
County of San Mateo
Controllers Office

Report on Measure A
Sales and Use Tax Revenues

For The Period June 26, 2013 (Initial Receipt) Through
June 30, 2014



November 17, 2014

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INTRODUCTION

On November 6, 2012, the voters of San Mateo County (County) passed by majority vote Measure A, *The County of San Mateo Sales and Use Tax Ordinance*. Measure A levies a half-cent tax, for a period of 10 years, on the gross receipts of any retailer selling tangible personal property in the incorporated and unincorporated territory of the County. The proceeds are to be used to support general fund services and facilities which include, among others, child abuse protection programs, 911 dispatch services, healthcare services, County parks, fire protection and other safety services, and educational programs and services.

The County's Board of Supervisors (Board) codified the provisions of Measure A in Ordinance Number 04630 by amending Title 5 of the San Mateo Ordinance Code with an operative date of April 1, 2013. In open meetings the Board identified programs and services that can benefit from Measure A funds. The Board also designated a committee as required by the ordinance to perform an annual audit of the Measure A sales and use tax revenues generated. The Measure A Oversight Committee (Committee) is a 10-person committee with two representatives from each of the five districts that make up the County. In addition to the required performance of an annual audit of Measure A sales and use tax revenues generated, the Committee by-laws ensure the performance of additional agreed-upon procedures related to Measure A.

This report is divided into two sections as follows:

Section I: Internal Audit of Measure A Revenues Received By the County of San Mateo, California for the Period June 26, 2013 (Initial Receipt) through June 30, 2014

Section II: Agreed Upon Procedures Performed On Measure A Expenditures

The County Controllers Office's Internal Audit Division performed an internal audit as required by the ordinance of the Measure A sales and use tax revenues generated. The result of this audit is presented in Section I. Additionally the Controllers Office's Internal Audit Division performed certain Agreed Upon Procedures. The results of these procedures are included in Section II.

This report covers the period July 26, 2013 through June 30, 2014. All procedures were performed in accordance with the *International Standards for the Professional Practice of Internal Auditing* established by the Institute of Internal Auditors. This report is intended solely for the information and use by the Committee, the Board, and County management. This report should not be used by anyone other than these specified parties. However, as the County is a government entity, this report is subject to public inspection.

SECTION I – Internal Audit of Measure A Revenues Received By the County of San Mateo, California for the Period June 26, 2013 (Initial Receipt) - June 30, 2014

The Controller’s Internal Audit Division performed procedures to review State Remittance Advice Forms, County’s financial accounting system records, and the Comprehensive Annual Financial Report (CAFR) audited by the Grand Jury independent certified public accountants to determine if Measure A sales and use tax revenues received have been recorded in a separate fund in a timely and accurate manner.

Results

No exceptions noted. The Measure A fund was established in the County’s financial accounting system. All Measure A monies transmitted by the State from June 26, 2013 through June 30, 2014 were deposited into the fund. This fund was not used for any other purpose. We also reviewed the County’s CAFR audited by the Grand Jury’s independent certified public accountants and found there were no issues reported that relate to the financial activities of Measure A funds.

SUMMARY OF MEASURE A REVENUES

<u>Tax Period</u>	<u>Month Received</u>	<u>Amount</u>
April 2013	June 2013	\$ 4,397,205
	Total for FY 2012-13	4,397,205
May 2013	July 2013	4,367,700
June 2013	August 2013	5,823,600
July 2013	September 2013	7,930,646
August 2013	October 2013	4,930,200
September 2013	November 2013	6,573,600
October 2013	December 2013	7,756,964
November 2013	January 2014	5,181,200
December 2013	February 2014	6,908,200
January 2014	March 2014	8,193,726
February 2014	April 2014	4,924,200
March 2014	May 2014	6,565,600
April 2014	June 2014	6,421,912
	Total for FY 2013-14	75,577,548
		\$ 79,974,753

SECTION II – Agreed Upon Procedures Performed On Measure A Expenditures

1. Reviewed Board Resolutions to determine if the amounts to be funded for each initiative by Measure A proceeds have been approved by the Board through the County’s budget process.

Results

No exceptions noted. The Board approved each Measure A initiative and funding amount by resolution. Schedule A lists all Board approved initiatives and budgeted amounts.

2. Reviewed internal invoices representing departmental reimbursement requests and payment records to determine if the distributions made from the Measure A fund to agencies governed by the Board were made after receipt of an invoice.

Results

No exceptions noted. All distributions from the Measure A fund were made after receiving invoices. Amongst the thirty Measure A initiatives, twenty-six were administered by agencies governed by the Board. Schedule A lists the initiatives that are administered by agencies governed by the Board and expenditures that were reimbursed by Measure A monies in fiscal year 2013-14.

3. Reviewed invoices received from agencies governed by the Board to determine if Measure A monies were used for purposes of the initiative approved by the Board, as evidenced by Department Head and County Manager or their designee’s signature.

Results

No exceptions noted. All expenditures reported on the invoices received from agencies governed by the Board are for purposes of the initiative approved by the Board and were approved by the Department Head and County Manager or their designees.

4. Reviewed invoices to determine if the amounts spent were categorized by type of expenditure and then reviewed the County’s financial accounting system records to determine if the expenditures and Measure A reimbursements were properly recorded.

Results

No exceptions noted. All invoices categorized the amounts spent by type of expenditure and were properly recorded in the County’s financial accounting system.

5. Reviewed Board Resolutions and accounting records to determine if distributions of Measure A funds to agencies governed by the Board did not exceed the Board approved budgeted amounts for each initiative during the fiscal year.

Results

No exceptions noted. All of the distributions of Measure A funds to agencies governed by the Board did not exceed the Board approved budgeted amounts for each initiative in fiscal year 2013-14.

6. Reviewed invoices, accounting records, and Board Resolutions to determine if distributions made from the Measure A fund to entities that are not governed by the Board, agree to invoices received from those entities, and have not exceeded the amount legally authorized by the Board.

Results

No exceptions noted. All distributions from the Measure A fund equaled the invoice amounts submitted, and did not exceed the amount legally authorized by the Board. The four Measures A initiatives that were administered by entities not governed by the Board are in Schedule A.

SCHEDULE A - SUMMARY OF MEASURE A EXPENDITURES

<u>Initiative Name</u>	<u>Department</u>	<u>FY 2013-14 Budget</u>	<u>FY 2013-14 Actual</u>	<u>Variance</u>
1 Seton Medical Center	Non-County	\$ 11,500,000	\$ 11,300,000	\$ 200,000
2 SamTrans-Services to Youth, Elderly, and Disabled	Non-County	5,000,000	5,000,000	-
3 Early Learning and Care Trust Fund	Non-County	5,000,000	-	5,000,000
4 Mental Health System of Care for Adults	Behavioral Health	2,655,322	33,886	2,621,436
5 Health Prevention and Early Intervention - At Risk Child	Behavioral Health	2,645,381	995,235	1,650,146
6 Buildings and Facilities Infrastructure	Capital Projects	4,640,000	725,139	3,914,861
7 Library Capital Needs - Capital Project	County Library	2,000,000	1,126,834	873,166
8 Daly City Library - Capital Project	County Library	500,000	-	500,000
9 Library Summer Reading Programs	County Library	328,300	328,300	-
10 HEART Local Housing Trust Fund Match	Housing	1,000,000	1,000,000	-
11 Technology Infrastructure and Open Data	Information Services	3,230,000	466,499	2,763,501
12 Core Service Agencies - Performance Management System	Information Services	300,000	163,494	136,506
13 Fire Engine/Vehicle Replacement	Fire Protection	2,000,000	47,324	1,952,676
14 Parks Department Operations and Maintenance	Parks	2,066,208	807,069	1,259,139
15 Contribution to Parks Foundation	Parks	100,000	100,000	-
16 Parks Department Capital Projects	Parks	1,716,500	94,262	1,622,238
17 HSA Prevention and Early Intervention-At Risk Child	Human Services Agency	1,270,927	535,618	735,309
18 East Palo Alto Homeless Shelter Operating Expense	Human Services Agency	700,000	673,765	26,235
19 CORE Agency Emergency Housing Assistance	Human Services Agency	385,000	202,179	182,821
20 Homeless Outreach Teams	Human Services Agency	150,000	66,392	83,608
21 Court Appointed Special Advocates - Foster Care	Human Services Agency	100,000	100,000	-
22 Veterans Services	Human Services Agency	100,000	-	100,000
23 Community Overcoming Relationship Abuse - Legal Expenses	Human Services Agency	75,000	75,000	-
24 Re-Entry Employment Preparation	Human Services Agency	41,096	21,350	19,746
25 North Fair Oaks General Plan Implementation	Planning and Building	3,403,500	42,157	3,361,343
26 Consultant to Study Planning Fees	Planning and Building	100,000	-	100,000
27 Bicycle Coordinator	Public Works	80,000	25,963	54,037
28 Coastside Medical Services	San Mateo Medical Center	551,180	23,998	527,182
29 School Safety	Sheriff's Office	473,219	139,331	333,888
30 Coastside Response Coordinator	Sheriff's Office	30,000	20,114	9,886
	Total	\$ 52,141,633	\$ 24,113,909	\$ 28,027,724

1 Seton Medical Center, SamTrans - Services to Youth, Elderly, and Disabled, Early Learning and Care Trust Fund, and County Library initiatives are administered by agencies that are not governed by the County Board. All other initiatives listed above are administered by agencies governed by the County's Board.

MEASURE A PROCESS AND TIMELINE

Fiscal Years 2015-17

(see attached Board of Supervisors transmittal 11/4/14)

Board of Supervisors approves Measure A process	November 4, 2014
Board of Supervisors Workshop to identify priority areas	December 9, 2014
Measure A application materials released	December 12, 2014
Letters of Intent due to County	January 9, 2015
Invitation to apply/notice of proposal to issue RFP	January 30, 2015
Continued Measure A project proposal due to County	February 13, 2015
Five Year IT Strategic Plan and Capital Improvement Plans due to County Manager's Office	February 13, 2015
Measure A proposals due to County	February 27, 2015
Staff Measure A recommendations submitted to Board	March 10, 2015
Board of Supervisors Workshops: <i>Ongoing Measure A, Capital and IT, new Measure A and RFP recommendations</i>	March 17 & 31, 2015
RFPs for Board approved service areas issued	April 15, 2015
RFP responses due	May 15, 2015
RFP selections	June 1, 2015
Recommended Budget Submitted to Board of Supervisors	June 1, 2015
Recommended Budget Hearings	June 22-25, 2015
Adopted Budget Materials Submitted to Board of Supervisors	September 8, 2015
Adopted Budget Hearings	September 22, 2015
Recommended Budget Hearings	June 21, 2016
Adopted Budget Hearings	September 20, 2016



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: October 28, 2014
Board Meeting Date: November 4, 2014
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Two Year Budget and Measure A Process for
Fiscal Year 2015-16 and Fiscal Year 2016-17

RECOMMENDATION:

Accept the Two Year Budget and Measure A Process for Fiscal Year 2015-16 and Fiscal Year 2016-17.

BACKGROUND:

In November 2012, San Mateo County voters approved Measure A, a ten-year half-cent general sales tax, to maintain the quality of life for all County residents by providing essential services and maintaining and/or replacing critical facilities. In Fiscal Years (FY) 2013-15, the Board appropriated over \$100 million in Measure A funding to support the Big Lift early learning initiative; prevention and early intervention services for at risk children; design and architecture of a new Public Safety Dispatch Center; procurement of new fire engines and safety equipment; after school and summer reading programs; staffing, capital improvement projects and ongoing maintenance for County Parks; funding to Seton to ensure the continuity of health care services to low-income residents in the North County and the coastside; and funding to SamTrans to ensure the continuity of paratransit services to the elderly and disabled.

Also in the Spring of 2013 the County implemented a two-year budget process to facilitate longer-term financial planning and to create time for the organization in the off budget year to focus on performance improvements.

DISCUSSION:

The County will again prepare a two year budget for FY 2015-17 and establish a Measure A application process for departments and community partners that is cohesive, streamlined, transparent and inclusive.

December 9

A study session with the Board will be held on ~~November 18~~, 2014 to establish the Board's policy priorities over the next two years for the budget, including Measure A spending. County staff will present the Shared Vision 2025 community indicators dashboard and highlight gaps in critical service areas.

The feedback received through debriefing sessions on the two-year cycle and Measure A process has been positive, particularly with regard to the increased focus on performance. The key points that will be taken forward into the upcoming cycle will be more training for department fiscal staff, and going back to June budget hearings and September final budget adoption so that department fiscal staff can focus on closing the County's books in the June-July timeframe.

Staff propose a Measure A application process that consists of two phases: 1) Letter of Intent (initial description of concept and targeted outcomes) and 2) Application. The Letter of Intent would provide applicants the opportunity to briefly describe their innovative ideas without providing detailed implementation plans or a budget. Letters of Intent would be screened and successful concepts would be invited to participate by submitting a full Application. The Application phase would include a concise problem statement, performance goals, a listing of proposed evidence-based activities, and budget.

The two phase process ensures that departments and community partners don't waste valuable resources and time preparing a flawed proposal. It allows the County an opportunity, where appropriate, to match proposals from our partners with the appropriate departments and match/bundle similar proposals or those that serve similar populations to garner a more comprehensive and collaborative initiative. The Letter of Intent phase also serves as a decision point for the County to determine whether a formal RFP process or invitation to submit an Application is most appropriate for a given service. If RFPs are issued in cases where multiple providers submit similar applications, responses would not be limited to participants of the Letter of Intent phase to ensure that the best provider is selected for each service area.

Separate recommendations for using Measure A to (1) continue existing initiatives from the last funding cycle, and (2) fund new Capital and Information Technology (IT) infrastructure needs, will be brought to the Board prior to recommendations to fund any new proposals.

Final funding recommendations, including proposals recommended for funding as well as service areas recommended for RFP issuance would be made to the Board of Supervisors in March 2015.

A detailed timeline for the proposed Measure A process is included below:

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RFP selections	June 1, 2015

FISCAL IMPACT:

There is no fiscal impact associated with accepting the Two Year Budget and Measure A processes.