



AGENDA

MEASURE HH ADVISORY OVERSIGHT COMMITTEE

THURSDAY, NOVEMBER 8, 2018
REGULAR MEETING – 5:00 PM

CITY HALL MAIN CONFERENCE ROOM
10200 SLATER AVENUE

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in Measure HH Advisory Oversight Committee meetings, please contact the Finance Department at 714-593-4418. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting.

REGULAR MEETING

CALL TO ORDER

SALUTE TO THE FLAG

ROLL CALL: Briscoe, Drilling, Jensen, Stone, Taylor, Schwarz (alternate)

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS

Anyone wishing to speak during Public Comments must fill out and submit a yellow speaker card. The Measure HH Oversight Committee can take no action on this date, unless the item is agendaized. Anyone wishing to speak on items not on tonight's agenda, may do so during Public Comments. Speakers on items scheduled for non-public hearing items will be invited to speak when those items are heard. (Three minutes per speaker)

APPROVAL OF MINUTES

1. Receive and file the Minutes of the April 26, 2018 Regular Measure HH Advisory Oversight Committee Meeting.

DISCUSSION ITEMS

2. 2017/18 MEASURE HH REVENUES AND EXPENDITURES

In January 2018 and April 2018 the Oversight Committee reviewed the preliminary estimated Measure HH revenues and expenditures for the fiscal year 2017/18. Now that the books have been closed, the Committee will review the unaudited Measure HH revenues and expenditures for fiscal year 2017/18. Measure HH revenue amounted to \$11,764,066 for the fiscal year. In accordance with the Responsible Spending Pledge, \$7.4 million (63% of Measure HH revenue) was set-aside for reserves. \$1,707,564 was used to fund essential city services such as public safety and senior and youth programs. \$441,560 was used to fund capital improvements including residential road rehabilitation and park improvements to Harper Park. An additional payment of \$2.2 million was made to CalPERS, which will save the City \$3.9 million in interest expense. In January 2019, the Committee will review and discuss the auditor's report on the 2017/18 Measure HH activity.

Recommended Action: Review and discuss.

3. COMMITTEE MEMBER TERMS EXPIRING IN DECEMBER 2018

The terms for Oversight Committee Members Drilling and Stone expire in December 2018. The future terms for Member Slots B and C will be January 2019 through December 2021. The City Clerk will initiate the process to fill these vacancies during the week of November 13th. The tentative date for City Council appointment is Tuesday, January 15, 2019.

Recommended Action: Receive and file.

4. FUTURE COMMITTEE MEETING TOPICS & DATES

The following tentative meeting dates are proposed:

Committee Meeting	1/24/2019 at 5:00 PM	Auditor’s Report on Fiscal Year 2017/18 ⁽¹⁾
Council Meeting	2/5/2019 at 6:00 PM	Committee Report to Council on 2017/18
Committee Meeting	2/21/2019 at 5:00 PM	Fiscal Year 2018/19 Mid-Year Budget Report
Committee Meeting	5/2/2019 at 5:00 PM	Fiscal Year 2019/20 Proposed HH Budget
Special Council Meeting	5/14/2019 at 5:00 PM	Fiscal Year 2019/20 Budget Workshop ⁽²⁾
Council Meeting	6/4/2019 at 6:00 PM	Fiscal Year 2019/20 Budget Adoption ⁽²⁾

⁽¹⁾ The meeting on January 24, 2019 will also involve the selection of a new Chair and Vice Chair and the orientation of any new members.

⁽²⁾ It is recommended that Oversight Committee members be present at the City Council budget workshop in May 2019 and budget adoption in June 2019.

Recommended Action: Staff recommends that the Oversight Committee discuss the proposed meeting dates.

PUBLIC COMMENTS

Anyone wishing to speak on non-agendized items may do so at this time.

COMMENTS FROM STAFF

COMMENTS FROM COMMITTEE MEMBERS

ADJOURNMENT

Adjournment to the next Measure HH Advisory Oversight Committee meeting on January 24, 2019.

MATERIAL(S) RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE MEASURE HH OVERSIGHT COMMITTEE AFTER DISTRIBUTION OF THE AGENDA PACKET IS/ARE AVAILABLE FOR PUBLIC INSPECTION IN THE FINANCE DEPARTMENT AT 10200 SLATER AVENUE, FOUNTAIN VALLEY DURING NORMAL BUSINESS HOURS.



**MINUTES OF THE
MEASURE HH OVERSIGHT COMMITTEE**

Thursday, April 26, 2018

5:00 p.m.

CALL TO ORDER

5:00 p.m.

ROLL CALL

Members Present: Briscoe, Drilling, Jensen, Stone, Taylor, Schwarz

Members Absent: None

SALUTE TO THE FLAG

CONSENT CALENDAR

1. APPROVAL OF MINUTES FROM FEBRUARY 8, 2018

ACTION: Moved to approve the minutes for the February 8, 2018 meeting.

MOTION: Jensen **SECOND:** Taylor

AYES: Drilling, Jensen, Stone, Taylor, Briscoe

NOES: None

ABSENT: None

ABSTAIN: None

Motion carried: 5-0

DISCUSSION ITEMS

2. PROJECTED MEASURE HH REVENUES AND EXPENDITURES FOR 2017/18

The Oversight Committee reviewed and discussed the revised projections of Measure HH revenues and expenditures for fiscal year 2017/18. The Oversight Committee also reviewed and discussed new reserve policies set by the City Council in February 2018.

ACTION: No formal action was taken.

3. 2018/19 PROPOSED BUDGET OF MEASURE HH REVENUES & EXPENDITURES

The Oversight Committee reviewed and discussed the 2018/19 Annual Operating and Capital Improvement Program Budget and 20-Year forecast of projected General Fund revenues and expenditures and related reserves.

ACTION: The Committee directed the Chair (Briscoe) to present to the City Council on June 5, 2018 its report on the 2018/19 Budget, which concluded that the budgeted Measure HH revenue and expenses for 2018/19 are consistent with the intent of the Measure HH ballot measure and the Responsible Spending Pledge.

MOTION: Stone **SECOND:** Jensen
AYES: Drilling, Jensen, Stone, Taylor, Briscoe
NOES: None
ABSENT: None
ABSTAIN: None

Motion carried: 5-0

4. SALES & USE TAX ON ONLINE PURCHASES

The Oversight Committee reviewed and discussed the “Wayfair case” involving sales and use tax on online purchases, which the United States Supreme Court plans to rule on in June 2018.

ACTION: No formal action was taken.

5. FUTURE COMMITTEE MEETING TOPICS & DATES

The Committee discussed future meeting dates and topics. The next Committee meeting will be on November 8, 2018.

ACTION: No formal action was taken.

PUBLIC COMMENTS

None.

ADJOURNMENT

Chair Briscoe adjourned the Meeting.

John Briscoe, Chair

CITY OF FOUNTAIN VALLEY
 SCHEDULE OF MEASURE HH REVENUES AND EXPENDITURES
 Fiscal Year Ended June 30, 2018 (Unaudited)

Measure HH Revenues	\$ 11,764,066
Measure HH Expenditures:	
Reoccurring Expenses Incurred on Essential City Services	1,707,564
One-Time Expenses (Capital Projects & Pension Paydown)	2,641,560
Financial Stewardship: Reserves Set-Aside in 17-18	\$ 7,414,942

Measure HH provided necessary funding in Fiscal Year 2017/18 that was used for the following in accordance with the **Responsible Spending Pledge**:

Reoccurring Expenses Incurred on Essential City Services:

Public Safety

Maintain 911 Emergency Response Times & Keep Fire Station No. 2 open.	385,789
---	---------

Without Measure HH, staff would have faced the challenge of closing Fire Station No.2, which would have been a gradual process spanning multiple years. The total cost attributable to 14-full-time equivalents (FTEs) within various classifications assigned to Fire Station No. 2 is \$1,757,772. Measure HH provided funding to keep Fire Station No. 2 open and maintain 911 emergency response times.

Police and Fire Pension Costs that are Legally Required to be Paid to CalPERS	911,331
---	---------

Police and Fire Training Programs	43,054
-----------------------------------	--------

Total Public Safety	1,340,174
---------------------	-----------

Senior & Youth Programs

Amount associated with the cost to keep the Recreation Center, Community Center & Senior Center open.	367,390
---	---------

Total Reoccurring Expenses	1,707,564
-----------------------------------	------------------

One-Time Expenses:

Capital Improvements

Includes \$350,000 for residential road rehab and \$91,560 for park improvements.	441,560
---	---------

Additional Payment to CalPERS towards unfunded pension liabilities	2,200,000
---	------------------

Total One-Time Expenses	2,641,560
--------------------------------	------------------

Reserves Set-Aside in 17-18:

OPEB Reserves - Transfer to Other Post-Employment Benefits (OPEB) Trust Fund.	1,700,000
---	-----------

Pension Reserves - Initial contribution to Pension Trust Fund.	2,800,000
--	-----------

Capital Reserves - Includes \$98,841 increase in General Fund Capital Reserves and \$360,000 transfer to Fleet Management Internal Service Fund for Fire Apparatus	458,841
--	---------

Self-Insurance Trust Fund	500,000
---------------------------	---------

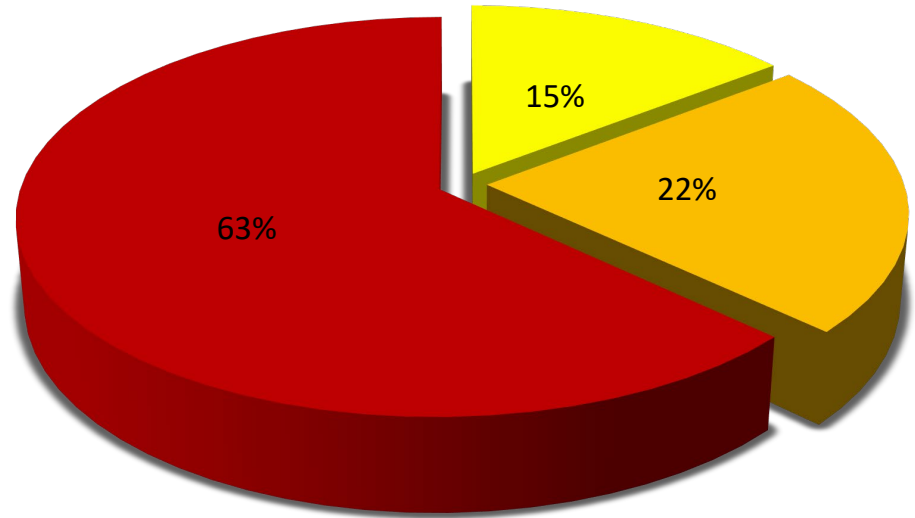
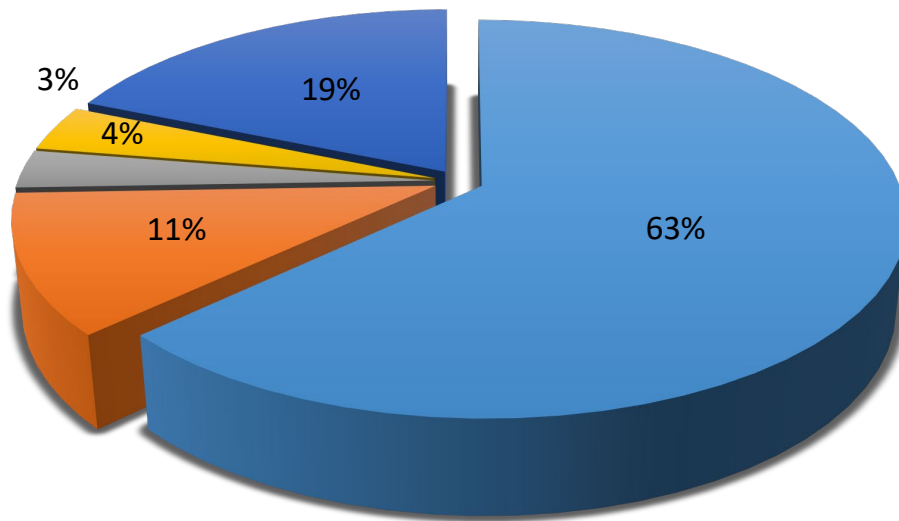
Emergency Reserves	1,956,101
--------------------	-----------

Total Reserves Set-Aside in 17-18	7,414,942
--	------------------



SAMPLE MEASURE HH REPORT CARD

This Report Card is provided by the Measure HH Oversight Committee based on the audit of Measure HH revenues and expenditures for the fiscal year ended June 30, 2018, which reflects that the use of Measure HH revenues is consistent with the Responsible Spending Pledge.



- Reserves ■ Public Safety ■ Reoccurring Expenses ■ One-Time Expenses ■ Reserves
- Senior & Youth Programs ■ Capital Improvements
- Debt Paydown

Measure HH was used to fund essential city services (including Police, Fire, Senior & Youth Programs), capital improvements and to build and maintain reserves. In addition, \$2.2 million was used to paydown debt, which will save the City \$3.9 million in interest expense.