

**2010 GENERAL TAX CITIZEN OVERSIGHT ADVISORY COMMITTEE
(MEASURE H)**

**SPECIAL MEETING
APRIL 18, 2016
6:30 P.M.**

Measure H Committee Members:

Sonia Redona, Vice-Chairperson
Francisco Sanchez, Member
Luis M. Gonzalez, Member

**City of Calexico
608 Heber Avenue
Calexico, CA 92231**

Interim City Manager

Nick Fenley

Council Members:

Joong S. Kim, Mayor
Luis J. Castro, Mayor Pro Tem
Armando Real, Councilman
Maritza Hurtado, Councilwoman
John M. Moreno, Councilman

*****AGENDA*****

**CALL TO ORDER AND ATTENDANCE
PLEDGE OF ALLEGIANCE
APPROVAL OF AGENDA**

ANNOUNCEMENTS/PUBLIC COMMENTS: *Public comments are welcome. This is the time for the public to address the Committee on items listed on this special meeting agenda that are within the subject matter jurisdiction of the Committee.*

COMMISSION REORGANIZATION:

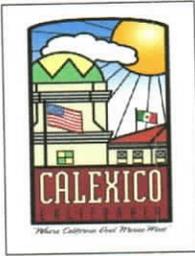
1. Appointment of Commission Chairperson.
2. Appointment of Commission Vice-Chairperson.
3. Appointment of Commission Secretary.

BUSINESS ITEMS

4. Amendment of Measure H By-Laws for the Purpose of Changing Commission Meeting Date and Time to the Second Thursday of the Month at 5:30 p.m.
5. Request for Allocation of \$678,750 from the 2014 Measure “H” Sales Tax/Lease Revenue Bonds to the City’s General Fund.

ADJOURNMENT

NEXT MEETING WILL BE ON MAY 16, 2016. DEADLINE TO SUBMIT AGENDA ITEMS IS 5-9-2016.



2010 General Tax Citizen Oversight Advisory Committee (Measure H) Agenda Staff Report

DATE: March 21, 2016
TO: Financial Advisory Board Members
PREPARED BY: Nick Fenley, Interim City Manager
SUBJECT: Amendment of Measure H By-Laws for the Purpose of Changing Commission Meeting Date and Time to the Second Thursday of the Month.

=====

Recommendation:

Staff recommends the Board approve an amendment to the 2010 General Tax Citizen Oversight Advisory Committee (Measure H) By-Laws and change the date and time of holding of regular meetings to the Second Thursday of the month at 5:30 p.m.

Background:

Per Section 5.1 Regular Meetings of the 2010 General Tax Citizen Oversight Advisory Committee (Measure H) by-laws, "Regular meetings of the committee shall be held on the third Monday of each month and the Committee meetings shall commence at 5:15 p.m. This date and time conflicts with all holidays which fall on Mondays thereby creating the need to cancel and/or reschedule said meeting.

Discussion & Analysis:

Staff is requesting consideration from the Committee to make the change of the meeting to the Second Thursday of the month at 5:30 p.m. This will give the commissioners and staff stability in terms of holding all monthly meetings.

Fiscal Impact:

None.

Coordinated With:

City Administration.

Attachments:

1. 2010 General Tax Citizen Oversight Advisory Committee (Measure H) By-Laws

**AGENDA
ITEM**

BYLAWS FOR THE 2010 GENERAL TAX CITIZEN OVERSIGHT ADVISORY COMMITTEE

Article I GENERAL PROVISIONS

1.1 Purpose

These Bylaws govern the proceedings of the 2010 General Tax Citizen Oversight Advisory Committee, an advisory committee established by the City of Calexico.

1.3 Definitions

- a. "Committee" means the 2010 General Tax Citizen Oversight Advisory Committee.
- b. "Chairperson" means the chairperson of the Committee.
- c. "Secretary" means the secretary of the Committee.
- d. "Member Agency" means the City of Calexico.
- e. "Staff" means assigned City staff as designated by the city manager of the City of Calexico.
- f. "City Council" means the city council of the City of Calexico.

Article II DUTIES AND AUTHORITY

2.1 Duties

The committee shall have the following duties:

- A. To oversee expenditure of the proceeds of the tax created by CMC Chapter 3.27 to ensure they are consistent with the Expenditure Plan set out in CMC Section 3.27.070.
- B. To review, make recommendations, and formally report, at least once annually, upon the tax expenditures to the city council.
- C. To perform any other functions as directed by the city council from time to time.

2.2 Limitation on Authority

The Committee shall serve in an advisory capacity to the City Council. It shall have no independent duties and no authority to take actions that bind the City of Calexico. No expenditures or requisitions for service and supplies shall be made by the Committee and no individual member

thereof shall be entitled to reimbursement for travel or other expenses except as authorized by the City Council.

Article III MEMBERSHIP

3.1 Membership

The Committee shall be composed of 5 members. All members shall be residents of Calexico during their term and are governed under Chapter 2.19 and Chapter 2.23 of the Calexico Municipal Code.

3.2 Members' Terms

Committee members shall be appointed and serve in accordance with Calexico Municipal Code Chapter 2.19 and Chapter 2.23 as amended from time to time.

3.3 Vacancies

Vacancies shall be filled in accordance with Calexico Municipal Code Chapter 2.19 and Chapter 2.23, as amended from time to time.

Article IV OFFICERS

4.1 Chairperson and Vice Chairperson

The Committee shall elect from its membership a chairperson and a vice chairperson at its last meeting of the calendar year, to service for a one-year term effective January 1 of the following calendar year. In the event of a vacancy in the chairperson's position, the vice chairperson shall succeed as chairperson for the balance of the chairperson's term and the Committee shall elect a successor to fill the vacancy in the vice chairperson's position for the remainder of the vice chairperson's term. Members willing to serve in either of these positions may submit their names for nomination. Members may also submit names of others members for nomination.

The chairperson shall preside at all meetings of the Committee and represent the Committee before the City Council. The chairperson shall provide to the City Council a verbal report of the previous meeting and any concerns of the Committee. The chairperson, in consultation with Staff, may identify items of interest for future Committee agendas that are relevant to the Committee's duties and responsibilities.

The vice chairperson shall perform the duties of the chairperson when the chairperson is absent.

4.2 Secretary

The City Clerk of the City of Calexico or his or her designee shall serve as the secretary of the Committee.

Article V MEETINGS

5.1. Regular Meetings

Regular meetings of the committee shall be held on the third Monday of each month. The Committee meeting shall commence at 5:15 p.m. at the Council Chamber in City Hall 608 Heber Avenue, Calexico, California. Whenever a regular meeting falls on a holiday observed by the City of Calexico, the meeting shall be held on another day or canceled at the direction of the Committee. A rescheduled regular meeting shall be designated a regular meeting.

5.2 Special Meetings

A special meeting may be called by the chairperson. The meeting shall be called and noticed in accordance with the Brown Act.

5.3 Calling and Noticing of Meetings

All meetings shall be called, noticed and conducted in accordance with the applicable provisions of the Brown Act. The City Manager and shall be given notice of all meetings. The committee shall meet at least once every three months, unless the Committee's activities are suspended.

5.4 Quorum; Vote; Committee of the Whole

The presence of 3 members shall constitute a quorum for the transaction of business. All acts of the Committee shall require the presence of a quorum.

5.5 Thirty Minute Rule

If the quorum has not been established within thirty minutes of the noticed starting time for the meeting, the secretary and clerical support staff may be excused from further attendance at the meeting.

5.6 Absences

A member is allowed to be absent no more than three regular Committee meetings in any twelve month period.

5.7 Matters Not Listed On the Agenda Requiring Committee Action

Except as provided below, a matter requiring Committee action shall be listed on the posted agenda before the Committee may act upon it. The Committee may take action on items not

appearing on the posted agenda only upon a determination by a two-thirds vote of the Committee, or if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action AND the need to take action came to the attention of the Committee subsequent to the agenda being posted.

5.8 Time Limits for Speakers

Each member of the public appearing at a Committee meeting shall be limited to two minutes in his or her presentation, unless the chairperson, at his or her discretion, permits further remarks to be made. Any person addressing the Committee may submit written statements, petitions or other documents to complement his or her presentation.

5.10 Access to Public Records Distributed at Meeting

Except as provided by the Brown Act, documents distributed during a Committee meeting shall be made available for public inspection at the meeting if prepared by Staff or a member of the Committee, or after the meeting if prepared by some other person.

Article VI

AGENDAS AND MEETING NOTICES

6.1 Agenda Format and Content

The agenda shall specify the starting time and location of the meeting and shall contain a brief general description of each item of business to be transacted or discussed at the meeting in compliance with the Brown Act. The description shall be reasonably calculated to adequately inform the public of the subject matter of each agenda item.

Items may be referred for inclusion on an agenda by: (1) the City Council; (2) the City Manager; (3) the chairperson; and (4) the Committee, with a quorum present and upon the affirmative vote of a majority of the members present. The order of business shall be established by the secretary with the approval of the chairperson.

6.2 Public Presentations

Each agenda for a regular meeting shall provide an opportunity for members of the public to address the committee on matters of interest to the public either before or during the Committee's consideration of the item, if it is listed on the agenda, or, if it is not listed on the agenda but is within the jurisdiction of the Committee, under the agenda item heading "Public Presentations." The committee shall not act upon an item that is not listed on the agenda except as provided under Section 5.7. Each notice for a special meeting shall provide an opportunity for members of the public to directly address the Committee concerning any item that has been described in the notice for the meeting before or during consideration of that item.

6.3 Agenda Preparation

The secretary shall prepare the agenda for each meeting in consultation with Staff and the chairperson. Material intended for placement on the agenda shall be delivered to the secretary on or before 12:00 p.m. on the date established as the agenda deadline for the forthcoming meeting. The secretary may withhold placement on the agenda of any matter which is not timely received, lacks sufficient information or is in need of Staff review and report prior to Committee consideration.

6.4 Agenda Posting and Delivery

The written agenda for each regular meeting and each meeting continued for more than five calendar days shall be posted by the secretary at least 72 hours before the meeting is scheduled to begin. The written agenda for every special meeting shall be posted by the secretary at least 24 hours before the special meeting is scheduled to begin. The secretary shall post the agenda in a location that is freely accessible to members of the public. The agenda together with supporting documents shall be delivered to each Committee member by the secretary at least 72 hours before each regular meeting and at least 24 hours before each special meeting.

Article VII MISCELLANEOUS

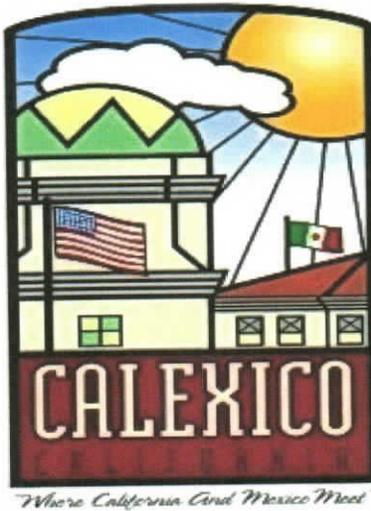
7.1 Adoption and Amendment of Bylaws

These Bylaws shall be adopted and amended by the Committee by the affirmative vote of a majority of its total membership and with the approval of the City Council.

7.2 Robert's Rules

All rules of order not herein provided for shall be determined in accordance with *Robert's Rules of Order*, latest edition.

Adopted by City Council (Date pending)



March 21, 2016

**REPORT TO THE
“CITIZEN OVERSIGHT ADVISORY COMMITTEE”
FOR THE CITY OF CALEXICO
MEASURE “H” SALES TRANSACTIONS AND USE TAX**

**AS OF
MARCH 15, 2016**

**AGENDA
ITEM**

Introduction

As you may be aware, there was a presentation by Susan Mayer (Financial Consultant) at the City Council Meeting on March 15, 2016. The City is moving forward in an effort to balance the budget for 2014-15. At this time, we received \$17,279,284 in revenues (including Measure H) and expenditures of \$21,931,287 (with a transfer of \$111,145.00 from the Donation Accounts) into the General Fund, leaving the City with a 2014/2015 Negative Revenue/Expenditure of (\$4,763,148).

After using the City's contingency reserves and beginning balances, the City is still at a deficit of (\$1,880,781.00).

At this point, given the City's financial position, to continue providing protection and services, we hereby request the Measure H Committee's support to help our City. Therefore, please allow the transfer of Measure H funds as per recommendation from City staff and the City's financial consultant, Susan Mayer. In addition, we request a Bond Drawdown for Capital Projects in amount of \$678,750.00.

Recommendation

Approve our request for Allocation of \$678,750 from the 2014 Measure "H" Sales Tax/Lease Revenue Bonds to the City's General Fund for Capital Projects.

2014-15 General Fund Update

Pre-audit Balances
and Proposed Bond Draw

1

CITY OF CALEXICO
CITY COUNCIL
MARCH 15, 2016

Progress Since January 5, 2016 Briefing

2

1. General ledger system conversion complete
2. Police grant analysis/reimbursements complete
3. Multiple third party audits and reports filed
4. Administrative costs allocated to program funds
5. Additional June 14 beginning balance adjustments
6. Identified path to positive General Fund Balance

Beginning Balance, June 2014

3

At March 15, 2016

	General Fund #101, 111	Measure H & Contingency Funds #102, 106, 120	Donation & Program Funds #105 to 113	Total
<u>Beginning Fund Balance, June 2014</u>				2014 Audit Report
As Originally Reported	\$ 1,773,169	\$ 2,009,407	\$ 111,145	\$ 3,893,721
Prior Period Restatements	871,521	(596,050)		275,471
Adjusted Fund Balance, June 2014	<u>\$ 2,644,691</u>	<u>\$ 1,413,357</u>	<u>\$ 111,145</u>	<u>\$ 4,169,192</u>

2014-15 Activity

4

At March 15, 2016

	General Fund	Measure H & Contingency Funds	Donation & Program Funds	Total
<u>2014-15 Activity</u>				
Revenues	\$14,522,038	\$ 2,757,246		\$ 17,279,284
Expenditures	(19,047,509)	(2,883,778)		(21,931,287)
Transfer out Restricted Program Funds			(111,145)	(111,145)
Net	<u>\$ (4,525,471)</u>	<u>\$ (126,532)</u>	<u>\$ (111,145)</u>	<u>\$ (4,763,148)</u>

2014-15 Measure H Expenditures

5

	Budget	Actual	Variance
Debt Service			
Bond payments	\$ 996,661	\$ 998,077	\$ (1,416)
Fire equipment lease	204,869	204,862	7
Operations			
Police salaries	850,000	850,000	-
Fire salaries	400,000	400,000	-
Recreation Summer Program	145,000	143,276	1,724
Capital Projects			
Park/Recreation	1,106,119	287,562	818,557
Swimming Pool	1,000,000	-	1,000,000
	\$ 4,702,649	\$ 2,883,778	\$ 1,818,871

2014-15 Ending Balance

6

At March 15, 2016

	General Fund	Measure H & Contingency Funds	Donation & Program Funds	Total
Beginning Fund Balance, as Restated	\$ 2,644,691	\$ 1,413,357	\$ 111,145	\$ 4,169,192
2014-15 Net Revenue/Expenditure	(4,525,471)	(126,532)	(111,145)	(4,763,148)
Ending Fund Balance	(1,880,781)	1,286,825	-	(593,956)
Discuss with Measure H Committee				
1. Bond draw for capital costs		678,750		678,750
2. Transfer surplus to General Fund	1,965,575	(1,965,575)		-
Proposed Ending Fund Balance	\$ 84,794	\$ -	\$ -	\$ 84,794

Additional Risks to be addressed

- Housing program and administration costs
- Fire Pumper Equipment purchased with future Fire Impact Fees

Measure H Bond Status

7

	<u>Original Issue</u>	<u>Proposed Draw</u>	<u>Remainder</u>
Project Funds			
Fire Station	\$ 7,000,000	\$ 391,188	\$ 6,608,812
Swimming Pool	2,000,000		2,000,000
Park/Rec Improvements	1,860,000	287,562	1,572,438
	<u>10,860,000</u>	<u>678,750</u>	<u>10,181,250</u>
Debt Reserve	998,000		
Costs of Issuance	352,000		
Bond Premium at sale	(1,010,000)		
Due to Bondholders	<u>\$ 11,200,000</u>		

Steps to Finish 2014-15

8

1. Outreach to Measure H Committee - **March**
2. City Council vote on Measure H transactions
3. External financial audit – **April 11, 2016**
4. Single Audit of Federal Funds – **April**
5. Completion of housing program audits -**TBD**
6. Draft and publish financial statements – **May**

Looking Ahead: 2015-16 & 2016-17

9

Steps to build 2015-16 and 2016-17 Budget Projections

1. Beginning fund balances - *With 2015 audit*
2. General Fund revenues – *1st Draft Done, with Dept review*
3. Staff positions and cost projections – *1st Draft Done*
4. Pension, workers compensation, health benefit costs
5. Operating costs – *Springbrook worksheets prepared*
6. Operating and capital grants
7. Capital projects
8. Inter-fund admin cost allocations

City Council Calendar – May/June 2016

2016-17 Revenue Projection

10

	2013-14	2014-15	2015-16	2016-17
	Actual	Unaudited at 3-15-16	Projected at 3-15-16	Projected at 3-15-16
General Fund				
Property Tax	\$ 5,266,518	\$ 4,607,708	\$ 5,213,400	\$ 5,305,400
Sales Tax - 1%	4,143,249	4,599,187	4,744,000	4,564,000
Business License	707,822	788,975	475,000	475,000
Franchise Fees	898,813	758,519	700,000	700,000
Other General Revenues	708,205	771,545	531,600	531,600
Program Revenues	2,766,995	2,996,104	2,789,879	3,073,397
	14,491,603	14,522,038	14,453,879	14,649,397
Sales Tax - Measure H	2,523,008	-	-	-
Interfund Transfers	1,679,321	-	-	-
Total General Fund	17,014,611	14,522,038	14,453,879	14,649,397
Measure H Fund	-	2,757,246	2,659,000	2,669,000
Total, General and Measure H	\$17,014,611	\$ 17,279,284	\$ 17,112,879	\$ 17,318,397

Conclusion

11

- City is making slow but steady progress in restoring financial records, process, controls, and accuracy to support City Council financial policy direction
- Questions and Comments?
- Feedback on Measure H Bond Draw proposal to Balance General Fund Balance at June 2015?