



Public Works Department

AGENDA

SPECIAL MEETING OF THE CITIZEN STREET OVERSIGHT COMMITTEE

Monday, January 26, 2009, 7:00 p.m.

El Cerrito City Hall
Hillside Conference Room
Second Floor
10890 San Pablo Avenue

Roll Call

1. **Council / Staff Liaison Report**
2. **Comments from the Public**
(Each speaker is limited to a maximum of 2 minutes.)
3. **Approval of Minutes**
Review and approve minutes from September 22, 2008.
4. **Staff Presentation of Measure A Background**
5. **Staff Follow Up on Ordinance Questions from Previous Meeting**
6. **Staff Presentation of Audit Reports from Fiscal Year 2007-08**
7. **Meeting Schedule**
Discussion and possible action on scheduling future meeting dates.
8. **Adjournment**

Any writings or documents provided to a majority of the Citizen Street Oversight Committee regarding any item on this agenda will be made available for public inspection in the Public Works Department located at 10890 San Pablo Avenue during normal business hours.

COMMUNICATION ACCESS INFORMATION

To request a meeting agenda in large print, Braille, or on cassette, or to request a sign language interpreter for the meeting, call Jerry Bradshaw, Staff Liaison at 215-4382 (voice) at least FIVE (5) WORKING DAYS NOTICE PRIOR TO THE MEETING to ensure availability.

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Finance Department

Minutes
REGULAR MEETING
OF THE
CITIZEN STREET OVERSIGHT COMMITTEE

Thursday, September 22, 2008, 7:00 p.m.
El Cerrito Temporary City Hall
Conference Room A
10940 San Pablo Avenue

Roll Call at 7:00 p.m.

Present: Committee Members Kessler, Al Miller, Thomas Miller, Robertson, and Ozselcuk.
Absent: none

Staff Liaison Jerry Bradshaw and Finance Director Mary Dodge also present.

1. Council / Staff Liaison Report

No reports.

2. Comments from the Public

None.

3. Approval of Minutes

No previous meeting.

Action: no action

4. Self Introductions

The committee members provided a brief background on themselves as it relates to the Committee.

Action: no action.

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5. Election of Committee Chair

Actions: Al Miller was nominated for chair and was approved unanimously.
Lynne Kessler was nominated for vice chair and was approved unanimously.

6. Review Enabling Ordinance

Discussion of background of Ordinance (El Cerrito Municipal Code 2.04.320) and role of the Committee.

Action: No formal action. Staff agreed to follow up with clarification on two apparent discrepancies between the ordinance and the Expenditure Plan.

7. Meeting Schedule

Discussion and possible action on scheduling of future meetings.

Action: By consensus agreement, the next meeting was scheduled for November 13, 2008 at 7:00 p.m. at the Temporary City Hall building (unless the New City Hall is available). The purpose of the meeting is to brief Committee members on the background of the Measure A program.

8. Adjourned at approximately 8:30 p.m.

El Cerrito's Measure A Street Improvement Program

A Brief Background

January 26, 2009

I arrived in 2004

... Here's what I found ...

- ◆ City had just performed \$3M of street work
- ◆ City's Real Property Transfer Tax had been repealed; City refunded 1 year of collections; **Capital Fund is gutted** (infrastructure and buildings)
- ◆ Street Backlog = \$7M
- ◆ Much hand wringing

Biennial Pavement Management System Update

- ◆ Field survey of streets in late 2005
- ◆ Preliminary Report delivered to staff in Spring 2006
 - PCI is 53
 - Backlog is over \$30M
- ◆ Sharpened fiscal analysis – Backlog revised to \$21M
- ◆ Presented Street Condition Report to Council July 17, 2006

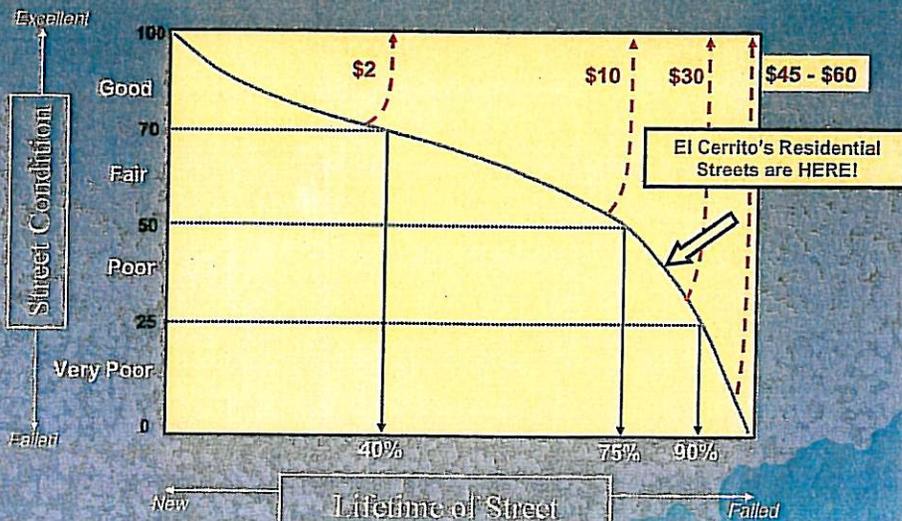
2006 Pavement Report

- ◆ Previous Report (2004)
 - PCI = 63
 - Backlog = \$6.9M
- ◆ New Report (2006)
 - PCI = 53
 - Backlog = \$21.2M
- ◆ Increase
 - 16%
 - +307%

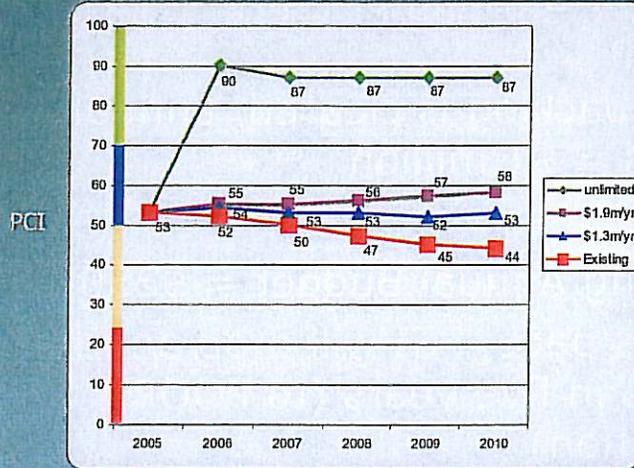
Budget Needs

- ◆ Current Backlog of Work = \$21.2 million
- ◆ After backlog is cleared, annual needs = \$1 million
- ◆ Existing Annual Budget = \$250,000
- ◆ At this pace, PCI will drop another 9 points in five years (to POOR Condition)

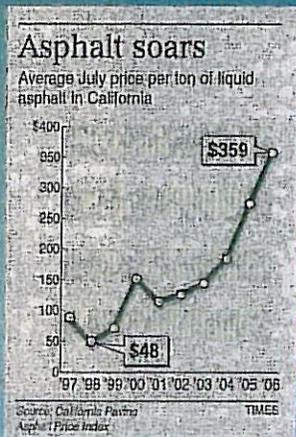
Act now or pay later



Pavement Condition Index (PCI) for Various Funding Scenarios



Other Influences



San Francisco Chronicle

October 2006

◆ El Cerrito is in "Bottom 10"

◆ Front Page of Chronicle

URGENT PLEA FOR FUNDS TO FIX ROADS

Community Priorities Survey

January 2007

- ◆ Surveyed citizens on priorities for major capital needs in El Cerrito.
- ◆ Street condition ranked as #1 concern of residents.
- ◆ Council directed staff to develop financing concepts for Streets.

Funding Assumptions

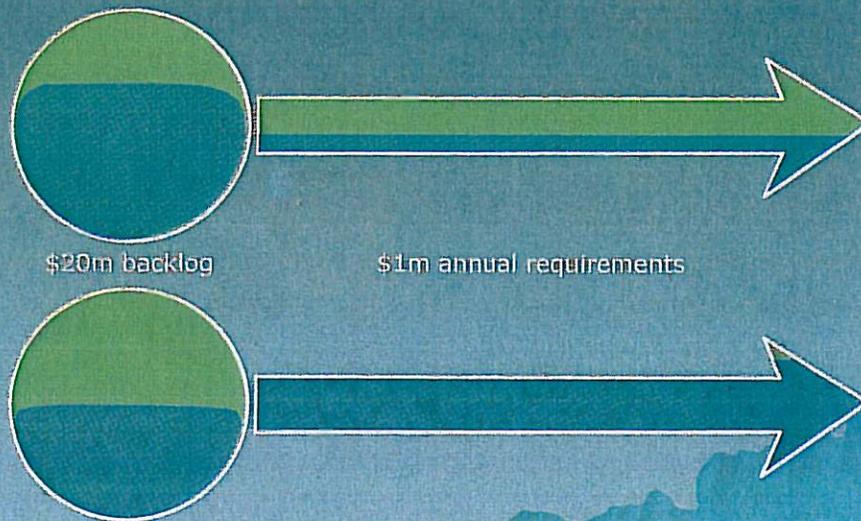
March 2007

Sales Tax - \$1.2 m/yr

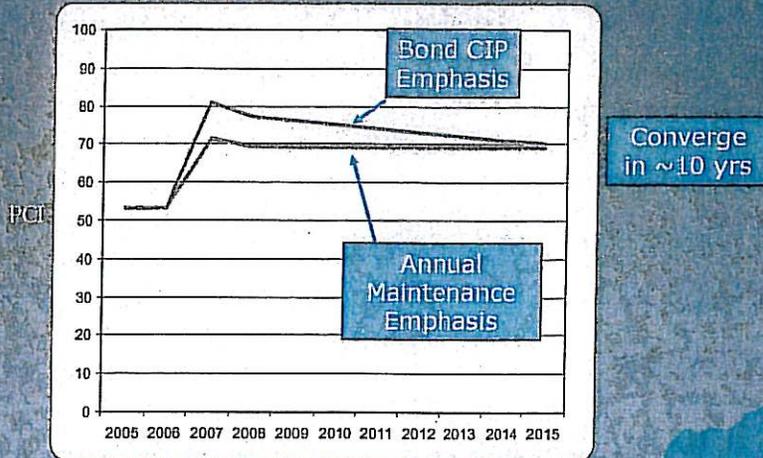
Parcel Tax - \$1.07 m/yr



Not Enough to Clear Backlog and Fulfill \$1million Annual Req't's

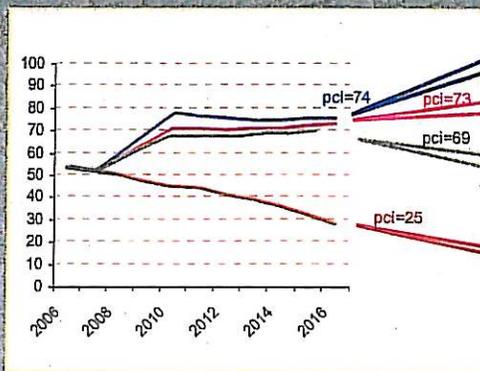


How PCI Responds to Funding Approach



Pavement Management System Results

March 2007



Parcel Tax
 •\$16.39 M Bond
 •\$640,000 Annual Mtce

Sales Tax
 •\$12.84 M Bond
 •\$1 M Annual Mtce

Parcel Tax
 •\$10.82 M Bond
 •\$1 M Annual Mtce

Status Quo
 •\$250,000 Annual Mtce

Assumptions
 • Bond funds spent in 3 years (2008 - 2010)
 • 15% Held out for ADA upgrades

Update Revenue Source

November 2007

- ◆ Sales Tax Revenue = \$1.25 million
- ◆ Goal: \$1 million annually
 - \$500k New Sales Tax
 - \$250k Measure C
 - \$ 44k Measure J (beginning 2009)
 - \$206k General Fund
- ◆ Bonds and Debt Service
 - \$750,000 annual debt payments
 - \$10.6 million in project proceeds
- ◆ Other one-time monies
 - \$750k Proposition 1B
 - \$540k Federal Grant

Expenditure Plan

<u>Estimated Funding Sources for 5 Years</u>		<u>Meas A</u>
/ Pay as you go: (\$1m X 5 years)	\$ 5.0m	\$ 2.5m
/ Bond Proceeds:	\$10.6m	\$10.6m
/ Grant Funds:	\$ 1.3m	\$ 0
TOTAL	\$16.9m	\$13.1m

		4-yr Catch-up Program				1 st Year of Ongoing Maintenance Program
		2008	2009	2010	2011	2012
Preparation Work	Curb Ramps	XXX	XXX	X	X	X
	Crack Seal	XXX	XXX	XXX	X	X
	Structural Repairs	XXX	XXX	X	X	X
Finish Work	Slurry / Cape Seal		XXX	XXX	XXX	X
	Asphalt Overlay		XXX	XXX	XXX	X
\$16.9 million		\$2.8 M	\$5.5 M	\$4.5 M	\$3.3 M	\$1.0 M

Citizen Oversight Committee

- ✓ *Monitors the expenditures of funds*
 - ✓ *Ensures they are spent for the purposes specified in the then-current Street Repair and Maintenance Expenditure Plan*
 - ✓ *Reports to the People and the City Council*
- ✓ *Five-member committee to be appointed to four-year terms by the City Council*
- ✓ *Typical application process*
- ✓ *Advisory to City Council*
- ✓ *Meet semi-annually (or as otherwise specified)*

Questions?



Date: January 26, 2009
To: El Cerrito City Council
From: Street Oversight Committee
Subject: Annual Report to City Council and Citizens of El Cerrito

On this date, the Street Oversight Committee met to review expenditures of revenue collected pursuant to Chapter 4.60 of the El Cerrito Municipal Code to determine whether such funds were expended for the purposes specified in the current Street Repair and Maintenance Expenditure Plan. The expenditures reviewed were reported for Fiscal Year 2007-08, and were summarized in the City's Annual Audit Report. Further, the Committee reviewed the comfort letter issued by the City's independent auditors, Maze and Associates, which stated that nothing came to their attention that caused them to believe that the City had failed to comply with the terms, covenants and conditions of the Master Installment Sale Agreement related to the bond issue. The Committee also reviewed a detailed list of vendors to who the expenditures were made.

By a unanimous vote, the Committee found that the expenditures were an appropriate use of the Pothole and Local Street Improvement and Maintenance Transactions and Use Tax. The Committee is hereby reporting their findings to the City Council and the citizens of the City of El Cerrito pursuant to Section 2.04.320 C of the El Cerrito Municipal Code.

A handwritten signature in blue ink, which appears to read "Al Miller". The signature is written in a cursive, flowing style.

Al Miller, Chair, Street Oversight Committee

CITY OF EL CERRITO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2008

	<u>Debt Service Funds</u>		
	<u>Storm Drain Fund</u>	<u>Public Financing Authority Fund</u>	<u>Totals</u>
Assets			
Cash and investments	\$27,565	\$49,102	\$1,374,371
Cash and investments with fiscal agent	540,308	2,244,034	2,970,096
Accounts receivable			6,922
Due from other governments			470,053
Total Assets	<u>\$567,873</u>	<u>\$2,293,136</u>	<u>\$4,821,442</u>
Liabilities			
Accounts payable			\$126,481
Due to other funds			228,234
Deposits payable			38,387
Total Liabilities			<u>393,102</u>
Fund Balances			
Reserved:			
Encumbrances			75,815
Debt service	\$567,873	\$2,293,136	2,861,009
Unreserved:			
Designated for capital improvements			1,194,789
Undesignated			296,727
Total fund balances (deficit)	<u>567,873</u>	<u>2,293,136</u>	<u>4,428,340</u>
Total liabilities and fund balances	<u>\$567,873</u>	<u>\$2,293,136</u>	<u>\$4,821,442</u>

CITY OF EL CERRITO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Debt Service Funds</u>		<u>Totals</u>
	<u>Storm Drain Fund</u>	<u>Public Financing Authority Debt Service Fund</u>	
Revenues:			
Taxes and assessments			\$2,276,590
Use of money and property	\$18,510	\$54,981	141,552
Intergovernmental revenues			792,918
Charges for services			17,413
Other revenues			204
Total revenues	<u>18,510</u>	<u>54,981</u>	<u>3,228,677</u>
Expenditures:			
Current:			
General Government	2,651	3,077	16,205
Public works			1,987,547
Recreation			158,988
Public safety			101,528
Capital outlay			519,933
Debt service:			
Principal	360,000	215,000	755,000
Interest and fiscal agent fees	153,675	1,035,959	1,212,444
Total expenditures	<u>516,326</u>	<u>1,254,036</u>	<u>4,751,645</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(497,816)</u>	<u>(1,199,055)</u>	<u>(1,522,968)</u>
Other Financing Sources (uses):			
Issuance of debt		11,750,000	11,750,000
Transfers in	488,143	364,111	1,598,438
Transfers (out)		(10,313,060)	(12,268,681)
Total other financing sources (uses)	<u>488,143</u>	<u>1,801,051</u>	<u>1,079,757</u>
Net changes in fund balances	<u>(9,673)</u>	<u>601,996</u>	<u>(443,211)</u>
Fund balances (deficit) - July 1, 2007	<u>577,546</u>	<u>1,691,140</u>	<u>4,871,551</u>
Fund balances (deficit) - June 30, 2008	<u>\$567,873</u>	<u>\$2,293,136</u>	<u>\$4,428,340</u>

CITY OF EL CERRITO
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2008

	General Fund	City Hall Construction Fund	Capital Improvement Fund	Street Improvement Fund	Redevelopment Capital Projects Fund
ASSETS					
Cash and investments (Note 3)	\$3,019,114	\$372,501	\$2,551,732		\$4,709,014
Cash with fiscal agents (Note 3)		254		\$9,826,151	2,637,067
Accounts receivable	457,241		2,896		2,988
Due from other governments	1,750,696		400,000		375,045
Interest receivable	90,714				
Deposits	1,000				20,000
Inventory	49,223				
Prepaid items	12,572				
Due from other funds (Note 4C)	228,234				
Advance to other funds (Note 4B)					
Land held for redevelopment (Note 1G)					1,378,753
Total Assets	<u>\$5,608,794</u>	<u>\$372,755</u>	<u>\$2,954,628</u>	<u>\$9,826,151</u>	<u>\$9,122,867</u>
LIABILITIES					
Accounts payable	\$645,509	\$512,103	\$326,138	\$205,754	\$36,878
Accrued liabilities	1,017,770	21,050	143,515	30,602	83,202
Due to other funds (Note 4C)					
Deposits payable	196,554				
Deferred revenue	23,567				147,074
Advance from other funds (Note 4B)					457,418
Total Liabilities	<u>1,883,400</u>	<u>533,153</u>	<u>469,653</u>	<u>236,356</u>	<u>724,572</u>
FUND BALANCES (Note 7)					
Reserved:					
Debt service					
Encumbrances	36,652	951,650	387,369	403,377	35,302
Land held for redevelopment					1,378,753
Inventory	49,223				
Prepaid items	12,572				
Advance to other funds					
Low and moderate income housing					
Unreserved, designated:					
Capital facilities and maintenance					
Reported in:					
Special Revenue Funds					
Capital Projects Funds					
			2,097,606	9,186,418	5,673,577
Unreserved, undesignated					
Reported in:					
General Fund					
	3,626,947				
Special Revenue Funds					
Capital Projects Funds					
		(1,112,048)			1,310,663
Total Fund Balances (Deficits)	<u>3,725,394</u>	<u>(160,398)</u>	<u>2,484,975</u>	<u>9,589,795</u>	<u>8,398,295</u>
Total Liabilities and Fund Balances	<u>\$5,608,794</u>	<u>\$372,755</u>	<u>\$2,954,628</u>	<u>\$9,826,151</u>	<u>\$9,122,867</u>

See accompanying notes to financial statements

CITY OF EL CERRITO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	City Hall Construction Fund	Capital Improvement Fund	Street Improvement Fund	Redevelopment Capital Projects Fund
Revenues:					
Taxes and assessments	\$15,662,248				\$4,352,425
Licenses and permits	603,221				
Fines and penalties	321,371				
Use of money and property	363,850	\$127,166	\$107,079		458,871
Intergovernmental revenues	2,751,399		626,687		
Charges for services	3,261,372				
Other revenues	87,274		11,296	\$331	
Total Revenues	<u>23,050,735</u>	<u>127,166</u>	<u>745,062</u>	<u>331</u>	<u>4,811,296</u>
Expenditures:					
Current:					
General government	3,517,589				
Public works	958,982	667	145,226		
Recreation	3,890,612				
Community development	1,565,165		161,745		820,839
Public safety	14,490,824				11,592
Capital outlay	6,000	7,227,528	2,229,631	723,596	881,056
Pass through agreements (Note 12)					
Debt service:					32,243
Principal					55,059
Interest and fiscal agent fees					
Total Expenditures	<u>24,429,172</u>	<u>7,228,195</u>	<u>2,536,602</u>	<u>723,596</u>	<u>1,800,789</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,378,437)</u>	<u>(7,101,029)</u>	<u>(1,791,540)</u>	<u>(723,265)</u>	<u>3,010,507</u>
Other Financing Sources (Uses):					
Issuance of debt (Note 6)					
Transfers in (Note 4A)	1,709,198	2,234,118	2,375,175	10,313,060	
Transfers out (Note 4A)	(576,184)				(6,191,292)
Total other financing sources (uses)	<u>1,133,014</u>	<u>2,234,118</u>	<u>2,375,175</u>	<u>10,313,060</u>	<u>(6,191,292)</u>
Net changes in fund balances	<u>(245,423)</u>	<u>(4,866,911)</u>	<u>583,635</u>	<u>9,589,795</u>	<u>(3,180,785)</u>
Fund balances - July 1, 2007	3,970,817	4,706,513	1,901,340		11,579,080
Fund balances - June 30, 2008	<u>\$3,725,394</u>	<u>(\$160,398)</u>	<u>\$2,484,975</u>	<u>\$9,589,795</u>	<u>\$8,398,295</u>

See accompanying notes to financial statements

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH BOND COVENANTS

Honorable Mayor and Members
of the City Council of
the City of El Cerrito

We have audited the basic financial statements of the City of El Cerrito, California, in accordance with generally accepted auditing standards in the United States of America, as of and for the year ended June 30, 2008 and have issued our report thereon dated November 5, 2008.

In connection with our audit, nothing came to our attention that caused us to believe that the City had failed to comply with the terms, covenants or conditions of its Master Installment Sale Agreement dated June 1, 2008 between the City of El Cerrito and the El Cerrito Public Financing Authority for the City of El Cerrito Street Improvement Project, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such compliance.

This report is intended for the information and use of the City's management and Union Bank of California Trust Services. However, this report is a matter of public record and its distribution is not limited.

Maze and Associates

November 5, 2008

City of El Cerrito
Street Improvement Fund Expenditures
For the Year Ended June 30, 2008

Vendor

Cole Management - Curb Ramps	\$50,633.00
Vali Cooper-Project Management	137,399.57
Vanguard -2008 Curb Ramp Construction	525,942.56
Vineyard -Citywide Mailing	7,595.90
Miscellaneous	<u>2,024.80</u>
	<u>\$723,595.83</u>