



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 18-126

Board Meeting Date: 2/27/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: **Measure K** Oversight Committee's Annual Report for Fiscal Year 2016-17

RECOMMENDATION:

Accept the San Mateo County **Measure K** Oversight Committee's Annual Report for Fiscal Year 2016-17.

BACKGROUND:

Measure A is the ten-year half-cent general sales tax approved by San Mateo County voters in November 2012. On November 8, 2016 the voters of San Mateo County approved **Measure K**, which extends Measure A for 20 years. The Measure requires the appointment of "a committee to perform an annual audit of the general fund revenues generated by [the] Retail Transactions (Sales) and Use Tax." The Committee is bound by a set of Bylaws and Rules of Procedure ("Bylaws"), which set forth the operating procedures and duties of the **Measure K** Oversight Committee. One of the requirements laid out in the Bylaws is for the Committee to present an annual report to the Board of Supervisors with the Committee's review of (1) the annual audit of **Measure K** receipts, (2) results of the Agreed-Upon Procedures (AUP) on **Measure K** spending, and (3) performance report for existing **Measure K** initiatives.

DISCUSSION:

The **Measure K** Oversight Committee met in November and February to complete its review of the results of the annual audit and AUP performed by the Controller's Office, and the annual performance report prepared by the County Manager's Office for the fiscal year ending June 30, 2017. Following the approval of the audit and AUP, an ad hoc committee was formed to recommend revisions to performance measures for existing programs and initiatives. The annual audit, AUP, and Performance Report for FY 2016-17 **Measure K** initiatives and programs are included in this annual report.

Summary of Controller's Audit of Receipts and Review of Spending

The annual report contains the results of the Controller's audit of **Measure K** receipts, and results of the agreed-upon procedures on **Measure K** spending for the period covering July 1, 2016 to June 30,

2017. **Measure K** receipts in the amount \$83,033,888.40 were received, a 3.9% increase from the previous year. **Measure K** expenditures were \$58,199,714 in the categories of public safety, health and mental health, youth and education, housing and homelessness, parks and environment, older adults, veterans and community services, and district-specific spending.

There were no exceptions noted in the audit and agreed-upon procedures.

Summary of County Manager's Performance Report

There are 314 performance measures monitored for **Measure K** initiatives in progress through June 30, 2017. Based on data reported by County departments:

- 58% of performance measures are meeting targets for FY2016-17
- 18% are not meeting targets
- 24% are still in progress or do not have targets in place yet
- 27% of initiatives have been completed
- 73% are currently in progress

Recommendations from the Performance Measures Ad Hoc Committee have been incorporated in this annual report or will be included in future reports. They include adding information on the financial performance of **Measure K** overall and of specific initiatives funded by **Measure K**, including budget variances and explanation of significant variances, multi-year funding commitments and related carryovers, and reserve balances to meet minimum requirements and available for future priorities.

FISCAL IMPACT:

There is no fiscal impact in accepting this report.

ATTACHMENTS

Measure K Oversight Committee Fiscal Year 2016-17 Report:

- Letter from Chair of **Measure K** Oversight Committee
- Executive Summary
- Controller's Report: Audit of Receipts and Results of Agreed Upon Procedures
- County Manager's Performance Report
- Recommendations from **Measure K** Performance Measures Ad Hoc Committee
- Information Items Requested by **Measure K** Oversight Committee