Concord

# Measure Q Oversight Committee

**Wednesday, April 29, 2015**
**6:30 p.m.**
**Garden Conference Room, Wing A**
**1950 Parkside Drive, Concord, CA**

## - ANNOTATED AGENDA -

The meeting was called to order by Vice Chair Diane Sprouse, at 6:32 p.m.

**ROLL CALL**
**Present:** Brian Beckon, Greg Grassi, Matthew Hohenstreet, Diane Sprouse **Absent:** Guy Bjerke

**STAFF PRESENT:** Jovan Grogan, Deputy City Manager; Karan Reid, Director of Finance; Sue Anne Griffin, Confidential Secretary

**MEMBERS OF THE PUBLIC WHO ADDRESSED THE COMMITTEE:** None

**PUBLIC COMMENT PERIOD**: Add her name from the first meeting (watch group) - she Wondered how you rely on staff what they say is accurate. Diane Sprouse explained that the public can rely on the expertise of staff on this. As a citizen you have every right to ask for additional information if you feel it is necessary.

1. Approval of Minutes/Annotated Agenda of April 15, 2015

   **ACTION:** Minutes unanimously approved

2. Discussion of FY 2013-14 Comprehensive Annual Financial Report– Karan Reid, Finance Director

   **ACTION**: Karan distributed a hard copy of the Comprehensive Annual Financial Report (CAFR), which was prepared by Vavrinek, Trine, Day and Co., LLP, who issued an unqualified ("clean") opinion on the City of Concord's financial statements. Karan explained that the financial statements are presented in conformity with generally accepted accounting principles (GAAP) and discussed how the CAFR is laid out, citing specific pages on which to find information regarding Measure Q funds.

   A question regarding the annual audit for which the Committee provides a response to the City Council is "Does the FY 2013-14 Annual Audit reflect that the Measure Q tax was collected and appropriately spent?"

   The Committee had a general discussion with questions and answers regarding the report that included responses from Director of Finance, Karan Reid, and Deputy City Manager, Jovan Grogan.

Committee members were encouraged to contact Karan or Jovan with any additional questions and the responses will be shared by Karan and/or Jovan with the entire Committee.

3. Staff Presentation and Discussion of the General Fund Preliminary Budget and 10-Year Forecast for FY 2015-16 & FY 2016-17 (to be presented to the City Council on May 12, 2015) – Jovan Grogan, Deputy City Manager

   Jovan provided an overview of the General Fund revenue trends and projections directing the Committee in the transmittal memorandum, with specific attention to Measure Q revenue and the proposed uses. Jovan stated that Measure Q sales tax is projected to increase by 8%, above the current budget of $11.6 million in FY 2014-15. In FY 2015-16, Measure Q revenue is projected to be $12.6 million (an increase of $982,000) and FY 2016-17 the projected revenue is $12.9 million. Jovan noted that on Page 5 of the transmittal memorandum, pie charts show General Funds revenue with and without Measure Q funds. Measure Q makes up 13% of the general fund budget, a very significant revenue source for the City.

   Jovan completed his overview by reviewing the proposed use of Measure Q funds in the preliminary biennial budget. Below ae the proposed uses and the amount in each year:

   - Support for General Fund Operations ($7.8 million in year 1 / $7.5 million in year 2)
   - Econ. Dev. Marketing Surge ($150,000 in both years)
   - Econ. Dev. Real Estate / Site Selection Consultant ($100,000 in both years)
   - Immediate Park System Safety and Code Needs ($28,989 in year 1)
   - Supplemental Building Maintenance Funding ($227,500 in both years)
   - $22M Roadway Maintenance Debt Service ($2.4 million in both years)
   - Supplemental Funding for Capital Projects, Infrastructure and Park Maintenance ($1.5 million in year 1 / $2.4 million in year 2)
   - **Total: ($12.6 million in year 1 / $12.9 million in year 2)**

   The Committee discussed the proposed uses of Measure Q revenue in FY 2015-16 and FY 2016-17. The Committee inquired about the City's economic development program and how economic development can be a tool to help resolve the General Fund structural deficit.

   Jovan mentioned that he would see if Economic Development staff could attend the next meeting to provide the Committee with an overview of a presentation on the City's Economic Development Program that was previously provided to the City Council in March 2015.

   Committee member Matthew Hohenstreet asked for a breakdown of information of where the $1.5M slated for Supplemental Funding for Capital Projects, Infrastructure and Park Maintenance will be spent.

4. Discuss the agenda for the May 6 meeting of the Measure Q Oversight Committee

   For the May 6th meeting staff will prepare a template of the letter (boilerplate) and what your formal recommendation will be to the Council. Economic Development may need to come to the next meeting or the Director of Economic Development may attend.

5. Adjournment at 8:45 p.m.

Reviewed by:

Jovan Grogan, Deputy City Manager

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Distribution: City Council
Measure Q Oversight Committee
Valerie Barone, City Manager
Jovan Grogan, Deputy City Manager
Mark Coon, City Attorney
Karan Reid, Director of Finance
Administrative Services