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 regularly scheduled 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
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Council Chambers, 305 West Third Street
September 24, 2024
Regular Meeting - 5:00 to 6:30 PM

Zoom details to call-in for public comment during a meeting:

1. Dial Phone Number: (888) 475-4499
2. Enter Meeting ID: 884 1631 8198
3. Passcode: 193841

If you wish to speak during public comments or a particular item on the agenda, please sign-on by following the zoom call-in steps listed above. Once the presiding officer calls for public speakers, press *9 to raise your hand to inform the City Clerk you would like to speak during the public speaking section for that particular item on the agenda, while in the zoom waiting room. Press *6 when asked to unmute. Listen to the instructions provided virtually on the phone while on hold in the zoom waiting room. Please note that there is a slight time delay when viewing the meeting via television.

IN ACCORDANCE WITH ASSEMBLY BILL 2449, MEMBERS OF THE LEGISLATIVE BODY MAY MEET IN-PERSON OR REMOTELY. TO PARTICIPATE REMOTELY VISIT WWW.OXNARD.ORG.

To find out how you may provide public comment, please refer to the instructions below or at **www.https://www.oxnard.org/city-meetings/**.

The public may view the meeting from home on Spectrum channel 10, Frontier channel 35, or YouTube at Youtube.com/oxnardnews. Video recordings of the meeting are typically available online following the meeting at the City's website at www.oxnard.org/city-meetings.

*Please see the link for the Measure M pre-recorded presentation video for each item listed on this agenda.

YOU MAY PARTICIPATE IN THE MEETING IN THE FOLLOWING WAYS:

1. ATTEND THE MEETING AT THE LOCATION LISTED ABOVE: Submit a speaker card to the City Clerk.

2. EMAIL COMMENTS OR SIGN UP TO SPEAK REMOTELY BEFORE THE MEETING

   a. Submit a request to speak remotely by 3 p.m. on the day of the meeting by using the form available at **www.oxnard.org/citymeetings**.
   b. Submit an email to **cityclerk@oxnard.org** by 3 p.m. on the day of the meeting (indicate the agenda item number in the subject line). All email correspondence will be forwarded to the legislative body prior to the start of the meeting and made part of the legislative record.
   c. Contact the City Clerk's Office at (805) 385-7803 to submit your request.

3. PROVIDING PUBLIC COMMENTS REMOTELY DURING THE MEETING

   a. Follow Zoom details listed above.

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item Time Estimates include: (Minutes for Presentation + Council Discussion + Public Comment)

b. Public comments on agenda items will be taken following the announcement of the item. After the item is announced, members of the public may register or otherwise be recognized for the purpose of providing public comment.

Please review the Zoom instructions on the registration page to help ensure there are no technical difficulties during your comments and help you understand public comment procedures using Zoom. Detailed participation instructions can be found at www.oxnard.org/city-meetings.

In the event of a disruption which prevents a legislative body of the City of Oxnard from broadcasting a meeting using a call-in option or internet-based service option, or in the event of a disruption within the City's control which prevents members of the public from offering public comment using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on a meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. However, if any of the broadcast options are disrupted, but any of the other broadcast options is still available to the public, the legislative body may take further action on items appearing on a meeting agenda without waiting for the disrupted broadcast option(s) to be restored.

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE
Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA
A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker requests shall be submitted as set forth on the first page of this agenda. Speakers are limited to three minutes. After 30 minutes, if all speakers have not had the opportunity to speak, the remaining speakers will be given an opportunity to speak prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing.

C. CONSENT AGENDA

1. City Clerk Department
SUBJECT: Approval of Minutes.
RECOMMENDATION: That the Finance & Governance Committee approve the minutes of the July 23, 2024 regular meeting as presented.
Contact: Rose Chaparro, (805) 385-7805

D. REPORTS

1. City Manager Department
SUBJECT: Restatement of City and Successor Agency Capital Assets. (10 minutes)
RECOMMENDATION: That the Finance and Governance Committee recommends that the City Council receives and files a report on the Restatement of City and Oxnard Community Development Commission Successor Agency (Successor Agency) Capital Assets.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/fWoc_5zo__8
Contact: Alexander Nguyen, (805) 385-7430

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

CONSENT AGENDA
AGENDA ITEM NO. C.1

DATE: September 24, 2024

TO: Finance & Governance Committee

FROM: Rose Chaparro, City Clerk, (805) 385-7805, rose.chaparro@oxnard.org

SUBJECT: Approval of Minutes.

RECOMMENDATION

That the Finance & Governance Committee approve the minutes of the July 23, 2024 regular meeting as presented.

BACKGROUND

Approval of Minutes.

STRATEGIC PRIORITIES

This agenda item is a routine operational item.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Rose Chaparro, City Clerk

ATTACHMENTS

1. MINUTES 07 23 2024 Finance & Governance

MINUTES
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Regular Meeting
July 23, 2024

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 5:01 p.m., Chair John C. Zaragoza called to order the regular meeting of the Oxnard City Council Finance and Governance Committee in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The Assistant City Clerk called the roll and announced the posting of the agenda. Chair John C. Zaragoza and Member Gabriela Basua were present in person. Member Gabriel (Gabe) Teran participated virtually.

CONSIDERATION OF TELECONFERENCE PARTICIPATION PURSUANT TO ASSEMBLY BILL 2449.

During this meeting, Councilmember Teran will be participating remotely from the following location: Holiday Inn Sacramento, 300 J Street, Sacramento, CA 95814.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from Ray Blattel (does not receive responses from the CFO and Council to his finance questions.

C. CONSENT AGENDA

1. City Clerk Department
SUBJECT: Approval of Minutes.
RECOMMENDATION: That the Finance & Governance Committee approve the minutes of the July 9, 2024 regular meeting as presented.

It was moved by Member Basua, seconded by Member Teran, to approve the Information/Consent item as presented. VOTE: Basua, Teran, and Zaragoza voted in favor; the motion passed 3-0.

D. REPORTS

1. Finance Department
SUBJECT: Implementation of the City's Fiscal Year 2024-2025 $20 million payment for Long Term Debt Reduction for Pension and OPEB.
RECOMMENDATION: That the Finance and Governance Committee recommend City Council:

1. Direct staff to make an Additional Discretionary Payment (ADP) to CalPERS in the amount of $15 million toward the City's Unfunded Actuarial Liability (UAL).

2. Direct staff to create one Internal Revenue Service (IRS) Code Section 115 Trust for Pension and one for Other Post-Employment Benefits (OPEB).
3. Direct staff to fund the Pension 115 Trust with the initial amount of $2.5 million and to fund the OPEB 115 Trust with an initial contribution of $2.5 million.

Javier Chagoyen-Lazaro, Chief Financial Officer presented and answered the Committee's questions. No public comments were received. Discussion ensued among the Committee and staff.

It was moved by Member Basua, seconded by Member Teran, to approve the recommended action as presented. VOTE: Basua, Teran, and Zaragoza voted in favor; the motion carried 3-0.

2. Finance Department
SUBJECT: Fifth Amendment to Tyler Technologies, Inc. for an ERP Software as a Service Agreement (A-8767), Extending the Contract for a New Five-Year Term, Expiring October 31, 2029.
RECOMMENDATION: That the Finance and Governance Committee recommend that City Council approve and authorize the City Manager to execute a Fifth Amendment with Tyler Technologies, Inc. for an Enterprise Resource Planning (ERP) Software as a Service (SaaS) Agreement for a First Renewal for a Five-Year Term for an Amount Not to Exceed $5,450,000.

Mark Sewell, Assistant Chief Financial Officer presented and answered the Committee's questions. No public comments were received. Discussion ensued among the Committee and staff.

It was moved by Member Basua, seconded by Member Teran, to approve the recommended action as presented. VOTE: Basua, Teran, and Zaragoza voted in favor; the motion carried 3-0.

E. ITEMS FOR FUTURE AGENDAS (No requests were made.)

F. ADJOURNMENT
There being no further business on the agenda, and without objection, Chair Zaragoza adjourned the meeting at 5:20 p.m.

ROSE CHAPARRO
City Clerk

JOHN C. ZARAGOZA
Chair

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.1

DATE: September 24, 2024

TO: Finance & Governance Committee

FROM: Alexander Nguyen, City Manager, (805) 385-7430, alexander.nguyen@oxnard.org

SUBJECT: Restatement of City and Successor Agency Capital Assets. (10 minutes)

RECOMMENDATION

That the Finance and Governance Committee recommends that the City Council receives and files a report on the Restatement of City and Oxnard Community Development Commission Successor Agency (Successor Agency) Capital Assets.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/fWoc_5zo__8

BACKGROUND

The Successor Agency has reached an important milestone in the winding down of the affairs of the City's former redevelopment agency, the Oxnard Community Development Commission. With corrective capital asset actions to be reported in the City's 2024 Annual Comprehensive Financial Report (ACFR), the Successor Agency completes the disposition of its capital assets portfolio and remains on track to sunset upon the scheduled amortization of its remaining bond and development payment obligations.

In 2023, the Successor Agency completed the disposition of its legally titled real property as authorized in the Successor Agency's Long Range Property Management Plan (LRPMP) and as approved by the State Department of Finance and the Ventura County Consolidated Oversight Board (VCCOB).

However, after recording the final disposition of legally titled Successor Agency capital assets, analysis of the remaining capital asset and project accounting records determined that a list of forty-nine (49) records representing $28 million in capitalization accounting entries have been reported in the Successor Agency's annual financial statements, the ACFR, since the 2012 redevelopment agency dissolution.

Specifically, the former redevelopment agency's pre-dissolution contributions to improvements to City property were not filtered from the Successor Agency general ledger accounts at the time of the 2012 dissolution and the Successor Agency's corresponding split from the City's financial reporting entity. These improvements to City property were incorrectly reported as Successor Agency capital assets instead of City capital assets. As a result, the Successor Agency's capital asset records have been overstated, and the City's capital assets have been understated since 2012.

In late 2023 and into 2024, City staff members analyzed and used their best efforts to research and validate the sources of the listed Successor Agency capital asset records to confirm the proper correcting accounting treatment. City staff identified and examined general ledger project activity reports for each identified capital asset record. The project activity report provides insights into the original funding sources, including a detailed breakdown of all transactions associated with a project, encompassing invoice payments to vendors, labor costs, and other expenditures.

City staff research concluded that of the forty-nine (49) remaining Successor Agency asset records, twenty-seven (27) records with a current book value of $17.8 million represented pre-dissolution redevelopment agency expenditures that were contributions/improvements to City property. These improvements include Cypress Park improvements, Saviers Road improvements, and Southwinds basketball courts. These assets will be reclassified as City assets in the 2024 ACFR by a correction and restatement of the City's Beginning Net Position.

An additional twenty-two (22) remaining Successor Agency asset records, with a book value of $10.8 million, lacked clear documentation from the available project budget and activity reports. The source project expenditures occurred several decades before the 2012 redevelopment dissolution, and conclusive information about some project expenditures is no longer readily available. While these pre-dissolution redevelopment agency expenditures were possibly or even probably contributions to City infrastructure, the 2024 correcting accounting entries err on the side of caution. These assets will be removed from the Successor Agency accounts but will not be reclassified as City assets because of inconclusive information.

With these restatements, the 2024 ACFR will resolve and clear misclassified capital assets from the Successor Agency financial records. The restatements have no monetary compensation since the redevelopment agency expenditures were appropriated as contributions/improvements to City property in the original year of expenditure.

The proposed accounting corrections are administrative in nature and are not subject to approval by the VCCOB since they correct accounting entries that originated prior to the 2012 redevelopment agency dissolution. While the VCCOB holds authority over the post-dissolution disposition of Successor Agency property, the Successor Agency does not hold title to any remaining property for the VCCOB to approve. The proposed correction instead brings internal erroneous accounting records into sync with the VCCOB's approved LRPMP.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

FINANCIAL IMPACT

The 2024 ACFR will update and correct the beginning net positions of the City and Successor Agency by removing $28 million in misclassified capital assets from the Successor Agency and by adding $17.8 million of these assets to the City capital asset balance. This action will bring the Successor Agency's internal general ledger financial records and published external financial statements into sync with the State and VCCOB-approved LRPMP. By clearing these misclassified capital assets from its financial reports, the Successor Agency completes another milestone in the State mandate to wind down the affairs of the former redevelopment agency.

Prepared by: Adam Smith, Project Manager, Beth Vo, Assistant Chief Financial Officer

ATTACHMENTS

1. Attachment 1 - Successor Agency Capital Record Corrections
2. Attachment 2 - 2023-24 Draft ACFR Footnote Disclosure - Prior Period Adjustment - Capital Assets
3. Presentation

ATTACHMENT 1

Restatement

Item	Project #	Description	Subclass	Date	Gross Book Value	LTD Accum Depr	Current Book Value
1	018201	DOWNTOWN LIGHTING PROJECT	IOB	01/30/03	4,372.67	2,239.28	2,133.39
2	038201	PARKING STRUCTURE B STREET	IOB	01/30/03	429,000.00	219,694.34	209,305.66
3	038202	DOWNTOWN THEATER PROJECT	IOB	01/30/03	1,995,373.14	1,021,846.58	973,526.56
4	008401	ENTRYWAY AND MEDIAN IMPROVEMEN	IOB	01/30/06	21,090.85	9,218.92	11,871.93
5	038401	SOUTHWIND BASKETBALL COURT (FA	IOB	01/30/07	14,585.33	6,010.68	8,574.65
6	098702	CYPRESS PARK IMPROVEMENT	IOB	01/30/10	4,233,752.00	1,427,210.06	2,806,541.94
7	048204	CENTRAL BUS DIST STREETSCAPE	IOB	01/30/11	4,136,817.99	1,291,110.70	2,845,707.29
8	958201	SIGN/IMAGE REHAB PROJ #958201	IOB	01/30/12	94,622.56	27,166.31	67,456.25
9	063111	HERO ROSE PARK RESURF #063111	IOB	01/30/12	1,153,248.62	331,099.86	822,148.76
10	113105	CYPRESS GARDENS RESURFACE	IOB	01/30/14	127,111.96	30,138.37	96,973.59
11	048202	SW SECURITY LIGHT/FENCING	IOB	01/30/17	353,823.53	114,721.14	239,102.39
12	088701	HERO BUS. FACADE IMPRVEMT	IOB	01/30/17	354,288.38	51,048.50	303,239.88
13	028301	DOWNTOWN FACADE IMPROVEMT	IOB	01/30/17	457,587.02	65,932.52	391,654.50
14	018702	SAVIERS RD. MEDIAN LANDSC	IOB	06/30/18	295,372.00	36,820.30	258,551.70
15	015401	SO OXNARD LIBRARY 2000 #015401	BLD	01/30/12	97,202.93	24,806.56	72,396.37
16		2000 Dodge Grand Caravan SE Ch	VEH	01/01/00	22,685.00	22,685.00	-
17	018702	SAVIERS RD MEDIAN LANDSCAPE	R&S	01/30/03	44,431.20	22,753.56	21,677.64
18	008501	ORMOND BEACH MEDIAN IMPROVEMEN	R&S	01/30/03	89,802.00	45,988.33	43,813.67
19	028601	PERKINS ROAD RESURFING	R&S	01/30/03	90,130.92	61,544.65	28,586.27
20	008501	ORMOND BEACH MEDIAN IMPROVEMEN	R&S	01/30/06	207,397.21	90,654.45	116,742.76
21	938401	COURTLAND STREET	R&S	01/30/10	438,195.36	147,716.94	290,478.42
22	098703	SO OXNARD MEDIAN PHASE 2	R&S	01/30/11	677,534.24	211,460.06	466,074.18
23	093111	SAVIERS RD IMPROVEMENT	R&S	01/30/12	3,627,007.93	1,041,320.78	2,585,687.15
24	018201	DOWNTOWN LIGHTING PROJECT	R&S	01/30/15	651,105.53	220,971.13	430,134.40
25	873114	HWY 101-RICE INTERCHANGE	R&S	01/30/15	1,028,356.23	218,114.97	810,241.26
26	078401	SOUTHWIND STREET PROJECTS	R&S	01/30/15	3,001,870.53	636,698.53	2,365,172.00
27	078501	ORMOND BEACH STREET PROJECTS	R&S	01/30/17	1,934,077.09	418,030.73	1,516,046.36
					25,580,842.22	**7,797,003.25**	**17,783,838.97**

Subclass Legend	
BLD	Buildings and Facilities
IOB	Improvements other than Buildings
IT	Computer hardware
R&S	Roadways and Streets
VEH	Vehicles

Write-Off

Item	Project #	Description	Subclass	Date	Gross Book Value	LTD Accum Depr	Current Book Value
1		SOUTHWINDS STREET LIGHTNING	IOB	01/30/03	1,376.82	705.09	671.73
2	015704	PLAZA PARK IMPROVEMENTS	IOB	01/30/03	11,745.30	6,014.85	5,730.45
3	008601	HERO HOUSING REHABILITATION	IOB	01/30/03	61,610.06	31,551.00	30,059.06
4	958602	SW-HOUSING FND OWNERSHIP PROGR	IOB	01/30/03	80,000.00	40,968.65	39,031.35
5	918601	REDEV/MOBILEHOME REPL PROGRAM	IOB	01/30/03	122,399.49	62,681.75	59,717.74
6	018602	SOUTHWINDS REHAB	IOB	01/30/03	150,663.28	77,155.88	73,507.40
7		ORMOND BEACH - IMPROVEMENT	IOB	01/30/04	27,129.00	13,214.73	13,914.27
8	Res. 14,281 (p. 14)	SOUTHWIND PROJECT - IMPROVEMEN	IOB	01/30/04	53,761.00	26,187.36	27,573.64
9		HERO PROJECT - IMPROVEMENT	IOB	01/30/04	65,103.00	31,712.12	33,390.88
10		HOUSING SET ASIDE - IMPROVEMEN	IOB	01/30/04	275,942.00	134,413.30	141,528.70
11		CCRP - IMPROVEMENTS	IOB	01/30/04	985,035.00	479,817.52	505,217.48
12	015704	PLAZA PARK IMPROVEMENTS	IOB	01/30/07	12,000.00	4,945.26	7,054.74
13	068602	SOUTHWINDS BUILDING RENOVATION	IOB	01/30/10	33,853.80	11,412.22	22,441.58
14	958406	LANDSCAPE GRAFFITI ABATEMENT	IOB	01/30/10	63,379.48	21,365.42	42,014.06
15		PARK EXPANSION/IMPROVEMENT	IOB	01/30/11	31,304.82	9,770.33	21,534.49
16	Res. 14,281 (p. 16-25)	FACADE IMPROVEMENT PROGRAM	IOB	01/30/11	79,251.65	24,734.64	54,517.01
17		PARKING LOT RESURFACE	IOB	01/30/11	469,008.91	146,378.82	322,630.09
18		CAPITALIZED INTEREST FAS7584	IOB	01/30/16	1,174,211.25	219,695.18	954,516.07
19		305 & 350 S. OXNARD BLVD.	BLD	01/01/57	119,000.00	119,000.00	-
20		VARIOUS RDA BUILDING PROJECTS	BLD	01/30/93	689,433.00	467,046.11	222,386.89
21		Computer 8570, Printer 4216 &	IT	01/01/90	11,328.00	11,328.00	-
22		VARIOUS RDA INFRASTRUCTURE (CA	R&S	01/30/99	21,317,280.73	13,048,582.27	8,268,698.46
					25,834,816.59	**14,988,680.50**	**10,846,136.09**

ATTACHMENT 2

City of Oxnard

2024 ACFR Footnote Disclosure

Restatement of Beginning Balance (Capital Assets)

The beginning net positions for the City's governmental activities on the Government-wide Statement of Net Position and the Oxnard Community Development Commission Successor Agency (Successor Agency) Private Purpose Fiduciary Fund have been restated to correct the value of capital assets. Successor Agency capital assets, as of June 30, 2023, have been reduced by $28,629,975.06 to remove assets disposed of or capitalized in prior years. The Successor Agency has completed the implementation of its Long-Range Property Management Plan (LRPMP) as approved by the Ventura County Consolidated Oversight Board and the State of California Department of Finance. All Successor Agency property has been disposed of. This restatement of capital assets corrects and aligns the Successor Agency's financial reporting records with the LRPMP by removing out-of-date capital asset records. A portion of the Successor Agency's corrected capital asset value has been identified as pre-2012 redevelopment dissolution improvements to City infrastructure. Accordingly, $17,783,838.97 of this Successor Agency correction has been added to the governmental activities capital assets on the City's Government-wide Statement of Net Position.

Restatement of City and Successor Agency Capital Assets

Finance & Governance Committee, September 24, 2024

Adam Smith, Project Manager
City Manager's Office

CITY OF OXNARD CALIFORNIA

RECOMMENDATION

That the Finance and Governance Committee recommends that the City Council receives and files a report on the Restatement of City and Oxnard Community Development Commission Successor Agency (Successor Agency) Capital Assets

BACKGROUND

- The Successor Agency has reached an important milestone in the winding down of the affairs of the City's former redevelopment agency, the Oxnard Community Development Commission
- In 2023, the Successor Agency completed the disposition of its legally titled real property as authorized in the Successor Agency's Long Range Property Management Plan (LRPMP) and as approved by the State Department of Finance and the Ventura County Consolidated Oversight Board (VCCOB)

BACKGROUND

- Analysis of the Finance Department's remaining capital asset accounting records determined that a list of forty-nine (49) records representing $28 million in capitalization accounting entries have been reported in the Successor Agency's annual financial statements
- The former redevelopment agency's pre-dissolution contributions to improvements to City property were not filtered from the Successor Agency general ledger accounts at the time of the 2012 dissolution
- These improvements to City property were incorrectly reported as Successor Agency capital assets instead of City capital assets. As a result, the Successor Agency's capital asset records have been overstated, and the City's capital assets have been understated since 2012

- In late 2023 and into 2024, City staff members analyzed and used their best efforts to research and validate the sources of the listed Successor Agency capital asset records to confirm the proper correcting accounting treatment

- City staff identified and examined general ledger project activity reports for each identified capital asset record

- City staff research concluded that of the forty-nine (49) remaining Successor Agency asset records, twenty-seven (27) records with a current book value of $17.8 million represented pre-dissolution redevelopment agency expenditures that were contributions/improvements to City property

- These assets will be reclassified as City assets in the 2024 Annual Comprehensive Financial Report (ACFR) by a correction and restatement of the City's Beginning Net Position

BACKGROUND

7

- An additional twenty-two (22) remaining Successor Agency asset records, with a book value of $10.8 million, lacked clear documentation
- Expenditures occurred several decades before the 2012 redevelopment dissolution
- These expenditures were possibly or even probably contributions to City infrastructure, the 2024 correcting accounting entries err on the side of caution
- These assets will be removed from the Successor Agency accounts but will not be reclassified as City assets because of inconclusive information

BACKGROUND

8

- The 2024 ACFR will resolve and clear misclassified capital assets from the Successor Agency financial records
- The restatements have no monetary compensation since the Redevelopment Agency expenditures were appropriated as contributions/improvements to City property in the original year of expenditure
- The proposed accounting corrections are administrative in nature and are not subject to approval by the VCCOB since they correct accounting entries that originated prior to the 2012 redevelopment agency dissolution

FINANCIAL IMPACT

- The 2024 ACFR will update and correct the beginning net positions of the City and Successor Agency by removing $28 million in misclassified capital assets
- $17.8 million of these assets will be added to the City capital asset balance
- Successor Agency's internal general ledger financial records and published external financial statements will now be in sync with the State and VCCOB-approved LRPMP

RECOMMENDATION

That the Finance and Governance Committee recommends that the City Council receives and files a report on the Restatement of City and Successor Agency Capital Assets

CITY OF
OXNARD
CALIFORNIA

THE END