



**CITY OF DEL MAR  
MEASURE Q CITIZEN OVERSIGHT COMMITTEE  
MEETING AGENDA  
VIA TELECONFERENCE ONLY  
SEPTEMBER 13, 2021, 10:00 A.M.**

*Civility Works: The Del Mar Code of Civil Discourse: Together we will promote inclusion; listen to understand; show respect; be clear and fair; and focus on the issue.*

**Pursuant to the State of California Executive Order N-25-20, and in the interest of public health, the City of Del Mar is temporarily taking actions to mitigate the COVID-19 pandemic by holding Measure Q Citizen Oversight Committee meetings remotely via teleconference. The Town Hall will not be open to the public for this meeting.**

**Members of the public may listen to the meeting by logging on to the City's website at: <https://delmar.12milesout.com/video/live-virtual>. Members of the public may participate in the meeting by submitting a public comment via email to [cityclerk@delmar.ca.us](mailto:cityclerk@delmar.ca.us), by 8 a.m. on the day of the meeting. Please be sure to note the number of the agenda item that your comment relates to in your email communication.**

**Council Liaisons:** Councilmember Dave Druker; Councilmember Dan Quirk

**City Staff:** Interim City Manager Ashley Jones; Finance Manager/Treasurer, Monica Molina

**Members:** Alan Lonbom (Chair); Steven McDowell (Vice-Chair); Michael Chiappetta; and Tom McGreal (Secretary)

**1) CALL TO ORDER/ROLL CALL**

**2) PUBLIC ORAL COMMUNICATIONS (NON-AGENDA ITEMS)**

Members of the public may participate in the meeting by submitting a public comment via email to [cityclerk@delmar.ca.us](mailto:cityclerk@delmar.ca.us), by 8 a.m. on the day of the meeting, which will be distributed to committee members. State law precludes the Committee from acting on any topic which is not an action item on the posted agenda.

**3) APPROVAL OF MEETING MINUTES:** May 5, 2021, Regular Meeting

**4) COMMITTEE DISCUSSION ITEMS:**

- A. Finalization of Procedures for Measure Q Oversight Work Program
- B. Work Program Assignments
- C. Timetable for Performing Procedures
- D. Discussion of Timing and Format for Reporting to City Council

**5) ADJOURNMENT**

**CITY OF DEL MAR  
MEASURE Q OVERSIGHT COMMITTEE  
VIA ZOOM TELECONFERENCE  
MEETING MINUTES  
MAY 5, 2021**

**CALL TO ORDER:** The Chair called the meeting to order at 10:00 AM.

**ROLL CALL:** Chair Alan Lonbom; Vice Chair Steven McDowell, Secretary Tom McGreal, and Michael Chiappetta were present for the meeting. Interim City Manager Ashley Jones, and Finance Manager/Treasurer Monica Molina were also present for the meeting.

**PUBLIC ORAL COMMUNICATIONS:** There were no public oral communications.

**APPROVAL OF MINUTES:** Alan Lonbom moved to approve the Minutes of the October 20, 2020 meeting. The motion was seconded by Michael Chiappetta and unanimously approved by the committee.

**COMMITTEE DISCUSSIONS**

- A. Review of the proposed process for the Measure Q Citizens Oversight Committee.** At the request of Alan Lonbom, the new Committee Chair, the members reviewed the process, procedures and reporting to be followed by the Committee:
- a. Risks** - Key Revenue risks, Expenditure risks and other key risks associated with the use or loan of Measure Q funds.
  - b. City Reports** - Key reports were agreed upon with staff as follows:
    - i. Summary of Measure Q Fund Balance
    - ii. Summary of Measure Q Revenues
    - iii. Summary of Measure Q Expenditures
    - iv. Major Industry Group Report
    - v. Revenue Detail Report
    - vi. Project budgeting (in development)
  - c. Procedures to track Revenues / Transfers in and Expenditures / Transfers out for all Measure Q funds.** The specific reporting and tracking procedures were agreed upon as the basis for all future Measure Q meetings.
- B. Member assignments** – Specific areas of assignment were designated for each member to ensure full coverage of all Measure Q Committee areas of responsibility were delegated. The future review of Measure Q topics will be presented by each member for their assigned responsibility. Alan will revise and issue the procedures and assignments for final review and approval by the Committee at the next meeting. The Committee also plans to review this material with the Council Liaisons at the next meeting.

**C. Review of Financial Reporting for Measure Q.** This review covered FY 2020 and the historical numbers, which were presented at the October 20, 2020 meeting. FY 2021 data will be presented for review at the next meeting.

**ADJOURNMENT:** Chair Lonbom adjourned the meeting at 11:20 AM.

**PROPOSED PROCESS FOR MEASURE Q CITIZEN OVERSIGHT COMMITTEE**

**MEASURE Q COMMITTEE ACTIVITIES TO ADDRESS IDENTIFIED RISKS**

Del Mar City Resolution No. 2017-26, which established the Measure Q Citizen Oversight Committee, references a work program for the Committee. The Resolution states that committee should conduct semi-annual or as needed meetings to review the revenue and expenditures related to the use of Measure Q funds and indicates that a primary responsibility of such committee is verifying that revenues from Measure Q are properly set aside for projects approved by the City Council and that related expenditures are accurately tracked.

We believe a valid approach to determining the work program is to identify “key risks” implied within the Committee’s charge, and then design procedures to address such risks.

**RISK ASSESSMENT**

**REVENUES - KEY RISKS**

- 1. Measure Q Sales tax revenues are misstated by Taxing Authority.
- 2. Measure Q Sales tax revenues are reported properly to City but are applied to the wrong account.

**EXPENDITURES – KEY RISKS**

- 1. Measure Q Funds are used for non-City Council approved Measure Q projects.
- 2. Approved Measure Q Project expenditures are not accurately tracked.
- 3. Administrative charges applied to Measure Q are not based on an appropriate methodology or are inaccurately calculated.

**OTHER KEY RISKS**

- 1. Measure Q Funds are loaned to other funds, but are not repaid

**MEASURE Q PROPOSED WORK PROGRAM**

***Revenues/Transfers In***

- 1) Obtain historical data for both Measure Q and General Sales tax revenues. Staff to provide **Major Industry Groups Comparison Report** with historical data by quarter.
- 2) Obtain an understanding as to what the differences are between Measure Q tax revenues and General Sales tax revenues. Staff to summarize differences between Measure Q tax revenues and General Sales tax revenues based on **Major Industry Groups Comparison Report** provided by staff.

- 3) Compare historical trends/relationships between the two sources and investigate any unusual observations. Due to confidentiality requirements, staff will summarize unusual observations to Committee.
- 4) Compare Measure Q Revenues for period to budgeted amounts and obtain explanations for any significant deviations.
- 5) Staff to provide Committee with **Revenue Detail Report**. Compare the report totals for the period to the **Summary of Measure Q Revenues** and randomly select 3-5 periods to compare remittance with accounting system reports. [**Local Jurisdiction Statements of Tax Distribution and State of California Direct Deposit Advices**]
- 6) Review any loans or borrowings, transfers from other funds, or contributions that are recorded as Measure Q revenue.

### ***Expenditures***

- 1) Staff to provide Committee **Measure Q Expenditure Detail Report**. Obtain an understanding of this report by review and inquiry of staff and trace the total to the Summary of Measure Q Fund Balance Report.
- 2) Select of up to five (5) expenditure transactions per approved Measure Q project (but not to exceed 50% of total transactions) per quarter). Staff to provide Committee with backup documentation for each selection. Agree the supporting documentation to the expenditure selection and resolve any differences noted.
- 3) Staff to provide Committee with any new approved construction contracts related to Measure Q expenditures. Staff will provide any new approved City Council Measure Q expenditure or project staff report to the Committee on the next scheduled Committee meeting.
- 4) Understand the review and approval process for the payment of Measure Q funds to vendors
- 5) Understand the methodology used to allocate administrative charges, challenge its rational, and compare it to other similar charges for non-Measure Q expenditures.
- 6) Randomly select one quarterly allocation a year and review the computation of the Administrative allocations, making sure it is consistent with the approved method.

### ***Transfers Out***

- 1) Review the Summary of Measure Q Fund Balance, noting any transfers for the period.
- 2) For any transfers, review the Authorization for such, noting any conditions for repayment.
- 3) Each reporting period, review current events, City-released information etc. to assess whether repayment of prior transfers should in fact be made, according to original conditions noted for repayment.

**KEY EXISTING CITY REPORTS OR OTHER DOCUMENTS TO BE UTILIZED BY MEASURE Q COMMITTEE [Unless otherwise noted, these are reports that currently are created by staff in connection with their normal process]**

1. Summary of Measure Q Revenues
2. Summary of Measure Q Expenditures
3. Summary of Measure Q Fund Balance
4. Major Industry Groups – Quarterly Sales Tax/Measure Q Comparison – [*Prepared for Measure Q Committee*]
5. Measure Q -Revenue Detail Report
6. Local Jurisdiction Statements of Tax Distribution
7. State of California Direct Deposit Advices
8. Measure Q – Expenditure Detail Report

City of Del Mar  
 Summary of Measure Q Revenues  
 June 30, 2021

	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Actual</b>	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Preliminary</b>	<b>TOTAL</b>
3rd Qtr	-	937,163	962,688	875,978	573,348	
4th Qtr	-	636,364	623,210	620,158	504,031	
1st Qtr	-	435,072	476,618	323,015	523,066	
2nd Qtr	483,227	642,182	730,845	435,016	684,959	
Accrual	251,117	67,209	41,970	26,139		
Interest on Investments	-	-	27,983	35,401	33,670	
Transfer from other funds	-	-	149,219	4,567	778	
<b>Total Revenue</b>	<b>\$ 734,344</b>	<b>\$ 2,717,990</b>	<b>\$ 3,012,533</b>	<b>\$ 2,320,274</b>	<b>\$ 2,319,852</b>	<b>\$ 11,104,993</b>

City of Del Mar  
 Summary of Measure Q Expenditures  
 June 30, 2021

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Actual	FY2019-20 Actual	FY 2020-21 Preliminary	TOTAL
Streetscape	\$ -	\$ -	\$ 3,815,990	\$ 2,656,488	\$ -	\$ 6,472,478
Shores Park	-	-	-	3,138	11,402	14,540
Undergrounding-General	-	-	286,373	349,514	21,071	656,958
Roadway & Sidewalks (MOE)	-	-	-	-	-	-
Undergrounding-Tewa Ct	-	-	-	-	57,730	57,730
Miscellaneous Fees	6,648	-	-	-	-	6,648
Transfer out				502,160		502,160
<b>Total Expenditures</b>	<b>\$ 6,648</b>	<b>\$ -</b>	<b>\$ 4,102,363</b>	<b>\$ 3,511,300</b>	<b>\$ 90,203</b>	<b>\$ 7,710,514</b>



City of Del Mar  
 Summary of Measure Q Fund Balance  
 June 30, 2021

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Preliminary	
<b>Beginning Fund Balance</b>	\$ -	\$ 727,696	\$ 3,445,686	\$ 2,355,856	\$ 1,164,830	
Revenues	\$ 734,344	\$ 2,717,990	\$ 3,012,533	\$ 2,320,274	\$ 2,319,852	
Expenditures	(6,648)	-	(4,102,363)	(3,009,140)	(90,203)	
Transfers	-	-	-	(502,160)	-	
<b>Ending Fund Balance</b>	<b>\$ 727,696</b>	<b>\$ 3,445,686</b>	<b>\$ 2,355,856</b>	<b>\$ 1,164,830</b>	<b>\$ 3,394,479</b>	
<b>Estimated Fund Balance at June 30, 2021</b>						<b>\$ 3,394,479</b>
<b>Est FY 2021-22 Revenue</b>						<b>\$ 2,200,000</b>
<b>Est FY 2021-22 Expenditures</b>						<b>\$ (2,399,433)</b>
<b>Est Fund Balance at June 30, 2022</b>						<b>\$ 3,195,046</b>