

DRAFT Annual Report of the Measure P Citizens Oversight Committee

Fiscal Year 2021-22

Measure P Background

In November 2016, Chula Vista voters approved Measure P: a temporary, ten-year, half-cent sales tax to fund high priority infrastructure needs. Collection of the sales tax began April 1, 2017. The sales tax is projected to raise \$235 million, which will be used to upgrade police, fire, paramedic and 9-1-1 equipment, vehicles and facilities; fund streets and sidewalks; replace storm drains to prevent sinkholes; improve parks; repair recreation facilities; and repair or replace other city infrastructure.

Citizens Oversight Committee

The ballot measure also established a Measure P Citizens Oversight Committee (COC). The Measure P Citizens Oversight Committee (COC) is composed of 9 members. The purpose of the COC is to review and report on all Measure P expenditure plans, financial reports, and audits. The COC consists of five At-Large members, with at least one from each Council district, and four Designated Members selected from candidates nominated by the Nominating Authorities listed below.

The board is composed of 9 members appointed to a four-year term.

Member	Appointment Criteria	Term Expiring
Greg Martinez (Vice Chair)	District 1 Rep.	6/30/25
Christopher Redo	District 2 Rep.	6/30/25
Saad Ilyas	District 3 Rep.	6/30/25
Vacant	District 4 Rep.	6/30/25
Mona Freels	At-Large Rep.	6/30/25
Silvia Saldivar	Designated Rep. ³	6/30/25
David Garcias (Chair)	Designated Rep. ⁴	6/30/25
Michael Lengyel	Designated Rep. ⁶	6/30/25
Nicole Enriquez	Designated Rep. ⁷	6/30/25

Nominating Authorities are as follows:

- 1 – Chula Vista Chamber of Commerce
- 2 – Chula Vista Sports Council
- 3 – Alliance of Californians for Community Empowerment, San Diego Branch
- 4 – San Diego and Imperial Counties Labor Union
- 5 – San Diego County Taxpayers Association
- 6 – Growth Management Oversight Commission
- 7 – Parks and Recreation Commission
- 8 – Sustainability Commission

The specific duties of the COC are as follows:

1. Review and comment on each year's Finance Department Report (as defined in CVMC section 3.33.160.A); Measure P Spending Plan (as defined in CVMC section 3.33.160.B); and the Annual Independent Auditor's Report (as defined in CVMC section 3.33.160.C).
2. Prepare an Annual Report regarding the Finance Department Report for presentation to the City Council at a public meeting.
3. Work with City staff to identify and apply "best practices" for tracking and reporting on Measure P revenues and expenditures relative to other City revenues and expenditures.

Summary of fiscal year 2022 Independent Auditors' Report on Compliance Revenues and Expenditures

Major expenditures in the following categories incurred in fiscal year 2022:

Category	FY 2022 Expenditures	Major Items
Fire Services	3,595,454	Fire Vehicles, Fire Equipment, Facility Repairs
Police Services	1,483,308	Police Vehicles, Communication System, Facility Repairs
Infrastructure	17,010,952	Streets, Other Public Infrastructure, Sports Fields and Courts, Non-Safety Vehicles, Public Facilities, Traffic Signal Systems, Park Infrastructure, Citywide Network Replacement, Citywide Telecommunications
Staff Time	722,458	City Staff-Time
Debt Service	8,134,246	Bond Debt Service
Administrative Expenses	24,354	Audit, Bond Administration Fees, Banking Fees, Cost of Issuance
Total Expenditures	\$ 30,970,772	

Audited Statement of Revenues, Expenditures and Changes in Fund Balance
June 30, 2022

Revenues:

Local sales and use tax	27,402,122
Use of money and property	(746,616)
Miscellaneous	3,153

Total Revenues	<u>\$ 26,658,659</u>
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Expenditures:

Contracted Services	14,318
Equipment and shared infrastructure costs	429,947
Capital outlay	21,112,939
Debt service:	
Principal retirement	1,129,627
Interest and fiscal charges	145,696

Total Expenditures	<u>\$ 22,832,527</u>
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Excess (Deficiency) of Revenues Over (under) Expenditures	<u>3,826,132</u>
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Other Financing Sources (Uses):

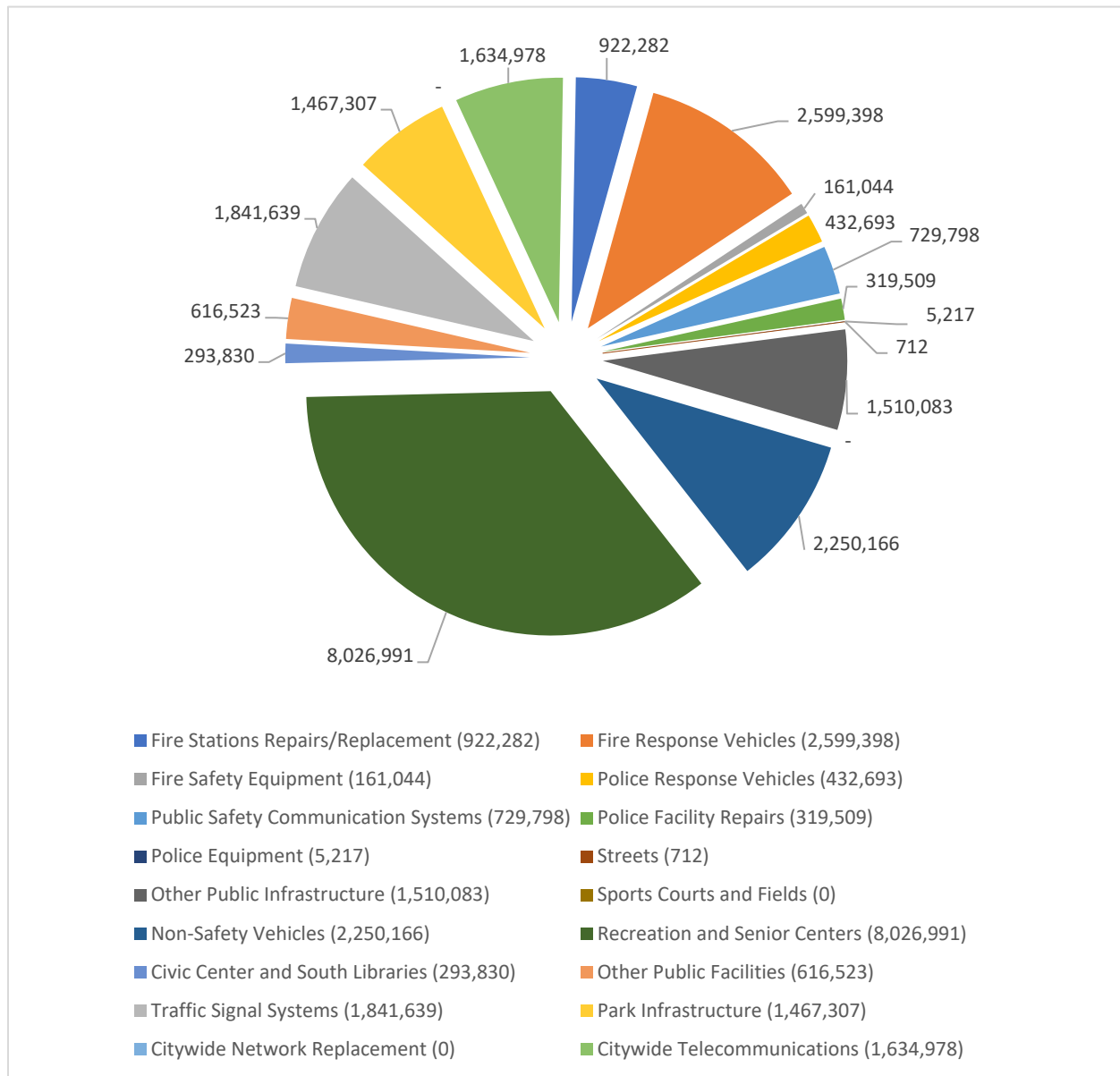
Transfers Out – Municipal Financing Authority Fund	(8,138,246)
Total Other Financing Sources (Uses)	<u>\$ (8,138,246)</u>

Net Change in Fund Balance	(4,312,114)
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Fund Balance at Beginning of Year	<u>33,375,272</u>
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Fund Balance as of June 30, 2022	<u>\$ 29,063,158</u>
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**Plan Expenditures by Replacement Category
(\$22,812,172)**



Major Projects (Fiscal Year 2021/2022) by Cost Category

Fire Stations Repairs/Replacements (GGV0230):

The Fire Department's present and future functional needs, technical constraints and feasibility, and budget were considered in developing the project's design criteria. New Fire Stations 5 and 3 (previously 9) are located at 341 Orange Avenue and 100 Moss Avenue, respectively. In March 2019, Council approved a Design Build Agreement with EC Constructors, Inc. for design of Fire Stations 5 and 3 (previously 9). In February of 2020, Council awarded the Construction Phase.

Construction for Fire Station 5 began March 2020 and was completed and began operating in March 2021. Construction for Fire Station 3 (previously 9) began April of 2020 and was completed and began operating in April of 2021. Old Fire Station 3 (previously 9) and 5 have been demolished. The project landscape maintenance period was completed on May 11, 2022, and the Notice of Completion was filed on June 14, 2022.

Street Pavement Phases I & II (STL0427 & STL0430):

Pavement rehabilitation projects on various residential streets based on recommendations from City's Pavement Management System for streets with poor pavement condition index (PCI) ratings. The PCI score was utilized to identify failed (PCI 0-25) and failing (PCI 25-34) street segments that could be addressed using Measure P funding.

Project STL0427 was awarded in January of 2018, which was the first phase of the pavement rehabilitation project and included street segments with PCI ratings between 0 to 15. Construction was completed on the first phase in October of 2018.

The second phase, STL0430, includes street segments with PCI ratings up to 34. This phase was awarded by Council in April of 2019 and completed in August of 2020. Approximately 121,451 feet (23 miles) of pavement was rehabilitated as part of this project.

Lauderbach Park (PRK0333):

This project will replace the natural grass on the sports field with synthetic turf and replace the deteriorated basketball court. The replacement of the sports field includes a new walking path, new sports lighting, and striping for both soccer and softball. A new picnic area will be constructed replacing the old picnic areas. The new basketball court will also include striping for a pickleball court. This project will also rehabilitate the failed walkway access to the park for the senior housing to the south.

\$1 million of this Project is funded by the State of California Grant for California Youth Soccer and Recreation Development Program and an additional \$820,000 was funded by Measure P. Construction began February of 2022 and is scheduled to be completed in March of 2023 with a reopening date of June 2023, following a 3-month sod establishment period.

Other Infrastructure - CMP Rehabilitation Outside ROW Phases I & II (DRN0209, DRN0210, DRN0211, DRN0216, & DRN0219):

Rehabilitation of failed Corrugated Metal Pipe (CMP) and other storm drain related repairs outside the right of way.

Project DRN0209 began construction in March 2018 and repaired 28 CMP locations (3,864 linear feet of CMP) for a project cost of approximately \$991,944. Construction was completed in December of 2018.

Project DRN0210 cleaned, videotaped, and evaluated approximately 28,500 lineal feet of CMP.

Project DRN0211 repaired 134 CMP locations of approximately 18,908 linear feet of storm drainpipe. A total of 14,955 linear feet of CMP was repaired in FY19/20. Total project cost of \$7,195,911.

Project DRN0216 is dedicated to addressing future emergency CMP failures. By having a funded CIP project readily available, emergency failures can be addressed directly by this project; eliminating the need to coordinate with other storm drain CIP projects for change orders to complete construction based on funding availability. This project allowed for the emergency repair of the sinkhole adjacent to the property at 604 Melrose Avenue, replacing 184 linear feet of CMP. Construction was completed in December of 2020 for a total of \$264,253.

Project DRN0219 completed the emergency City storm drain repair work at 855 Energy Way at a cost of approximately \$1 million. The design for Phase 3 to complete CMP repairs outside of the right-of-way is anticipated to start in FY22/23.

Other Infrastructure - Sidewalk Replacement Citywide (STL0428 & STL0443):

This project repaired and replaced damaged sidewalk at various locations throughout the city based on recommendations from the Pedestrian Connectivity Plan. The first project (STL0428) to replace sidewalks was awarded in June 2019. Construction was completed in December of 2019 and approximately 100 sidewalk locations were repaired.

The second project (STL0443) was awarded in August of 2019 and began repair of roughly 6,200 locations exhibiting moderate-to-small heave displacements. Construction started in March of 2020 and was completed in March of 2022.

Traffic Signal Modifications (TRF0408):

The CIP project's scope of work includes traffic signal modifications and upgrades to 11 existing signalized intersections within the city. These upgrades will improve visibility, provide for protected left turn movements, provide for permissive flashing yellow left turn movements, and replace failing and outdated traffic signals at various locations citywide. Construction began in February of 2021 and is expected to be completed in April of 2023.

Max Field/Loma Verde Accessibility Study (PRK0333):

Consultant has completed review of the sports complex area and determined where a new pedestrian crossing point across the Palm Road drainage basin should be provided to re-establish pedestrian connectivity between the Loma Verde Recreation Center and Max Field Sports Complex since the wooden stairway was removed. Consultant has also completed several parking lot alternatives and an A.D.A. accessibility review of the sports complex site including a geotechnical analysis of the failed retaining wall along the southerly edge of the site. The Accessibility Study was completed in September of 2020.

Renovation of Fire Station 1 (GGV0252):

Existing City of Chula Vista Fire Station No. 1 requires renovations to meet the evolving duties of the Fire Department, accommodate modern equipment, renovate, and repair aging aspects of the building, and accommodate firefighter personnel needs. The existing ladder truck housed at Fire Station No. 1 will be replaced in the next year with a larger apparatus that will not fit within the existing apparatus bay making alterations to the existing apparatus bay necessary. The fire station age and condition require replacement or rehabilitation of various areas as part of this Project. The station dorm rooms and bathrooms require upgrades to meet modern firefighter personnel needs.

In May of 2021, Council approved a Design Build Agreement with EC Constructors, Inc. for design of the Fire Station 1 renovations. The design phase is anticipated to be completed in January of 2023 at which point a resolution to award the Construction Phase contract will be brought to Council. Construction for Fire Station 1 renovations is expected to begin in Spring/Summer of 2023 and be completed in the Summer/Fall of 2024. The uncertainty of electrical equipment availability and alternate options is impacting the schedule.

Loma Verde Recreation Center (GGV0247):

In April of 2020, the City approved a Design Build Agreement with EC Constructors, Inc. for design of Segments 1 and 2 of the Loma Verde Recreation Center. In August 2021, Council awarded the contract for the Construction Phase of Segments 1 and 2 which includes the demolition and re-construction of approximately 20,000 square feet of the Center and will feature a new multi-purpose gymnasium, dance rooms, crafts room, fitness room, game room, hard courts, restrooms, changing rooms, staff offices, lifeguard staff room, and break room. Construction of Segments 1 and 2 are anticipated to be completed in March of 2023, and these segments will only be opened for limited use until completion of Segment 3.

The Segment 3 design started in June of 2021 and was completed and permitted in June 2022. The Segment 3 portion of the project replaces the balance of the existing building to create space for new pool mechanical equipment, wet and dry storage, new competition pool, new recreation

pool, new splashpad, replacement playground, replacement solar water heater, new sports lighting, new pool deck, and classroom space. Construction of Segment 3 began in August of 2022 and should be completed in the Summer of 2023.

Winding Walk Park/Veterans Park Lighting (PRK0326):

The project replaced failing pedestrian walkway and parking lot lighting at Winding Walk Park and Veterans Park and Recreation Center. Project completed July 2021.

Norman Park Senior Center Lower HVAC Replacement (GGV0233):

Replacement of existing HVAC units at the Norman Park Senior Center. The repairs include but not be limited to replacing the existing HVAC units with new TRANE units and duct work. Project completed September 2021.

Police Facility Upgrades (GGV0232):

Various upgrades to the Police Facility – including drone rooftop upgrades, Salley Door replacement, upgrade to Hormonn high speed gates, and installation of uninterruptible power supply.

Electrical Switchgear Upgrades (GGV0234, PRK0326):

Installation of a new electrical switchgear package at two locations: Project GGV0234 at 1301 Oleander Facility (formerly the Boys and Girls Club) and Project PRK0326 at Eucalyptus Park Tennis Courts and Baseball Field. Projects completed May 2022.

Projects in Progress

Rohr Park Restroom Replacement (PRK0328):

This project replaces an existing restroom building at Rohr Park with a new restroom building. The restroom building has two community restrooms (male and female), a utility/mechanical room, and storage. Project completed August 2022.

Public Works Boiler/Chiller (GGV0234):

The Public Works facility boiler/chiller replacement project includes replacing existing single air-cooled chiller, single boiler, four (4) hydronic chilled water pumps and two (2) hydronic heating hot water pumps. Project completed August 2022.

Civic Center Roof/HVAC Repair (Pan) Building A (GGV0234):

Replacement of the Civic Center rooftop HVAC system components including roof cap. Project completed January 2023.

Norman Park Senior Center HVAC (GGV0233):

Replacement of existing HVAC units at the Norman Park Senior Center. The repairs include (but not be limited to) replacing the existing HVAC units with new TRANE units and duct work.

Project completed January 2023.

Chula Vista Civic Center Library – Children’s Library and Restroom Upgrades (GGV0231):

Upgrades of four restrooms, including removal and replacement of existing finishes, fixtures, and accessories in compliance with accessibility guidelines and City standards; new carpeting and repainting of the Children’s Library and entry foyer, as well as the removal of no longer needed bookshelves and furniture. Project completed February 2023.

Civic Center Library ADA and Parking Improvements (GGV0231):

Installation of concrete pedestrian ramps in compliance with accessibility guidelines. Slurry seal and restripe entire Civic Center Library parking lot. Install pipe gates at both Civic Center Library parking lot entries.

Living Coast Deck and Rails (GGV0234):

This project provides for repairs and upgrades to the walkways and handrails at various locations throughout the Living Coast Discovery Center. The work includes installation of surface applied truncated domes, removing, and replacing capstone block, refreshing paint and stucco, removing, and replacing header boards, removing and replacing guardrail and handrail, and installation of composite wood decking.

Park Pathway Lighting Replacement - Santa Venetia & Voyager (PRK0326):

Light Poles replacement and improvements at City Parks Project includes removal and disposal of light poles, modifying existing electrical system for new light poles, install new light poles on existing concrete pads and footing.

Fuel Management (GGV0235):

Fuel dispenser upgrades, fuel management systems replacements/upgrades and associated equipment and software at the Public Works Corp Yard and Fire Stations #3, #4, #5, and #7.

Sports Courts & Fields Irrigation (PRK0327):

Project scope includes purchase, installation, and set up of the Parks and Recreation irrigation platform to a smart centralized system.

Upcoming Projects

Police Facility HVAC (GGV0232):

Upgrades and replacements to the Police Faculty HVAC. The project includes but not limited to the following equipment: 14 roof mounted air handling units and 10 separate return air fan units, 13 split system fan coil units, computer room indoor air handler and secondary outdoor condensing unit with indoor fan, 41 building exhaust fans etc. This project is largely funded by ARPA but will include Measure P funding as well.

Public Works Air Handlers Design Phase I (GGV0234):

Replacing the existing unit along with five other roof mounted units that are still operational but approaching their useful life; relocating the existing equipment to alternate locations.

1301 Oleander Ave Building Repairs (GGV0257):

Tenant improvements at the 1301 Oleander Avenue facility, which was previously used as a Boys and Girls Club. Improve the below facilities to become operational including main entrance, foyer, restrooms, gymnasium, and improvements to the east and west office wings.

Non-Safety Vehicles:

Measure P has allowed for the replacement of vehicles that were beyond their recommended replacement date. In fiscal year 2022 approximately \$2,182,000 was spent on non- Public Safety vehicles and equipment. This was a significant increase over the fiscal year 2021 purchases of \$440,000. The reason for the increase was two-fold: vehicles ordered in the prior year were received in fiscal year 2022 and significant efforts were made to replace vehicles which were overdue for replacement. Purchases for fiscal year 2022 for non- Public Safety vehicles include the following:

- (1) International 7500 GapVax
- (1) Peterbilt 520 Striper Truck
- (1) PB Loader Asphalt Patcher Truck
- (1) Roadline Stencil Truck
- (11) Ford F250s
- (6) Ford F150s

The following table summarizes the Measure P vehicle purchases for non-Public Safety vehicles by year.

Year	Non-Public Safety		
	Count	Amount	
2017	0	\$	-
2018	28	\$	1,167,612
2019	14	\$	1,955,991
2020	29	\$	1,415,196
2021	5	\$	438,021
2022	24	\$	2,182,186
Total	100	\$	7,159,005

It is important to note that several vehicles and pieces of equipment have been ordered through Measure P funding. However due to continued production interruptions and supply shortages at the manufacturers, delivery of the ordered vehicles/equipment has been delayed. At the end of fiscal year 2022, there were purchase orders open in the amount of \$1.8 million for vehicles/equipment not assigned to Safety.

The following table reflects the Measure P funded vehicles for Public Safety:

Year	Fire		Police	
	Count	Amount	Count	Amount
2017	2	\$ 207,619	3	\$ 168,703
2018	3	\$ 2,100,784	43	\$ 1,820,560
2019	11	\$ 2,853,280	27	\$ 1,047,894
2020	5	\$ 536,432	5	\$ 515,532
2021	0	\$ 239,328	23	\$ 1,468,123
2022	2	\$ 61,092	10	\$ 432,693
Total	21	\$ 5,998,535	108	\$ 5,453,505

Conclusion

The Citizens Oversight Committee notes that this Annual Report refers only to the period from July 1, 2021 to June 30, 2022. This report presents the fifth full year of collections and expenditures for the Measure P funds. During this period the Committee took additional steps to improve the format, content, and scope of reports on expenditures, work schedule, and public information efforts required to provide citizens with transparency on the finances associated with the implementation of Measure P.

In April 2017, City staff provided a status report to the Committee on the pending Measure P bond issuance. The intent of the bond issuance was to advance the funds necessary to initiate projects listed by the City as critical red assets (those in imminent stages of failure) in the City's Asset Management Plan.

On July 27, 2017, City staff reported to the Committee that the bond issuance had been successful, generating \$70,000,000 in net bond proceeds to be used for Measure P projects. Accordingly, all budgets for the Measure P Spending Plan were prepared in compliance with the ordinance, including the net bond proceeds.

The Citizens Oversight Committee has reviewed the Independent Auditor's Report on Compliance with Applicable Requirement prepared by the audit firm of Lance, Soll and Lunghard (LSL), the Measure P Spending Plan, and various expenditure and revenue reports prepared by the City staff. In its report dated June 30, 2022, the auditor's opinion was that "the City complied, in all material respects, with the types of compliance that could have a direct and material effect on the requirements..." of the 2016 Measure P Sales Tax Fund.

We would like to acknowledge City staff for their dedication and support to the COC. They have been responsive as we work to ensure transparency in the reporting of Measure P Funds.

Attachment A – Copy of the FY22 Audited Report

Attachment B – Fiscal Year 2021-22 Expenditure Report (For Informational Purposes Only)



CITY OF CHULA VISTA, CALIFORNIA
2016 MEASURE P SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2022

REPORT ON COMPLIANCE WITH THE
INFRASTRUCTURE, FACILITIES AND
EQUIPMENT EXPENDITURE PLAN

Focused
on YOU



CITY OF CHULA VISTA, CALIFORNIA
2016 MEASURE P SALES TAX FUND

REPORT ON COMPLIANCE WITH THE
INFASTRUCTURE, FACILITIES AND EQUIPMENT EXPENDITURE PLAN

FOR THE YEAR ENDED JUNE 30, 2022

CITY OF CHULA VISTA, CALIFORNIA
2016 MEASURE P SALES TAX FUND

REPORT ON COMPLIANCE WITH THE
INFRASTRUCTURE, FACILITIES AND EQUIPMENT EXPENDITURE PLAN

FOR THE YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENT AND ON INTERNAL CONTROL OVER COMPLIANCE

To the Honorable Mayor and Members of the City Council
City of Chula Vista, California

Report on Compliance

Opinion on the 2016 Measure P Sales Tax Fund

We have audited the compliance of the 2016 Measure P Sales Tax Fund of the City of Chula Vista, California (the "City") with the requirements described in Ordinance No. 3371 (the Ordinance) and the Infrastructure, Facilities and Equipment Expenditure Plan (the Spending Plan) for the year ending June 30, 2022.

In our opinion, the City complied, in all material respects, with the types of compliance that could have a direct and material effect on the requirements referred to above applicable to the 2016 Measure P Sales Tax Fund for the year ended June 30, 2022.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements described in the Ordinance and the Spending Plan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* will always detect material noncompliance when it exists. The risk of



To the Honorable Mayor and Members of the City Council
City of Chula Vista, California

not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements described in the Ordinance and the Spending Plan.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the compliance requirements referred to above, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Ordinance and the Spending Plan, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



To the Honorable Mayor and Members of the City Council
City of Chula Vista, California

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements described in the Ordinance and the Spending Plan. Accordingly, this report is not suitable for any other purpose.

Lance, Solt & Loughard, LLP

Brea, California
February 3, 2023

CITY OF CHULA VISTA
2016 MEASURE P SALES TAX FUND

BALANCE SHEET SCHEDULE
JUNE 30, 2022

ASSETS:

Pooled cash and investments	\$ 29,364,423
Accrued interest receivable	116,826
Due from other funds	4,862,287
Prepaid expenses	170,238
Total Assets	<u>\$ 34,513,774</u>

LIABILITIES AND FUND BALANCE:

Liabilities:

Accounts payable	\$ 4,627,537
Retention payable	823,079
Total Liabilities	<u>5,450,616</u>

Fund Balance:

Nonspendable - prepaid costs	170,238
Assigned for Measure P Sales Tax	<u>28,892,920</u>
Total Fund Balance	<u>29,063,158</u>
Total Liabilities and Fund Balance	<u>\$ 34,513,774</u>

CITY OF CHULA VISTA
2016 MEASURE P SALES TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
JUNE 30, 2022

REVENUES:

Local sales and use tax	\$ 27,402,122
Use of money and property	(746,616)
Miscellaneous	3,153
Total Revenues	<u>26,658,659</u>

EXPENDITURES:

Contracted services	14,318
Equipment and shared infrastructure costs	429,947
Capital outlay	21,112,939
Debt service:	
Principal retirement	1,129,627
Interest and fiscal charges	145,696
Total Expenditures	<u>22,832,527</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,826,132</u>

OTHER FINANCING SOURCES (USES):

Transfers Out - Municipal Financing Authority Fund	<u>(8,138,246)</u>
Total Other Financing Sources (Uses)	<u>(8,138,246)</u>
Net Change in Fund Balance	(4,312,114)

FUND BALANCE - BEGINNING	<u>33,375,272</u>
FUND BALANCE - ENDING	<u>\$ 29,063,158</u>

Citywide Infrastructure, Facilities and Equipment Expenditure Plan
1/2 cent Sales Tax Revenues over 10 year period
Summary Table Fiscal Year 2022

<u>Total by Major Category</u>	<u>10-Year Timeframe</u>	<u>FY22 Expenditures</u>
Fire Stations Repairs/Replacement	26,210,449	835,012
Fire Response Vehicles (Apparatus)	19,847,580	2,599,398
Fire Safety Equipment	5,197,913	161,044
Total Fire Services	\$ 51,255,942	\$ 3,595,454
Police Response Vehicles	12,951,470	432,693
Public Safety Communication Systems (CAD Dispatch and Regional Communication Systems)	8,645,689	729,798
Police Facility Repairs	2,700,656	315,600
Police Equipment	644,318	5,217
Total Police Services	\$ 24,942,133	\$ 1,483,308
Streets (Arterials/Collectors/Residential)	22,906,310	-
Other Public Infrastructure (Storm Drains, Drainage Systems, Sidewalks, Trees etc.)	19,868,553	1,331,588
Sports Fields and Courts	3,345,655	-
Non-Safety Vehicles	13,191,170	2,250,166
Recreation and Senior Centers	27,737,071	7,867,698
Civic Center and South Libraries	4,781,227	289,542
Other Public Facilities (Living Coast Discovery Center, Public Works Center etc.)	10,901,789	608,727
Traffic Signal Systems	7,000,000	1,697,920
Park Infrastructure (Playground Equipment, Gazebos, Restrooms, Benches, Parking etc.)	12,367,201	1,330,332
Citywide Network Replacement	2,082,334	-
Citywide Telecommunications	4,357,602	1,634,978
Total Infrastructure	\$ 128,538,912	\$ 17,010,951
Total Proposed Allocations	\$ 204,736,987	\$ 22,089,713
City Staff Time	-	722,458
Total City Staff Time	\$ -	\$ 722,458
Annual Debt Service Payments	78,234,834	8,134,246
Total Debt Service Expenses	\$ 78,234,834	\$ 8,134,246
Audit Fees	48,773	14,318
Bond Administration	65,356	4,000
Banking Fees	-	6,037
Cost of Issuance	563,210	-
Total Administrative Expenses	\$ 677,339	\$ 24,355
Total Expenditures	\$ 283,649,160	\$ 30,970,772