

COMMITTEE MEMBERS

Brian Beckon
Gregory Grassi
Brandy Leidgen
Diane Sprouse
Michelle Lane

Civic Center
1950 Parkside Drive
Concord, CA 94519
www.cityofconcord.org



Wednesday, May 11, 2022

4:30 p.m.

Various
telephonic/electronic
locations (see below)

Pursuant to AB 361, the City is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public, without making available any physical location for the public.

City of Concord Rules: The City of Concord has declared a local state of emergency due to COVID-19. This Concord Planning Commission meeting is an essential event, therefore it has not been cancelled. However, City of Concord officials and staff will conduct this meeting telephonically or otherwise electronically. The City will **not** make available any physical location from which members of the public may observe the meeting and offer public comment. Instead, members of the public may observe and address the meeting remotely. Below is information on how to do that.

Join from a PC, Mac, iPad, iPhone or Android device:

- <https://cityofconcord.zoom.us/j/87358629178?pwd=Q0lUbFlhQmVsSWlpZmdsNWRQcFd3QT09> Webinar ID: 873 5862 9178
- Passcode: 651025
- By Phone: US: +1 669 900 6833

How to Submit Public Comments:

Written: All comments received **before 3:00 pm the day of the meeting** will be posted on the City's website as "Correspondence" under the relevant agenda item and provided to the Measure V Oversight Committee members at the meeting. Please email your comments to finance@cityofconcord.org.

During the Meeting: The public will be allowed to address the Committee on items appearing on the agenda. The Committee Chair will call a public comment period and call on members of the public wishing to speak. Each speaker will be limited to approximately three minutes.

AGENDIZED ITEMS – The public is entitled to address the Committee on items appearing on the agenda before or during the Committee’s consideration of that item. Each speaker will be limited to approximately three minutes. **Please see “How to Submit Public Comments” above.**

1. ROLL CALL

2. AGENDA ITEMS

- a. Approval of Minutes/Annotated Agenda of April 25, 2022. See Attachment A.
- b. Complete and finalize Committee’s Recommendations and Memorandum to the City Council related to the FY 2020-21 Annual Comprehensive Financial Report and the proposed use of Measure V Revenues in the Proposed Biennial Capital Budget for FYs 2022-23 and 2023-24. See Attachment B. – Donna Lee, Budget & Treasury Officer

3. ADJOURNMENT

ADA NOTICE AND HEARING IMPAIRED PROVISIONS

In accordance with the Americans with Disabilities Act and California Law, it is the policy of the City of Concord to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are disabled and require a copy of a public hearing notice, or an agenda and/or agenda packet in an appropriate alternative format; or if you require other accommodation, please contact the ADA Coordinator at (925) 671-3243, at least five days in advance of the hearing. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility.

Distribution: City Council
Valerie Barone, City Manager
Justin Ezell, Assistant City Manager
Susanne Brown, City Attorney
Karan Reid, Director of Finance
Donna Lee, Budget & Treasury Officer
Joelle Fockler, City Clerk

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**ANNOTATED AGENDA
Special Meeting of the
Measure V Oversight
Committee**

Monday, April 25, 2022

5:30 p.m.

Permit Center
Conference Room,
Wing D
1950 Parkside Drive

AGENDIZED ITEMS – The public is entitled to address the Committee on items appearing on the agenda before or during the Committee’s consideration of that item. Each speaker will be limited to approximately three minutes.

- 1. **ROLL CALL:** Present – Brian Beckon, Michelle Lane, Brandy Leidgen, Greg Grassi, and Diane Sprouse. Meeting called to order at 5:33 p.m.
- 2. **STAFF PRESENT:** Karan Reid, Director of Finance; Donna Lee, Budget and Treasury Officer; and Kylie Hicks, Budget Analyst.
- 3. **MEMBERS OF THE PUBLIC WHO ADDRESSED THE COMMITTEE:** None.

4. AGENDA ITEMS

- a. Approval of Minutes/Annotated Agenda of March 24, 2022. See Attachment A.

Action: Motion to approve minutes by Diane Sprouse and seconded by Brandy Leidgen. Ayes: Brian Beckon, Michelle Lane, Brandy Leidgen, Greg Grassi, and Diane Sprouse.

- b. Overview of the City of Concord’s FY 2020-21 Annual Comprehensive Financial Report and Use of Measure V revenues. See Attachment B. – Karan Reid, Director of Finance

Action: None. The committee received the presentation.

Discussion: Karan Reid gave a presentation on the FY 2020-21 Annual Comprehensive Financial Report (ACFR) and the information in the document pertaining to Measure Q/V. Karan directed the committee to several pages in the

document and answered questions about the use of the Transaction and Use tax revenues in FY 2020-21. The committee discussed one-time Measure V revenues that were allocated during the Mid-Year Budget Update on March 8, 2022, expenditure savings due to Council actions at the onset of the pandemic, and turnover rates in City staffing. Additionally, Karan stressed that the Certificates of Participation (COPS) debt issuance is being used to address roadway infrastructure backlog instead of Measure V revenues being used directly because this strategy allows the City to accelerate the projects. There will be funding gap in addressing the roadway infrastructure backlog in 5 years, which Council will need to address at that time.

- c. Discuss Committee's Recommendations and Memorandum to the City Council related to the FY 2020-21 Annual Comprehensive Financial Report and the Proposed Use of Measure V Revenues in the Proposed Biennial Capital Budget for FYs 2022-23 and 2023-24. See Attachment C. – Donna Lee, Budget & Treasury Officer

Action: The committee received the report and provided direction to staff for amendments to the draft memorandum for consideration at the May 11 Committee Meeting.

Discussion: Donna Lee reviewed the draft memorandum prepared by staff and the committee provided feedback. The committee agreed that the presentation of the audited financial statements demonstrated that the Transaction and Use Tax was appropriately spent and collected in FY 2020-21. The committee expressed the need to clarify some of the wording in regards to how the Proposed Biennial Capital Budget for FYs 2022-23 and 2023-24 supports infrastructure backlog. The committee agreed to continue working on and finalizing the draft of the memorandum at the next meeting scheduled for May 11, 2022.

- d. Review amended 2022 Schedule of Measure V Oversight Committee Meetings. See Attachment D. – Donna Lee, Budget & Treasury Officer.

Action: None. The committee received the schedule.

5. ADJOURNMENT

Meeting adjourned at 6:59 p.m.

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City of Concord

June 28, 2022

TO: Honorable Mayor and Councilmembers

FROM: Citizen Measure V Oversight Committee - Brian Beckon, Chair;
Michelle Lane, Vice Chair; Diane Sprouse, Greg Grassi, & Brandy Leidgen

SUBJECT: Measure V Oversight Committee's Review of the FY 2020-21 Annual Comprehensive Financial Report and Evaluation and Report on the City's Proposed Use of Measure V Revenues in the Proposed Biennial Capital Budget for FY 2022-23 and FY 2023-24

The Measure V Oversight Committee (Committee) met on April 25, 2022 to review the Fiscal Year (FY) 2020-21 Annual Comprehensive Financial Statement (ACFR), which includes the annual audit.

At its March 24, 2022 meeting, the Committee heard a presentation from staff on the City's preliminary Biennial FY 2022-23 and FY 2023-24 Capital Budget. At this same meeting, the Committee also received an update on the use of Measure V revenues in the City's adopted Biennial Operating FY 2021-22 and FY 2022-23 General Fund Operating Budget. During its FY 2021-22 Mid-Year Review, City Council approved amending the Measure V budget to include a \$2.6 million increase to the sales tax revenue in FY 2021-22 and FY 2022-23 based on strong economic recovery in sales tax post-pandemic, which is also supported by updated sales tax consultant estimates. Additionally, new expenditure adjustments totaling \$3.8 million (includes \$1.2 million of one-time funds) in FY 2021-22 and \$2.45 million in FY 2022-23 were approved to address infrastructure maintenance projects for pavement and roadways, building maintenance, and parks and medians maintenance. One-time funds were specifically used to prioritize the City Council's goal of addressing infrastructure maintenance. The City Council also directed staff to reserve \$2.4 million of one-time funds in FY 2021-22 for the needs of the unhoused and Council will provide direction on how to use these funds at a future date. Council also directed staff to appropriate \$150,000 in FY 2022-23 to fund one Code Enforcement Officer position on an ongoing basis. The Committee supports these changes to the Measure V budget.

The purpose of the Capital Budget presentation was to obtain an understanding of how Measure V revenue is proposed for use in the Capital Budget in order to advise the Council. Measure V was passed to: protect core services, maintain the City's reserves, address the City's infrastructure backlog, and address areas of community priority.

The Committee has made the following findings with regard to its charge in oversight of the tax:

1. Does the FY 2020-21 Annual Audit reflect that the Measure Q/V tax was collected and appropriately spent?

On April 25, 2022, the Committee reviewed the FY 2020-21 Annual Comprehensive Financial Statement (ACFR) and determined that the presentation of the Measure Q/V Transactions and Use Tax in the financial statements (pages xiv, 13, 24-25, and 32) reflect the collection of the tax appropriately.

The Committee finds that usage of Measure Q/ V tax revenue (\$18.5 million) was identified clearly in the annual audit (pages xiv, 30, 32 of the ACFR). Further, the Committee finds that \$14.3 million of Measure Q/V tax revenue went to maintain City services, which allowed the City to avoid cuts to core City services, and the remaining \$4.2 million was used consistent with the City's Fiscal Sustainability Ordinance to support reserves and infrastructure investment. Consequently, the Measure V Committee concludes that the tax was collected and appropriately utilized.

2. Does the City's proposed Biennial Capital Budget for FY 2022-23 and 2023-24 address the City's infrastructure backlog~~protect the City's core services~~?

On March 24, 2022, the Committee reviewed the Proposed FY 2022-23 and FY 2023-24 Biennial Capital Budget and concluded that the presentation on the use of Measure V revenue to fund capital projects ~~protects City core services~~addresses the City's infrastructure backlog. Specifically, the revenues are being allocated to support existing infrastructure and address areas of community and Council priority. Safe and usable infrastructure is a ~~core City service~~City Council priority.

Over the next two fiscal years, \$79.2 million in Measure V revenue and funding from debt issuances for which Measure V funds are allocated for debt service is are planned for various street improvement projects, parks facilities improvements, building maintenance, citywide accessibility enhancements, and improving efficiencies through information technology. Measure V revenue comprises 14% and debt issuance funding comprises 55% of the proposed Biennial Capital Budget for FY 2022-23 and FY 2023-24, at approximately \$16.1 million and \$63.1 million respectively. The proposed capital projects do not create new, ongoing expenditures. The Biennial Capital Budget addresses the infrastructure backlog and allocates payments for debt service for infrastructure improvements.

Committee Recommendation

~~Last year, the Committee recognized that the City would need to rely on Measure V funding for the foreseeable future due to its stabilizing effects on the General Fund budget.~~ Measure V continues to be a vital revenue source for the City. It allows the City to protect core services, ~~rebuild and~~ safeguard reserves, address critical infrastructure backlogs, and focus efforts toward areas of community and Council priority.

The Committee encourages Council to continue analyzing spending priorities to ensure that they meet the needs and concerns of all Concord residents. ~~Now that the City of Concord has attained fiscal stability, the Committee urges Council to continue focusing efforts toward maintaining strong reserves.~~ Additionally, the Committee commends the Council for partnering with the Concord community to address areas of community concerns and encourages further collaboration with residents and community members to achieve those goals.