

Measure I Annual Report

Each year, the Measure I Citizens' Oversight Board issues an Annual Report to the community with its findings regarding the use of Measure I funds. This report is the Citizens' Oversight Board's fourth Annual Report and covers the period of July 1, 2016 through June 30, 2017.

Measure I

La Mirada voters approved Measure I, a one percent transactions and use tax, in November 2012. The five-year tax went into effect on April 1, 2013. This tax will sunset on March 31, 2018.

The measure was placed on the ballot after a 29-member Citizens' Task Force on City Finances and Operations recommended the action due to the cumulative impacts of the national recession, ongoing "takes" of local revenues by the State, the elimination of redevelopment agencies in California, and significant unmet infrastructure needs.

Measure I spending is focused on repairing streets, storm drains and other infrastructure as recommended by the Citizens' Task Force and budgeted by the City Council. Additionally, Measure I requires annual independent audits and citizens' oversight of how revenues are spent.

Measure I Citizens' Oversight Board

On January 22, 2013, the La Mirada City Council adopted Resolution No. 13-05 establishing the Measure I Citizens' Oversight Board. The role of the Citizens' Oversight Board is to review and report on the revenues and expenditures of Measure I funds; review financial audits and reports; monitor the City's progress on the planning, engineering, and construction of infrastructure projects; and issue an Annual Report.

The Citizens' Oversight Board is comprised of five La Mirada residents. Each was nominated by a member of the City Council, and appointed to a term ending in the month of June following the end of the term of their nominating Councilmember. The Citizens' Oversight Board includes Chairman Lee Olsen; Vice Chairman Scott Watkins; Boardmember Hal Malkin; Boardmember Philip Massey; and Boardmember David Morfin.

The Citizens' Oversight Board meets quarterly. Meetings are held at La Mirada City Hall, and are open to the public. Meeting agendas and minutes are posted and available on the City's website. During this reporting period, meetings were held on September 8, 2016; December 8, 2016; March 9, 2017; and June 8, 2017.

Measure I Annual Independent Audit

The City's annual financial audit was conducted by an independent accounting firm, Moss, Levy and Hartzheim, LLP for Fiscal Year 2015-16. As part of the financial audit, the auditors reviewed Measure I funds and included results in their year-end reports.

The separate year-end reports included the Independent Auditors' Report on Compliance with Applicable Requirements and on Internal Control over Compliance and Report on Measure I Revenues and Expenditures. The Fiscal Year 2014-15 and 2015-16 reports were provided to the City Council and were reviewed by the Citizens' Oversight Board at their December meetings.

Moss, Levy and Hartzheim, LLP concluded in its Fiscal Year 2015-16 report that "the City complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the Measure I Fund for the year ended June 30, 2016." The report also indicated that the audit did not identify any deficiencies in the internal control over compliance that is considered to be material weakness.

The independent audit review of Measure I funds for Fiscal Year 2016-17 will be conducted later this year and the results will be included in next year's Annual Report.

Measure I Revenues and Expenditures

Revenues

Measure I funds are collected by businesses and remitted to the State Board of Equalization (BOE) similar to other sales taxes. The BOE then sends these funds to the City. A total of \$23,903,144 in Measure I payments

from the BOE has been received by the City since April 1, 2013. A total of \$6,384,905 was received by the City from July 1, 2016 through June 30, 2017.

Expenditures

During the reporting period, \$31,560 was spent on Phase 2, \$2,803,109 was spent on Phase 3, \$575 was spent on storm drain repair connected to the City’s neighborhood street rehabilitation projects, \$58,764 was spent on the design work for Phase 4, and \$303,442 was spent on Olive Branch Drive pavement work.

The chart below identifies all expenditures on capital improvement projects by revenue source. The City has completed more than \$39.9-million of improvements with \$12.7-million funded by Measure I over the past four years.

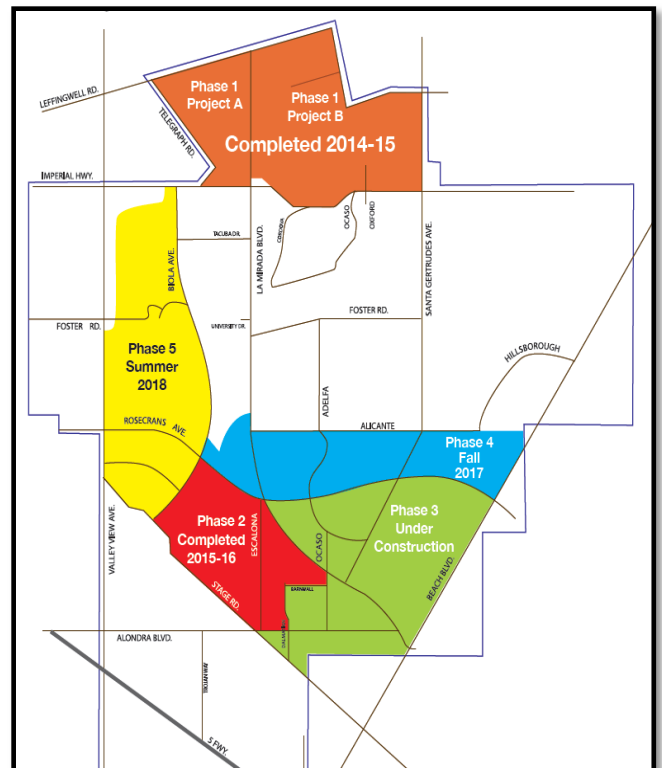
Source	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14
General Fund – Measure I	\$3,197,450	\$4,858,014	\$4,488,877	\$147,800
General Fund	1,890,100	1,611,712	1,890,392	2,352,258
CDBG			1,264,989	650,122
General Fund-County Metro (I-5)				2,790,748
Gas Tax	563,024	26,766	512,509	
Local Transportation-TDA III	32,818	31,343	32,298	39,655
Prop C	578,504	143,343	194,775	1,072,175
Agency Bond Proceeds		3,155,343	998,420	
Department of Energy				189,999
Federal HSIP	74,079	188,835		
Measure R	374,876	1,558,613	317,481	
Park Grant		300,000	175,998	
County – Library Project	3,119,009	827,787		
Buena Park Coop	367,000	8,835		
County Thru Highway Grant	450,000			
Surface Transportation Program (Local)	190,746			
Total	\$10,837,606	\$12,710,591	\$9,875,739	\$7,242,757

Measure I Neighborhood Infrastructure Projects

The Public Works Department continues to meet the objectives of the City’s robust Capital Improvement Projects program. Measure I capital improvements focus on neighborhood streets, and are completed in phases.

The scope of work for these projects includes removal and replacement of damaged curb, gutter (including slotted cross gutters) and sidewalk; reconstruction of street pavement with subgrade failure; surface grind and overlay of all street pavement; and rehabilitation of storm drains. Handicap curb access ramps are added where appropriate and existing ramps are sometimes removed and replaced to meet current ADA access requirements. Some areas also include slurry seal of recently repaved streets within the project area.

As construction approaches for capital improvement projects, affected residents and businesses are notified in advance of the work. To identify projects funded by Measure I, signs are posted in the area where a Measure I project is in progress. Information is also included in the City newsletter and the City’s website.



PHASE 1

Phase 1 was the first of the City's neighborhood street repair projects that used Measure I funding. Phase 1 included two project areas, Project Area A and Project Area B.

Project Area A included all neighborhood streets bounded by Leffingwell Road to the north, La Mirada Boulevard to the east, Imperial Highway to the south, and Telegraph Road to the west.

Project Area B included neighborhood streets bounded by Leffingwell Road to the north, La Mirada Boulevard to the west, Imperial Highway to the south, and Stamy Road from Leffingwell Road to Lemon Drive and Santa Gertrudes Avenue from Lemon Drive to Imperial Highway to the east.

Phase I expenditures totaled \$4.89-million and the project was completed in summer 2015.

PHASE 2

Phase 2 included residential streets in the area bounded by Alondra Boulevard, Stage Road, Biola Avenue, Rosecrans Avenue, La Mirada Boulevard, Ocaso Avenue, Barnwall Street and Dalmatian Avenue.

Phase 2 expenditures totaled \$4.67-million and the project was completed in spring 2016.



Phase 3

Phase 3 includes residential streets in the area bounded by Stage Road, Alondra Boulevard, Dalmatian Avenue, Barnwall Street, Ocaso Avenue, La Mirada Boulevard, Rosecrans Avenue, and the east City limit. Stage Road, Alondra Boulevard, La Mirada Boulevard, Rosecrans Avenue, and Santa Gertrudes Avenue are not part of this project.

Phase 3 is 70 percent complete and is expected to be completed by late fall 2017. Phase 3 expenditures are estimated to total approximately \$8-million. The higher amount, compared to Phases 1 and 2, is due to extensive storm drain work connected to the City's neighborhood street rehabilitation projects.

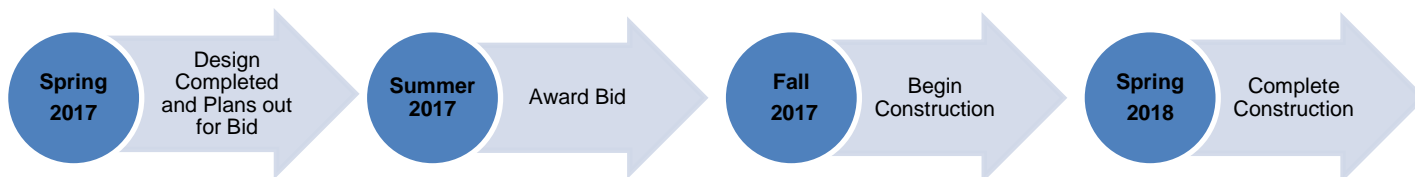


Phase 4

The design work for Phase 4 of the City's neighborhood street rehabilitation projects is 100 percent complete. The project is expected to begin construction in fall 2017 and be completed by late spring 2018.

Phase 4 will include all residential streets bounded by Rosecrans Avenue, Biola Avenue, Roma Drive, Whiterock Drive, Alicante Road and the east City limit. Rosecrans Avenue, Biola Avenue, La Mirada Boulevard, Adelfa Drive, Alicante Road, Santa Gertrudes Avenue and Beach Boulevard are not part of this project.

Phase 4 Estimated Project Schedule:

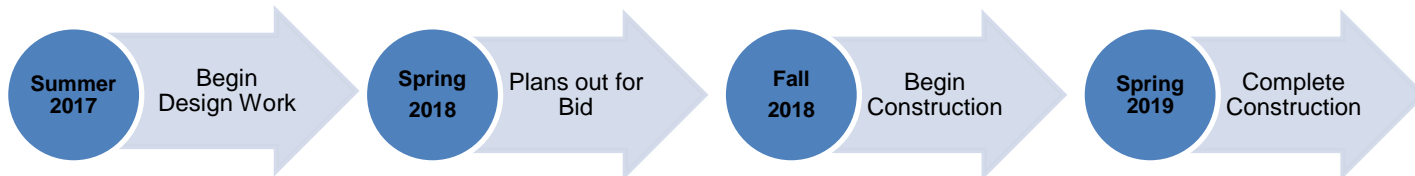


Phase 5

The design work for Phase 5 of the City's neighborhood street rehabilitation projects has begun. The project is expected to begin construction by fall 2018 and be completed by late spring 2019.

Phase 5 is proposed to include all residential streets bounded by Imperial Highway, Biola Avenue, Stage Road, Valley View Avenue and Milan Creek. Imperial Highway, Stage Road, Valley View Avenue, and Biola Avenue are not part of this project.

Phase 5 Estimated Project Schedule:



Summary

The Measure I Citizens' Oversight Board has verified that the Measure I funds used during the July 1, 2016 through June 30, 2017 reporting period have been used to complete neighborhood infrastructure improvement projects in La Mirada. During this reporting period, funds have been spent on engineering and design work for Phase IV, and construction and storm drain work for Phase III and Olive Branch Drive.

The Citizens' Oversight Board understands the passage of Measure I represents a trusted investment by La Mirada residents into the City's infrastructure. We believe Measure I funds are being used as intended for the betterment of the La Mirada community. During the review period, City staff has been cooperative and helpful to the Citizens' Oversight Board in its oversight efforts.

The City of La Mirada and the Measure I Citizens' Oversight Board are looking forward to the continued completion of neighborhood street improvements in the upcoming year.¹



¹ This Measure I Annual Report for the period of July 2016 through June 2017 of the Measure I Citizens' Oversight Board was approved on September 7, 2017, and presented to the City Council at the September 12, 2017 Study Session meeting.