



AGENDA

MEASURE HH ADVISORY OVERSIGHT COMMITTEE

Thursday, April 30, 2026
REGULAR MEETING – 5:00 PM

VIA ZOOM

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in Measure HH Advisory Oversight Committee meetings, please contact the Finance Department at 714-593-4418. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting.

ZOOM INFORMATION

City of Fountain Valley is inviting you to a scheduled Zoom meeting.

Topic: Measure HH Committee

Time: April 30, 2026 at 05:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://fountainvalley.zoom.us/j/83224221315?pwd=52F2IYbc42RROsl6IYPKLdSf0L4x5r.1>

Meeting ID: 832 2422 1315

Passcode: 282503

One tap mobile

+16699006833,,83224221315#,,,,*282503# US (San Jose)

+16694449171,,83224221315#,,,,*282503# US

REGULAR MEETING

CALL TO ORDER

SALUTE TO THE FLAG

ROLL CALL: Randy Takayama (Chair), Stephen Schwarz (Vice Chair), Feemun Dogar, Jeffrey Stone, Matt Taylor (Alternate)

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS

Anyone wishing to address the committee on an item listed on this agenda must fill out and submit a blue speaker card. Indicate on the card what item you want to address and you will be called upon during discussion of that item. Anyone wishing to speak on items not on tonight's agenda, may do so during Public Comments. The Measure HH Oversight Committee can take no action on this date, unless the item is agendized. Speakers must limit remarks to a total (3) three minutes per agenda item.

CONSENT CALENDAR

1. APPROVAL OF MINUTES

Recommended Action: Receive and file the Minutes of the March 26, 2026 Regular Measure HH Advisory Oversight Committee Meeting.

DISCUSSION ITEMS

2. FY 24/25 MEASURE HH REPORT CARD AND DRAFT REPORT TO CITY COUNCIL

The Oversight Committee is responsible for producing a report that outlines the results of its review of FY 2024-25 Measure HH Revenues and Expenditures, in relation to the City’s adopted “Responsible Spending Pledge”.

Recommended Action: Review and Discuss.

3. BUDGET OF MEASURE HH REVENUES & EXPENDITURES

On June 3, 2025, City Council adopted the City’s Two-Year Budget for Fiscal Years 2025-26 & 2026-27. The Measure HH Revenues and Expenditures Budget for upcoming Fiscal Year 2026-27 will be presented to the Oversight Committee for review and discussion.

Recommended Action: Review and Discuss.

4. MEASURE HH COMMITTEE COMPOSITION

On February 21, 2017, City Council adopted a resolution creating the Measure HH Oversight Committee. This resolution included rules for the composition of the committee. Proposed revisions to the composition rules aim to strengthen community

5. FUTURE COMMITTEE MEETING TOPICS & DATES

TBD

Recommended Action: Staff recommends that the Oversight Committee discuss tentative meeting dates.

PUBLIC COMMENTS

Anyone wishing to speak on non-agendized items may do so at this time.

COMMENTS FROM STAFF

COMMENTS FROM COMMITTEE MEMBERS

ADJOURNMENT

MATERIAL(S) RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE MEASURE HH OVERSIGHT COMMITTEE AFTER DISTRIBUTION OF THE AGENDA PACKET IS/ARE AVAILABLE FOR PUBLIC INSPECTION IN THE FINANCE DEPARTMENT AT 10200 SLATER AVENUE, FOUNTAIN VALLEY DURING NORMAL BUSINESS HOURS.



**MINUTES OF THE
MEASURE HH OVERSIGHT COMMITTEE
REGULAR MEETING**

Thursday, March 26, 2026

5:00 p.m.

CALL TO ORDER

5:05 p.m.

SALUTE TO THE FLAG

ROLL CALL

Members Present: Randy Takayama (Chair), Feemum Dogar, Stephen Schwarz, Jeffrey Stone, Matt Taylor (Alternate)

Members Absent:

DISCUSSION ITEMS

1. APPROVAL OF MINUTES

ACTION: Moved to approve the minutes for the May 8, 2025 Regular Measure HH Advisory Oversight Committee meeting.

MOTION: Takayama **SECOND:** Stone

AYES: Takayama, Stone, Schwarz, Dogar, Taylor

NOES: None

ABSENT:

ABSTAIN:

Motion carried: 5-0

2. COMMITTEE CHAIR AND VICE CHAIR

ACTION: Randy Takayama nominated for Chair and Stephen Schwarz nominated for Vice Chair.

MOTION: Stone **SECOND:** Taylor

AYES: Takayama, Stone, Schwarz, Dogar, Taylor

NOES: None

ABSENT:

ABSTAIN:

Motion carried: 5-0

3. MEASURE HH BACKGROUND AND HISTORY

The Oversight Committee discussed the background of Measure HH and the requirements

for future committee members.

ACTION: None

4. FY 24/25 MEASURE HH REPORT CARD AND DRAFT REPORT TO CITY COUNCIL

The Oversight Committee is responsible for producing a report that outlines the results of its review of FY 2024-25 Measure HH Revenues and Expenditures, in relation to the City's adopted "Responsible Spending Pledge"

ACTION: Committee Member Matt Taylor will draft a letter to Council for review at the next Committee meeting.

5. FUTURE COMMITTEE MEETING TOPICS & DATES

The Committee scheduled the next Measure HH meeting for Thursday, April 30, 2026, to review the FY 2024-25 Draft Report to City Council, the adopted FY 2026-27 budget, and the draft of committee member requirements.

ACTION: None

PUBLIC COMMENTS

None

COMMENTS FROM STAFF

None

COMMENTS FROM COMMITTEE MEMBERS

None

ADJOURNMENT

The meeting was adjourned at 6:17 p.m.

DRAFT

April 30, 2026

TO THE HONORABLE CITY COUNCIL:

One of the provisions of Measure HH was the creation of an Oversight Committee to review and make recommendations to the City Council to ensure that revenues from the tax are utilized in accordance with the City's Responsible Spending Pledge.

The Committee received the report from the auditor on March 26, 2026, and support the conclusion that all Measure HH funds are being used consistent with the legal requirements placed on Measure HH funds. We are happy to say, that we also believe that the City has gone beyond the legal requirements to ensure reporting that tracks Measure HH income, especially that portion of annual revenue that is carried over in reserves.

We want to thank Ryan Smith and his team for their important work on the report card for measure HH. They listened to feedback from our produced a document that, we believe, clearly communicates how Measure HH funds are being spent to pay down debt and cover annual essential service expenses that the general fund could not cover on an annual basis.

We want to thank City Council, City Manager, Maggie Le, City Treasurer Ryan Smith and his entire Finance team. The Committee looks forward to continued collaboration.

Respectfully submitted,

Randy Takayama, Chair
January 2021 – Present

CITY OF FOUNTAIN VALLEY --MEASURE HH ADVISORY OVERSIGHT COMMITTEE

Feeman Dogar
February 2025-
Present

Stephen Schwarz,
February 2021 – Present

Jeffrey Stone
February 2022 –
Present

Matt Taylor--Alternate
April 2017 – Present

CITY OF FOUNTAIN VALLEY
SCHEDULE OF MEASURE HH REVENUES AND EXPENDITURES
Fiscal Year 2026-27 Adopted Budget

Measure HH Revenues		\$ 17,450,000
Transaction Tax	17,450,000	
17101 Bushard Revenue ¹	-	
Measure HH Expenditures:		
Reoccurring Expenses Incurred on Essential City Services	\$ 17,999,003	
One-Time Expenses	\$ 1,100,000	
Financial Stewardship: HH Reserves Set-Aside in 26-27		\$ (1,649,003)

Measure HH is budgeted to provide necessary funding in Fiscal Year 2026-27 for the following in accordance with the Responsible Spending Pledge:

Reoccurring Expenses Incurred on Essential City Services:		
Pay Down Unfunded Liabilities;²		
CalPERS Unfunded Accrued Liabilities (UAL) Payments		5,050,000
Police and Fire required CalPERS UAL Payments		4,050,000
City Miscellaneous required CalPERS UAL Payments		-
Total Required UAL Payments	\$	9,100,000
Pay Down Unfunded Liabilities;²		
Additional Payment towards unfunded pension liabilities		3,000,000
Payment towards unfunded OPEB liabilities		2,000,000
Total Additional UAL Payments	\$	5,000,000
Pay off or pay down the City's outstanding debt;³		
Outstanding Debt Payments		
2015A Pension Obligation Bonds		1,508,640
2016A Stormwater Infrastructure Bonds		864,250
2017 Clean Renewable Energy Bonds		226,113
Total Debt Payments	\$	2,599,003
Streets / sidewalks / roadways and repair storm water systems;⁴		
Roadway Rehabilitation Projects		
Residential Roadway Rehab Project		1,300,000
Total Roadway Rehab Projects	\$	1,300,000
Total Reoccurring Expenses⁵	\$	17,999,003

One-Time Expenses:		
Streets / sidewalks / roadways and repair storm water systems;⁴		
Roadway Rehabilitation Projects		
Talbert - East City Limit to Ward Road Rehab (Construction)		1,100,000
Total One-Time Expenses	\$	1,100,000

Reserves Set-Aside in 26-27:		
Capital Equipment Reserves - \$365,000 Transfer to Fleet Management Internal Service Fund - Set-aside for Fire Apparatus	\$	365,000
Decrease in Measure HH Reserves	\$	(2,014,003)
Net Measure HH Funds Set-Aside in 26-27	\$	(1,649,003)

See accompanying notes to Schedule of Measure HH Revenues and Expenditures.

¹ - 17101 Bushard Revenue - In April 2024, the City purchased a property at 17101 Bushard as a location for a future Fire Station. \$6 Million of Measure HH reserves were used to purchase the property, with a stipulation that the first \$6 Million of any revenue earned from use of the property would be returned to the Measure HH reserves. During fiscal year 2024-25 the existing building on the property was demolished and the property was made available for short-term lease. To date, no revenues have been received on the property.

² - Pay Down Unfunded Liabilities - The City has an unfunded accrued pension liability of \$96.5 Million as of the most recent valuation measurement date of June 30, 2024. In addition to the CalPERS required \$9 Million required contribution towards the City's UAL, the City also has \$3 Million of Measure HH funds budgeted in FY25-26 as additional discretionary payments to accelerate the pay-down of the unfunded liability. Over the next 10 years, the City has \$118 Million of UAL contributions projected in the current 20-year plan to paydown the UAL prior to Measure HH sunset in FY 2036-37. Once fully funded, the City will no longer be required to make UAL payments.

The City also has unfunded liabilities from Other Post Employment Benefits (OPEB). As of June 30, 2024 the City has \$26.5 Million in unfunded OPEB liabilities. Beginning in FY 2024-25 the City has begun budgeting a \$2 Million annual contribution to its Section 115 OPEB Trust account to offset the unfunded liabilities. Over the next 10 years, the City has \$13.6 Million OPEB contributions projected in the 20-year plan to pay down the unfunded liabilities.

³ - Pay off, pay down, consolidate or refinance the City's outstanding debt - The City's debt service includes payments for three outstanding bonds that are General Fund obligations. All three bonds are set to Mature prior to measure HH Sunset, with the last maturity being May 1, 2037. Fiscal Year 2026-27 includes approximately \$2.6 million of Measure HH funds allocated towards these General Fund obligations.

⁴ - Streets / sidewalks / roadways and repair storm water systems - Measure HH was approved by the community to allow for continuous operating and improvement of essential City services. Each year, Measure HH funds are used to supplement the annual residential roadway rehabilitation project. This project rehabilitates the road surface on residential streets within Fountain Valley. Without the use of Measure HH funds, the project would be scaled back or deferred to future years.

⁵ - Capital Reserve Set-Asides - In the Fiscal Year 2020-21 Schedule of Measure HH Revenues and Expenditures, a total of \$5,116,251 in Measure HH funds were set-aside for specific capital projects. In FY 2023-24, \$3,226,555 of these allocated funds were used, leaving a remaining balance of \$1,889,696.

	FY2020-21 Set-Aside	Set-Aside Funds Used	Remaining Balance
Police Locker Room Remodel	\$ 2,966,251	\$ (2,966,251)	\$ -
Fire Station No. 1	1,000,000	(260,304)	739,696
Sports Park Outbuildings	500,000	-	500,000
Sports Park Road Rehab	650,000	-	650,000
	<u>\$ 5,116,251</u>	<u>\$ (3,226,555)</u>	<u>\$ 1,889,696</u>

Measure HH Reserves				
	Projected Cumulative Measure HH Reserves Set-Aside	Projected Reserves at 6/30/27	Short-Term/ Long-Term Targeted Reserve	% Funded by Measure HH
Capital Projects	-	-	Current Obligations	0%
Measure HH Reserve	15,761,893	15,761,893	-	100%
Capital Set-aside Measure HH	1,889,696	1,889,696	-	100%
Pension Trust Reserves	14,300,000	17,367,544	\$10-30 Million	82%
Emergency Reserves	4,903,421	17,640,408	25% of GF Exp	28%
Other Reserves	-	8,483,419		0%
Total General Fund Reserves	36,855,010	61,142,960		60%
Fire Apparatus Reserves*	2,225,000	2,225,000	\$2 Million	100%
OPEB Trust	7,700,000	19,365,000	\$10-30 Million	40%
Total HH Reserves	46,780,010			
* Including Measure HH and non-HH reserves set-aside and related investment income.				
	<u>Issued April 18, 2023</u>	<u>Repaid To Date</u>	<u>Balance Due</u>	
Bushard Property Loan	6,000,000	-	6,000,000	



City of Fountain Valley

Measure HH – Essential City Services Oversight Committee

1. Purpose

The purpose of the oversight committee is to review, at a policy level, the City's annual audited financial statement; mid-year budget report and proposed annual general fund operating budget in regards to the receipt and expenditure of the fiscal year's one-cent (1%) transactions and use (sales) tax (Measure HH – Essential City Services) revenue in relation to the City's adopted "Responsible Spending Pledge". The committee will communicate its findings to the public and the City Council annually.

2. Committee Responsibilities

The oversight committee responsibilities for each of the years that the Measure HH one-cent (1%) transactions & use (sales) tax is collected is:

- 2.1. Review at a policy level the audited annual financial report which will include Measure HH – Essential City Services tax revenue and expenditures.
- 2.2. Review at a policy level the mid-year financial report of general fund revenues and expenditures.
- 2.3. Review at a policy level the proposed annual general fund operating budget prior to adoption by City Council.
- 2.4. Review the above reports at a policy level based on the City "Responsible Spending Pledge" and Measure HH – Essential City Services goals of maintaining essential city services including public safety.

The Committee shall produce a report that records the results of its review at a policy level of the City's audited financial statement, mid-year financial report and proposed annual general fund budget for expenditures of the revenue generated from the Measure HH – Essential City Services tax. The report shall be presented to the Council at a public meeting and shall be a public record. The Committee shall confine itself specifically to a high level review of revenues generated under Measure HH – Essential City Services and related expenditures that support the policies of the adopted Responsible Spending Pledge.

The Oversight Committee responsibilities do not include the following:

- Enterprise and other funds generated independent of Measure HH;
- Enterprise and other fund expenditures independent of Measure HH;
- Decision-making on spending priorities;
- No authority to direct, nor shall it direct City staff or other officials.

3. Committee Lifespan

The Measure HH Oversight Committee shall sunset (cease to exist) once it has reviewed and reported on all audit reports Measure HH revenue collection, which is anticipated to be completed by June 2038. No council action is required to terminate the Committee.

4. Committee Composition

The Committee shall consist of five members, ~~at least one member must actively represent the business community representing a business located within Fountain Valley; at least one member must be an active senior resident (age 65 or older); at least one member must have voted for Measure HH; at least one member must have voted against Measure HH; the fifth member will be a community member at-large;~~ and one alternate.

The following rules apply to all members:

4.1. All members shall be at least 18-years of age and reside within the State of California and be residents of the City of Fountain Valley or actively operating a business within the City of Fountain Valley. All members shall be a registered voter. (Confirmation can be made by the voter through the OC Registrar of Voters website.)

4.2. Committee members may not be current Fountain Valley employees, Fountain Valley City Council members, or any vendor, contractor, or consultant with active contracts or agreements with the City of Fountain Valley.

4.3. In making its appointment to the Oversight Committee, the Council may, at its discretion, consider various factors applicable to each candidate including, but not limited to, (i) residency in the City, (ii) whether the candidate is a registered voter within the City, and (iii) the candidate's professional (including financial or accounting experience) and educational background which supports or complements the purposes of the Oversight Committee.

4.4. The alternate member of the committee shall be selected based on their overall ranking ~~and can be from any of the five member categories~~. The alternate shall be chosen after the five member s-categories have been selected.

5. Committee is Advisory

Advisory bodies play an important role in City government by assisting and advising the City Council. The primary role of an advisory body is to provide judicious advice to the City Council, the elected policy making body of the City. The advisory body's role can include the review of written and financial information, facilitating the study of issues, assessing the alternatives regarding issues of community concern and ultimately forwarding recommendations through Staff Liaison to the City Council for its consideration.

6. Committee Member Terms of Office

The Committee shall hold staggered terms of three years. The initial set of terms will be shorter than a full three year term in order to get the full three year rotation in place. All subsequent terms will be for three years until the Committee disbands in June 2038.

Initial Member Slot Terms:

Slots A & Alternate: Appointed April 2017, Expires December 2017; subsequent terms January 2018 – December 2020

Slots B & C: Appointed April 2017, Expires December 2018; subsequent terms January 2019 – December 2021

Slots D & E: Appointed April 2017, Expires December 2019; subsequent terms January 2020 – December 2022

**The initial member slots will be determined by random drawing at the time the Council selects the committee members.*

7. Committee Organization & Use of Existing City Practices

The Committee shall follow all relevant existing City practices in terms of organization and conduct. Specifically:

- 7.1.** Elect the Chair and Vice Chair;
- 7.2.** Operate in accordance with the Ralph M. Brown Public Meetings Act and shall conduct its meetings in accordance with the provisions thereof;
- 7.3.** A quorum shall consist of at least three (3) of the five (5) members of the committee. A copy of the approved minutes shall be forwarded to the City Clerk in accordance with the Public Records Act;
- 7.4.** Operate in accordance with City of Fountain Valley - City Council Policy, Commission/Committee Appointments, except where the Measure HH Oversight Committee Resolution (Policies) specifically addresses a topic;
- 7.5.** Operate in accordance with City of Fountain Valley Administrative Directives or Policies related to Ethics Training for Elected Officials; Appointees to Certain Boards, Commissions, and Committees; and Designated Employees;
- 7.6.** Comply with all State and local mandated conflict of interest/economic interest disclosure requirements;
- 7.7.** Receive no compensation for service on the Committee.

8. Committee Appointments / Attendance / Removal / Vacancy

The Committee shall be appointed through the normal Commission / Committee Appointments City Council Policy process. There will be a supplemental questionnaire for Measure HH Committee applicants. The power to make determinations as to appointments, attendance, removal and vacancies on the Oversight Committee is expressly reserved by the City Council.

- 8.1.** For committee's to function effectively and accomplish their goals, all members must be active participants. This means all members must be present

at all meetings. Committee members must inform the staff liaison prior to the meeting if they are unable to attend. Two unexcused absences in one calendar year may be grounds for removal from the committee.

8.2. The Council may remove any Committee member for any reason or for failure to comply with the City's Ethics Policies and Conflict of Interest requirements.

8.3. If a Committee member resigns or is removed by the Council, his or her seat shall be declared vacant. The Council in accordance with established appointment processes shall fill any vacancies on the Committee. First the vacancy shall be filled by immediately appointing the current alternate Committee Member. If no alternate is available, the vacancy shall be filled within 90 days from the initial date of each such vacancy based on the established procedures for committee appointments.

8.4. A Committee member may be removed as may otherwise be prescribed or required by law.

9. Staff Support/Authority of Committee

Staff from the Finance Department will have primary responsibility for providing administrative support to the Measure HH Committee as shall be consistent with the Committee's purposes. The City Manager or his/her designee may also act as staff liaison to the Committee. Oversight Committee members do not have the authority to direct staff of the City or other officials.

10. Committee Meeting Schedule

The City's budgeting occurs from January through June; the audited financial statement is complete by the end of December; and the mid-year financial report is normally completed in March. Consequently, the Committee shall be active from January through June each year. The exact meeting schedule (days/times/locations) will be dependent upon the budget preparation schedule, which changes slightly from year to year. All Oversight Committee meetings will be public and will be agendaized in accordance with the Brown Act.

11. Committee Reports

The Committee shall present to the Council, in public session, an annual written report which shall include the following:

11.1. A summary of the Committee's proceeding and activities during the most recent review period.

11.2. A response to the following questions will be addressed in the annual report:

11.2.1. Does the current audited financial statement reflect that the Measure HH – Essential City Services tax was collected and appropriately spent based on the City's adopted Responsible Spending Pledge?

11.2.2. Does the City's proposed General Fund annual budget and CIP plan protect and maintain the City's core services including public safety based on the City's adopted Responsible Spending Pledge?

11.2.3. Does the City's proposed General Fund budget rebuild the City's reserves, set-aside funds for OPEB and pension unfunded liability, and put funds aside for early payoff of existing debt to the extent that Measure HH – Essential City Services funds are available based on the City's adopted Responsible Spending Pledge?

11.2.4. Does the City's proposed General Fund budget make progress toward resolving the City's structural budget deficit that could exist when Measure HH – Essential City Services tax expires based on the City's strategic goals and plans?

The report prepared by the Committee documenting their findings will be presented to the City Council at a public meeting, usually after the adoption of the annual budget in June. The report will be a part of the public record.

12. Amendment of Policy and Regulations

The policies and regulations of the Oversight Committee may be subject to later and further amendments by the City Council at its discretion.