

**AGENDA FOR THE MEETING
OF THE MEASURE I CITIZENS' OVERSIGHT BOARD
MARCH 7, 2019 – 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 December 12, 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 1st day of March 2019.


Anne Haraksin, City Clerk

**MINUTES OF THE MEETING OF THE
MEASURE I CITIZENS' OVERSIGHT BOARD
December 12, 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

Member Morfin motioned and Member Olsen seconded to approve the Minutes from the September 5, 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

REVIEW AND DISCUSSION

2. 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 \$67,774.40 in revenues to date for Fiscal Year 2018-19.

Finance Manager Pascual said expenditures totaling \$231,351 were transferred out for Neighborhood Infrastructure Improvement Phases 3 and 4, and planning and design work for Phase 5. The current Fiscal Year 2018-19 fund balance is \$5.77 million.

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

Member Olsen motioned and Member Massey 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

3. 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 and other improvements planned for the upcoming year.

PUBLIC COMMENT

None.

BOARD MEMBER REPORTS

Board Members reported on recent community 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
March 7, 2019

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 February 28, 2019. 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 \$112,667 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".

A total of \$29.19 million in Measure I revenues has been received since the measure began on April 1, 2013.

During this reporting period, expenditures in the amount of \$265,162 were 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 \$5.73 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 FEBRUARY 28, 2019

ASSETS:

CASH	\$ 5,734,801
TOTAL ASSETS	<u>\$ 5,734,801</u>

FUND BALANCE:

ASSIGNED FOR CAPITAL PROJECTS	\$ 5,734,801
TOTAL FUND BALANCE	<u>\$ 5,734,801</u>

CITY OF LA MIRADA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MEASURE I
AS OF FEBRUARY 28, 2019

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	AS OF 2/28/2019
REVENUES							
MEASURE I TRANSACTIONS AND USE TAX	<u>1,524,783.00</u>	<u>4,456,408.00</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>112,666.88</u>
EXPENDITURES							
T/OUT-CAPITAL PROJ. (C1064)- PHASE III	-	-	-	212,685.00	2,803,109.05	4,489,209.78	12,514.01
T/OUT-CAPITAL PROJ. (C1069)- MEASURE I PHASE IV	-	-	-	-	58,764.36	5,504,250.89	238,893.19
T/OUT-CAPITAL PROJ.(C1071)- MEASURE I PHASE V	-	-	-	-	-	323,528.75	13,755.09
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>10,496,324.05</u>	<u>265,162.29</u>
NET CHANGE IN FUND BALANCE	1,524,783.00	4,308,606.00	1,304,262.18	885,897.55	3,181,155.05	(5,317,407.78)	(152,495.41)
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	5,887,296.00
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>5,887,296.00</u>	<u>5,734,800.59</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
2019	6	12/31/2018	14,651.72	'BOARD OF EQUALIZATION
2019	7	1/31/2019	1,916.72	'BOARD OF EQUALIZATION
2019	8	2/28/2019	28,324.04	'BOARD OF EQUALIZATION

112,666.88

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
2/13/2019	2,095.00	ANDERSONPENNA	
9/1/2018	29,340.00	ENGINEERING	3572422
9/17/2018	17,310.00	ENGINEERING	3572578
9/17/2018	2,160.00	ENGINEERING	3572578
1/2/2019	3,630.00	ENGINEERING	3573683
2/13/2019	8,370.00	ENGINEERING	
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
1/2/2019	1,650.00	GEO-ADVANTEC	3573687
2/13/2019	9,600.00	GEO-ADVANTEC	
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>238,893.19</u>		

C1071 MEASURE I PHASE V

10/1/2018	5,288.50	HARRIS AND ASSOCIATES	3572751
12/13/2018	5,830.00	HARRIS AND ASSOCIATES	3573591
1/2/2019	1,517.80	IS BLUEPRINT SERVICE	3573693
1/9/2019	654.90	LOS CERRITOS NEWS	3573848
2/1/2019	463.89	LOS CERRITOS NEWS	3574027
	<u>13,755.09</u>		
	<u>265,162.29</u>		

Local Jurisdiction Statement of Tax Distribution

308

Date: 12/19/2018

For the periods shown below

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

Current Advance	OCT 2018	14,651.72
Prior Credits		0.00

Total Payment (by EFT)	14,651.72
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If you have questions regarding this statement, please contact CDTFA-Local Revenue Branch at 916-324-3000.

Back to Query Page (www.cdtfa.ca.gov/webservices/localJur.jsp)

Meas I

Local Jurisdiction Statement of Tax Distribution

308

Date: 01/17/2019

For the periods shown below

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

Current Advance	NOV 2018	1,916.77
Prior Credits		0.00

Total Payment (by EFT) 1,916.77

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

Back to Query Page (www.cdtfa.ca.gov/webservices/localJur.jsp)

Mear I

Local Jurisdiction Statement of Tax Distribution

Juris Code: 308

Date: 02/19/2019

For the periods shown below

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

Total Due	4TH QTR 18	28,324.04
Prior Credits		0.00
Prior Distributions	4TH QTR 18	-16,568.49
Prior Advances	4TH QTR 18	0.00
Cost of Admin		0.00
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Balance	4TH QTR 18	11,755.55
Total Payment (by EFT)		11,755.55
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Total Due Breakdown by Period:

Distribution Prior to 2nd Quarter 2018	17,615.56
Distribution 2nd Quarter 2018	276.38
Distribution 3rd Quarter 2018	329.29
Distribution 4th Quarter 2018	9,877.06
Distribution 1st Quarter 2019	225.75
Total Due (As Above)	28,324.04

If you have any questions, please contact CDTFA Local Revenue Branch by phone at (916) 324-3000 or mail:

California Department of Tax and Fee Administration
 Local Revenue Branch, MIC: 27
 PO Box 942879
 Sacramento, CA 94279-0027

[Back to Query Page \(www.cdtfa.ca.gov/webservices/localJur.jsp\)](http://www.cdtfa.ca.gov/webservices/localJur.jsp)

Q3 2018



City of La Mirada Sales Tax *Update*

Fourth Quarter Receipts for Third Quarter Sales (July - September 2018)

La Mirada In Brief

La Mirada's receipts from July through September were 8.1% above the third sales period in 2017. Excluding reporting aberrations, actual sales were down 1.4%.

The CDTFA appears to have resolved the majority of the software-driven reporting issues that plagued the first and second quarter 2018 local tax distributions.

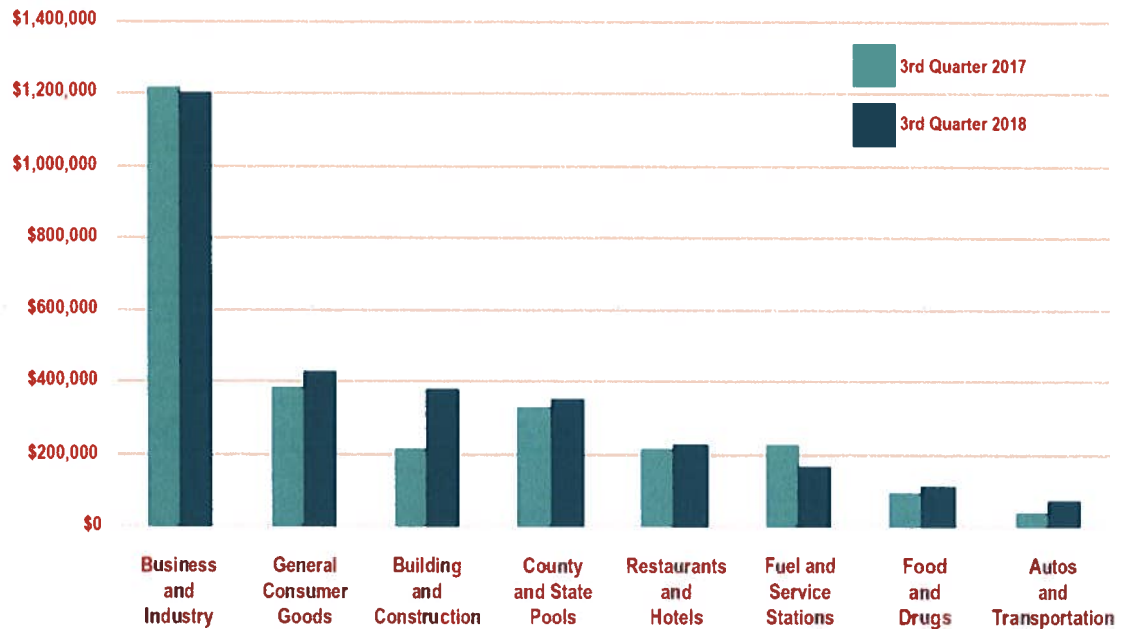
Building and construction reported a strong sales quarter, although overall totals are exaggerated due to double-up payments. Strong consumer spending fueled by the incredibly healthy job market and rising wages resulted in higher totals for general consumer goods.

The business and industry sector reported a sluggish sales quarter, while business closures impacted totals from restaurants and hotels.

The City's share of the countywide use tax pool increased by 6.7%. The City's Measure I expired on 3/31/18. La Mirada's sales tax rate dropped to 9.5 percent, the lowest rate in Los Angeles County.

Net of aberrations, taxable sales for all of Los Angeles County grew 3.5% over the comparable time period; the Southern California region was up 3.8%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Accu Tech	Pnp Shell
Acme Construction Supply	Ross
Ahern Rentals	Siemens Water Technologies
Arco AM PM	Spinitar
Bet Plant Services	Staples Fulfillment Center
Eagle High Reach Equipment	Stater Bros
Fleets 101	TEC Equipment
Forest Plywood	Tomarco Contractor Specialties
Home Depot	Trebor Shoring Rentals
In N Out Burger	US Foodservice
Living Spaces	Walmart Neighborhood Market
Lowerys 76	
Marshalls	
My Goods Market	

REVENUE COMPARISON

One Quarter – Fiscal Year To Date (Q3)

	2017-18	2018-19
Point-of-Sale	\$2,386,337	\$2,584,189
County Pool	328,783	350,760
State Pool	1,867	1,326
Gross Receipts	\$2,716,988	\$2,936,276

California Overall

The CDTFAs' problems with its new software system had yet to be fully resolved by the end of the third quarter. HdL's adjustments for delayed payments and other reporting deficiencies indicate that statewide receipts from the local one cent tax rose 4.8% over the first three quarters of 2018 versus the comparison period. The gains were primarily from higher fuel prices, strong building-construction activity and a rise in tax receipts from online purchases delivered from out-of-state that are shared by all agencies via the county pools.

The data exhibits the start of a leveling pattern in other sectors. The statewide gain in new car sales for July through September was due to a single manufacturer filling back orders. Price competition kept tax revenues from consumer goods receipts relatively flat while the rise in online shopping is expanding the diversion of tax revenues from brick and mortar stores to county pools or to in-state distribution centers.

Restaurant sales are beginning to show signs of market saturation as well as the impact of new competition that includes - prepared food and meal kits delivered from a variety of other sources. A modest gain in business-industrial sales was largely related to data and warehouse technology as well as a few major development projects.

Anticipated declines in fuel prices in the first quarter of 2019 adds support to HdL's latest consensus forecast for a modest statewide gain of 1.5% in fiscal year 2019-20 unless new trade conflicts further impact the economy.

South Dakota V. Wayfair Decision

In June, the Supreme Court reversed its previous ruling that retailers are not required to collect taxes for jurisdictions where they have no physical presence or "nexus." Instead, the buyer was responsible for remitting the tax.

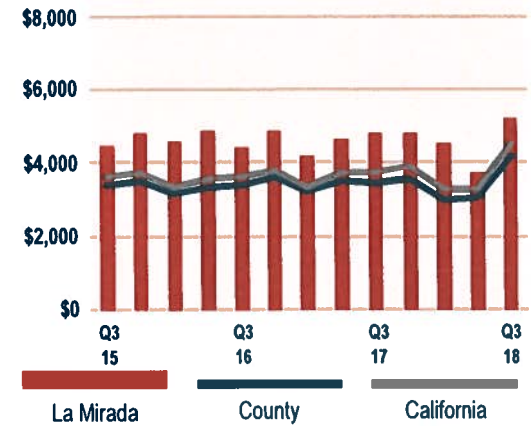
California will begin enforcing the Wayfair reversal effective April 1, 2019

by making retailers delivering from out-of-state responsible for collecting and remitting use tax if calendar year sales exceed \$100,000 and/or 200 or more separate transactions. The same threshold will also determine whether in-state retailers are responsible for collecting taxes on deliveries to individual transactions tax districts.

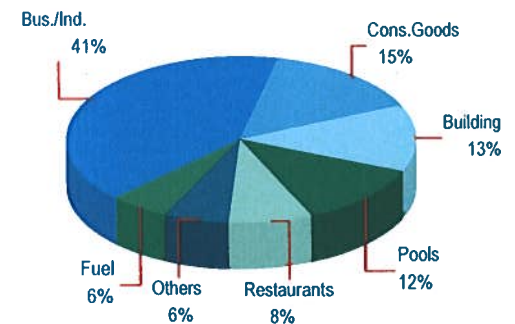
Some legislators have announced their intention to hold hearings and may modify the regulations prior to the announced April 1 implementation date. That process and anticipated start-up and notification issues will probably delay full compliance in 2019-20.

As most major online retailers, including Wayfair, are already collecting California taxes and the state has traditionally enforced a broad definition of "nexus," the impact of the South Dakota decision may be less than in other states. The U.S. Government Accountability Office estimates a potential eventual gain of \$3 to \$5 per capita in receipts from our one cent local tax.

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 Q3 '18*	Change	County Change	HdL State Change
Building Materials	264.8	58.6%	35.8%	29.7%
Casual Dining	84.1	7.9%	15.7%	14.6%
Contractors	— CONFIDENTIAL —	—	44.5%	37.6%
Electrical Equipment	50.7	-12.8%	39.6%	34.8%
Family Apparel	46.8	53.8%	36.4%	36.4%
Food Service Equip./Supplies	— CONFIDENTIAL —	—	19.6%	24.1%
Fulfillment Centers	— CONFIDENTIAL —	—	7.9%	13.4%
Grocery Stores	66.7	17.9%	22.4%	16.1%
Heavy Industrial	— CONFIDENTIAL —	—	38.0%	29.7%
Home Furnishings	— CONFIDENTIAL —	—	25.1%	21.9%
Medical/Biotech	35.9	32.7%	28.6%	18.4%
Quick-Service Restaurants	103.1	-0.6%	11.4%	13.4%
Repair Shop/Equip. Rentals	135.7	38.2%	41.7%	35.9%
Service Stations	163.9	42.4%	43.8%	43.0%
Trailers/Auto Parts	— CONFIDENTIAL —	—	27.1%	28.7%
Total All Accounts	2,584.2	8.3%	21.7%	21.8%
County & State Pool Allocation	352.1	6.5%	19.7%	27.8%
Gross Receipts	2,936.3	8.1%	21.5%	22.6%