

Agenda

City of Visalia Measure N Oversight Committee

Don Sharp – Board of Realtors/Building Industry
Anil Chagan – Downtown Visalians/Property Owners
Vincent Salinas – Hispanic/Visalia Chamber
Rick Feder – Visalia Economic Development Council
Joel Rosales – Citizens Advisory Committee
Lois Sheffield – Citizens Advisory Committee

Janice Avila – Council appointee
Berkley Johnson – Council appointee
Basil Perch – Council appointee
Erica Tootle – Council appointee
Brad Maaske – Council appointee

January 7, 2021
5:30 p.m.

Via Zoom Conference

<https://visalia.zoom.us/j/91717108683?pwd=YUloN09Odkk1WVo0ME8vak0rQ2NYUT09>

Meeting ID: 917 1710 8683
Password: 766667

1. **Welcome and Public Comment.**

This is a time set aside for the Committee to receive public comment on issues which are not already included on the agenda. Public comment regarding items on the agenda may be open to public comment prior to the committee's discussion of the agenda item and before any action is taken on the agenda item. Members ask that comments are kept brief and positive. In fairness to all who wish to speak, each speaker will be allowed three minutes. Please begin your comments by stating your name and the street you live on.

2. **Receive and accept the FY 19/20 Measure N Audit Report. Documents attached.**

3. **Future meetings and items for discussion.**

4. **Good of the Order.**

5. **Adjourn.**

Next meeting: To be determined.

In compliance with the American Disabilities Act, if you need special assistance to participate in meetings call (559) 713-4512 48-hours in advance of the meeting. For Hearing Impaired – Call (559) 713-4900 (TDD) 48-hours in advance of the scheduled meeting time to request signing services.

Any written materials relating to an item on this agenda submitted to the Measure N Oversight Committee after distribution of the agenda are available for public inspection in the Office of the City Clerk, 220 N. Santa Fe Street, Visalia CA 93292, during normal business hours.

CITY OF VISALIA
INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
MEASURE N
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

M. GREEN AND COMPANY LLP
Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

City Council
City of Visalia and Measure N Sales Tax Oversight Board
707 W. Acequia
Visalia, CA 93291-6100

We have performed the procedures enumerated below, which were agreed to by the City of Visalia (City), solely to assist the City and the independent Measure N Sales Tax Oversight Board, with respect to the administration, financial management and accounting of the City's Measure N funds for the fiscal year ended June 30, 2020. The City's management is responsible for the City's administration, financial management and accounting for Measure N. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures applied and findings, as pertinent, are as follows:

- (1) We obtained and reviewed the City's Measure N commitments as expressed in the Measure N ballot measure from the November 8, 2016 election, the Enabling Ordinance adopted by the City Council, the Board of Equalization Agreements for implementation and administration of additional sales tax, and the City Council approved initial expenditure plan, annual expenditure plan and any amendments, as applicable for the current fiscal year.

Findings: None

- (2) We identified and documented the following Measure N compliance provisions, as interpreted by the City Council adopted enabling ordinance and interim progress report reported to City staff:
 - a. Administrative procedures
 - b. Accounting control (including budgetary) procedures

Findings: None

- (3) We updated our understanding of the City's implementation of the material administrative compliance procedures.

Findings: None

REBECCA AGREDANO, C.P.A.

MARLA D. BORGES, C.P.A.

NICOLE A. CENTOFANTI, C.P.A.

ELAINE D. HOPPER, C.P.A., C.F.E.

KATHLEEN M. LAMPE, C.P.A.

R. IAN PARKER, C.P.A.

MARY L. QUILLIN, C.P.A.

GIUSEPPE SCALIA, C.P.A.

NATALIE H. SIEGEL, C.P.A.

ROSALIND WONG, C.P.A.

LARRY W. AYERS, C.P.A.

JAMES G. DWYER, C.P.A.

KEVIN M. GREEN, C.P.A.

GREG GROEN, C.P.A.

WM. KENT JENSEN, C.P.A.

LYNN M. LAMPE, C.P.A.

ALAN S. MOORE, C.P.A.

KENNETH B. NUNES, C.P.A.

KEITH M. SPRAGUE, C.P.A.

KENNETH W. WHITE, JR., C.P.A.

NORIKO A. AWBREY, C.P.A.

TYLER J. CODAY, C.P.A.

BRENDA A. DADDINO, C.P.A.

JASON A. FRY, C.P.A., M.S.A.

MANNY GONZALEZ, C.P.A.

JASMAN S. KHOSA, C.P.A.

TRACY L. MCINTYRE, C.P.A.

KRYSTAL PARREIRA, C.P.A., M.S.A.

GINILU VANDERWALL, C.P.A.

KRISTI WEAVER, C.P.A.

Hanford
Lindsay
Tulare
Visalia

- (4) We updated our understanding of the City's implementation of the material accounting control procedures and determined if the following were implemented or maintained:
- a. Establishment of an initial spending plan specifying the uses of the proceeds of the sales or use tax for the period between implementation of the sales and use tax and the end of the subsequent fiscal year; and,
 - b. Establishment of an annual expenditure plan, as part of adoption of an annual City General Fund budget, specifying the uses of the proceeds of the sales or use tax for the coming fiscal year prior to the expiration of the initial expenditure plan; and,
 - c. That any amendments to the initial expenditure plan and subsequent annual expenditure plan were made by resolution adopted by a majority of the Council following:
 - i. Submission for comment and recommendation to the Measure N Sales Tax Oversight Committee and
 - ii. Public hearing during at least two regularly scheduled and appropriately noticed meetings of the City Council; and,
 - d. That the initial expenditure plan, any subsequent annual expenditure plan and any amended expenditure plans were made publicly accessible at all times; and,
 - e. Establishment of a separate "Economic Uncertainty" fund within the Measure N fund(s) of 10% of the budgeted Measure N sales tax proceeds for the coming plan year; and,
 - f. Establishment of a separate "Maintenance and Emerging Needs" fund within the Measure N fund(s) of 10% of the budgeted Measure N sales tax proceeds for the coming plan year of which 2% of the budgeted Measure N sales tax proceeds shall be used for youth programs; and,
 - g. That none of the Measure N sales tax proceeds were used to pay annual debt service requirements.

Finding:

The Measure calls for the establishment and funding of an Economic Uncertainty Fund in the amount of 10% of the annually budgeted revenues. The Measure N Economic Uncertainty Fund balance as of June 30, 2020, was \$1,317,010. The amount for the Measure N Economic Uncertainty Fund met the required 10%.

The Measure also calls for the establishment and funding of a Maintenance and Emerging Needs Fund in the amount of 10% of the annually budgeted revenues of which 2% of the budgeted revenues shall be used for youth programs. The Maintenance and Emerging Needs Fund and The Maintenance and Emerging Needs Fund - Youth Fund were both funded during the fiscal year June 30, 2020, with the amount of \$1,053,608 and \$263,402, respectively which met the required percentages.

- (5) We traced all Measure N monies remitted by the California Department of Tax and Fee Administration to determine whether they were properly deposited into the appropriate Measure N fund.

Findings: None

- (6) We performed procedures to verify the summaries of Measure N receipts, disbursements and unexpended funds pertaining to the fiscal year 2019-2020 as prepared by the City.

Findings:

Police

The Annual Measure N Plan calls for the hiring of 21 police officers and six police professional staff during the current fiscal year. Our review indicated that 21 police officers and six police professional staff were hired in accordance with plan objectives. One of the six police professional staff hired and one of the 21 police officers hired resigned prior to June 30, 2020. Therefore one police officer positions and one police professional staff position remained open as of June 30, 2020.

Fire

We noted that an approved phased squad vehicle based emergency medical response program, with three paramedics and one EMS Coordinator were to be hired during the current fiscal year with the revised Annual Measure N Plan. Our review indicated that one paramedic and an EMS Coordinator were hired in accordance with plan objectives. Therefore, two paramedic positions remained open as of June 30, 2020. Our review also indicated that a Battalion Chief and Administrative Capitan were transferred to Measure N from Measure T in accordance with the revised Annual Measure N Plan.

Parks and Recreation

Our review also indicated that two parks and recreation maintenance employees, an urban forest employee and a recreation coordinator were hired in accordance with the Annual Measure N Plan. Our review indicated that the recreation coordinator was transferred to another fund prior to June 30, 2020, due to the pandemic, and the position remained open as of June 30, 2020.

Maintenance and Emerging Needs (Including Youth)

The Measure N Plan called for the implementation of a Clubhouse Networking program in a previous year which rolled-over to the current fiscal year and the Maintenance and Emerging Needs Fund - Youth Fund was able to fund various hourly employees working on the Clubhouse Networking program in accordance with the Plan.

Findings:

We found that the Capital Improvement Program expenditures are generally proceeding in accordance with the Annual Measure N Plan. Measure N Funds include a capital project roll-over policy consistent with all City projects and funds where projects approved and possibly started but not completed in one fiscal year may roll-over into the next fiscal year until completed.

Fire

A ladder truck had been purchased as of June 30, 2017 in accordance with the Measure N plan. However, there were some remaining project costs that were incurred during the current fiscal year. An air truck has been purchased as of June 30, 2018 in accordance with the Measure N plan. However, there were some remaining project costs that were incurred during the current fiscal year.

The Capital Improvement Program expenditures for refurbishment of Station 51 has been delayed due to the advancement of relocating Fire Station 56 within the Annual Measure N Plan. Land was purchased during the 2018-2019 fiscal year and the project is in the design phase. Management anticipates the project to be completed in fiscal year 2021-2022 or 2022-2023.

The Annual Measure N Plan also calls for the purchase of a squad vehicle and a supervisor vehicle during the current fiscal year. Our review indicated that a squad vehicle was purchased and the supervisor vehicle had been ordered as of June 30, 2020.

Police

As of June 30, 2020, 18 police officer vehicles and two police professional staff vehicles had been purchased. The Measure N Plan called for the purchase of three additional police officer vehicles and one police professional staff member during the current fiscal year. We noted that the purchase for three of the police officer vehicles had been delayed due to the pandemic and are in the process of being ordered during the 2020-2021 fiscal year. The department determined the purchase of a vehicle for the professional staff member hired during the current fiscal year was not need as the position filled did not require the use of a vehicle. The professional staff member positions filled each fiscal year vary based on the needs of the department as allowed in the Measure N Plan.

Roads

Various street maintenance projects have been completed in fiscal year 2019-2020 in accordance with the Measure N Plan. \$3,146,086 had been expended during the fiscal year ended June 30, 2020.

Parks and Recreation

As of June 30, 2020, three vehicles had been purchased in accordance with the Measure N plan.

Other

The Annual Measure N Plan calls for a Downtown Street Light System. This project is still in the design phase. Management anticipates the project to be completed in fiscal year 2021-2022 or 2022-2023.

Maintenance and Emerging Needs

Various building maintenance projects have been completed in fiscal year 2018-2019 in accordance with the Measure N plan. \$234,543 had been expended during the fiscal year ended June 30, 2020.

Maintenance and Emerging Needs – Youth

No Capital Improvement Program expenditure amounts had been included in the Annual Measure N Plan or expended as of June 30, 2020.

(7) We conducted an exit interview with City staff representatives.

Findings: None

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on administration, financial management and accounting. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the City Council, City management and the Measure N Sales Tax Oversight Board and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Very truly yours,

M. Green and Company LLP
M. GREEN AND COMPANY LLP
Certified Public Accountants

November 17, 2020
Visalia, California

CITY OF VISALIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Measure N	Housing & Community Grants
REVENUES			
Sales Taxes	\$ 34,213,847	\$ 13,871,794	\$ -
Property Taxes	26,281,706	-	-
Other Taxes	7,934,987	-	-
Subventions and Grants	784,300	3,549	2,575,658
License and Permits	66,789	-	-
Fees and Fines	1,325,235	-	18,109
Uses of Money and Property	1,625,307	578,346	111,740
Charges for Current Services	3,293,699	-	-
Miscellaneous	1,811,748	16,995	15,957
Total Revenues	<u>77,337,618</u>	<u>14,470,684</u>	<u>2,721,464</u>
EXPENDITURES			
Current:			
General Government	3,702,197	197,397	-
Community Development	2,011,389	-	78,983
Housing & Community Grants	-	-	753,015
Public Safety:			
Fire	14,037,852	617,778	-
Police	33,477,477	3,561,799	-
Public Works	3,760,820	-	-
Community Services	6,827,605	538,752	-
Capital Outlay	921,071	4,327,669	2,027,498
Debt Service (Note 7):			
Principal	53,514	-	-
Interest and Fiscal Charges	403	-	-
Total Expenditures	<u>64,792,328</u>	<u>9,243,395</u>	<u>2,859,496</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>12,545,290</u>	<u>5,227,289</u>	<u>(138,032)</u>
Other Financing Sources (Uses)			
Proceeds From Sale of Capital Assets	16,443	-	-
Transfers In (Note 4A)	158,041	-	19,336
Transfers Out (Note 4A)	(11,948,784)	-	-
Total Other Financing Sources (Uses)	<u>(11,774,300)</u>	<u>-</u>	<u>19,336</u>
Net Change in Fund Balances	<u>770,990</u>	<u>5,227,289</u>	<u>(118,696)</u>
Fund Balances - Beginning of Year	51,436,944	18,093,514	1,760,571
Prior Period Adjustment (Note 14)	483,795	-	-
Fund Balances - Beginning of Year, as Restated	<u>51,920,739</u>	<u>18,093,514</u>	<u>1,760,571</u>
Fund Balances - End of Year	<u>\$ 52,691,729</u>	<u>\$ 23,320,803</u>	<u>\$ 1,641,875</u>

The accompanying notes are an integral part of these financial statements.

Measure N
5 Year Projection (Expenditures based on initial plan)

	19/20 Budget	Prior Year Capital Rollover	Total Budget	19/20 Projection	Comments
Revenues					
Sales Tax	13,170,100		13,170,100	13,871,794	
Interest & Misc Earnings (1.5%)	74,600		74,600	598,890	
Total Revenues	13,244,700	-	13,244,700	14,470,684	
Expenditures					
Police					
Salary and Benefits	3,034,900		3,034,900	2,961,065	21 Police Officers / 6 Professional Staff
Operating Expenditures	324,300		324,300	392,956	
Capital - Vehicles	192,400	255,751	448,151	260,080	5 Cars Purchased, 19/20 - 3 Cars + Upfit Remaining
Capital - Body Cameras	157,100		157,100	174,528	
Fire					
Salary and Benefits	491,700		491,700	447,383	1 BC, 1 Admin Capt, 1 EMS Coordinator, 3 Paramedics
Operating Expenditures	196,000	4,204,109	4,400,709	170,417	Fire Station 56 - RRM Design (P02458), EMS Coordinator Vehicle - P02540 issued in Feb 2020 Received in Aug 2020.
Capital			4,204,109	345,320	
Streets Capital	3,800,000	3,229,717	7,029,717	3,146,086	Reclaimite (P02677 - Talley Oil) and Street Maintenance (P02675 - Agee Construction) Project POs issued in July 2020
Parks and Recreation					
Salary and Benefits	296,100		296,100	318,836	2 Parks, 1 Urban Forestry, 1 Rec Coordinator
Operating Expenditures	232,500		232,500	144,672	
Capital - Vehicles		80,000	80,000	67,361	2 Parks trucks received
2% Youth - Police & Recreation	260,800		260,800	145,195	
Maintenance & Emerging Needs					
Building Maintenance	670,000	939,630	1,609,630	237,483	Senior and Whitendale floors - \$185k in POs rolled to 20/21
Downtown Street Lights	2,250,000	2,217,258	4,467,258	236,951	Quad Knopf design contract issued in Dec 2019
Emerging Needs	383,608	373,192	756,800	-	
State Sales Tax Fees	173,300		173,300	195,063	
Total Expenditures	12,462,708	11,299,657	23,762,365	9,243,395	
Surplus/(Shortfall)	781,992	(11,299,657)	(10,517,665)	5,227,289	
Beginning Cash				16,789,543	
Transfer to Uncertainty Fund				13,040	
Ending Cash Balance				22,003,792	
Uncertainty Fund Balance (current policy)	1,303,970			1,317,010	
Required Uncertainty Fund (10%)	1,317,010			1,317,010	

Budget amount rolled to 20/21 for CIPs 13,410,891