



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 second Annual Report and includes findings for the period of July 2014 through June 2015.

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.

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.

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 David Morfin; Boardmember Hal Malkin; Boardmember Philip Massey; and Boardmember Juan Noble.¹

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 4, 2014; December 4, 2014; March 12, 2015; and June 11, 2015.

Annual Independent Audit

The City's annual financial audit is conducted by an independent accounting firm, Lance, Soll, Lunghard (LSL), LLP. As part of the financial audit for Fiscal Year 2013-14, the auditors reviewed Measure I funds and included results in their year-end report.

The year-end report included the Independent Auditors' Report on Compliance with Applicable Requirements and on Internal Control over Compliance and Report on Measure I Revenues and Expenditures for Fiscal Year 2013-2014. This report was provided to the City in November 2014 and was reviewed by the Citizens' Oversight Board at its December 4, 2014 meeting.

LSL, LLP concluded, "the City complied, in all material responses, with the requirements referred to above that are applicable to the Measure I funds for the year ended June 30, 2014." The report also indicated that the audit did not identify any deficiency in the internal control over compliance that is considered to be material weakness.

The independent audit review of Measure I funds for Fiscal Year 2014-15 will be conducted later this year and the results will be included in next year's Annual Report.

¹ Juan Noble was appointed to the Board on June 09, 2015. Changhai Ahn served on the Board from April 23, 2013 to June 5, 2015.

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 \$11,774,269 in Measure I payments from the BOE has been received by the City since April 1, 2013. A total of \$5,793,139 was received by the City from July 2014 through June 2015.

Expenditures

During the reporting period, \$4,109,275 was spent on Phase 1 and \$459,761 was spent on Phase 2 of the City's neighborhood street rehabilitation projects.

The chart below identifies all expenditures on capital improvement projects by revenue source over the past three years. During this time, the City has completed more than \$21.5-million of improvements with \$4.7-million funded by Measure I.

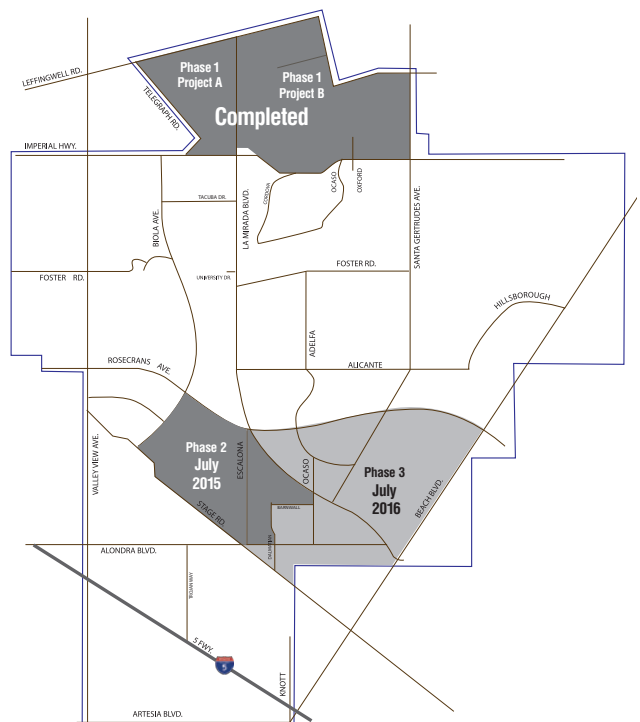
Capital Improvement Projects - Expenditures by Revenue Source (FY July to June)			
Source	FY 2014-15	FY 2013-2014	FY 2012-2013
General Fund – Measure I	\$4,569,036	\$147,800	
General Fund	1,791,215	2,381,044	2,490,707
General Fund – Grade Separation Reimbursable			1,590,220
CDBG	1,264,989	650,122	
General Fund-County Metro (I-5)		2,766,354	28,420
Prop IB			
Gas Tax	512,509		354,846
Local Transportation – TDA III	32,298		35,595
Prop C	194,775	1,073,674	497,443
Agency	896,763		94,272
Department of Energy		189,999	
Total	\$9,261,585	\$7,208,993	\$5,091,503

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 and sidewalk, slotted cross gutters, 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 access requirements. Some areas also include slurry seal of recently repaved streets within the project area.

As construction approaches for capital improvement projects, City staff makes every effort to notify affected residents and businesses in advance. To identify projects funded by Measure I, signs are posted in the area where a Measure I project is in progress. Additionally, information is made available in the City newsletter and on 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, Project A and B, is substantially complete. The total cost for the neighborhood street improvement for Phase I is approximately \$4.61-million.



PHASE 2

Phase 2 of the City's neighborhood street rehabilitation projects is currently under construction and is expected to be completed by spring 2016.

Phase 2 includes residential streets in the area bounded by Alondra Boulevard, Biola Avenue, Rosecrans Avenue, La Mirada Boulevard, Ocaso Avenue, Barnwall Street and Dalmatian Avenue. Some streets within these limits that were recently repaved may be excluded from this project. Additionally, a new storm drain within Lofthill Drive will be installed.

Phase 2 Estimated Project Schedule:



PHASE 3

The design work for Phase 3 of the City's neighborhood street rehabilitation projects was recently awarded to an engineering firm. The project is expected to begin construction by next summer.

Phase 3 is proposed to include 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 Estimated Project Schedule:



Summary

The Measure I Citizens' Oversight Board has verified that the Measure I funds used during the July 2014 through June 2015 reporting period have been for neighborhood infrastructure improvement projects in La Mirada. To date, the funds have been spent on engineering and design work for Phase 1 and 2, and construction for Phase 1.

The Citizens' Oversight Board understands the passage of Measure I represents a trusted investment by La Mirada residents into the community'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 neighborhood street improvements with the completion of Phase 2 and the commencement of Phase 3 in the upcoming year.



This Measure I Annual Report for the period of July 2014 through June 2015 of the Measure I Citizens' Oversight Board was approved on September 3, 2015, and presented to the City Council at the September 8, 2015 Study Session meeting.