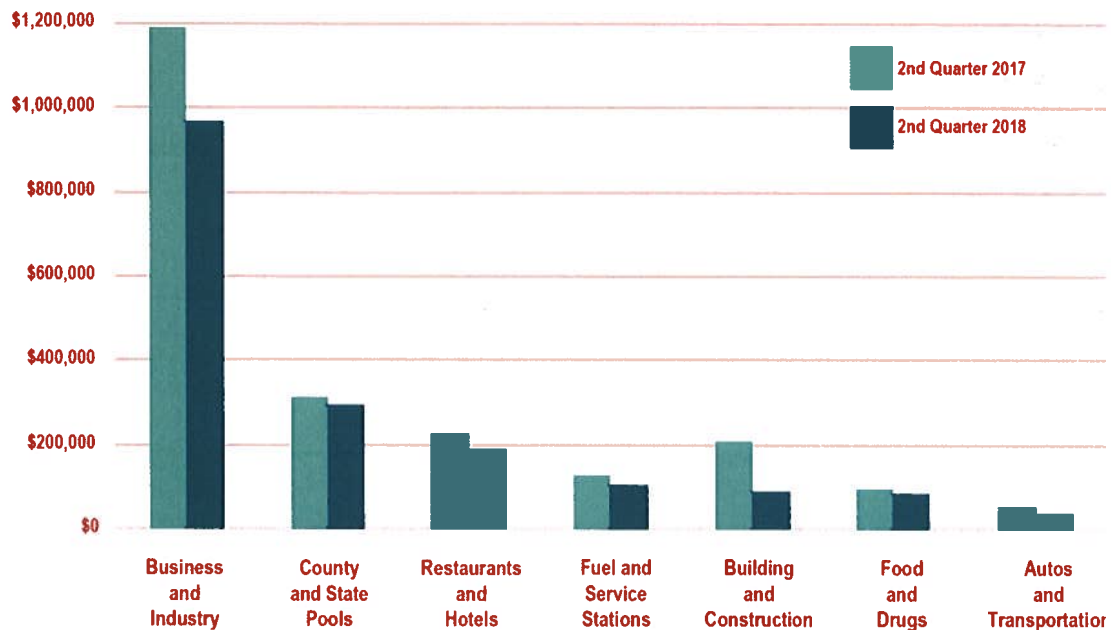
The primary factor powering this improvement was increased sales volume reported by a local fuel and service station outlet.

Decreased light industrial-printer cash receipts due to a shift in a taxpayer's reported point-of-sale partially offset this progress. An organizational restructuring also reduced heavy-industrial supplier allocations.

Voter-approved Measure I expired at the end of last quarter, but late payments and State adjustments recorded this period added \$114,000 to the amounts previously discussed.

Net of aberrations, taxable sales for all of Los Angeles County grew 0.6% over the comparable time period; the Southern California region was up 1.0%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Accu Tech	Marshalls
Ahern Rentals	Pivot Interiors
Albertsons	Pnp Shell
Arco AM PM	Sentry Equipment Erectors
Bet Plant Services	Shabuya
Camping World	Smith & Nephew
Clearmans	Spinitar
Northwoods Inn	Staples Fulfillment Center
CVS Pharmacy	Stater Bros
Eagle High Reach Equipment	US Foodservice
Event Carpet Pros	Walmart Neighborhood Market
Home Depot	
In N Out Burger	
IQ Air	
Living Spaces	

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date (Q3 to Q2)

	2016-17	2017-18
Point-of-Sale	\$9,023,201	\$8,889,918
County Pool	1,254,168	1,276,316
State Pool	5,005	5,206
Gross Receipts	\$10,282,374	\$10,171,440

California Overall

Local Government cash receipts from April through June sales dropped 10.1% from the same quarter one year ago due to implementation issues with CDFTA's new tax reporting software system. The results were further skewed by the State's attempt to offset the resulting shortages by advancing tax revenues that it estimates will be generated next quarter.

After reviewing unprocessed returns and approximating the full amounts of partial payments, HdL estimates that once all returns are properly processed and the data adjusted to reflect actual quarter receipts, statewide local sales and use tax revenues will be 1.6% higher than second quarter 2017.

Sales of building and construction materials, jet fuel and online shopping appear to have been the primary drivers of statewide growth during the second quarter. Auto sales leveled off as previously anticipated, although receipts from auto leases continued to show substantial gains. Online fulfillment centers and value themed apparel stores were the primary gainers within the general consumer goods group. Business-industrial purchases were slightly lower than previous quarters with declines in new energy projects being a major factor.

Regionally, the San Francisco Bay area and the Sacramento and San Joaquin Valley areas outperformed the rest of the state.

Tariff Policies and Sales Tax

Tariffs are becoming a key element of the federal government's international trade strategy with additional duties of 10% announced for the end of the third quarter, rising to 25% by the end of 2018.

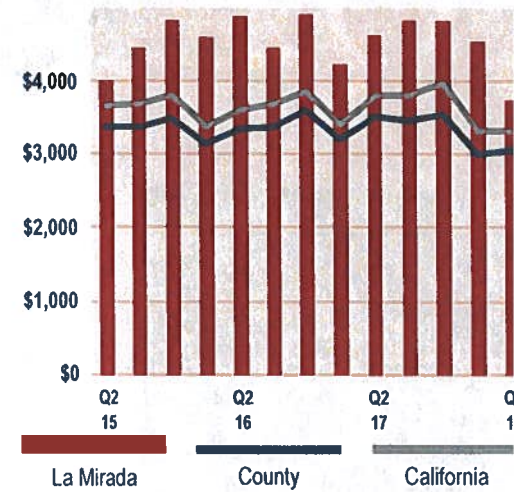
Despite the current debates, analysts believe that the impact on prices and sales will be minimal through the remainder of 2018-19 as most major retailers have already imported their inventory for the holiday season and are attempting to rush spring inventories through customs ahead of the new 5% rates. Many manufacturers have managed to avoid raising prices by absorbing the costs of the

initial first round of tariffs on metals, machinery and components. On the down side, small retailers without the power to lock in prices may be placed at a competitive disadvantage and contractors are beginning to require escalation clauses in contracts to cover potential cost increases on long range projects.

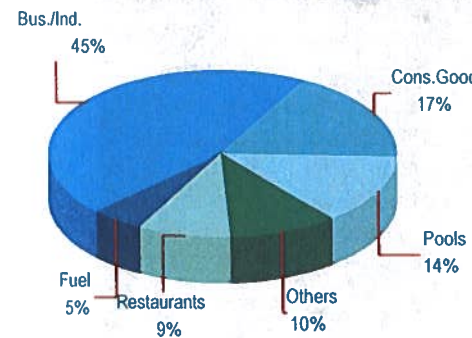
The key concern for analysts projecting 2019-20 tax revenues will be how the federal government refines its trade policies and the impact on sales and use tax revenues. Although higher prices generate more sales tax from individual purchases, they also potentially reduce the number of purchases, particularly in an environment where rising housing, education and health care costs compete for a significant portion of discretionary income.

Proponents of rising tariffs argue that the rising strength of the U.S. dollar will offset the impact of tariff related price increases on consumers. Opponents worry that the stronger dollar and the announced \$5.6 billion in retaliatory tariffs on California exports will negatively impact both the affected companies' job base and capital investment in supplies, equipment and expansion opportunities.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
La Mirada This Quarter



LA MIRADA TOP 15 BUSINESS TYPES

Business Type	*In thousands of dollars			
	La Mirada	County	HdL State	
	Q2 '18*	Change	Change	Change
Building Materials	80.9	-48.4%	-34.1%	-23.1%
Casual Dining	66.6	-20.5%	-11.3%	-12.4%
Drug Stores	24.5	-4.1%	-3.8%	-4.2%
Electrical Equipment	56.5	-4.5%	-25.3%	-23.9%
Family Apparel	34.2	2.8%	-27.3%	-27.2%
Food Service Equip./Supplies	— CONFIDENTIAL —		-20.8%	-19.9%
Fulfillment Centers	— CONFIDENTIAL —		-2.5%	-3.9%
Grocery Stores	50.4	-12.7%	-12.1%	-7.0%
Heavy Industrial	69.8	-32.0%	-32.3%	-26.2%
Home Furnishings	— CONFIDENTIAL —		-28.7%	-21.7%
Light Industrial/Printers	23.5	-74.1%	-23.9%	-26.0%
Medical/Biotech	23.1	-19.7%	-61.8%	-28.4%
Quick-Service Restaurants	91.4	-17.5%	-5.9%	-5.8%
Repair Shop/Equip. Rentals	98.0	1.3%	-24.0%	-19.7%
Service Stations	104.9	-7.4%	-23.5%	-26.4%
Total All Accounts	1,852.2	-19.2%	-11.9%	-12.2%
County & State Pool Allocation	295.3	-5.3%	3.2%	5.5%
Gross Receipts	2,147.4	-17.6%	-10.1%	-10.1%



CITY OF LA MIRADA MEASURE I

SALES, USE AND TRANSACTIONS TAX RECEIPTS

Effective from 4/1/2013 to 3/31/2018, Rate 1%

Major Industry Groups	3Q 2017			4Q 2017			1Q 2018			2Q 2018		
	Sales / Use Tax	Transactions Tax	Ratio	Sales / Use Tax	Transactions Tax	Ratio	Sales / Use Tax	Transactions Tax	Ratio	Sales / Use Tax	Transactions Tax	Ratio
Autos And Transportation	51,517	286,336	555.8%	54,056	267,752	495.3%	45,027	255,042	566.4%	50,850	10,671	21.0%
Building And Construction	219,250	268,753	122.6%	195,182	243,786	124.9%	219,547	209,498	95.4%	212,894	711	0.3%
Business And Industry	1,189,014	392,533	33.0%	1,088,075	408,735	37.6%	1,089,391	427,675	39.3%	1,098,085	3,459	0.3%
Food And Drugs	92,008	92,513	100.5%	96,620	97,233	100.6%	89,305	89,699	100.4%	93,781	3	0.0%
Fuel And Service Stations	227,102	168,341	69.7%	284,864	168,970	59.3%	251,158	176,596	70.3%	262,660	36,662	14.0%
General Consumer Goods	383,578	239,799	62.5%	456,405	306,389	67.1%	359,668	235,318	65.4%	383,578	1,411	0.4%
Restaurants And Hotels	209,271	214,509	102.5%	211,279	213,305	101.0%	201,608	201,436	99.9%	210,483	2,387	1.1%
Transfers & Unidentified	0	15	0.0%	57	376	657.2%	0	37	0.0%	0	1	0.0%
Total All Businesses	2,371,739	1,652,800	69.7%	2,386,539	1,706,546	71.5%	2,255,704	1,595,300	70.7%	2,312,331	55,305	2.4%
State and County Pools	332,557	0		375,574	0		341,461	0		297,284	0	
Gross Receipts	2,704,296	1,652,800	61.1%	2,762,113	1,706,546	61.8%	2,597,164	1,595,300	61.4%	2,609,615	55,305	2.1%
SBOE Admin	-31,380	-9,600		-30,163	-9,600		-30,769	-7,890		-25,215	260	
Total	2,672,916	1,643,200	61.5%	2,731,950	1,696,946	62.1%	2,566,396	1,587,410	61.9%	2,584,400	55,565	2.1%