Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.

AGENDA
Measure O Citizen Oversight Committee
Special Meeting
Council Chambers, 305 West Third Street
Oxnard, CA 93030

May 6, 2019
5:30 p.m.

A. Roll Call/Posting of the Agenda

B. Pledge of Allegiance

C. Public Comments

At this time, the Committee will consider public comments for a maximum of fifteen minutes. A person may address the Committee only on matters not appearing on the agenda and within the subject matter jurisdiction of the Committee. The presiding officer may limit public comments to three minutes per person.

D. Approval of Minutes
1. SUBJECT: Approval of the minutes of January 24, 2019
RECOMMENDATION: Approve.

E. Presentations
1. SUBJECT: General Fund Year-End Estimates 2018-2019 and Preliminary Base 2019-2020
RECOMMENDATION: Receive and file presentation.

2. SUBJECT: Review of Measure O Appropriations for Fiscal Year 2018-2019 and 2019-2020
RECOMMENDATION: Receive and file presentation.

F. New Business
1. SUBJECT: Audits of Measure O
RECOMMENDATION: The City will audit Measure O with the CAFR for approximately $10,000 annually. Provide direction to staff regarding need for 2017-2018 retroactive audit for additional $15,000.

G. Future Agenda Items

H. Adjournment to Thursday, July 25, 2019 at 5:30 p.m.

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact Sarah Rowley, City Manager's Office at (805) 385-7443. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

MINUTES

Measure O Citizen Oversight Committee
Special Meeting
January 24, 2019

A. ROLL CALL

At 6:00 p.m., the special meeting of the Measure O Citizen Oversight Committee convened in the Council Chambers. Commissioners Deirdre Frank; Nancy Lindholm; Ruby Durias; Juan Reynoso; and Len Shulman were present. Commissioners Kay Brainard; David Garcia; and Joe Munoz were absent. The Recording Secretary stated that the agenda was posted on Tuesday, January 22, 2019, at City Hall, the Public Library, and on the City's website. Chair Frank presided and called the meeting to order. Staff members present were: Ashley Golden, Assistant City Manager, Shiri Klima, Deputy City Manager, and Luly López, Recording Secretary.

B. PLEDGE OF ALLEGIANCE

The flag salute was followed by a moment of silence.

C. PUBLIC COMMENTS

There were no public comments.

D. APPROVAL OF MINUTES

1. <u>SUBJECT:</u> Approval of minutes of October 25, 2018.
   <u>RECOMMENDATION:</u> Approve.
   <u>ACTION:</u> Commissioner Durias moved approval as recommended. Commissioner Shulman seconded, and the motion carried 4-0 with Vice Chair Lindholm abstaining.

E. PRESENTATION ON:

1. <u>SUBJECT:</u> Review of Measure O Appropriations for Fiscal Year 2018-2019.
   <u>RECOMMENDATION:</u> Receive update.
   <u>DISCUSSION:</u> Assistant City Manager Golden gave an overview of the projects funded by Measure O and provided a project update. She also stated that the only change since the October meeting is an update on the debt end date for applicable projects and stated the preliminary unaudited fund balance for Fiscal Year 2018-2019 was $8.21 million.

   Commissioner Durias questioned what happens to the current projects that are funded by Measure O after the expiration of the tax. Assistant City Manager Golden stated that after the sunset of Measure O funds, either the programs terminate or are funded through another source. Commissioner Durias also asked whose job is it to relay to the community the effects of the sunset of Measure O. Assistant City Manager

Golden stated it is the job of the Committee in addition to the City to inform the residents on how the funds are being spent and what happens upon the Measure O sunset.

Commissioner Shulman asked how the City will pay for the roads after the sunset and how will the Police and Fire vehicles be replaced after their 10 years are up and the sunset has passed. He also asked for a breakdown of the alley and road repairs.

Assistant City Manager Golden stated she would have Deputy City Manager Klima bring back to the next meeting a breakdown of alley and road repairs and a status update on the one-time allocations.

Vice Chair Lindholm stated the importance of spreading the word about Measure O and asked about reinstating the Community Report in the utility bills to our residents. Assistant City Manager Golden stated she agreed with reinstating the Community Report biannually in the utility bills for the residents.

2. SUBJECT: Future Allocations of Measure O Revenues.
   RECOMMENDATION: Receive presentation.
   DISCUSSION: Chair Frank asked if an independent financial audit has been conducted. Assistant City Manager Golden will research if a formal audit has ever been performed.

   Vice Chair Lindholm asked if a financial audit was mentioned in the original ballot measure. Assistant City Manager Golden stated that it was included in the ballot measure.

F. FUTURE AGENDA ITEMS

G. ADJOURNMENT

At 6:41 p.m., the Measure O Citizen Oversight Committee concurred to adjourn the meeting.

GENERAL FUND
YEAR-END ESTIMATES 2018-19
PRELIMINARY BASE 2019-2020

Presented To:

Measure O Oversight Committee

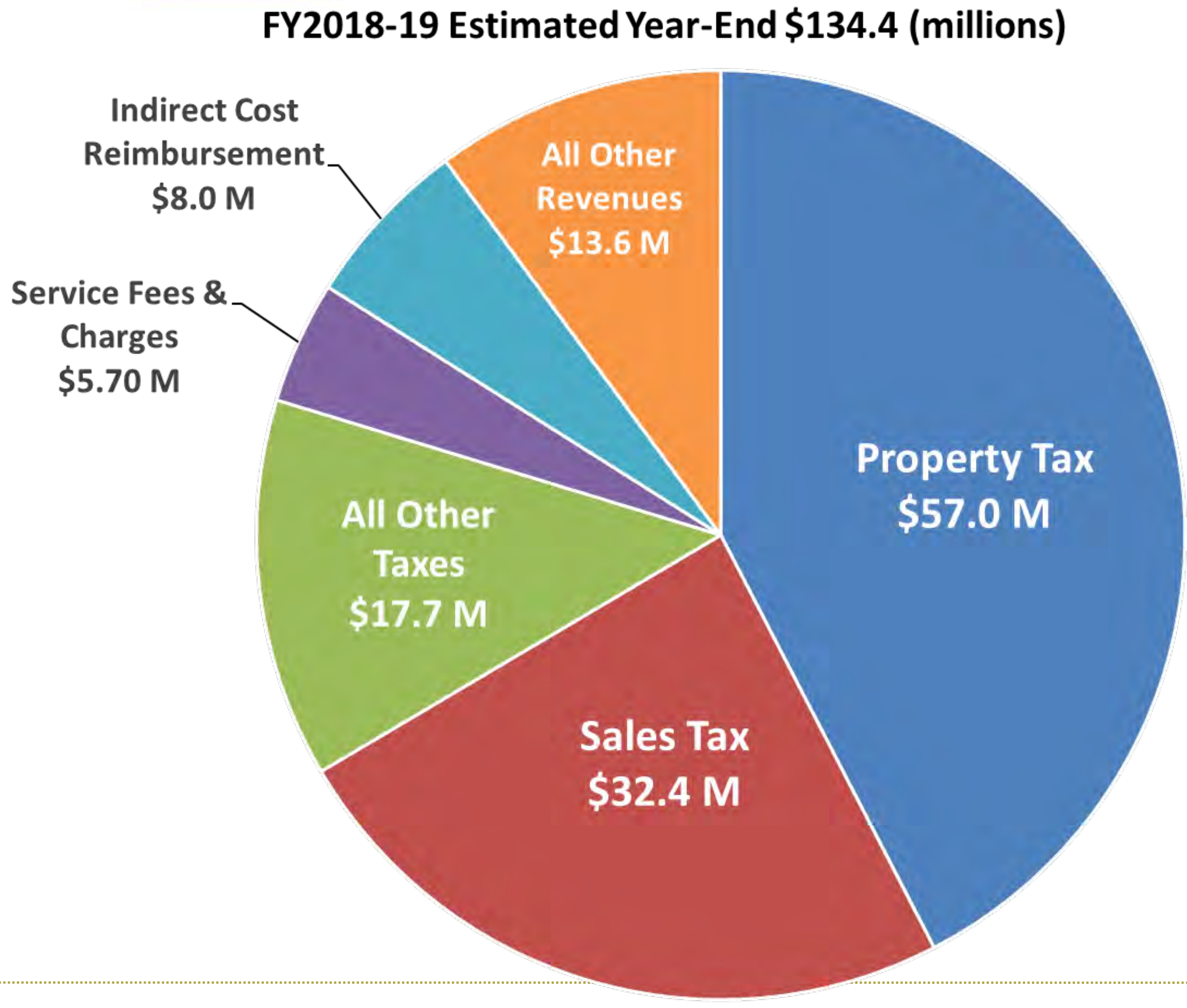
May 6, 2019

CITY OF OXNARD CALIFORNIA

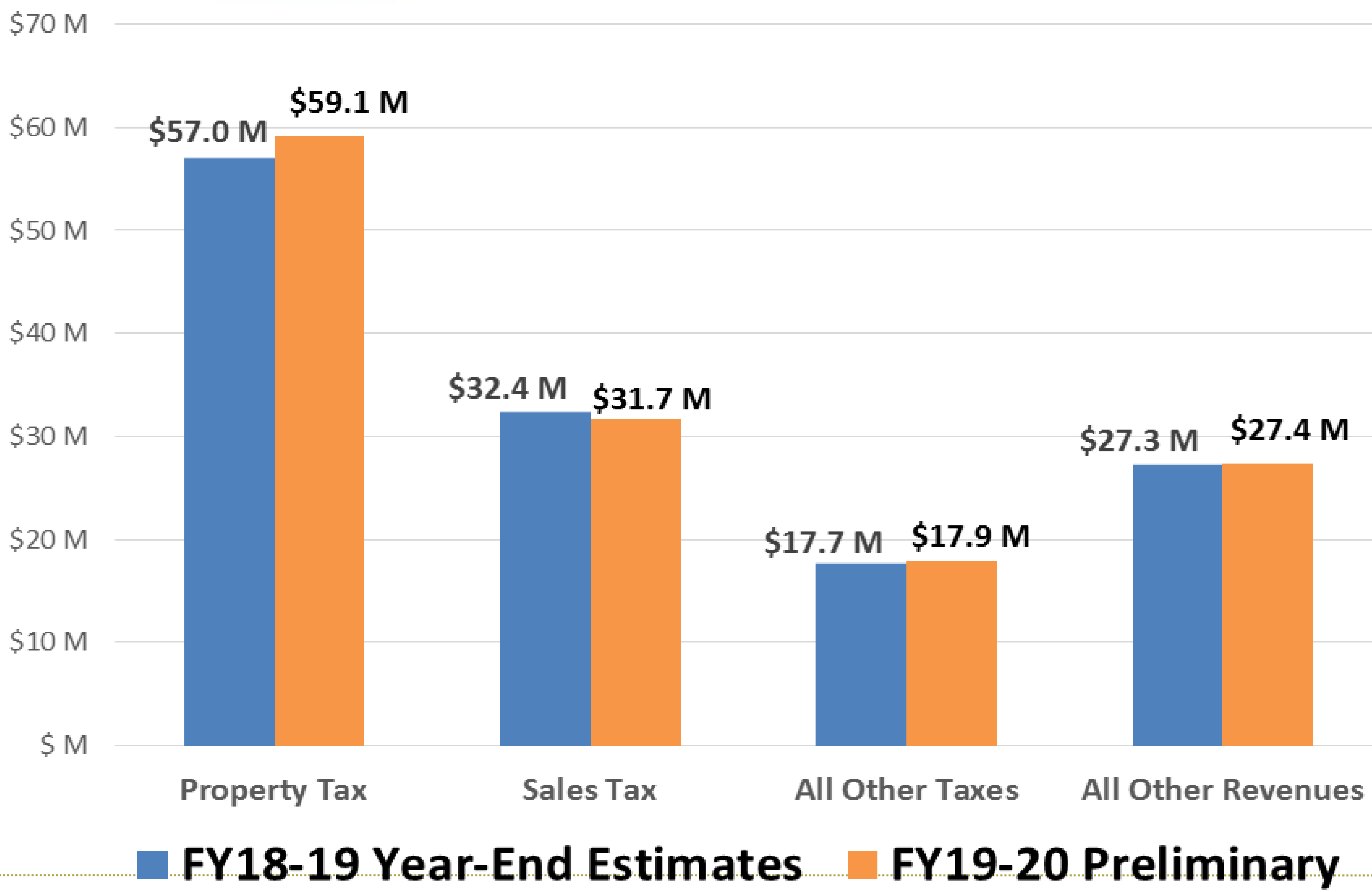
Outline:

- General Fund Revenues
- General Fund Expenditures
- Pension Costs
- General Fund Summary
- Next Steps

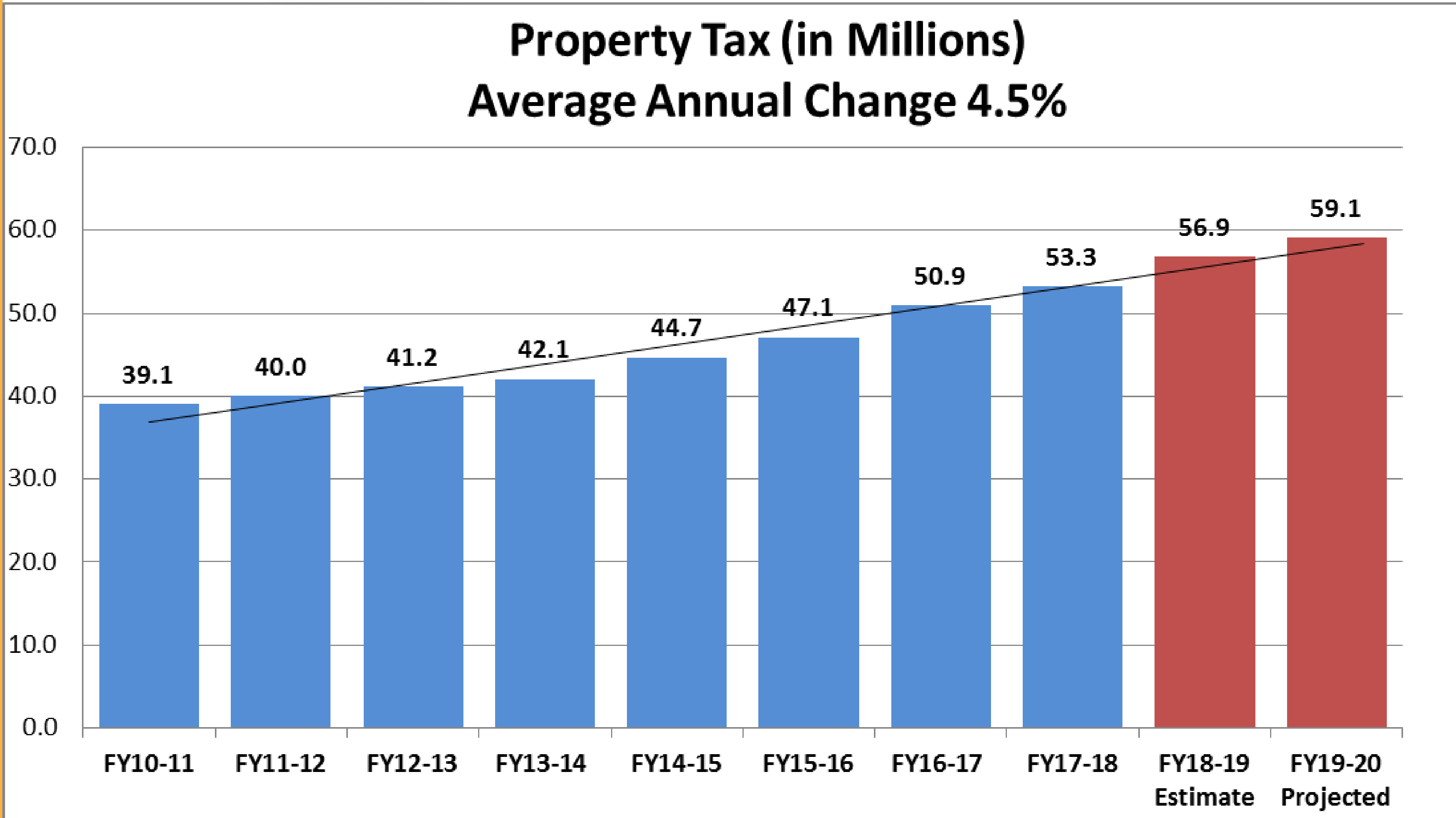
General Fund Revenues



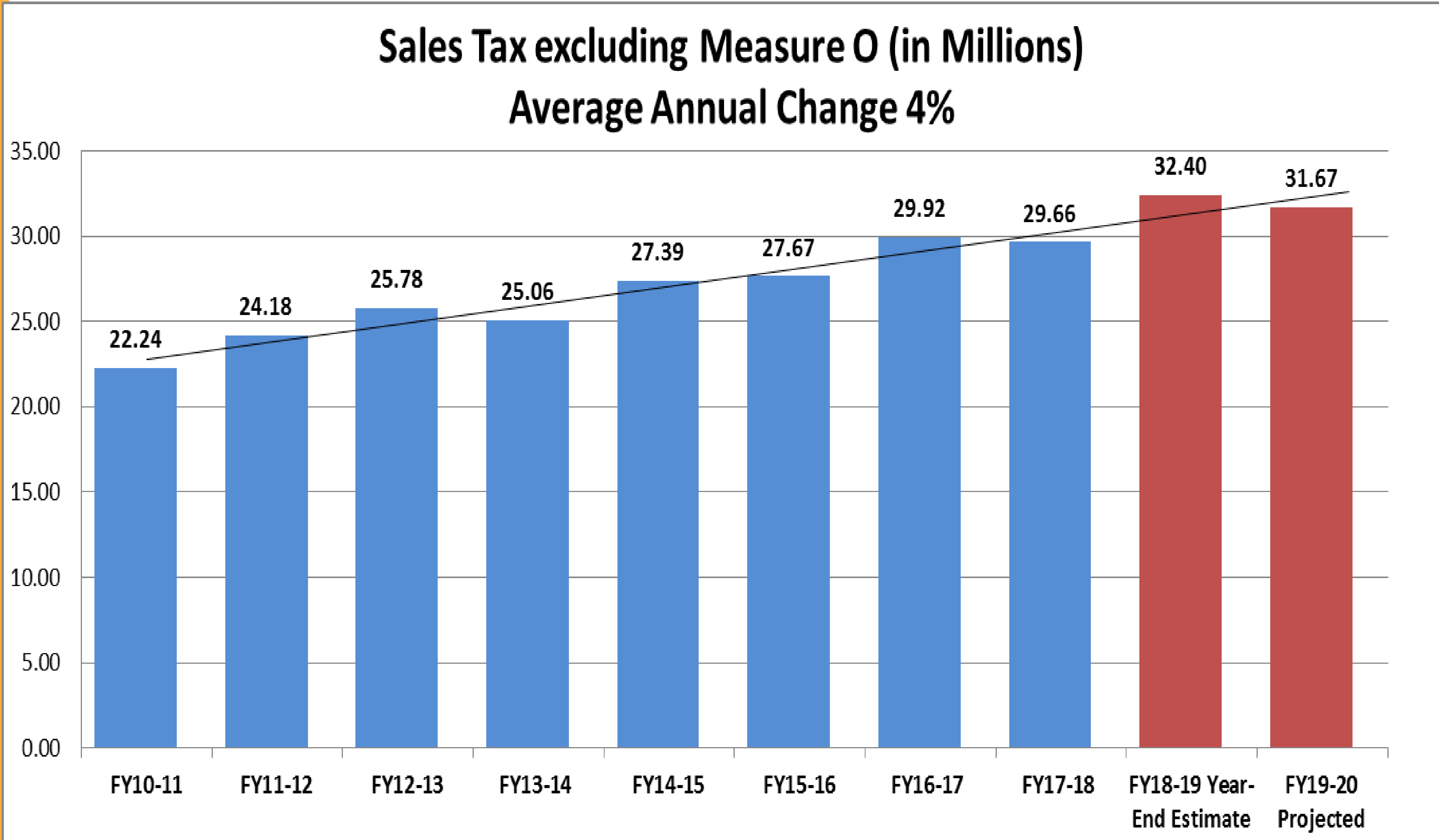
GENERAL FUND REVENUES (in millions)



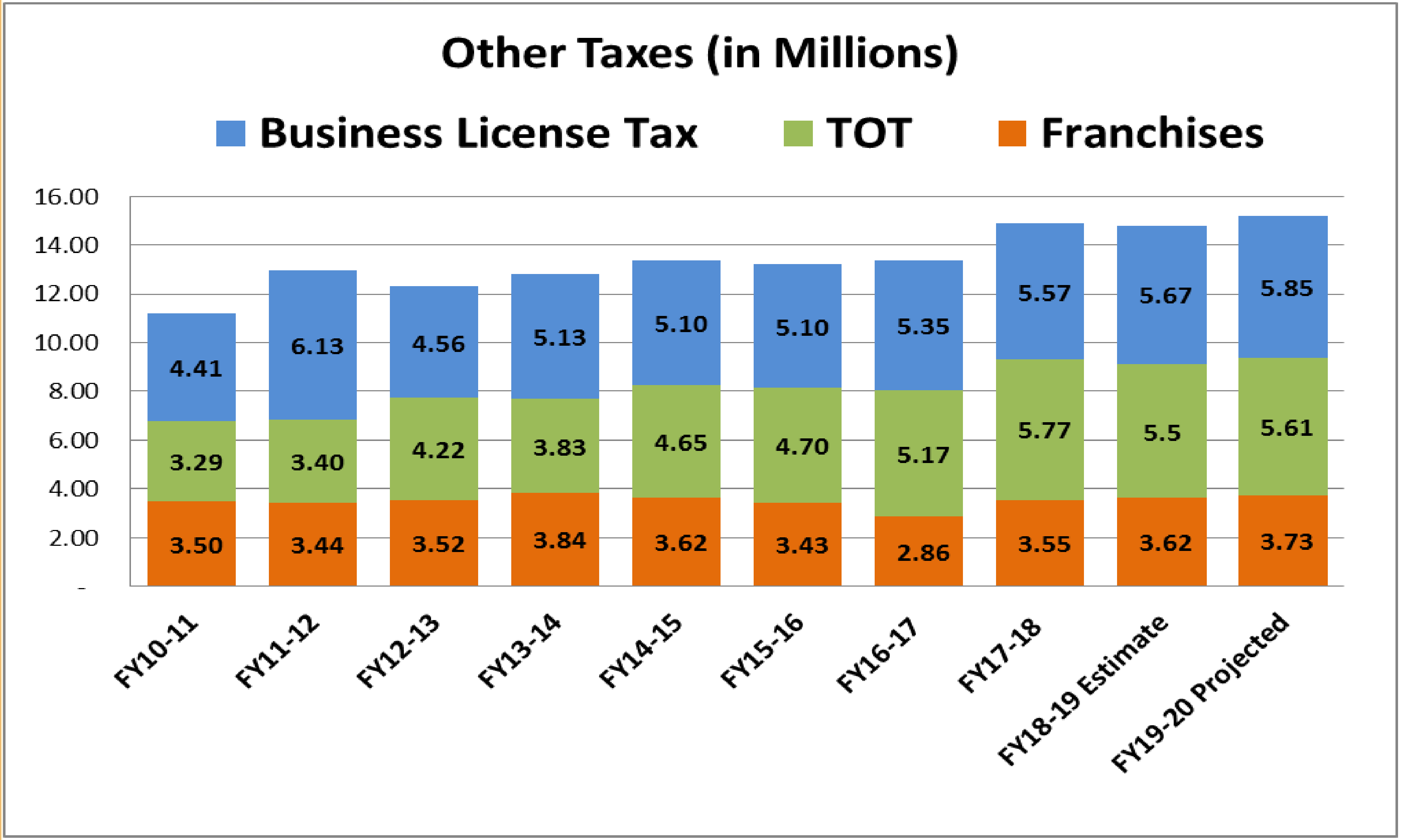
General Fund Revenues



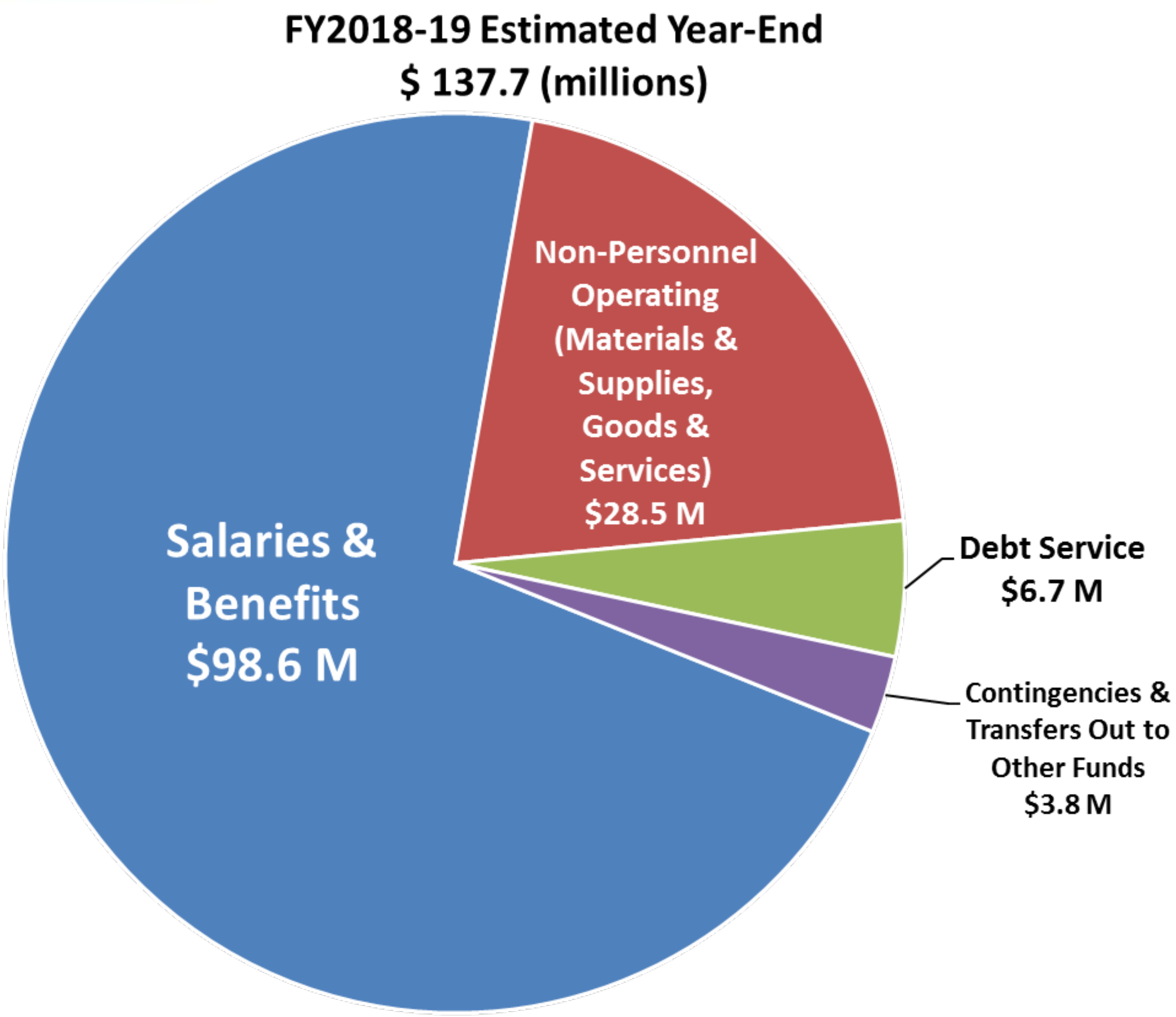
General Fund Revenues



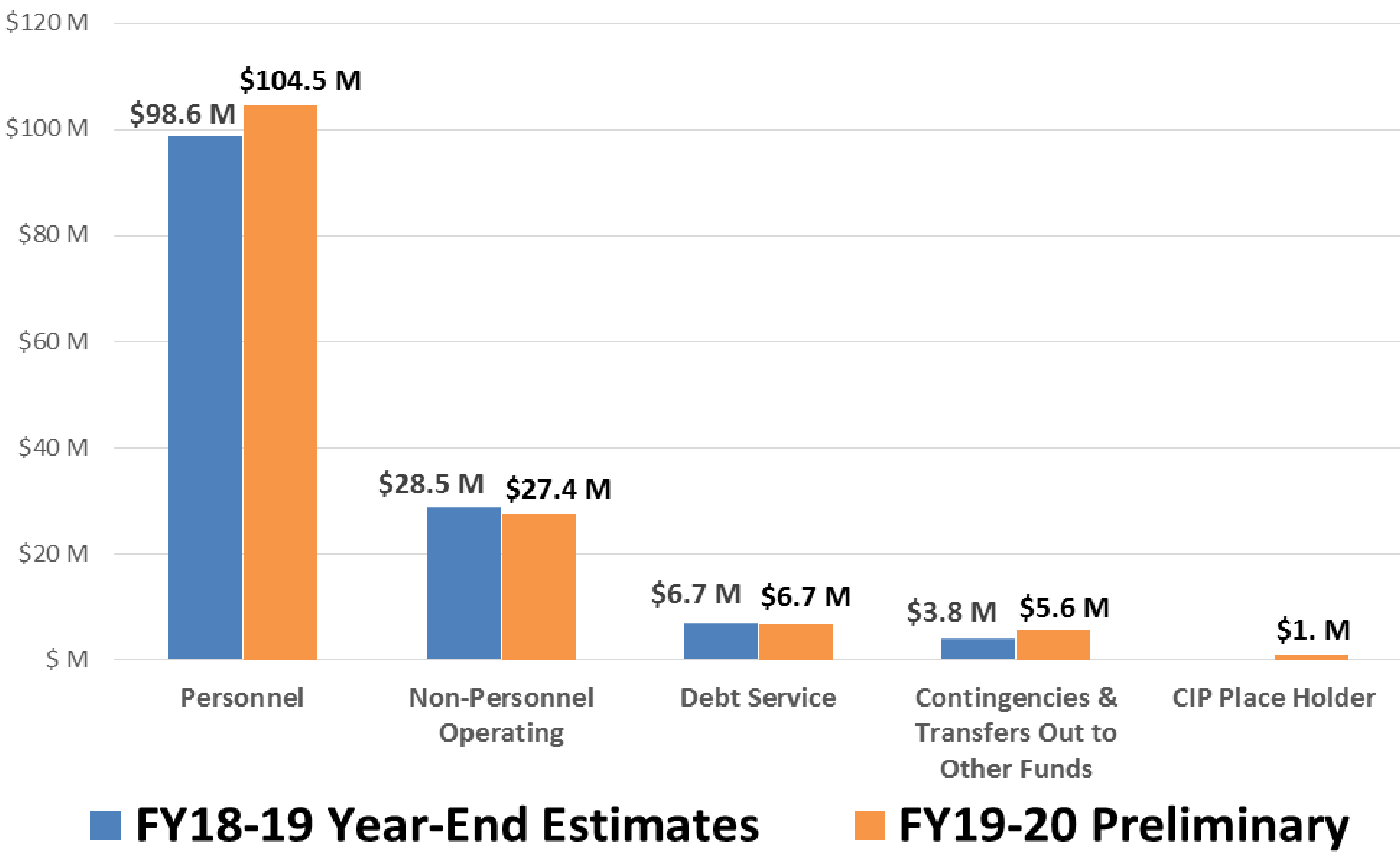
General Fund Revenues



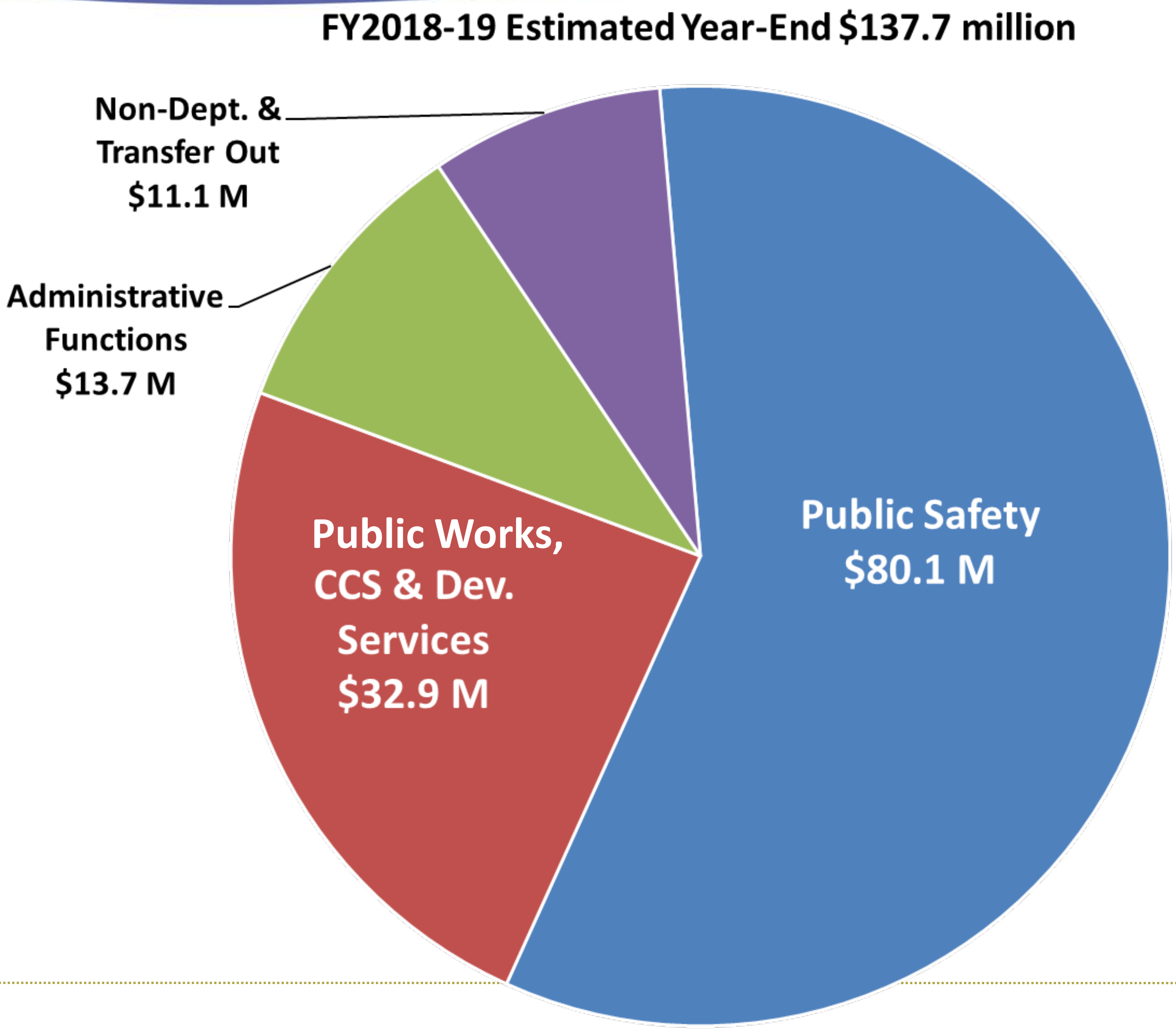
General Fund Expenditures by Type



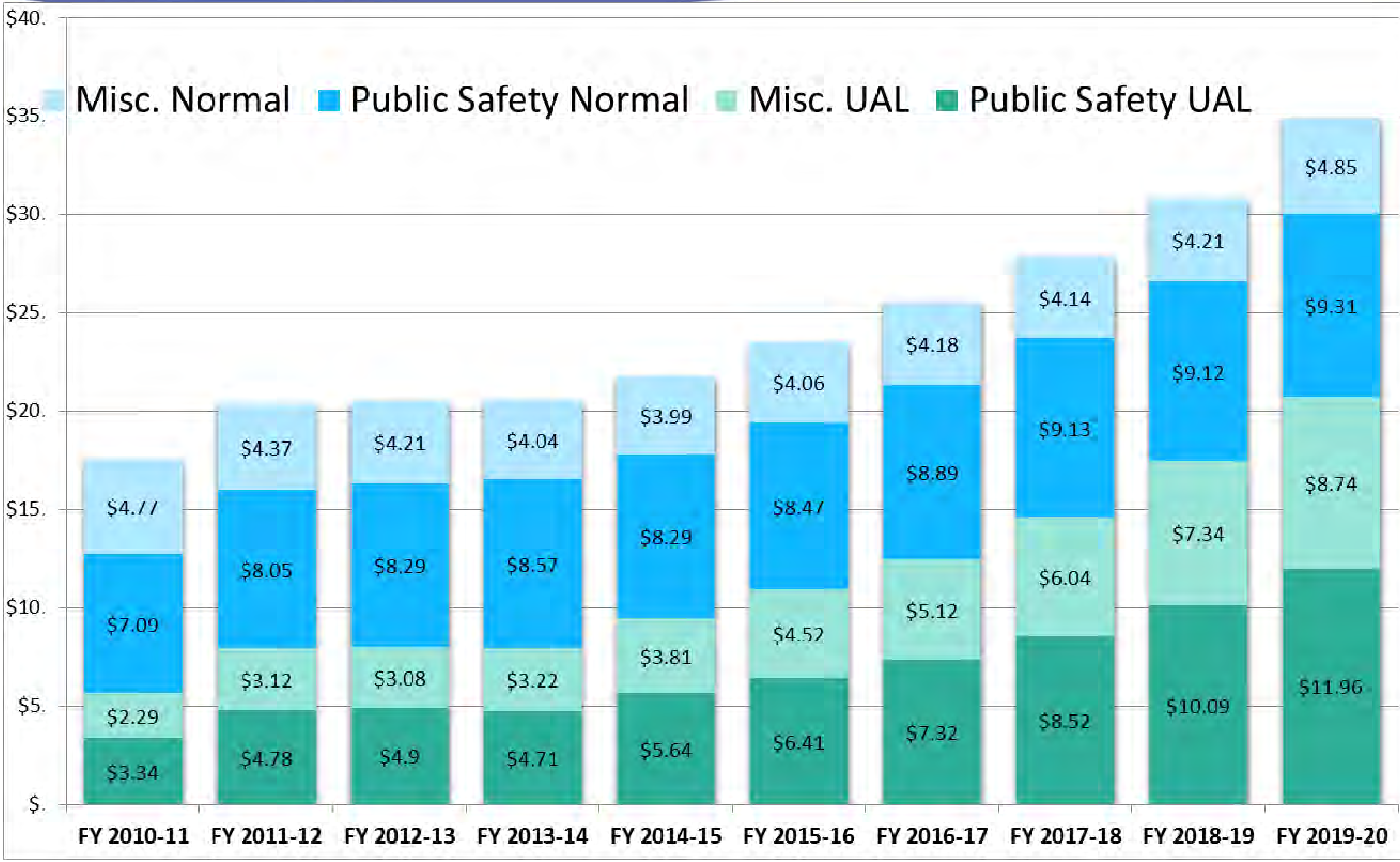
Expenses by Type (in millions)



General Fund Expenditures by Department



Trend for Pension Costs (in Millions)



General Fund Summary (In Millions)

	FY2018-19 Revised Budget	FY2018-19 Year-End Estimate	FY2019-20 Projected	% Change
Beginning Unreserved Fund Balance	**$18.07**	**$18.07**	**$14.79**	
Revenues:				
Property Tax	56.55	56.97	59.1	3.7%
Sales Tax	31.	32.39	31.67	(2.2)%
All Other Taxes	14.89	15.57	15.98	2.6%
Indirect Cost Reimbursement	7.98	7.98	7.98	0.0%
All Other Revenues	24.41	21.46	21.36	(0.4)%
Total Revenues	**$134.82**	**$134.38**	**$136.09**	**1.3%**
Expenses:				
Personnel	96.48	98.61	104.52	6.0%
Non-personnel operating	30.01	28.55	27.4	(4.0)%
Annual Debt	6.7	6.7	6.7	0.0%
Contingency & Transfer Out To Other Funds	3.53	3.8	5.64	48.3%
CIP FY19-20 (as place holders)	0.	0.	1.05	
Total Expenses	**$136.71**	**$137.66**	**$145.3**	**5.5%**
Net Annual Activity	**(1.89)**	**(3.28)**	**(9.21)**	
Estimated Ending Unreserved Fund Balance	**$16.18**	**$14.79**	**$5.59**	
Fund Balance as % of Expenses & Transfer Out	**12%**	**11%**	**4%**	
Fund Balance - City Council Target	***18%***	***18%***	***18%***	


QUESTIONS
ANSWERS

Special Measure O Citizen Oversight Committee

Presenter: Shiri Klima, Deputy City Manager

Date: May 6, 2019

Measure O: Estimated Cash Balance (in Millions)

Audited Ending FY 2017-18 Unreserved Fund Balance	**$12.78**
FY18-19 Year-End Estimated Revenues	$17.16
FY18-19 Estimated Year-End Expenses	$(18.04)
Estimated Ending FY 2018-19 Fund Balance	**$11.90**

Estimated Ending FY 2018-19 Fund Balance	**$11.90**
FY19-20 Proposed Revenues	$16.92
FY18-19 Estimated Year-End Carryover	$(2.31)
FY19-20 Proposed Expenditures	$(17.94)
FY19-20 Approved CIP	$(3.62)
Estimated Ending FY 2019-20 Fund Balance *	**$4.94**

*The $4.94M does not include FY19-20 Proposed Fire Academy, estimated costs of $500K to $750K.
With recommendation of $500K for Fire Academy, the Estimated Ending FY19-20 Fund Balance would be $4.44M
With recommendation of $750K for Fire Academy, the Estimated Ending FY19-20 Fund Balance would be $4.19M

FY 2018-19 Measure O - Public Safety Annual Allocations

Use of Funds	FY 18-19 Revised	FY 18-19 Estimated Expense	FY 19-20 Proposed	Frequency	Expense Type	Debt End Date
1. Fire: Station No. 8 Operations	$3,711,050	$3,711,050	$3,936,887	Annual	Operations	n/a
2. Police: Neighborhood Community Policing	$2,783,875	$2,727,371	$3,250,543	Annual	Operations	n/a
3. Fire: Station 8 Annual Lease Payment	$1,384,994	$1,384,994	$1,389,869	Annual	Debt - Operations	12/1/31
4. Police: CAD & RMS	$952,883	$855,714	$873,897	Annual	Operations	n/a
5. Fire: 2013 Fire Truck Lease Payment	$169,182	$169,182	$169,182	Annual	Debt - Equipment	4/1/20
6. Public Safety: Handheld Radios	$80,987	$80,987	$54,968	Annual	Debt - Equipment	9/30/24
7. Police: Dispatch Consoles	$470,995	$470,995	$319,677	Annual	Debt - Equipment	9/30/24
8. Fire: 2 Fire Trucks	$338,769	$338,769	$229,932	Annual	Debt - Equipment	9/30/24
9. Fire: Advanced Life Support	$136,000	$136,000	$136,000	Annual	Operations	n/a
Total Public Safety	**$10,028,735**	**$9,875,062**	**$10,360,955**			

FY 2018-19 Measure O - Streets, Alleys, & Roads Annual Allocations

Use of Funds	FY 18-19 Revised	FY 18-19 Estimated Expense	FY 19-20 Proposed	Frequency	Expense Type	Debt End Date
1. Streets: 2014 Lease Revenue Bond Payment	$1,675,802	$1,675,802	$1,666,425	Annual	Debt - Capital	6/1/29
2. Streets: Alley and Roadway Repairs	$500,117	$500,117	$501,518	Annual	Maintenance	n/a
3. Intelligent Transportation System	$100,000	$30,000	$100,000	Annual	Equipment	n/a
Total Streets, Alleys and Roads	**$2,275,919**	**$2,205,919**	**$2,267,943**			

FY 2018-19 Measure O - Parks, Recreation, Library, & Senior Services Annual Allocations

Use of Funds	FY 18-19 Revised	FY 18-19 Estimated Expense	FY 19-20 Proposed	Frequency	Expense Type
1. Recreation: City Corp TownKeeper	$1,321,263	$1,321,263	$1,321,263	Annual	Operations
2. Recreation: Oxnard Afterschool ASES & Rec Svcs	$107,673	$107,673	$107,673	Annual	Operations
3. Parks: College Park Maintenance	$763,004	$760,525	$704,870	Annual	Operations
4. Parks: Citywide Tree Trimming Services Program	$250,000	$139,060	-	One-Time	Operations
5. Recreation: College Park Program	$115,000	$115,000	$115,000	Annual	Operations
6. Recreation: Police Activity League (PAL)	$183,203	$183,203	$179,166	Annual	Operations
7. HCD Park Improvement Projects	$452,770	$248,766	-	One-Time	Operations
8. Parks Master Plan	$317,823	$131,758	-	One-Time	Operations
9. Facility Maintenance	$83,916	$13,775	-	One-Time	Operations
10.Channel Islands Harbor Water Quality	$$306,045	$306,045	-	One-Time	Operations
11. EPA Job Training 2013-2016	$12,390	$12,390	-	One-Time	Operations

Total on next slide

FY 2018-19 Measure O - Parks, Recreation, Library, & Senior Services Annual Allocations

Use of Funds	FY 18-19 Revised	FY 18-19 Estimated Expense	FY 19-20 Proposed	Frequency	Expense Type
12.Parks Mowers Acquisition	$202,300	$202,300	-	One-Time	Operations
13. Recreation: Preschool To You	$168,819	$168,819	$160,551	Annual	Operations
14. Library: Library Integrated System	$69,030	$69,030	$71,941	Annual	Operations
15. Library: Main Library Homework Center	$45,235	$45,235	$50,834	Annual	Operations
16. Recreation: Mobile Activity Center	$44,000	$46,839	$44,000	Annual	Operations
17. Recreation: Senior Nutrition Program Enhancement	$40,021	$40,021	$40,267	Annual	Operations
18. Library: Wi-Fi Service	$2,000	$2,000	$2,000	Annual	Operations
19. Recreation: Day at the Park Special Needs	$15,998	$15,998	$16,537	Annual	Operations
20. Recreation Services	$85,735	$85,735	$85,735	Annual	Operations
21. East Village Park Operating Maintenance	$48,923	$48,923	$146,970	Annual	Operations
Total Parks, Recreation, Library, & Senior Services	**$4,911,732**	**$4,064,358**	**$3,046,807**		

FY 2018-19 Measure O - Other Communities Annual Allocations

Use of Funds	FY 18-19 Revised	FY 18-19 Estimated Expense	FY 19-20 Proposed	Frequency	Expense Type	Debt End Date
1. Code Enforcement: Safe Homes & Safe Family	$357,308	$100,000	$411,524	Annual	Operations	
2. Environmental Protection: Ormond Beach Enhancements	$50,110	$47,743	$50,161	Annual	Operations	
3. Citizen Engagement: Spanish Language Translation	$56,863	$56,863	$57,536	Annual	Operations	
4. Housing: Homeless Program	$500,000	$196,100	$1,000,000	Annual	Operations	n/a
5. City Facilities: Homeless Shelter Acquisition & Tenant Improvements	$1,000,000	-	$550,000	One-Time	New Facility	n/a
6. Financial System: ERP	$325,000	$325,000	-	Annual	Debt - Software	Tentative April 2023

Total on next slide

FY 2018-19 Measure O - Other Communities Annual Allocations

Use of Funds	FY 18-19 Revised	FY 18-19 Estimated Expense	FY 19-20 Proposed	Frequency	Expense Type	Debt End Date
7. City Manager: Downtown Market Study	$25,000	$23,800	-	One-Time	Operations	n/a
8. City Manager: Downtown Arts Hub	$97,000	$97,000	$97,000	Annual	Operations	n/a
9. Economic Development Strategy	$100,000	-	-	One-Time	Operations	n/a
10. Development Services: Tenant Relocation Assistance (Safe Homes)	$50,000	-	-	One-Time	Operations	n/a
11. Special District: Riverpark License Plate Readers & Repeater	$145,000	$145,000	-	One-Time	Operations	n/a
12. Education & Employment: Summer at City Hall	$50,000	$24,000	-	One-Time	Operations	n/a
Total Other Communities	**$2,756,281**	**$1,015,506**	**$2,166,221**			

FY 2019-20 Measure O - Proposed Programs

Use of Funds	FY 19-20 Proposed	Frequency	Expense Type
1. Police Academy: Public Safety Trainees	$197,827	One-Time	Operational
2. Fire Academy: Basic Training	$500,000 - $750,000 (depends on # of recruits)	One-Time	Operational
Total Proposed Programs	**$697,827 - $947,827**		

FY 2018-19 Measure O - Updated

Use of Funds	FY 18-19 Revised	FY 18-19 Estimated Expense	FY 18-19 Estimated Balance	FY 19-20 Potential Carryover	FY 19-20 Proposed Budget
1. Total Public Safety*	$10,784,326	$10,500,120	$284,205	$130,533	$10,360,955
2. Total Streets, Alleys and Roads	$2,275,919	$2,205,919	$70,000	-	$2,267,943
3. Total Parks, Recreation, PACC Library, & Senior Services	$4,911,732	$4,064,358	$847,374	$844,741	$3,046,807
4. Total Other Communities	$3,194,704	$1,268,442	$1,926,262	$1,336,687	$2,166,221
5. Total Measure O Revised FY 2018-19	$21,166,680	$18,038,839	$3,127,841	$2,311,960	$17,744,926

*Does not include Fire Academy FY 19-20 Proposed Budget

FY 2018-19 Measure O - Updates Since Jan. 2019 Mtg

Alley and Road Repairs

1. In FY 18/19 we spent $8,276 for Redwood Street Resurfacing project.
   a. The project was substantially completed in FY 2017-18.
   b. There was total of $1,759,990 used for the Redwood Street Resurfacing Project.
   c. $113,703 is approximately remaining of the allocation.

2. Bryce Canyon South Neighborhood Street Resurfacing is currently out to bid.
   a. The project is scheduled to go to Council on June 6, 2019 to award the construction contract.
   b. $240,600 was appropriated in FY 2018-19 and an additional $1,059,400 is anticipated to be appropriated in June of 2019.

FY 2018-19 Measure O - One-Time Project Updates

Projects	Amount Expended	Work Completed
1. City Facilities: Homeless Shelter Acquisition	$0	• An Ad Hoc Shelter Search Committee was developed to assist in the search for a suitable location to meet the needs of the City's homeless community. • The City of Oxnard has not yet found a suitable location to develop a permanent homeless shelter /navigation center
2. City Manager: Downtown Market Study	$15,806	• Downtown Market Study is being conducted by The Natelson Dale Group • Study is underway and the report is expected to be completed by May 2019
3. Development Services: Tenant Relocation Assistance (Safe Homes)	$0	• As of March 29, 2019 no tenant has been displaced or relocated • The $50,000 from FY 2017-18 will be rolled over to FY 2019-20
4. Local Coastal Plan - CivicSpark Intern	$13,636	• Intern has been working with the City since October 2018 to assist in building local government capacity to respond to community resilience • The internship will end in October 2019

Total on next slide

FY 2018-19 Measure O - One-Time Project Updates

Projects	Amount Expended	Work Completed
5. License Plate Readers and Repeater	$0	• Police are amending their contract with Vigilant Solutions to purchase three camera LPR systems • Once the contract is amended, the $145,000 will be expended
6. Citywide Tree Trimming Services Program	$102,000	• Currently 1,100 trees have been trimmed and maintained over the 2,578 backlog • Over 300 trees were removed due to being deemed hazardous and created a safety risk
7. Economic Development Strategy	$0	• Community Development expects the $100,000 to be expended in FY 2019-20 • Staff is currently revising the scope of services for the upcoming RFP
Total Amount Expended for One-Time Projects	**$131,422**	

2019-2024 Capital Improvement Program - 2019-2020 Projects Only

	Project	Amount
1.	Fire Station Alerting System Replacement	$250,000*
2.	Roof Replacement – Colonia Park Basketball Gym and Youth Center	$605,000
3.	Roof Replacement – Fire Station 5	$500,000
4.	Roof Replacement – Fire Station 6	$541,149
5.	Roof Replacement – PACC Ventura/ Oxnard Rental Spaces	$295,000**
6.	Roof Replacement – Sturgis Annex	$1,025,000
7.	Roof Replacement – Wilson Senior Center Complex	$400,000
	TOTAL	**$3,616,149**

*$750,000 total project cost through 2022-23 **Also requires $250,000 HERO funding

Community Budget Meetings

Upcoming Community Budget Meetings

1. Saturday, May 11th, 10:00 a.m. to 12:00 p.m.
   a. Charles Blackstock Junior High School, 701 East Bard Road

2. Monday, May 13th, 6:00 p.m. to 8:00 p.m.
   a. Boys & Girls Club of Greater Oxnard and Port Hueneme, 1900 West 5th Street

3. Wednesday, May 15th, 6:00 p.m. to 8:00 p.m.
   a. Rose Avenue Elementary School, 220 South Driskill Street

4. Monday, May 20th, 6:00 p.m. to 8:00 p.m.
   a. River Ridge Clubhouse, 2401 West Vineyard Avenue

City Council Budget Meetings

Upcoming City Council Budget Meetings

1. Tuesday, June 4, 2019 - Public Hearing on Proposed Budget

2. Tuesday, June 18, 2019 - Council Consideration and Adoption of FY 2019-2020 Budget


Q&A

CITY OF OXNARD CALIFORNIA

Measure O Financial Audit

CITY OF OXNARD

MEASURE O FUND
STATEMENT OF REVENUES AND EXPENDITURES

Year Ended June 30, 2011

MHM

Mayer Hoffman McCann P.C.
An Independent CPA Firm

5060 California Avenue, Suite 800
Bakersfield, CA 93309
PH 661.325.7500
FAX 661.325.7004

INDEPENDENT AUDITORS' REPORT

To the Honorable City Council
City of Oxnard, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Oxnard, California, as of and for the year ended June 30, 2011, and have issued our report thereon dated December 1, 2011. We have also audited the accompanying statement of revenues and expenditures for the Measure O Program for the year ended June 30, 2011. This statement of revenues and expenditures is the responsibility of the City's management. Our responsibility is to express opinion on this statement based on our audit.

We conducted our audit of the statement of revenues and expenditures for the Measure O Program in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues and expenditures are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures related to the statement of revenues and expenditures for the Measure O Program. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of revenues and expenditures. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the statement of revenues and expenditures for the Measure O Program referred to above present fairly, in all material respects, the statement of revenues and expenditures of the Measure O Program as of June 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the City Council of the City of Oxnard and the Measure O Program and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McCann P.C.
Bakersfield, California
February 14, 2012

Southern California Locations
10474 Santa Monica Blvd. Suite 200 • Los Angeles, CA 90025 • PH 310.268.2000 • FX 310.268.2001
5060 California Ave. Suite 800 • Bakersfield, CA 93309 • PH 661.325.7500 • FX 661.325.7004
300 Esplanade Dr. Suite 250 • Oxnard, CA 93036 • PH 805.988.3222 • FX 805.988.3220

CITY OF OXNARD, CALIFORNIA

MEASURE O PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2011

REVENUES		
Sales tax revenue		$ 11,161,453
Interest		167,320
Total revenues		11,328,773
EXPENDITURES		
Capital outlay	$ 3,979,000	
Transportation	364,558	
Culture and leisure	349,643	
Community development	138,378	
General government	96,800	
Total expenditures		4,928,379
Excess of revenues over expenditures		$ 6,400,394

CITY OF OXNARD, CALIFORNIA

MEASURE O PROGRAM
NOTES TO STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2011

(I) Summary of significant accounting policies

A. Basis of Accounting

On November 4, 2008, City voters approved Measure O that imposed a general purpose sales and use tax of one-half cent on the gross receipts of any retailer from the sale of tangible personal property sold within the City. The City Council of the City of Oxnard desires to provide enhanced levels of vital community services including police, fire and emergency response, increasing street paving and sidewalk/pothole repair to improve traffic flow, expanding youth recreation, after-school and anti-gang prevention programs, acquiring property for parks/open space preservation, upgrading storm water drains, improving senior services, increasing building code compliance, and other general City services; The authority to levy the tax imposed by this ordinance shall expire twenty years from the operative date of this ordinance, unless extended by the voters. In July 2010, the City of Oxnard City Council approved the first appropriation of funds available under Measure O.

The accompanying Schedule of Revenues and Expenditures includes the activity of the City of Oxnard's Measure O Program is presented on the modified accrual basis of accounting.

B. Schedule of Revenue and Expenditures

The Schedule of Revenue and Expenditures of the Measure O Program is prepared from the activity of the program and, therefore, does not present the financial position or results of operations of the City of Oxnard.

MHM Mayer Hoffman McCann P.C.
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INDEPENDENT AUDITOR' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable City Council
City of Oxnard, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Oxnard, California (the City), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 1, 2011. We have also audited the accompanying statement of revenues and expenditures for the Measure O Program for the year ended June 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal controls over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weakness. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

This report is intended solely for the information and use of management, the audit committee, and federal award agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Mayer Hoffman McCann P.C.
Bakersfield, California
February 14, 2012