



**AGENDA
REGULAR MEETING**

**City Council of the Town of Colma
Colma Town Hall
1198 El Camino Real
Colma, CA 94014**

**Wednesday, January 23, 2019
6:00 PM – CLOSED SESSION
7:00 PM – REGULAR SESSION**

CLOSED SESSION - 6:00 PM

1. In Closed Session Pursuant to Government Code Section 54957.6 – Conference with Labor Negotiators

Agency Negotiators: Brian Dossey, City Manager
Austris Rungis, IEDA
Employee Organizations: Colma Peace Officers Association and Colma
Communications/Records Association
Unrepresented Employees: All

PLEDGE OF ALLEGIANCE AND ROLL CALL - 7:00 PM

REPORT FROM CLOSED SESSION

ADOPTION OF AGENDA

PRESENTATION

- Scott McMullin, Chairperson of the San Mateo County Health Commission on Aging
- End of Year Police Department Report

PUBLIC COMMENTS

Comments on the Consent Calendar and Non-Agenda Items will be heard at this time. Comments on Agenda Items will be heard when the item is called.

CONSENT CALENDAR

2. Motion to Accept the Minutes from the January 9, 2019 Regular Meeting.
3. Motion to Adopt an Ordinance Amending Colma Municipal Code Subchapter 6.02 Relating to Medical Caregiver Parking Permits (second reading).

NEW BUSINESS

4. FY 2017-18 AUDITED FINANCIAL STATEMENTS AND REPORTS

Consider: Motion to Adopt a Resolution Accepting Auditor's Reports and Financial Statements for the Fiscal Year Ending in June 30, 2018.

STUDY SESSION

5. PARKING RESTRICTIONS

This item is for discussion only; no action will be taken at this meeting.

REPORTS

Mayor/City Council
City Manager

ADJOURNMENT

The City Council Meeting Agenda Packet and supporting documents are available for review at the Colma Town Hall, 1198 El Camino Real, Colma, CA during normal business hours (Mon – Fri 8am-5pm). Persons interested in obtaining an agenda via e-mail should call Caitlin Corley at 650-997-8300 or email a request to ccorley@colma.ca.gov.

Reasonable Accommodation

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1. In Closed Session Pursuant to Government Code Section 54957.6 – Conference with Labor Negotiators

Agency Negotiators:	Brian Dossey, City Manager Austris Rungis, IEDA
Employee Organizations:	Colma Peace Officers Association and Colma Communications/Records Association
Unrepresented Employees:	All

There is no staff report for this item.



**MINUTES
REGULAR MEETING**

City Council of the Town of Colma
Town Hall Council Chamber, 1198 El Camino Real
Colma, CA 94014

Wednesday, January 9, 2019

CALL TO ORDER – 7:00 PM

Mayor Joanne F. del Rosario called the meeting to order at 7:03 p.m.

Council Present –Mayor Joanne F. del Rosario, Vice Mayor John Irish Goodwin, Council Members Diana Colvin, Helen Fiscaro and Raquel Gonzalez were all present.

Staff Present – City Manager Brian Dossey, City Attorney Christopher Diaz, Police Chief Kirk Stratton, Administrative Services Director Pak Lin, Director of Public Works Brad Donohue, City Planner Michael Laughlin, City Clerk Caitlin Corley and Recreation Coordinator Liz Tapia were in attendance.

ADOPTION OF THE AGENDA

Mayor del Rosario asked if there were any changes to the agenda; none were requested. The Mayor asked for a motion to adopt the agenda.

Action: Council Member Colvin moved to adopt the agenda; the motion was seconded by Council Member Fiscaro and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Joanne F. del Rosario, Mayor	✓				
John Irish Goodwin	✓				
Diana Colvin	✓				
Helen Fiscaro	✓				
Raquel Gonzalez	✓				
	5	0			

PRESENTATIONS

- Recreation Coordinator Liz Tapia, along with Mike Mahoney, Monica Devincenzi, and Nicole Lee of Republic Services, presented plaques to the winners of the Town’s Holiday House Decorating Contest Winners: the Manela Family, the Molloy Family, and the Flores Family. Republic Services also presented the Town with a plaque in recognition of the Town’s holiday decorations. Council thanked Republic Services for the honor and credited the decorations to the Town’s excellent Public Works team.
- Mayor del Rosario took a moment to recognize National Law Enforcement Appreciation Day and thanked the Colma Police Department for their dedicated service to the Town.
- Police Chief Kirk Stratton introduced and swore in new Police Sergeant James Vitale.

PUBLIC COMMENTS

Mayor del Rosario opened the public comment period at 7:15 p.m. Clarise Veloso of HIP Housing thanked the Council for their support and presented the Council with the annual HIP Housing calendar. The Mayor closed the public comment period at 7:17 p.m.

CONSENT CALENDAR

1. Motion to Accept the Minutes from the December 12, 2018 Regular Meeting.
2. Motion to Approve Report of Checks Paid December 2018.
3. Motion to Accept Informational Report on Recreation Department Programs, Activities, Events, and Trips for the Fourth Quarter of 2018.

Action: Council Member Gonzalez moved to approve the Consent Calendar items #1 through 3; the motion was seconded by Council Member Colvin and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Joanne F. del Rosario, Mayor	✓				
John Irish Goodwin	✓				
Diana Colvin	✓				
Helen Fisicaro	✓				
Raquel Gonzalez	✓				
	5	0			

NEW BUSINESS

4. MEDICAL CARE GIVER PARKING PERMIT

Police Chief Kirk Stratton presented the staff report. Mayor del Rosario opened the public comment period at 7:22 p.m. and seeing no one come forward to speak, she closed the public comment period. Council discussion followed. Council requested that language be inserted into the ordinance defining a caregiver as "a medically trained individual or family member."

Action: Council Member Fisicaro moved to Introduce an Ordinance Amending Colma Municipal Code Subchapter 6.02 Relating to Medical Caregiver Parking Permits, with the requested changes, and Waive a Further Reading of the Ordinance; the motion was seconded by Council Member Gonzalez.

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Joanne F. del Rosario, Mayor	✓				
John Irish Goodwin	✓				
Diana Colvin	✓				
Helen Fisicaro	✓				
Raquel Gonzalez	✓				
	5	0			

5. SURPLUS PROPERTY

City Manager Brian Dossey presented the staff report. Mayor del Rosario opened the public comment period at 7:36 p.m. and seeing no one come forward to speak, she closed the public comment period. Council discussion followed.

Action: Council Member Fisicaro moved to Adopt a Resolution Authorizing Donation of Surplus Personal Property to Charitable Nonprofit Organizations, and/or Other Public Agencies, and Authorizing the Sale of Remaining Property; the motion was seconded by Vice Mayor Goodwin.

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Joanne F. del Rosario, Mayor	✓				
John Irish Goodwin	✓				
Diana Colvin	✓				
Helen Fisicaro	✓				
Raquel Gonzalez	✓				
	5	0			

STUDY SESSION

6. RESIDENTIAL SMOKING ORDINANCE

City Planner Michael Laughlin presented the staff report. Mayor del Rosario opened the public comment period at 7:47 p.m. The following people made comments: Francesca Lomotan of San Mateo County Health, and Jenn Awa and Monica Pahulu of Taulama and the Tobacco Education Coalition. The Mayor closed the public comment period at 7:57 p.m. Council discussion followed.

This item was for discussion only; no action was taken at this meeting.

COUNCIL CALENDARING

The next Regular City Council Meeting will be on Wednesday, January 23, 2019 at 7:00 p.m. in the Council Chamber.

REPORTS

Joanne F. del Rosario

Council of Cities hosted by Colma, 12/14/18

Diana Colvin

Council of Cities hosted by Colma, 12/14/18

Helen Fisicaro

Council of Cities hosted by Colma, 12/14/18

City Manager Brian Dossey gave a report on the following topics:

- There will be a closed session on January 23, 2019 at 6:00 p.m.
- There are two upcoming special meetings:
 - Wednesday, February 6, 2019 – Strategic Plan
 - Monday, February 11, 2019 – Capital Improvement Plan Study Session

- There will be two community meeting to discuss Mission Road Improvements on Thursday, January 17, 2019. One will be held at 12:00 p.m. at Molloy's; the other will be held at 5:00 p.m. at Town Hall.
- The Sterling Park Playground project is nearing completion; a ribbon cutting ceremony will be held in early February.
- The Town's 2018-2019 Budget received awards from both the Government Finance Officers Association and the California Society of Municipal Finance Officers.

ADJOURNMENT

Mayor del Rosario adjourned the meeting at 8:32 p.m. in memory of Lawrence Caserza, cousin of Dennis Fisicaro and longtime supporter of the Colma Historical Association.

Respectfully submitted,

Caitlin Corley
City Clerk

ORDINANCE NO. ____
OF THE CITY COUNCIL OF THE TOWN OF COLMA

**ORDINANCE AMENDING COLMA MUNICIPAL CODE SUBCHAPTER 6.02 RELATING TO
 MEDICAL CAREGIVER PARKING PERMITS**

The City Council of the Town of Colma does ordain as follows:

ARTICLE 1. RECITALS.

- (a) Parking has been a long term issue in the Sterling Park neighborhood.
 - (b) Past regulatory efforts have focused primarily on commuter parking impacts due to the nearby Colma BART station.
 - (c) There continues to be a limited number of parking spaces relative to the number of residents' vehicles.
 - (d) In 2017, the Town found that limiting the number of preferential parking permits for residents and the number of temporary permits, and eliminating separate guest permits, was in the best interests of the health, safety, and general welfare of the residents of Colma.
 - (e) Since limiting the number of permits, certain residents who have a medical caregiver have expressed concern about their caregiver's ability to park when providing medical care in their residence.
-

ARTICLE 2. INCORPORATION OF RECITALS.

The City Council hereby finds that all of the foregoing recitals and the staff report presented herewith are true and correct and are hereby incorporated and adopted as findings of the City Council as if fully set forth herein.

ARTICLE 3. CMC SECTION 6.02.050 AMENDED.

Colma Municipal Code, Section 6.02.050, shall be and hereby is amended and restated to read as follows:

"6.02.050 Issuance of Permits.

- (a) *Applications.* The Police Department shall issue permits, in a form to be determined by the Police Department and consistent with the provisions of this article, for preferential parking to qualified residents and qualified merchants who have completed an application form supplied by the Police Department. Applicants for such permits shall present such proof as may be required by the Police Department of a residence or place of business adjacent to the area designated as a preferential parking zone.

(b) *Preferential Parking Permits.* Up to four (4) Preferential Parking Permits shall be issued per dwelling unit in a preferential parking zone, for each vehicle registered to a Qualified Resident that resides at the permitted dwelling unit. One Preferential Parking Permit may be issued to each non-resident employee of a Qualified Merchant upon request to the Chief of Police. A Preferential Parking Permit shall remain effective for a period of no more than two years, or until the preferential parking zone for which such permit was issued is eliminated, or the permits previously issued are re-issued under a different time-frame in the sole discretion of the Town, whichever is less.

(1) *Medical Caregiver Parking Permits.* A Qualified Resident's medical caregiver (may include a medically trained individual or a family member) may also obtain one (1), or up to the maximum if necessary, of the maximum four (4) Preferential Parking Permits per Qualified Resident's dwelling unit in the preferential parking zone. In order for a medical caregiver to obtain a Preferential Parking Permit, the medical caregiver must:

(i) Obtain and provide the Town with the express written consent of a Qualified Resident;

(ii) Complete an application form provided by the Colma Police Department;

(iii) Provide evidence that the vehicle is registered in California and either: (1) registered to the medical caregiver or (2) authorized to be used by the medical caregiver; and

(iv) Provide an affidavit signed under penalty of perjury by the Qualified Resident's physician indicating the Qualified Resident's general need for the medical caregiver.

Upon receipt of all of the required documentation above, the Chief of Police, or his or her designee, shall issue a parking permit to a Qualified Resident's medical caregiver. The permit shall be valid for up to six months from the date of issuance, or until such lesser time that the Qualified Resident indicates the medical caregiver's services are no longer required.

(c) *Temporary Permits.* The Police Department may also issue to any qualified resident or any qualified merchant a Temporary Permit for use by a bona fide visitor of the applicant, as follows:

(1) The request can be made through the Town's website or in person and must include the license plate number of the visitor's vehicle. A Temporary Permit may be denied based on misuse (e.g. the qualified resident has used the Temporary Permit to facilitate repeated access to BART, rather than for bona fide visitor of the qualified resident). Temporary Permits may be issued for up to fourteen (14) days. No more than fifteen temporary permits may be issued per dwelling per year regardless of the number of qualified residents residing at the dwelling, and no more than one permit may be in effect at one time. The

resident/merchant must retrieve each Temporary Permit in person at the Police Department and show a California driver license with a Colma address (or other proof of residency deemed appropriate by the Chief of Police) or that he/she is a qualified merchant.

(d) *Placement.* Resident and Merchant Permits must be displayed from inside the rear window on the driver's side of the vehicle (except for convertibles in which case the Permit must be displayed inside the front windshield), with the permit number or vehicle license number clearly visible from the outside. Temporary Permits must be suspended from the rear view mirror of the automobile, with the permit number or vehicle license number clearly visible from the outside.

(e) *Conditions of permit.* Each parking permit shall be subject to all conditions and restrictions set forth in this section and of the preferential parking zone for which it is issued.

(f) *Other Laws and Regulations.* The issuance of a parking permit shall not be construed to be a permit for, or approval of, any violation of any provision of this Code or any other laws or regulations.

(g) *Fees.* No fee shall be charged for issuance of a permit except that the city council may, by resolution, set a fee for replacement of lost or destroyed permits.

(h) *Appeals.* Any person who has been denied a permit may appeal that decision to the City Manager by giving written notice thereof within ten (10) days after the decision of the Police Department.

ARTICLE 4. SEVERABILITY.

Each of the provisions of this Ordinance is severable from all other provisions. If any article, section, subsection, paragraph, sentence, clause or phrase of this Ordinance is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance.

ARTICLE 5. NOT A CEQA PROJECT.

The City Council finds that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

ARTICLE 6. EFFECTIVE DATE.

This ordinance, or a summary thereof prepared by the City Attorney, shall be posted on the three (3) official bulletin boards of the Town of Colma within 15 days of its passage and is to take force and effect thirty (30) days after its passage.

Certificate of Adoption

I certify that the foregoing Ordinance No. ____ was duly introduced at a regular meeting of the City Council of the Town of Colma held on January 9, 2019 and duly adopted at a regular meeting of said City Council held on January __, 2019 by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Joanne F. del Rosario, Mayor					
John Irish Goodwin					
Diana Colvin					
Helen Fisicaro					
Raquel Gonzalez					
<i>Voting Tally</i>					

Dated _____

Joanne F. del Rosario, Mayor

Attest: _____
Caitlin Corley, City Clerk



STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Pak Lin, Administrative Services Director
 VIA: Brian Dossey, City Manager
 MEETING DATE: January 23, 2019
 SUBJECT: FY 2017-18 Audited Financial Statements and Reports

STAFF RECOMMENDATION

Staff recommends that the Council adopt:

RESOLUTION ACCEPTING AUDITOR'S REPORTS AND FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018

EXECUTIVE SUMMARY

In accordance with prudent financial management, the Town retains an independent auditor to audit the Town's annual financial statements. As with previous years, the firm R.J. Ricciardi, Certified Public Accountants, has audited the Town's financial records and the attached Basic Financial Statements for fiscal year 2017-18. The Auditor found that:

1. The Financial Statements present in a fair and accurate manner the financial position of the government activities of the Town, each major fund, and the remaining fund balances as of June 30, 2018.
2. The Auditor has issued a separate compliance report regarding the receipt and use of Measure A Transportation funds.
3. The Auditor reviewed the Appropriations Limit (Gann Limit) calculation and issued a report which had found no exceptions in the calculations.

FISCAL IMPACT

This is for reporting purposes. No fiscal impact.

BACKGROUND

The Town retained the services of R.J. Ricciardi, CPA, to conduct an independent audit of the Town's financial statement for fiscal year ending June 30, 2018. The 2017-18 Basic Financial Statements, Management Report, 2017-18 Measure A Fund Component Unit Financial Statements, and Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheet, are attached to this staff report.

A representative from the firm will be at the Council meeting to present the audit and answer any questions the Council may have.

ANALYSIS

The firm conducted the review in accordance with generally accepted auditing standards and found that the financial statements fairly present the Town's financial position. The Town has received a "clean" audit for FY 2017-18 with no adverse findings or recommendations. The Auditor's Opinion is found on pages 1-2 of Attachment B. This means the financial information is presented fairly and accurately based on the review by the Auditors.

FY 2017-18 Audited Financial Report

The FY 2017-18 Audited Financial Report is organized in four main sections, see below. All sections have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and relevant rules established by the Governmental Accounting Standard Board (GASB).

INTRODUCTORY SECTION has the Table of Contents, Town Officials, and Town Organization Chart. The FY 2017-18 Financial Report does not include a transmittal letter, as it is embedded in the MD&A.

FINANCIAL SECTION contains the Independent Auditors' Report, Management's Discussion & Analysis (MD&A), Basic Financial Statements, and Notes to Basic Financial Statements.

Independent Auditors' Report (p. 1-2) summarizes the auditors' responsibility regarding the financial statements, their audit opinion, and other matters and information in the Financial Report. As stated above, the Town received a "clean" audit for FY 2017-18.

Management Discussion & Analysis (MD&A) (p. 3-10) provides highlights on the Town's financial condition, overall economic conditions, and a FY 2018-19 Budget overview.

Basic Financial Statements (p. 11-18), presents the Town's FY 2017-18 finances as dictated by GAAP. This section begins with Governmental-Wide financial statements (p. 11-12) where the financial information within the Fund Financial statements (p. 13-18) are consolidated and adjusted in accordance with GAAP. Reconciliations from the Fund level to Governmental-Wide level can be found on pages 13 and 15. Additional information on Governmental-Wide and Fund Financial Statements can be found on page 19 (NOTE 1B).

The Fund Financial Statements also presents General Fund, Capital Projects Fund and Town Hall Certificate of Participation (COP) funds as Major Funds. (See description included in MD&A – p. 3 and p. 13-14 of the Financial Statements). Non-major funds are

combined and presented as "Other Governmental Funds" (p. 13-14) and in the Supplemental Information Section (p. 49-50).

Notes to the Basic Financial Statements (p. 19-41) provides additional information about the Basic Financial Statements. This includes explanation of the basis of accounting and various accounting terms. It also includes debt schedules, background information on pension and OPEB, and other pertinent information needed to understand the Basic Financial Statements.

REQUIRED SUPPLEMENTAL INFORMATION includes General Fund budgetary comparison (p. 42), Pension and OPEB schedules (p. 43-48), and Balance Sheet and Schedule of Revenues, Expenditures and Changes in Fund Balance for non-major governmental funds (p. 49-50).

STATISTICAL SECTION (p. 51-67) includes multi-year comparisons for key financial data (p.51-58), property tax and assessed valuation (p. 59-62), sales tax revenue producers and taxable sales by categories (p. 63-66), and Colma's demographic and economic information (p. 67).

Key Notes and Changes

TOWN HALL RENOVATION PROJECT FINANCING

On September 24, 2015, the Town completed a Certificates of Participation (COP) financing of \$5.3 Million to fund a portion of the Town Hall Renovation Project. The proceeds from this financing were placed in a separate fund. The net liability as of June 30, 2018 in this fund was \$4,900,000. (See Note 4E pages 29-30).

RETIREMENT LIABILITIES

This is the fourth year of the requirement to incorporate additional information on retirement plan liabilities as required by Government Accounting Standards Board (GASB) statement No. 68. (See Note 5C on pages 31-36). As shown on page 29 the Net Pension Liability increased by \$1.2 Million from \$9.4 Million in the prior year to an ending balance of \$10.7 million as of June 30, 2018.

RETIREE MEDICAL AND DENTAL (OPEB) LIABILITIES

This is the first year of the requirement to incorporate additional information on retirement plan liabilities as required by Government Accounting Standards Board (GASB) statement No. 75. (See Note 7 on pages 37-41). As shown on page 29 the Net OPEB Liability increased by \$8.1 Million from \$5.8 Million in the prior year to an ending balance of \$13.9 million as of June 30, 2018. The increase of \$8.1 Million is driving by a change in how OPEB liabilities are recorded. Previously, OPEB liabilities were offset by contributions. With the implementation of GASB 75, OPEB liabilities and additional contributions are recorded separately, showing the estimated future OPEB debt.

Other Reports

MANAGEMENT REPORT

As part of the Audit process the Auditors also review procedures and make recommendations on improvements as part of a Management Report (See Attachment C). The Auditors did not make any reportable findings with the current year work.

MEASURE A TRANSPORTATION FUNDS

The Town receives \$50,000 per year in Measure A Transportation Funds from San Mateo County. The Measure A Program requires the Town to complete a separate audit of these funds (See Attachment D). In addition to financial testing of transactions the Auditors do additional review to provide a reasonable assurance that the Town of Colma has complied with certain provisions of Measure A.

No Measure A expenditures were made by the Town in FY 2016-17 and FY 2017-18. The balance available in the Measure A Fund as of June 30, 2018 was \$174,399. A total of \$160,000 of Measure A funds was designated in 2017-18 and carried into 2018-19 for the Mission Road Improvements project (Project 903) in the 2018-19 Capital Improvement Plan.

APPROPRIATIONS LIMIT

Annually the Town is required to calculate an Appropriations Limit which is presented in the Budget and adopted by the Council. State Law does not require an "Audit" of the proceeds of taxes, but does require a review completing specific procedures. This review was completed by the Auditors with no exceptions being noted (See Attachment E).

Reasons For the Recommended Action/Findings

Acceptance of the FY 2017-18 audited/reviewed financial statements and reports will authorize Staff to publish and distribute them to various interested parties, and ensure compliance with the Town's debt issuance requirements.

Council Adopted Values

Approval of the attached resolution is consistent with the Council's core value of responsibility because the annual audit process provides an objective, expert assessment of the Town's financial condition and financial reporting process.

Alternatives

None. In addition to supporting good governance, the completion of Audited Financial Statements is a requirement of the Certificate of Participation (COP) debt issuance and rules imposed by the SEC.

CONCLUSION

Staff recommends the City Council receive the presentation from the Town's auditor, then adopt a resolution accepting the Auditor's reports for Fiscal Year 2017-18.

ATTACHMENTS

- A. Resolution - Accepting Auditor Reports for FY 2017-18
- B. FY 2017-18 Basic Financial Statements
- C. FY 2017-18 Management Report
- D. FY 2017-18 Measure A Fund Component Unit Financial Statements
- E. Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheet

**RESOLUTION NO. 2019-##
OF THE CITY COUNCIL OF THE TOWN OF COLMA**

**RESOLUTION ACCEPTING AUDITOR'S REPORTS AND FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

The City Council of the Town of Colma does hereby resolve as follows:

1. Background

(a) R.J. Ricciardi, Certified Public Accountants (Auditor) undertook, pursuant to contract with the Town of Colma, to perform an independent audit of the Town's FY 2017-18 Financial Statements and the Town's FY 2017-18 Measure A Fund Component Unit Financial Statement, and to prepare an Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets.

(b) The Auditor reported that it has completed said audit and has found that the financial statements present fairly in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Colma as of June 30, 2018, and the respective changes in the financial position for the year then ended. The Auditor further reported that all the financial statements were in conformity with U.S. generally accepted accounting principles.

(c) The Auditor made no supplemental recommendations on the Town's financial procedures.

(d) The Auditor reviewed the calculation of the Fiscal Year 2018-19 appropriations limit in the amount of \$44,103,586. No exceptions were identified in the calculations made by the Town.

2. Findings

The City Council finds that the balances as presented in the Financial Statements for the fiscal year ending June 30, 2018 are accepted and shall be reflected in the Town accounting records.

3. Reports and Audited Statements Accepted

The reports of the Auditor, the Town's FY 2017-18 Audited Financial Statements, the Town's FY 2017-18 Audited Measure A Fund Component Unit Financial Statement, and the Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets are hereby accepted. The City Manager shall take all necessary steps to file and distribute the reports as required by external agencies.

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Certification of Adoption

I certify that the foregoing Resolution No. 2019-## was duly adopted at a regular meeting of the City Council of the Town of Colma held on January 23, 2019, by the following vote:

Name	Counted toward Quorum			Not Counted toward Quorum	
	Aye	No	Abstain	Present, Recused	Absent
Joanne F. del Rosario					
John Irish Goodwin					
Diana Colvin					
Helen Fisicaro					
Raquel "Rae" Gonzalez					
Voting Tally					

Dated _____

Joanne F. del Rosario, Mayor

Attest: _____
Caitlin Corley, City Clerk

**TOWN OF COLMA
COLMA, CALIFORNIA**

BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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Town of Colma
List of Elected Officials, Appointed Officials & Contract Service Providers
as of June 30, 2018

Elected City Officials

Mayor	Raquel "Rae" Gonzales
Vice Mayor	Joanne F. del Rosario
Council Member	Diana Colvin
Council Member	John Goodwin
Council Member	Helen Fisicaro

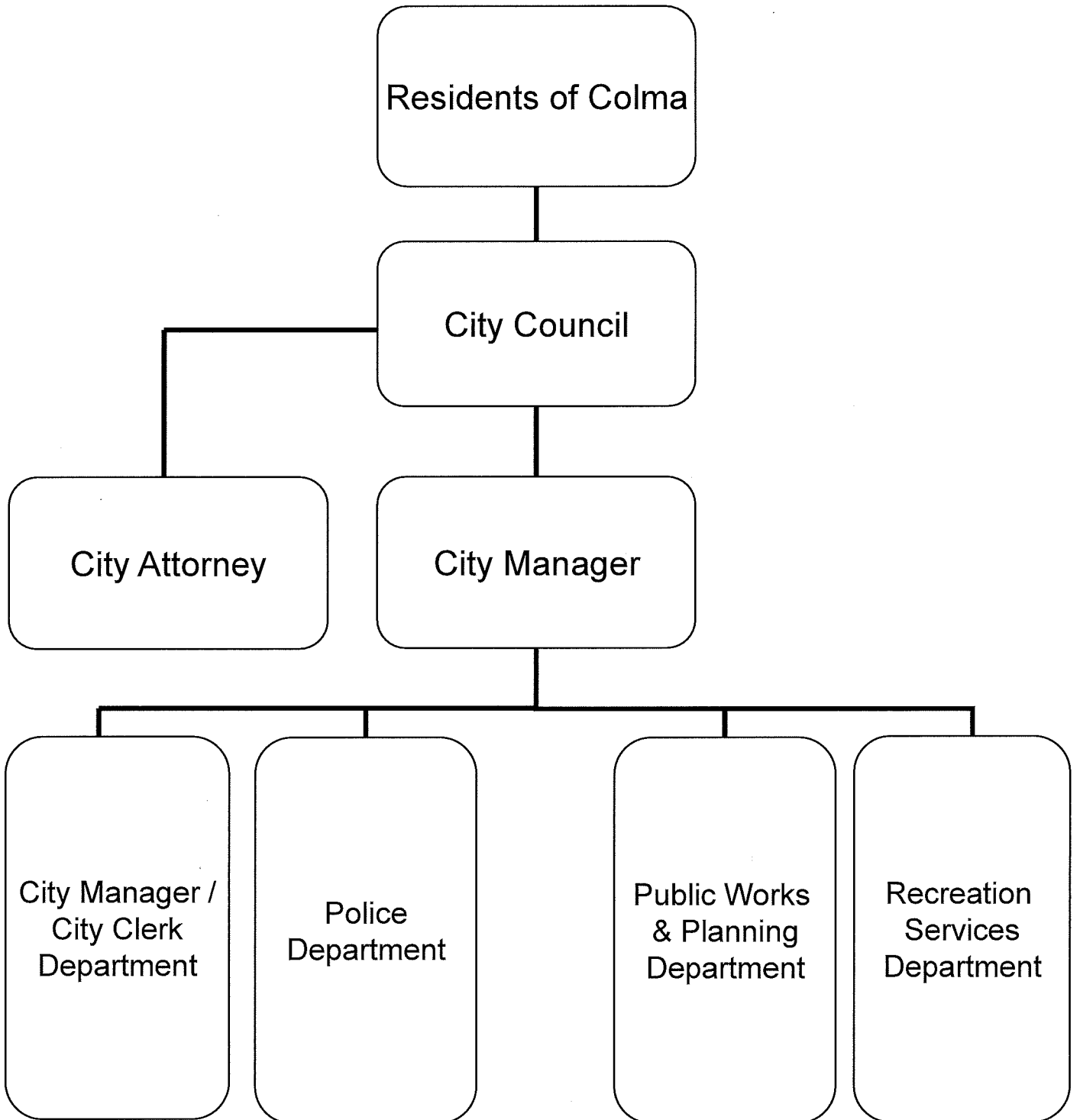
Appointed City Officials

City Manager	Brian Dossey
Chief of Police	Kirk Stratton
Administrative Services Director	Pak Lin

Other Key City Services Under Contract

Legal Services	Best, Best & Krieger
Planning Services	CSG Consultants
Engineering Services	CSG Consultants
Building Official Services	CSG Consultants

Town of Colma



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Town Council
Town of Colma
Colma, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Colma, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Colma's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to Town of Colma's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Colma's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Colma, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and the Budgetary Comparison Schedule for the General Fund, Local Government's Proportionate Share of Net Pension Liability, and Schedules of Contributions (page 42-48) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the Town of Colma's basic financial statements. The Supplementary Information as identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, listed as Combining and Individual Fund Schedules, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
January 15, 2019

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

The following discussion provides readers of Town of Colma's basic financial statements a narrative overview and analysis of the financial activities of Town of Colma (the Town) for the fiscal year ended June 30, 2018. Please read this document in conjunction with the accompanying basic financial statements.

FISCAL YEAR 2018 FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year 2018 include the following:

Entity-wide:

- The Town's total net position was \$63,783,107 as of June 30, 2018.
- Entity-wide Governmental revenues of \$19,228,578 include program revenues of \$2,212,866 and general revenues of \$17,015,712.
- Entity-wide Governmental expenses were \$17,129,356.

Fund Level:

- Governmental Fund balances decreased \$4,302,502 in fiscal year 2018 due to drawing down on the capital fund reserve to complete the Town Hall Campus Renovation Project.
- Governmental Fund revenues increased \$519,231 in fiscal year 2018 due to an increase in sales tax revenues, better than expected investment return, and collection of one-time housing impact fee.
- Governmental Fund expenditures increased \$6,021,045 in fiscal year 2018 due to increased spending as the Town Hall Campus Renovation Project enters the Construction Phase.

General Fund:

- General Fund revenues were \$619,941 higher than the prior year due to higher sales tax revenues collected, better rate of return on investment, and the collection of the housing impact fee.
- General Fund expenditures represented an increase of \$1,359,829 from the prior year due to changes in the City Council approved COLA increase and additional contribution to retiree medical (OPEB trust).
- General Fund's fund balance of \$24,456,213 as of June 30, 2018, was \$2,908,377 greater than fiscal year 2017's ending fund balance of \$21,547,836.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This Annual Financial Report is divided into two parts:

- 1) Management's Discussion and Analysis (MD&A);
- 2) The Basic Financial Statements, which include the Entity-wide and the Fund Financial Statements, along with the Notes to these financial statements.

The Basic Financial Statements

The Basic Financial Statements comprise the Entity-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the Town's financial activities and financial position.

The Entity-wide Financial Statements provide a longer-term view of the Town's activities as a whole, and comprise the Statement of Net Position and the Statement of Activities.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

The Statement of Net Position provides information about the financial position of the Town as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations.

The Statement of Activities provides information about all of the Town's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the Town's programs. The Statement of Activities explains in detail the change in Net Position for the year.

The Fund Financial Statements report the Town's operations in more detail than the Entity-wide statements and focus primarily on the short-term activities of the Town's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the Town and are presented individually, while the activities of Non-major Funds are presented in summary. Major Funds are explained further in the following section below.

The Entity-wide Financial Statements

Entity-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the Town as a whole.

The Statement of Net Position and the Statement of Activities present information about the following:

- Governmental Activities – All of the Town's basic services are considered to be governmental activities. These services are supported by general Town revenues such as taxes, and by specific program revenues such as user fees and charges.

Fund Financial Statements

These statements provide additional detail for the Town's most significant Funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The funds used by the Town can be divided into two categories: Governmental funds and Proprietary funds.

Governmental funds: Governmental funds are used to account for the same functions reported as governmental activities on the Government-wide financial statements. However, this reporting has a focus on the near-term inflows and outflows of spendable resources, as well as the ending balances. The Town has a total of seven governmental funds.

The Fund Financial Statements provide detailed information about each of the Town's most significant funds, called Major Funds. Major Funds present the major activities of the Town for the year, and may change from year-to-year as a result of changes in the pattern of the Town's activities. In accordance with government finance reporting standards, the General Fund is always reported as a Major Fund. Based on these standards the Capital Improvement Fund and Town Hall COP Project Fund are also Major Funds for the year ended June 30, 2018. Each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Subordinate schedules present the detail of these Non-major Funds (Measure A Transportation Tax Fund; State Gas Tax Fund; Law Enforcement Grant Fund; Debt Service Fund).

Proprietary fund: The Town maintains one type of Proprietary fund. An Internal Services Fund (ISF) is an accounting structure used to accumulate and allocate costs internally among the Town's various operating functions. In this case it is used to build up reserves for future replacement of vehicles and fleet equipment.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2018

These services solely benefit the government function. A separate Statement of Net Position and Statement of Cash Flow is included for the ISF.

Fund Financial Statements include governmental funds as discussed below.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Comparisons of Budget and Actual financial information are presented only for the General Fund, as required by GASB Statement No. 34.

FINANCIAL ACTIVITIES OF THE TOWN AS A WHOLE

This analysis focuses on the net position and changes in net position of the Town as a whole. Tables 1, 2 and 3 focus on the Town's Governmental Statement of Net Position and Statement of Activities.

Governmental Activities

Table 1
Governmental Net Position at June 30, 2018
 Governmental Activities

	2018	2017
Current and other assets	\$ 36,637,402	\$ 38,857,263
Capital assets, net of accumulated depreciation	55,792,687	48,736,758
Total assets	92,430,089	87,594,021
Deferred outflows	5,473,214	3,588,760
Current liabilities	3,250,950	1,097,238
Long-term liabilities	30,599,836	21,266,729
Total liabilities	33,850,786	22,363,967
Deferred inflows	269,410	558,859
Net position:		
Invested in capital assets, net of debt	50,892,687	43,726,758
Unrestricted	12,890,420	24,533,197
Total net position	\$ 63,783,107	\$ 68,259,955

The Town's governmental net position amounted to \$63,783,107 as of June 30, 2018, a decrease of \$4,476,848 from 2017. This decrease resulted from prior period adjustments to record OPEB liability, in accordance with GASB 75, offset by the increase in the Change in Governmental Net Position, as shown in Table 2.

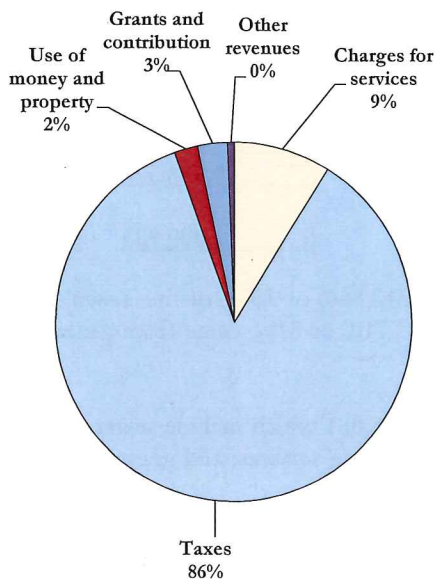
The Town's net position as of June 30, 2018 comprised the following:

- Cash and investments of \$34,260,122 in the Town Treasury. Substantially all of these amounts were held in short term investments in government securities, as detailed in Note 4A to the financial statements.
- Other assets of \$2,377,280 as explained in Note 4B to the financial statements.

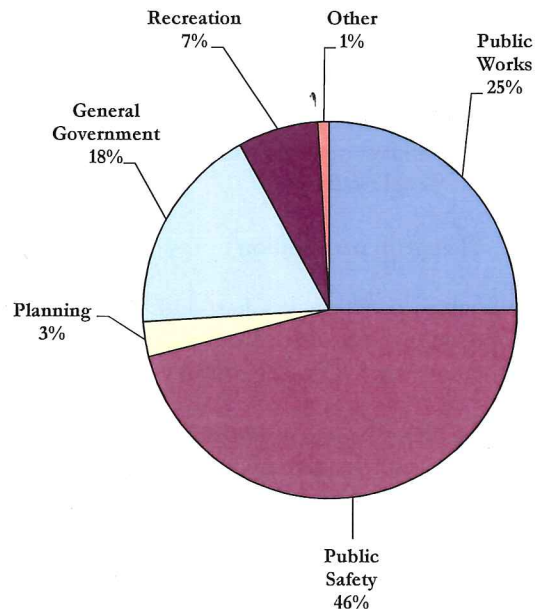
Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2018

- Capital assets of \$55,792,687, net of depreciation charges, which includes all the Town's capital assets used in governmental activities as discussed in Note 4C.
- Current liabilities, including accounts payable, claims and other amounts due currently, totaling \$3,250,950.
- Long-term liabilities payable of \$30,878,623, as explained in Note 4E to the financial statements. The increase in long-term liabilities is due to the increase in the net pension liability and net OPEB liability.
- Net position invested in capital assets, net of related debt, of \$50,892,687, representing the Town's investment in capital assets used in Governmental Activities, net of amounts borrowed to finance those investments.
- Unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The Town had \$12,890,420 of unrestricted net position as of June 30, 2018.

Sources of Revenues



Functional Expenses



As the Sources of Revenues Chart shows, \$16,485,766, or 86%, of the Town's fiscal year 2018 governmental activities revenue came from taxes, while \$513,985, or 3%, came from grants and contributions, \$416,023, or 2%, came from use of money and property, \$1,698,881, or 9%, came from charges for services, and other revenues consisted of \$113,923, or 0%.

The Functional Expenses Chart includes only current year expenses; it does not include capital outlays, which were added to the Town's capital assets. As the Chart shows, general government is \$3,158,045, or 18%, of total government expenses, planning is \$443,700, or 3%, public works is \$4,256,204, or 25%, public safety is \$7,877,748, or 46%, recreation is \$1,210,189, or 7%, with other expenses comprising the final 1%.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2018

The Statement of Activities presents program revenues and expenses, and general revenues in detail. All of these are elements in the Changes in Governmental Net Position summarized below.

Table 2
Changes in Governmental Net Position
 Governmental Activities

	2018	2017
<u>Expenses</u>		
General government	\$ 3,158,045	\$ 2,821,469
Planning	443,700	470,802
Public works	4,256,204	4,519,003
Public safety	7,877,748	5,693,256
Recreation	1,210,189	1,066,457
Interest	183,469	185,669
Total expenses	17,129,355	14,756,656
<u>Revenues</u>		
Program revenues:		
Charges for services	1,698,881	1,597,327
Capital grants and contributions	513,985	325,979
Total program revenues	2,212,866	1,923,306
General revenues:		
Taxes	16,485,766	16,295,452
Other revenues	416,023	247,803
Use of money and property	113,923	242,786
Total general revenues	17,015,712	16,786,041
Total revenues	19,228,578	18,709,347
Change in net position	\$ 2,099,223	\$ 3,952,691

As the Sources of Revenue Chart and Table 2 above show, \$2,212,866, or 13%, of the Town's fiscal year 2018 governmental revenue, came from program revenues and \$17,015,712, or 87%, came from general revenues such as taxes, interest and miscellaneous receipts.

Program revenues were composed of charges for services of \$1,698,881 which include sewer service fees, permit revenues, fees and charges used to fund expenses incurred in providing services; and grants and contributions of \$513,985, which consists mainly of revenue from other agencies.

General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs.

Analyses of Major Funds

Governmental Funds

General Fund

At June 30, 2018, the Town's general funds reported combined ending balances of \$24,456,213 an increase of \$2,908,377.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2018

General Fund revenues increased \$619,941 this fiscal year mainly due to an increase in the revenue generated from sales tax and cardroom taxes as well as a small increase in charges for services.

Overall, General Fund expenditures increased \$1,359,829 from the prior year. Primary contributing factors included lower than budgeted expenses as departments experienced staff vacancies and contract service levels that were less than budgeted.

Capital Improvement Fund

In the prior year this fund was not presented as a Major Fund and was consolidated in the "Other Governmental Fund" information. As of June 30, 2018, the Fund had a balance of \$8,015,221. During the year, \$6,509,525 in expenditures were accounted for in the fund. The fund received transfers from the General Fund totaling \$888,840.

Town Hall COP Project Fund

In September 2015, the Town completed financing for a portion of the Town Hall Remodel project. The proceeds from this financing were placed in the separate fund. During the year total expenses were \$1,742,887 and the balance available at June 30, 2018 was \$0.

Other Governmental Funds

These funds are not presented separately in the basic financial statements.

CAPITAL ASSETS

GASB Statement No. 34 requires the Town to record all its capital assets including infrastructure, which was not recorded in prior years. Infrastructure includes roads, bridges, signals and similar assets used by the entire population.

In fiscal year 2018, the Town reported the cost of all its infrastructure assets and computed the amount of accumulated depreciation for these assets based on their original acquisition dates. At the end of fiscal year 2018 the cost of infrastructure and other capital assets recorded on the Town's financial statements is shown in Table 3 below:

Table 3
Capital Assets at Year-end

<u>Governmental Activities</u>	<u>Balance at June 30, 2018</u>
Land	\$ 7,595,471
Construction in progress	13,643,658
Infrastructure-street systems	26,525,709
Buildings	19,507,124
Improvements other than buildings	3,478,524
Machinery and equipment	2,518,022
Less: accumulated depreciation	<u>(17,475,821)</u>
Governmental activity capital assets, net	<u>\$ 55,792,687</u>

Detail on capital assets and current year additions can be found in Note 4C.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2018

The Town depreciates all its capital assets over their estimated useful lives, as required by GASB Statement No. 34. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. Additional information on depreciable lives may be found in Note 4C to the financial statements.

DEBT ADMINISTRATION

The Town issued certificates of participation (COP) in fiscal year 2016 in the amount of \$5,300,000. Additional information about the Town's long term obligations can be found in Note 4E to the basic financial statements.

As of June 30, 2018, the Town's debt issues comprised:

Table 4
Outstanding Debt

	June 30, 2018
<u>Governmental Activity Debt:</u>	
Certificates of Participation	\$ 4,900,000
Net Other Post-Employment Benefit Obligation	13,892,928
Net Pension Liability	10,682,188
Compensated absences	1,403,507
Total	\$ 30,878,623

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town of Colma is the smallest municipality in San Mateo County with 1,509 residents. The two most significant sources of annual revenue are retail sales tax and cardroom taxes. These two sources of revenue accounted for approximately 82% of the total revenue in government funds in the year ending June 30, 2018.

While this reliance on sales taxes makes the Town of Colma vulnerable to changes in consumer spending, there are consistent signs that the economy has continued to recover compared to previous years. Sales tax revenues have continued to grow since FY 2010, the low point of the recession. The FY 2018-19 Adopted Budget assumes sales tax revenues are \$11,750,000 – or a 3.1% increase over the current year's actual revenues of \$11,397,118.

Cardroom taxes remains stable in FY 2017-18 compared to the last five years and is anticipated to remain a stable source of income in the coming year.

The Operating Budget for FY 2018-19 provides \$16,755,529 in funding to operating departments – an increase of almost \$1,248,466 from the FY 2017-18 amended budget of \$15,507,063. The increase is partially due to the following:

- Employee salary and benefit increases in accordance to negotiated agreements.
- New and reclassification of budgeted positions.
- Medical benefit cost increases.
- Public Employee Retirement System (PERS) increases.
- Contributing the annual Actuarial Required Contribution (ARC) to a benefits trust which funds retiree medical benefits.

These increases were partially offset by decreases on other accounts throughout the budget. Also, beyond the Operating Department Budgets, in the 2018-19 Budget the Town will transfer \$675,000 in resources from the General Fund towards important capital improvement projects.

Town of Colma
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This Annual Financial Report is intended to provide citizens, taxpayers, and creditors with a general overview of Town of Colma's finances. Questions about this report should be directed to Town of Colma, at 1198 El Camino Real, Colma, CA 94014.

Town of Colma
STATEMENT OF NET POSITION
 June 30, 2018

ASSETS

Current assets:

Cash and investments	\$ 34,260,122
Receivables:	
Taxes	1,778,868
Accounts	470,905
Accrued interest	127,507
Total current assets	36,637,402

Noncurrent assets:

Capital assets:

Non-depreciable	21,239,129
Depreciable, net of accumulated depreciation	34,553,558
Total noncurrent assets	55,792,687

Total assets	92,430,089
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DEFERRED OUTFLOWS

Deferred outflows related to OPEB	1,610,181
Deferred outflows related to pensions	3,863,033
Total Deferred Outflows	5,473,214

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	2,652,701
Deposits	319,462
Compensated absences	168,787
Certificates of participation due in one year	110,000
Total current liabilities	3,250,950

Noncurrent liabilities due in more than one year:

Compensated absences	1,234,720
Certificates of participation	4,790,000
Net pension liability	10,682,188
Net other post-employment benefit obligation	13,892,928
Total noncurrent liabilities	30,599,836

Total liabilities	33,850,786
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DEFERRED INFLOWS

Deferred Inflows related to pensions	269,410
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NET POSITION

Invested in capital assets, net of related debt	50,892,687
Unrestricted	12,890,420
Total net position	\$ 63,783,107

The accompanying notes are an integral part of these financial statements.

Town of Colma
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
<u>Town Government</u>		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Town Governmental Activities</u>
Governmental Activities:					
General government	\$ 3,158,045	\$ -	\$ -	\$ -	\$ (3,158,045)
Public safety	7,877,748	97,848	160,552	-	(7,619,348)
Public works	4,256,204	1,194,533	69,799	283,634	(2,708,238)
Recreation	1,210,189	142,078	-	-	(1,068,111)
Planning	443,700	264,422	-	-	(179,278)
Interest on long-term debt	183,469	-	-	-	(183,469)
Total Governmental Activities	<u>17,129,355</u>	<u>1,698,881</u>	<u>230,351</u>	<u>283,634</u>	<u>(14,916,489)</u>
Total Town Government	<u>\$ 17,129,355</u>	<u>\$ 1,698,881</u>	<u>\$ 230,351</u>	<u>\$ 283,634</u>	<u>(14,916,489)</u>
General revenues:					
Taxes:					
Property taxes					601,116
Sales taxes					11,397,118
Cardroom taxes					4,352,743
Other taxes					134,789
Use of money and property					416,023
Other revenues					113,923
Total general revenues and special items					<u>17,015,712</u>
Change in net position					<u>2,099,223</u>
Net position beginning of period					68,259,955
Prior period adjustment					(6,576,071)
Net position beginning of period restated					<u>61,683,884</u>
Net position ending of period					<u>\$ 63,783,107</u>

The accompanying notes are an integral part of these financial statements.

Town of Colma
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2018

	General Fund	Town Capital Projects Fund	Town Hall COP Project	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and investments	\$ 23,433,102	\$ 9,731,547	\$ 79,335	\$ 364,247	\$ 33,608,231
Taxes receivable	1,778,868	-	-	-	1,778,868
Accounts receivable	432,860	553	-	37,492	470,905
Accrued interest receivable	127,507	-	-	-	127,507
Total Assets	\$ 25,772,337	\$ 9,732,100	\$ 79,335	\$ 401,739	\$ 35,985,511
<u>LIABILITIES</u>					
Accounts payable	\$ 519,609	\$ 1,445,248	\$ -	\$ 28,613	\$ 1,993,470
Accrued expenditures	308,266	271,631	79,335	-	659,232
Compensated absences	168,787	-	-	-	168,787
Deposits	319,462	-	-	-	319,462
Total Liabilities	1,316,124	1,716,879	79,335	28,613	3,140,951
<u>FUND BALANCES</u>					
Committed	15,542,000	-	-	-	15,542,000
Unassigned	7,964,213	-	-	(11,269)	7,952,944
Assigned	950,000	8,015,221	-	384,395	9,349,616
Total Fund Balances	24,456,213	8,015,221	-	373,126	32,844,560
Total Liabilities and Fund Balances	\$ 25,772,337	\$ 9,732,100	\$ 79,335	\$ 401,739	\$ 35,985,511
Total Governmental Fund Balances					\$ 32,844,560

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not reported in the funds.	55,792,687
The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	651,891
Some liabilities, including bonds, notes, leases and long-term portion of compensated absences are not due and payable in the current period and are therefore not reported in the funds.	(25,506,031)
Net position of Governmental Activities	\$ 63,783,107

The accompanying notes are an integral part of these financial statements.

Town of Colma
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	General Fund	Town Capital Projects Fund	Town Hall COP Project	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>					
Property taxes	\$ 601,116	\$ -	\$ -	\$ -	\$ 601,116
Sales taxes	11,397,118	-	-	-	11,397,118
Cardroom taxes	4,352,743	-	-	-	4,352,743
Other taxes	127,789	-	-	-	127,789
Licenses and permits	278,046	-	-	-	278,046
Fines and forfeits	73,907	-	-	-	73,907
Intergovernmental	54,636	-	-	377,645	432,281
Use of money and property	396,108	-	15,505	4,410	416,023
Other revenues	307,338	85,466	-	-	392,804
Charges for services	1,156,751	-	-	-	1,156,751
Total revenues	<u>18,745,552</u>	<u>85,466</u>	<u>15,505</u>	<u>382,055</u>	<u>19,228,578</u>
<u>EXPENDITURES</u>					
Current:					
General government	3,156,444	-	-	1,601	3,158,045
Public safety	7,086,688	-	-	128,125	7,214,813
Public works	2,887,103	6,509,525	1,742,887	172,618	11,312,133
Recreation	1,108,920	-	-	-	1,108,920
Planning	443,700	-	-	-	443,700
Debt service:					
Principal	-	-	-	110,000	110,000
Interest	-	-	-	183,469	183,469
Total expenditures	<u>14,682,855</u>	<u>6,509,525</u>	<u>1,742,887</u>	<u>595,813</u>	<u>23,531,080</u>
Excess (deficiency) of revenues over expenditures	<u>4,062,697</u>	<u>(6,424,059)</u>	<u>(1,727,382)</u>	<u>(213,758)</u>	<u>(4,302,502)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	29,499	888,840	193	297,361	1,215,893
Transfers out	<u>(1,183,819)</u>	<u>(29,499)</u>	<u>(2,382)</u>	<u>(193)</u>	<u>(1,215,893)</u>
Total other financing sources (uses)	<u>(1,154,320)</u>	<u>859,341</u>	<u>(2,189)</u>	<u>297,168</u>	<u>-</u>
Net change in fund balances	<u>2,908,377</u>	<u>(5,564,718)</u>	<u>(1,729,571)</u>	<u>83,410</u>	<u>(4,302,502)</u>
Fund balances, beginning of period	21,547,836	13,579,939	1,729,571	259,521	37,116,867
Prior period adjustment	-	-	-	30,195	30,195
Fund balances, beginning of period restated	<u>21,547,836</u>	<u>13,579,939</u>	<u>1,729,571</u>	<u>289,716</u>	<u>37,147,062</u>
Fund balances, end of period	<u>\$ 24,456,213</u>	<u>\$ 8,015,221</u>	<u>\$ -</u>	<u>\$ 373,126</u>	<u>\$ 32,844,560</u>

The accompanying notes are an integral part of these financial statements.

Town of Colma
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (4,302,502)

Amounts reported for governmental activities in the statement of activities
are different because:

CAPITAL ASSET TRANSACTIONS

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$1,259,871) exceeds capital outlays \$8,315,801 in the current period. 7,055,930

LONG TERM DEBT PROCEEDS AND PAYMENTS

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. -

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 110,000

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal service funds are closed by charging additional amounts or reducing charges to participating governmental activities to completely cover the internal service funds costs for each year (101,269)

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the statement of activities do not require the use of or provide current financial resources and are therefore not reported as expenditures or revenues in the governmental funds.

Compensated Absences	(113,130)
Pension expense	(669,394)
OPEB expense	<u>119,588</u>

Net difference	<u>6,401,725</u>
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Change in Net Position of Governmental Activities	<u>\$ 2,099,223</u>
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The accompanying notes are an integral part of these financial statements.

Town of Colma
 PROPRIETARY FUNDS
STATEMENT OF NET POSITION
 June 30, 2018

	Enterprise Funds
	Governmental Activities Internal Service Fund
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 651,891
Total current assets	651,891
 <u>NET POSITION</u>	
Unrestricted	651,891
Total net position	\$ 651,891

The accompanying notes are an integral part of these financial statements.

Town of Colma
 PROPRIETARY FUNDS
STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
 For the Year Ended June 30, 2018

	Enterprise Funds
	Governmental Activities Internal Service Fund
	Fund
Operating revenues:	
Charges for services	\$ -
Total operating revenues	-
Operating expenses:	
Materials, supplies, rent and services	112,587
Total operating expenses	112,587
Operating income (loss)	(112,587)
Non-operating revenues (expenses):	
Interest and other income	8,173
Sale of property	3,145
Total non-operating revenues (expenses)	11,318
Change in net position	(101,269)
Net position, beginning of period	753,160
Net position, end of period	\$ 651,891

The accompanying notes are an integral part of these financial statements.

Town of Colma
 PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
 For the Year Ended June 30, 2018

	<u>Enterprise Funds</u>
	Governmental Activities Internal Service Fund
	Fund
Cash flows from operating activities:	
Receipts from other funds for services	\$ -
Payments to suppliers	(112,587)
Net cash provided (used) by operating activities	(112,587)
Cash flows from investing activities:	
Interest and other income	8,173
Net cash provided by investing activities	8,173
Cash flows from capital and related financing activities	
Sale of property	3,145
Net cash provided by capital and related financing activities	3,145
Net increase (decrease) in cash and cash equivalents	(101,269)
Cash and cash equivalents - beginning of period	753,160
Cash and cash equivalents - end of period	\$ 651,891
Reconciliation of operating income (loss) to net cash provided (used in) operating activities:	
Operating income (loss)	\$ (112,587)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
None	-
Changes in certain assets and liabilities:	
None	-
Net cash provided by (used for) operating activities	\$ (112,587)

The accompanying notes are an integral part of these financial statements.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Colma (the Town) is a municipal corporation governed by an elected five-member Town Council. The accompanying basic financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The Town has no component units.

The Town provides customary municipal services including general governmental activities, police protection, streets, maintenance, parks and recreation activities, planning and zoning, and building and public works. The Town contracts for sanitary sewer services with local providers in Daly City and South San Francisco, for street lighting services with San Mateo County, and for water service from CalWater.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town with the effect of interfund activity removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for the Town's governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, & Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are *incurred*, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when "measurable" and "available". Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, & Financial Statement Presentation (concluded)

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, card room taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Improvement Fund accounts for resources transferred from the General Fund to complete capital improvement projects.

The Town Hall COP Project Fund accounts for the proceeds of the financing for a portion of the Town Hall Remodel project.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. This includes elimination of interfund payables and receivables and of interfund transfers.

Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The Town may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The Town's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Additionally the Town reports the following fund type:

The Internal Service Fund is used to account for the replacement of the Town's fleet and associated equipment provided to other Town departments on a cost reimbursement basis.

D. Assets, Liabilities and Net Position or Equity

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, the State Treasurer's Investment Pool, and other permitted investments.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Net Position or Equity (continued)

Investments for the Town are reported at fair value. Investments in guaranteed investment contracts are reported at cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs - other than quoted prices included within level 1 - that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

The Town has determined that an allowance for uncollectibles is not necessary as all receivables have been deemed collectible.

Property taxes are levied as of March 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the county, and be shared by applicable jurisdictions. The County of San Mateo (the County) collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and each installment becomes delinquent after December 10 and April 10, respectively. The Town receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan". Under the plan, the County assumes responsibility for the collection of the delinquent taxes and pays the full allocation to the Town. The Town recognizes property tax revenues in the fiscal year in which they are levied for the Town.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Net Position or Equity (continued)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure-type assets such as roads, bridges, sidewalks, and street lights, are reported in the accompanying basic financial statements. They are reported in the applicable governmental-type activities columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost when available, or at estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the Town is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Infrastructure – street system	40-50
Vehicles	8
Equipment	5-25
Improvements	20

Compensated Absences

It is the government’s policy to permit employees to accumulate earned but unused vacation and sick leave benefits. There is a liability for a portion of unpaid accumulated sick leave since the Town does have a policy to pay certain amounts when certain employees separate from service with the Town. All vacation and sick leave is accrued when incurred in the government-wide financial statements. The liability for vacation and sick leave is recorded in the fund financial statements only when immediately due and payable, such as amounts that arise from employee retirements.

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the Town recognizes deferred outflows and inflows of resources.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the Town that is applicable to a future reporting period.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Net Position or Equity (continued)

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town of Colma's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government-type activities statement of net position.

Net Position

Government-wide net position consists of the following:

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position – This amount includes all net position that does not meet the definition of "invested in capital assets, net of related debt" or "restricted net position".

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Governmental fund balance consists of the following:

Fund Equity

The accompanying basic financial statements reflect certain changes that have been made with respect to the reporting components of fund balances for governmental funds. In previous years, fund balances for governmental funds were reported in accordance with previous standards that included components for reserved fund balance, unreserved fund balance, designated fund balance, and undesignated fund balance. Due to the implementation of GASB Statement No. 54, the components of the fund balances of governmental *funds* now reflect the component classifications described below.

In the fund financial statements, governmental fund balances are reported in the following classifications:

Nonspendable fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

D. Assets, Liabilities and Net Position or Equity (concluded)

Committed fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level decision-making authority. The Town Council serves as the Town's highest level decision-making authority and has the authority to establish, modify or rescind a fund balance commitment via minutes' action.

Assigned fund balance includes amounts intended to be used by the Town for specific purposes, subject to change, as established either directly by the Town Council or by management officials to whom the assignment authority has been delegated by the Town Council.

Unassigned fund balance is the residual classification that includes the spendable amounts in the General Fund that are available for any purpose.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the Town's policy specifies that restricted revenues will be applied first. When expenditures are incurred for the purposes for which committed, assigned, or unassigned fund balances are available, the Town's policy is to apply committed fund balances first, then apply assigned fund balances, and finally unassigned fund balances.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, "capital assets are not financial resources and are not reported in the funds."

The details of this difference are as follows:

Capital assets	\$ 73,268,508
Less: accumulated depreciation	(17,475,821)
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ 55,792,687</u>

Another element of the reconciliation explains that "long-term liabilities" are not due and payable in the current period and are therefore not reported in the funds. The details are as follows:

Long-Term Debt Obligations:	
Deferred outflows – pension	\$ 3,863,033
Deferred outflows – OPEB	1,610,181
Deferred inflows – pension	(269,410)
Compensated absences	(1,234,720)
Certificates of participation	(4,900,000)
Net other post-employment benefit obligation	(13,892,928)
Net pension liability	<u>(10,682,188)</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ (25,506,032)</u>

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS (concluded)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances with the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference and other significant components of the difference are as follows:

Capital outlay	\$ 8,263,302
Depreciation expense	(1,207,373)
Internal service fund	(101,269)
Compensated absences	(113,130)
Certificates of participation	110,000
Pension expense	(669,394)
Net other post-employment benefit obligation (OPEB)	<u>119,588</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 6,401,724</u>

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year-end. Before the end of each fiscal year, all departments of the Town submit requests to the Town Manager so that a budget may be prepared. Before June 30, the proposed budget is presented to the Town Council for review. The Town Council holds public hearings and a final budget must be prepared and adopted no later than June 30.

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Expenditures for capital projects or the creation of additional positions requires the specific authorization of the Town Council. Encumbrance accounting is not employed.

NOTE 4 - DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments consisted of the following at June 30:

	Maturity 12 months or less
Demand deposits	\$ 6,453,677
Cash and investments with fiscal agent	2,541
Local Agency Investment Fund (LAIF)	8,872,646
San Mateo County Treasurer’s Investment Pool	<u>18,931,258</u>
Total	<u>\$ 34,260,122</u>

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Investments (continued)

The Town's total cash and investments consisted of:

Unrestricted	<u>\$ 34,257,581</u>
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Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of the Town's investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Town's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the above table that shows the distribution of the Town's investments by maturity or earliest call date.

California Law requires banks and savings and loan associations to pledge government securities with a market value of 110% of the Town's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California Law, this collateral is held in the Town's name and places the Town ahead of general creditors of the institution.

As of June 30, 2018, the Town holds \$2,541 in unexpended proceeds from the Certificates of Participation, which were included in Cash and Investments recorded in the Capital Projects Fund. These restricted funds are spent on project costs as defined in the underlying indenture.

The Town does not enter into reverse repurchase agreements. Trustees under bond indentures may also invest in guaranteed investment contracts.

The Town's investments are carried at fair value instead of cost, as required by U.S. generally accepted accounting principles. The Town adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

The Town is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Town reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations.

The Town maintains specific cash deposits with the County and voluntarily participates in the external investment pool of the County. The County is restricted by state code in the types of investments it can make. Furthermore, the County Treasurer has a written investment policy, approved by the Board of Supervisors, which is more restrictive than state code as to terms of maturity and type of investment. Also, the County has an investment committee that performs regulatory oversight for its pool as required by California Government Code Section 27134.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Investments (concluded)

The County's investment policy authorizes the County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and the State Treasurer's investment pool.

At June 30, 2018, the Town's cash with the County Treasurer is stated at fair value. However, the value of the pool shares in the County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Town's position in the pool.

Fair Value Hierarchy

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the Town as of June 30, 2018:

<u>Investment Type</u>	<u>Level 2</u>	<u>Exempt</u>	<u>Total</u>
California Local Agency Investment Fund	\$ 8,872,646	\$ -	\$ 8,872,646
San Mateo Co. Treasurer's Investment Pool	18,931,258	-	18,931,258
Held by Trustees:			
U.S. Treasury Notes	<u>2,541</u>	-	<u>2,541</u>
Total investments	<u>\$ 27,806,445</u>	<u>\$ -</u>	27,806,445
Cash in banks and on hand			<u>6,453,677</u>
Total cash and Investments			<u>\$ 34,260,122</u>

The California Local Agency Investment Fund (LAIF) classified in Level 2 of the fair value hierarchy, are valued using quoted prices for a non-active market portfolio at fiscal year-end. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2018 are provided by Standard and Poor's except as noted.

<u>Investment Type</u>	<u>Total</u>
Money Market Mutual Funds	\$ -
Not rated:	
California Local Agency Investment Fund	8,872,646
San Mateo County Treasurer's Investment Pool	18,931,258
Cash in banks and on hand	6,453,677
Exempt from rating requirement:	
U.S. Treasury Notes	<u>2,541</u>
Total cash and investments	<u>\$ 34,260,122</u>

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

B. Receivables

Receivables as of year-end for the government's individual major and nonmajor funds in the aggregate were as follows:

	<u>General</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:			
Interest	\$ 127,507	\$ -	\$ 127,507
Taxes	1,778,868	-	1,778,868
Accounts	<u>432,860</u>	<u>38,045</u>	<u>470,905</u>
Net total receivables	<u>\$ 2,339,235</u>	<u>\$ 38,045</u>	<u>\$ 2,377,280</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 7,595,471	\$ -	\$ -	\$ 7,595,471
Construction in progress	<u>5,439,550</u>	<u>8,204,108</u>	-	<u>13,643,658</u>
Total capital assets, not being depreciated	<u>13,035,021</u>	<u>8,204,108</u>	-	<u>21,239,129</u>
Capital assets, being depreciated				
Buildings	19,507,125	-	-	19,507,125
Improvements other than buildings	3,478,524	-	-	3,478,524
Machinery and equipment	2,458,828	122,194	63,000	2,518,022
Infrastructure - street systems	<u>26,525,709</u>	-	-	<u>26,525,709</u>
Total capital assets, being depreciated	<u>51,970,186</u>	<u>122,194</u>	<u>63,000</u>	<u>52,029,379</u>
Less accumulated depreciation for:				
Buildings	(4,908,577)	(385,735)	-	(5,294,312)
Improvements other than buildings	(2,042,970)	(162,628)	-	(2,205,598)
Machinery and equipment	(1,495,697)	(203,930)	52,499	(1,647,128)
Infrastructure - street systems	<u>(7,821,205)</u>	<u>(507,578)</u>	-	<u>(8,328,783)</u>
Total accumulated depreciation	<u>(16,268,449)</u>	<u>\$(1,259,871)</u>	<u>\$ 52,499</u>	<u>(17,475,821)</u>
Total capital assets, being depreciated, net	<u>35,701,737</u>			<u>34,553,558</u>
Governmental activities capital assets net	<u>\$48,736,758</u>			<u>\$55,792,687</u>

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental activities:	
Public works	\$ 1,259,871
Total depreciation expense - governmental activities	<u>\$ 1,259,871</u>

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE 4 - DETAILED NOTES ON ALL FUNDS (continued)

D. Interfund Receivables, Payables and Transfers

Interfund transfers at June 30, 2018 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 29,499	\$ 1,183,819
Debt service	297,361	193
Town Capital Project Fund	888,840	29,499
Town Hall COP Project Fund	193	2,382
Totals	\$ 1,215,893	\$ 1,215,893

The transfers out of the General Fund were made for the purpose of financing capital projects and debt service undertaken during the fiscal year.

E. Long-Term Debt

Changes in long-term liabilities

Long-term debt activity for the 2018 fiscal year was as follows:

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Certificates of Participation	\$ 5,010,000	\$ -	\$ 110,000	\$ 4,900,000	\$ 115,000
Net OPEB	5,796,066	8,096,862	-	13,892,928	-
Net Pension Liability	9,449,072	1,233,116	-	10,682,188	-
Compensated absences	1,121,586	281,921	-	1,403,507	168,787
Totals	\$21,376,724	\$ 9,611,899	\$ 110,000	\$30,878,623	\$ 283,787

Certificates of Participation

On September 24, 2015, the Town issued \$5.3 million in Certificates of Participation through Stifel, Nicolaus & Company, Incorporated. The funds and debt service payments are administered under a Trustee Agreement with Bank of New York Mellon. This financing will be used to fund a portion of the Town Hall renovation project.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE 4 - DETAILED NOTES ON ALL FUNDS (concluded)

E. Long-Term Debt (concluded)

The annual requirements to amortize the debt outstanding as of June 30, 2018, including interest payments, are as follows:

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 115,000	\$ 181,269	\$ 296,269
2020	115,000	178,969	293,969
2021	120,000	174,369	294,369
2022	125,000	169,569	294,569
2023	130,000	164,569	294,569
2024	135,000	160,669	295,669
2025	135,000	156,619	291,619
2026	140,000	151,219	291,219
2027	145,000	146,319	291,319
2028	150,000	141,969	291,969
2029	155,000	137,281	292,281
2030	160,000	132,244	292,244
2031	165,000	126,844	291,844
2032	175,000	121,069	296,069
2033	180,000	115,163	295,163
2034	185,000	108,638	293,638
2035	190,000	101,238	291,238
2036	200,000	93,638	293,638
2037	210,000	86,138	296,138
2038	215,000	78,263	293,263
2039	225,000	70,200	295,200
2040	230,000	61,200	291,200
2041	240,000	52,000	292,000
2042	250,000	42,400	292,400
2043	260,000	32,400	292,400
2044	270,000	22,000	292,000
2045	280,000	11,200	291,200
Total	<u>\$ 4,900,000</u>	<u>\$ 3,017,456</u>	<u>\$ 7,917,456</u>

NOTE 5 - OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town obtains insurance coverage. The Town is a member of the ABAG PLAN Corporation (PLAN), which provides a pooled risk sharing insurance program. The PLAN provides the Town with insurance coverage of \$15 million per loss for liability claims. The Town has a \$50,000 self-insurance retention limit similar to a deductible.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 - OTHER INFORMATION (continued)

A. Risk Management (concluded)

The PLAN insurance has two different layers of coverage. Layer 1 is a \$5 million self-insured layer shared by participants; Layer 2 is commercial excess insurance coverage for \$10 million beyond the \$5 million PLAN coverage. The PLAN also provides the Town with \$1 million pooled employee dishonesty coverage. Property coverage is also provided by the PLAN with the Town having a \$10,000 deductible. The PLAN provides the coverage using a self-insured pool to cover losses up to \$100,000. The PLAN purchases an insurance policy to cover losses above its \$100,000 self-insured retention with a per occurrence coverage for all members combined up to \$1 billion. Workers' compensation insurance is provided to the Town by EIA (Entity Insurance Authority) at statutory coverage limits, without a deductible. The Town had no significant changes in insurance coverage during the year. For the Fiscal Year ending June 30, 2018, the Town incurred liability claims expenses totaling \$73,362. There was one open claim as of June 30, 2018.

B. Contingencies and Commitments

Litigation

The Town is involved in litigation incurred in the normal course of conducting Town business. Town management believes, based upon consultation with its counsel, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the Town.

C. Public Employees Retirement System

Plan Description: Based on PERS eligibility criteria all qualified permanent and probationary employees are eligible to participate in the Town's following cost-sharing multiple employer defined benefit pension plans (Plans):

- Town Miscellaneous (Tier 1)
- Town Miscellaneous (Tier 2)
- Town Miscellaneous (Tier 3 - PEPR)
- Town Safety (Tier 1)
- Town Safety (Tier 2)
- Town Safety (Tier 3 - PEPR)

The Plans are administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Town resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The applicable PERS plan depends on the employee classification and hire date. In some situations hiring of an employee who was previously an active member in PERS results in the "Classic" Plan benefit regardless of the date of hiring.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

The Plan provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Town Miscellaneous		
	Prior to August 1, 2012	8/1/2012 – 12/31/2012 (or “Classic”)	On or after January 1, 2013
Hire date			
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensations	2.0% to 2.5%	1.091% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	19.176%	8.005%	6.25%
		Town Safety	
	Prior to January 1, 2012	On or after January 1, 2012 (or “Classic”)	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensations	3%	2.4 to 3%	2.0% to 2.7%
Required employee contribution rates	9%	9%	11.5%
Required employer contribution rates	34.595%	20.774%	11.5%

The Town’s Miscellaneous and Safety Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees’ Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The Town sponsors six rate plans (three miscellaneous and three safety).

Contributions - Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

For the year ended June 30, 2018, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Total Miscellaneous</u>
Employer Contributions	\$333,699
	<u>Total Safety</u>
Employer Contributions	\$930,366

As of June 30, 2018, the Town reported net pension liabilities for its proportionate shares of the net pension liability of the Miscellaneous and Safety Plans as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 3,044,014
Safety	7,638,174
Total Net Pension Liability	\$ 10,682,188

The Town's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2017, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Town's proportionate share of the net pension liability for each Plan as of June 30, 2016 and 2017 was as follows:

<u>Town Miscellaneous Plan</u>	<u>Miscellaneous</u>
Proportion - June 30, 2016	.077%
Proportion - June 30, 2017	.077%
Change – Increase (Decrease)	(.00%)
<u>Town Safety Plan</u>	<u>Safety</u>
Proportion - June 30, 2016	.130%
Proportion - June 30, 2017	.128%
Change – Increase (Decrease)	(.002%)

For the year ended June 30, 2018, the Town recognized pension expense of \$1,926,974. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,264,065	\$ -
Differences between actual and expected experience	84,341	70,216
Changes in assumptions	1,598,832	122,466
Net differences between projected and actual earnings on plan investments	352,062	-
Change in proportions and differences between actual contributions and proportionate share of contributions	563,733	76,728
Total	\$ 3,863,033	\$ 269,410

\$1,264,065 reported as deferred outflows of resources related to contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>			
2019		\$	761,490
2020			1,089,006
2021			685,893
2022			(206,830)
Total		\$	2,329,559

Actuarial Assumptions - For the measurement period ended June 30, 2017, the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2017 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% (1)
Mortality	Derived using CalPERS Membership Data for all Funds (2)

(1) Net of pension plan investment expenses, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS website.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE 5 - OTHER INFORMATION (continued)

C. Public Employees Retirement System (continued)

Change in Assumptions – In 2017, the accounting discount rate was reduced from 7.65% to 7.15%.

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB Statement Nos. 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10</u>	<u>Real Return Years 11+</u>
Global Equity	47%	4.90%	5.38%
Global Fixed Income	19%	0.80	2.27%
Inflation Sensitive	6%	0.60	1.39%
Private Equity	12%	6.60	6.63%
Real Estate	11%	2.80	5.21%
Infrastructure and Forestland	3%	3.90	5.36%
Liquidity	2%	(0.40)	(0.90)%
Total	<u>100%</u>		

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE 5 - OTHER INFORMATION (concluded)

C. Public Employees Retirement System (concluded)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety
1% Decrease	6.15%	6.15%
Net Pension Liability	\$4,446,204	\$11,514,721
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$3,044,014	\$7,638,174
1% Increase	8.15%	8.15%
Net Pension Liability	\$1,882,665	\$4,469,291

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. Restricted Net Position and Fund Balances

Portions of the unassigned fund balance in the fund financial statements may be assigned to indicate tentative plans for financial resources being utilized in a future period, such as for general contingencies or capital projects. Such plans are subject to change, have not been legally authorized, and may not result in expenditures.

Purpose	General Fund	Other Funds	Total
Committed fund balances were:			
Debt service costs	\$ 600,000	\$ -	\$ 600,000
Retiree Health Care costs	42,000	-	42,000
Budget Stabilization	14,900,000	-	14,900,000
Total	15,542,000	-	15,542,000
Assigned fund balances were:			
Litigation	100,000	-	100,000
Insurance	100,000	-	100,000
Disaster response	750,000	-	750,000
Measure A – Transportation Tax	-	174,399	174,399
Gas Tax – Streets and Roads	-	15,403	15,403
Law Enforcement – State Grants	-	192,052	192,052
Debt Service - Trustee	-	2,541	2,541
Capital Projects - Town Capital Project	-	8,015,221	8,015,221
Total	950,000	8,399,616	9,349,616
Unassigned fund balances were:			
General Fund	7,964,213	(11,269)	7,952,944
Grand Total	\$ 24,456,213	\$ 8,388,347	\$ 32,844,560

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 - DEFERRED COMPENSATION PLAN

The Town employees may defer a portion of their compensation under a Town sponsored Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. Under this Plan, participants are not taxed on the deferred portion of the compensation until it is distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

Separate from any amounts that employees voluntarily defer, regular employees are eligible to receive a \$100 monthly matching contribution made to the Plan as a benefit by the Town. A total of 34 employees received this benefit during the fiscal year ending June 30, 2018. The Town's contributions towards this benefit for the fiscal year ended June 30, 2018 were \$44,550.

The laws governing the Plan assets require Plan assets to be held by a Trust for the exclusive benefits of Plan participants and their beneficiaries. Since the assets held under this Plan are not the Town's property, are not managed by the Town and are not subject to claims by general creditors of the Town, they have been excluded from these financial statements.

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT

Other Post-employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the Town of Colma Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Plan Description

The Town administers a single-employer defined-benefit post-employment healthcare plan. Benefits vary by hire date and employment status: General employees, Colma Peace Officers Association (POA) employees, and Police Communications/Records (PCR) employees. Benefits continue to dependents, including surviving spouses.

Benefits Provided

Benefit Tier A covers POA and PCR employees hired before May 31, 2008, and General employees hired before July 1, 2012. The Town pays 100% of medical premiums.

Benefit Tier B covers General employees hired between July 1, 2012 and March 31, 2017, and POA and PCR employees hired after June 1, 2008, but before June 30, 2012. The Town pays the medical premium multiplied by a vesting percentage, ranging from 50% for those with at least 10 years of service to 100% for those who have 20 or more years of service.

Benefit Tier C covers POA and PCR employees hired between July 1 2012 and March 31, 2017. Benefits are the same as Tier B, but the maximum paid by the Town is capped at the highest of the second most costly plan.

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT (continued)

Benefit Tier D for General, POA, and PCR employees hired after April 1, 2017, the Town pays the PEMHCA minimum for those enrolled in a CalPERS medical plan. As stated in the memorandums of understanding with the POA and PCR, the start date for this Tier was January 1, 2017. The implementation of the required plans delayed the implementation to April 1, 2017. No new employees were eligible between January 1, 2017 and March 31, 2017.

The Town pays 100% of the dental premiums for General employees and PCR employees hired before May 1, 2010, and for POA employees hired before June 1, 2008.

Employees Covered by Benefit Terms

At June 30, 2016 (the census date), the benefit terms covered the following employees:

Inactive employees or beneficiaries currently receiving benefit payments:	49
Inactive employees entitled to but not yet receiving benefit payment:	0
Active plan members:	42

Contributions

The Town establishes rates based on an actuarially determined rate.

For the year ended June 30, 2018 the Town's expected contribution rate is 40.23% of covered-employee payroll. Employees pay the difference between the benefit they receive and the monthly premium.

Net OPEB Liability

The Town's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016.

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation: 2.50%

Salary increases: Aggregate salary increases 3.00%. Individual salary increases based on CalPERS.

Investment rate of return: 5.50%

Healthcare cost trend rates: 7.00% in the first year, trending down to 3.94% over 58 years.

Mortality rates were based on CalPERS tables.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
International Stocks	7.2%	5.52%
Large Cap Value	2.5%	5.39%
Large Cap Growth	2.5%	5.39%
Large Cap Core	9.8%	5.39%
Small Cap	4.5%	5.73%
Mid Cap	2.2%	5.73%
Real Estate	1.4%	4.25%
Cash	3.5%	5.39%
Inter-Term Bond	53.5%	0.65%
Short-Term Bond	10.1%	2.08%
Floating Rate Note	2.8%	2.08%
Total	<u>100.0%</u>	<u>3.04%</u>

Discount Rate

The discount rate used to measure the total OPEB liability was 5.50%. The projection of cash flows used to determine the discount rate assumed that the Town contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

Changes in the Net OPEB Liability

	<u>Increases (Decreases)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
Balances as of June 30, 2017	\$ 15,649,149	\$ 1,610,173	\$ 14,038,976
Changes for the year:			
Service cost	758,157	-	758,157
Interest	843,948	-	843,948
Differences between actual and expected experience	-	-	-
Contributions			
Employer - explicit subsidy	-	1,536,095	(1,536,095)
Employer - implicit subsidy	-	100,546	(100,546)
Employee	-	-	-
Net investment income	-	116,812	(116,812)
Benefits payments, including refunds of employee contributions	(508,719)	(508,719)	-
Implicit rate subsidy fulfilled	(100,546)	(100,546)	-
Administrative expenses	-	(5,300)	5,300
Net changes	<u>992,840</u>	<u>1,138,888</u>	<u>(146,048)</u>
Balances as of June 30, 2018	<u>\$ 16,641,989</u>	<u>\$ 2,749,061</u>	<u>\$ 13,892,928</u>

Town of Colma
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT (concluded)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.50%) or one percentage point higher (6.50%) follows:

Plan's Net OPEB Liability/(Asset)		
1% Decrease (4.5%)	Current Discount Rate (5.5%)	1% Increase (6.5%)
\$ 15,455,747	\$ 13,892,928	\$ 10,850,170

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.00%) or one percentage point higher (8.00%) than current healthcare cost trend rates follows:

Plan's Net OPEB Liability/(Asset)		
1% Decrease 6.00% decreasing to 2.94%	Trend Rate 7.00% decreasing to 3.94%	1% Increase 8.00% decreasing to 4.94%
\$ 10,482,741	\$ 13,892,928	\$ 16,174,342

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended June 30, 2018, the Town recognized an OPEB expense of \$1,490,593. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 1,610,181	\$ -
Differences between actual and expected experience	-	-
Changes in assumptions	-	-
Net differences between projected and actual earnings on OPEB plan investments	-	-
Total	\$ 1,610,181	\$ -

\$1,610,181 reported as deferred outflows of resources related to contributions subsequent to measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended

6/30/18	\$ -
6/30/19	-
6/30/20	-
6/30/21	-
6/30/22	-

Town of Colma
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 8 - PRIOR PERIOD ADJUSTMENT & NEW ACCOUNTING PRONOUNCEMENT

For the year ended June 30, 2018, the beginning net position has been adjusted by \$6,606,268 to decrease the net position balance as of the beginning of the period. The net OPEB liability was adjusted in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The Police Safety Grant Fund beginning fund balance was restated to correct a reporting error in the prior year in the amount of \$30,195. The combined prior period adjustments were (\$6,576,071).

REQUIRED SUPPLEMENTAL INFORMATION

Town of Colma
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2018
(UNAUDITED)

	<u>Budgeted Amounts</u>		
	<u>Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<u>REVENUES</u>			
Property taxes and other taxes	\$ 15,999,075	\$ 16,478,766	\$ 479,691
Licenses and permits	170,740	278,046	107,306
Fines and forfeits	69,000	73,907	4,907
Intergovernmental	17,010	54,636	37,626
Use of money and property	477,802	396,108	(81,694)
Other revenues	26,200	307,338	281,138
Charges for services	<u>876,370</u>	<u>1,156,751</u>	<u>280,381</u>
Total revenues	<u>17,636,197</u>	<u>18,745,552</u>	<u>1,109,355</u>
<u>EXPENDITURES</u>			
Current:			
General government	3,286,620	3,156,444	130,176
Public safety	6,816,610	7,086,688	(270,078)
Public works	3,411,280	2,887,103	524,177
Planning	346,710	443,700	(96,990)
Recreation	<u>985,400</u>	<u>1,108,920</u>	<u>(123,520)</u>
Total expenditures	<u>14,846,620</u>	<u>14,682,855</u>	<u>163,765</u>
Excess (deficiency) of revenues over expenditures	<u>2,789,577</u>	<u>4,062,697</u>	<u>1,273,120</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	-	29,499	29,499
Transfers out	<u>(1,185,910)</u>	<u>(1,183,819)</u>	<u>2,091</u>
Total other financing sources (uses)	<u>(1,185,910)</u>	<u>(1,154,320)</u>	<u>31,590</u>
Net change in fund balance	<u>\$ 1,603,667</u>	2,908,377	<u>\$ 1,304,710</u>
Fund balance, beginning of period		<u>21,547,836</u>	
Fund balance, end of period		<u>\$ 24,456,213</u>	

Town of Colma
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - MISCELLANEOUS
 June 30, 2018

Measurement Date, June 30	2017	2016	2015	2014
Proportion of the net pension liability	0.07722%	0.07743%	0.08263%	0.07547%
Proportion share of the net pension liability	\$ 3,044,014	\$ 2,689,973	\$ 2,267,047	\$ 1,865,120
Covered - employee payroll	\$ 1,714,156	\$ 1,569,041	\$ 1,439,421	\$ 1,680,743
Proportionate share of the net pension liability as percentage of covered-employee payroll	177.58%	156.93%	144.49%	129.57%
Plan fiduciary net position as a percentage of the total pension liability	73.31%	74.06%	78.40%	79.82%

* Fiscal year 2015 was the 1st year of implementation.

Town of Colma
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - SAFETY
 June 30, 2018

Measurement Date, June 30	2017	2016	2015	2014
Proportion of the net pension liability	0.12783%	0.19457%	0.19974%	0.20336%
Proportion share of the net pension liability	\$ 7,638,175	\$ 6,759,099	\$ 5,479,917	\$ 5,026,111
Covered - employee payroll	\$ 2,316,450	\$ 2,180,395	\$ 2,164,223	\$ 1,881,631
Proportionate share of the net pension liability as percentage of covered-employee payroll	329.74%	309.99%	253.20%	267.11%
Plan fiduciary net position as a percentage of the total pension liability	73.31%	74.06%	78.40%	79.82%

* Fiscal year 2015 was the 1st year of implementation.

Town of Colma
SCHEDULE OF CONTRIBUTIONS - MISCELLANEOUS
 June 30, 2018

City Miscellaneous Plan

<u>Fiscal Year Ending June 30</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 333,699	\$ 294,899	\$ 359,763	\$ 226,748
Contributions in relation to the actuarially determined contributions	<u>(333,699)</u>	<u>(290,520)</u>	<u>(249,024)</u>	<u>(226,748)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 4,379</u>	<u>\$ 110,739</u>	<u>\$ -</u>
 Covered - employee payroll	 \$ 2,089,864	 \$ 1,714,156	 \$ 1,569,041	 \$ 1,439,421
 Contributions as a percentage of covered-employee payroll	 15.97%	 17.20%	 22.93%	 15.75%
percentage of covered-employee payroll				

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool.

Changes of Assumptions: There were no changes of assumptions.

* Fiscal year 2015 was the 1st year of implementation.

Town of Colma
SCHEDULE OF CONTRIBUTIONS - SAFETY
 June 30, 2018

City Safety Plan

<u>Fiscal Year Ending June 30</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 930,366	\$ 788,713	\$ 820,095	\$ 712,647
Contributions in relation to the actuarially determined contributions	<u>(930,366)</u>	<u>(757,355)</u>	<u>(687,933)</u>	<u>(712,647)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 31,358</u>	<u>\$ 132,162</u>	<u>\$ -</u>
 Covered - employee payroll	 \$ 2,255,812	 \$ 2,316,450	 \$ 2,180,395	 \$ 2,164,223
 Contributions as a percentage of covered-employee payroll	 41.24%	 34.05%	 37.61%	 32.93%
percentage of covered-employee payroll				

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool.

Changes of Assumptions: There were no changes of assumptions.

* Fiscal year 2015 was the 1st year of implementation.

Town of Colma
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE IN THE NET OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2018

	2018
Total OPEB Liability	
Service cost	\$ 758,157
Interest	843,948
Benefit payments, included refunds of employee contributions	(508,719)
Implicit rate subsidy fulfilled	(100,546)
Net change in total OPEB liability	992,840
Total OPEB liability - beginning of year	15,649,149
Total OPEB liability - end of year	\$ 16,641,989
 Plan Fiduciary Net Position	
Net investment income	\$ 116,812
Contributions	
Employer - explicit subsidy	1,536,095
Employer - implicit subsidy	100,546
Benefit payments, included refunds of employee contributions	(508,719)
Implicit rate subsidy fulfilled	(100,546)
Administrative expense	(5,300)
Net change in plan fiduciary net position	1,138,888
Plan fiduciary net position - beginning of year	1,610,173
Plan fiduciary net position - end of year	2,749,061
 District's net OPEB liability - end of year	\$ 13,892,928
 Plan fiduciary net position as a percentage of the total OPEB liability	16.52%
 Covered-employee payroll	\$ 4,068,515
 Net OPEB liability as a percentage of covered-employee payroll	341.47%

The schedules present information to illustrate changes in the Town of Colma's changes in the net OPEB liability over a ten year period when the information is available.

Town of Colma
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN OF COLMA'S CONTRIBUTIONS - OPEB
For the Year Ended June 30, 2018

	2018
Actuarially determined contribution	\$ 1,636,641
Contributions in relation to the actuarially determined contribution	(1,636,641)
Contribution deficiency (excess)	\$ -
Covered payroll	\$ 4,068,515
Contributions as a percentage of covered payroll	40.23%

The schedules present information to illustrate changes in the Town of Colma's contributions over a ten year period when the information is available.

Notes to Schedule:

Assumptions and Methods

Actuarial cost method	Entry age normal, level percent of pay
Amortization method	Closed period, level percent of pay
Amortization period	20 years
Asset valuation method	Market value projected to fiscal year-end 2017 by the Town of Colma
Inflation	2.50%
Assumed Rate of Payroll Growth	3.00%
Healthcare trend rates	7.00%, trending down to 3.94%
PEMHCA trend rate	3.00%
Rate of return on assets	5.50%
Mortality rate	CalPERS rates
Retirement rates	CalPERS rates
Other information	The ADC takes into account the implicit subsidy

Town of Colma
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2018

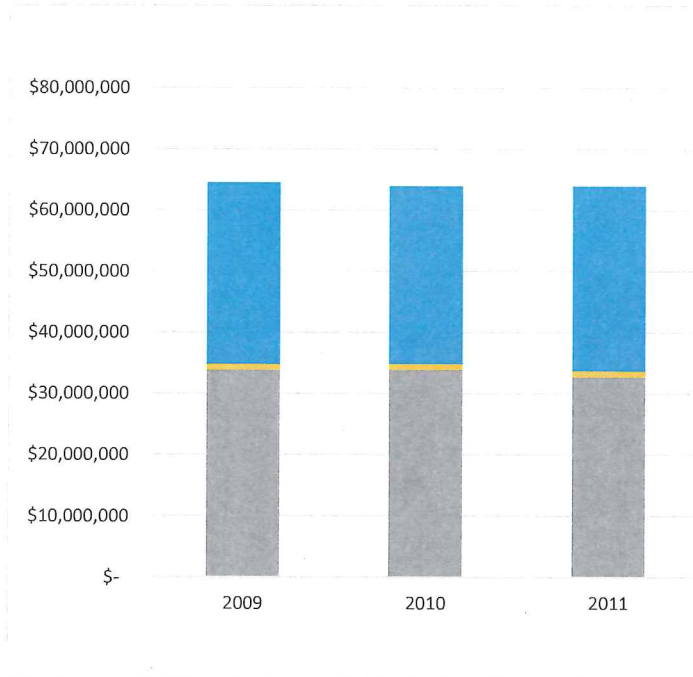
	Special Revenue Funds							Total Nonmajor Governmental Funds
	Gas Tax	Measure A	State			Local law Enforcement Grants	Debt Service	
			Transportation Grant	Public Safety Grants	Enforcement Grants			
ASSETS								
Cash and investments	\$ 17,413	\$ 163,891	\$ (12,027)	\$ 18,191	\$ 174,238	\$ 2,541	\$ 364,247	
Receivables from other governments	1,310	10,508	25,674	-	-	-	37,492	
Total Assets	\$ 18,723	\$ 174,399	\$ 13,647	\$ 18,191	\$ 174,238	\$ 2,541	\$ 401,739	
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 3,320	\$ -	\$ 24,916	\$ 73	\$ 304	\$ -	\$ 28,613	
Total Liabilities	3,320	-	24,916	73	304	-	28,613	
Fund balances:								
Assigned	15,403	174,399	-	18,118	173,934	2,541	384,395	
Unassigned	-	-	(11,269)	-	-	-	(11,269)	
Total Fund Balances	15,403	174,399	(11,269)	18,118	173,934	2,541	373,126	
Total Liabilities and Fund Balances	\$ 18,723	\$ 174,399	\$ 13,647	\$ 18,191	\$ 174,238	\$ 2,541	\$ 401,739	

Town of Colma
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2018

	Special Revenue Funds							Total
	Gas tax	Measure A	State Transportation Grant	Public Safety Grants	Local Law Enforcement Grant Fund	Debt Service	Nonmajor Governmental Funds	
Revenues:								
Intergovernmental	\$ 44,954	\$ 61,609	\$ 131,666	-	\$ 139,416	\$ -	\$ -	\$ 377,645
Use of money and property	132	1,646	-	252	1,983	397		4,410
Total revenues	45,086	63,255	131,666	252	141,399	397		382,055
Expenditures:								
Current:								
General government	-	-	-	12,329	115,796	1,601		1,601
Public safety	-	-	-	-	-	-		128,125
Public works	29,683	-	142,935	-	-	-		172,618
Debt service:								
Principal	-	-	-	-	-	110,000		110,000
Interest	-	-	-	-	-	183,469		183,469
Total expenditures	29,683	-	142,935	12,329	115,796	295,070		595,813
Excess (deficiency) of revenues over expenditures	15,403	63,255	(11,269)	(12,077)	25,603	(294,673)		(213,758)
Other financing sources (uses):								
Debt proceeds	-	-	-	-	-	-		-
Transfers in	-	-	-	-	-	297,361		297,361
Transfers out	-	-	-	-	-	(193)		(193)
Total other financing sources (uses)	-	-	-	-	-	297,168		297,168
Net change in fund balances	15,403	63,255	(11,269)	(12,077)	25,603	2,495		83,410
Fund balances, July 1	-	111,144	-	-	148,331	46		259,521
Prior period adjustment	-	-	-	30,195	-	-		30,195
Fund balances, July 1 restated	-	111,144	-	30,195	148,331	46		289,716
Fund balances, June 30	\$ 15,403	\$ 174,399	\$ (11,269)	\$ 18,118	\$ 173,934	\$ 2,541		\$ 373,126

STATISTICAL SECTION

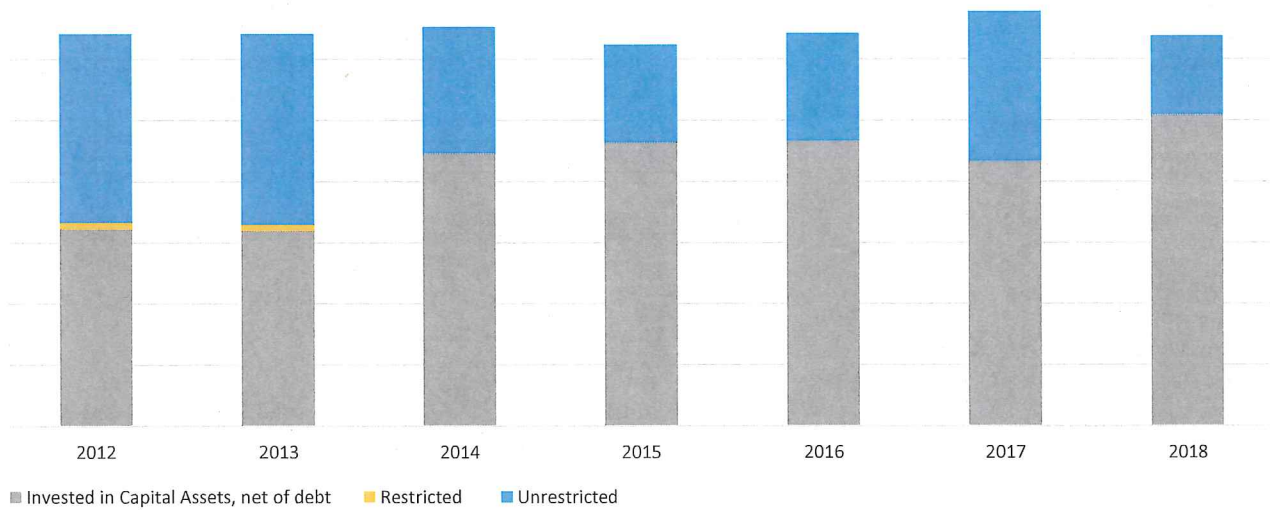
**Town of Colma
 Net Position by Component
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)**



Governmental activities

	2009	2010	2011
Invested in capital assets, net of related debt	\$ 33,839,601	\$ 33,872,406	\$ 32,716,909
Restricted	959,750	959,750	959,750
Unrestricted	29,731,736	29,091,738	30,259,243
Total governmental activities net position	\$ 64,531,087	\$ 63,923,894	\$ 63,935,902

Net Assets by Component



	2012	2013	2014	2015	2016	2017	2018
\$	32,290,889	\$ 31,939,040	\$ 44,599,385	\$ 46,404,513	\$ 46,657,014	\$ 43,276,758	\$ 50,892,687
	959,750	958,050	0	0	0	0	0
	30,931,462	31,280,801	20,760,067	15,999,908	17,650,250	24,533,197	12,890,420
\$	64,182,101	\$ 64,177,891	\$ 65,359,452	\$ 62,404,421	\$ 64,307,264	\$ 67,809,955	\$ 63,783,107

Town of Colma
Change in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Expenses	Fiscal Year Ended June 30,			
	2009	2010	2011	2012
Governmental activities:				
General government	\$ 2,874,961	\$ 2,735,280	\$ 2,825,518	\$ 3,132,552
Public safety	5,962,790	5,887,593	5,988,451	5,944,039
Public works	2,978,182	3,468,651	3,118,437	2,990,162
Recreation & parks	1,096,387	1,040,969	1,066,492	1,061,289
Planning	549,198	533,042	584,957	464,616
Interest on long-term debts	667,582	608,114	598,294	587,357
Total governmental activities expenses	<u>14,129,100</u>	<u>14,273,649</u>	<u>14,182,149</u>	<u>14,180,015</u>
 Total primary government expenses	 \$ 14,129,100	 \$ 14,273,649	 \$ 14,182,149	 \$ 14,180,015
 Program revenues				
Governmental activities:				
Charges for services				
General government	\$ 0	\$ 0	\$ 0	\$ 0
Public safety	84,039	70,604	98,673	83,732
Public works	383,707	348,140	362,472	385,942
Recreation & parks	43,763	50,014	51,440	61,940
Planning	383,707	348,139	362,471	385,942
Operating grants and contributions	0	0	0	0
Capital grants and contributions	2,155,277	1,793,072	2,252,336	2,037,958
Total government activities program revenues	<u>3,050,493</u>	<u>2,609,969</u>	<u>3,127,392</u>	<u>2,955,514</u>
 Total primary government program revenues	 \$ 3,050,493	 \$ 2,609,969	 \$ 3,127,392	 \$ 2,955,514
 Net (expense)/revenue				
Governmental activities	\$ (11,078,607)	\$ (11,663,680)	\$ (11,054,757)	\$ (11,224,501)
Total primary government net expense	<u>\$ (11,078,607)</u>	<u>\$ (11,663,680)</u>	<u>\$ (11,054,757)</u>	<u>\$ (11,224,501)</u>
 General revenues and other changes in net assets				
Governmental activities:				
Taxes				
Property taxes	\$ 388,565	\$ 385,709	\$ 366,266	\$ 334,320
Sales taxes	5,669,898	5,337,807	4,901,120	5,045,150
Cardroom taxes	3,923,552	5,484,544	4,938,532	5,091,032
Motor vehicle in-lieu, unrestricted	53,775	52,262	50,024	0
Other taxes and fees	1,414,317	278,912	513,254	56,455
Use of money/property and interest earnings	2,205,627	700,460	287,291	476,595
Other revenues	0	0	0	63,213
Extraordinary items:				
Special item - forgiveness of assessments	0	0	0	0
Total governmental activities	<u>13,655,734</u>	<u>12,239,694</u>	<u>11,056,487</u>	<u>11,066,765</u>
 Total primary government	 \$ 13,655,734	 \$ 12,239,694	 \$ 11,056,487	 \$ 11,066,765
 Change in net assets				
Governmental activities	\$ 2,577,127	\$ 576,014	\$ 1,730	\$ (157,736)
Total primary government	<u>\$ 2,577,127</u>	<u>\$ 576,014</u>	<u>\$ 1,730</u>	<u>\$ (157,736)</u>

	2013	2014	2015	2016	2017	2018
\$	3,346,125	\$ 2,967,299	\$ 3,903,936	\$ 3,187,043	\$ 2,821,469	\$ 3,158,045
	6,913,654	6,257,453	2,832,021	7,027,124	5,693,256	7,877,748
	3,047,313	3,915,614	4,285,679	4,216,784	4,519,003	4,256,204
	1,058,521	908,687	946,869	968,178	1,066,457	1,210,189
	573,399	417,626	410,942	512,090	470,802	443,700
	575,585	483,814	0	114,087	185,669	183,469
	15,514,597	14,950,493	12,379,447	16,025,306	14,756,656	17,129,355
\$	15,514,597	\$ 14,950,493	\$ 12,379,447	\$ 16,025,306	\$ 14,756,656	\$ 17,129,355

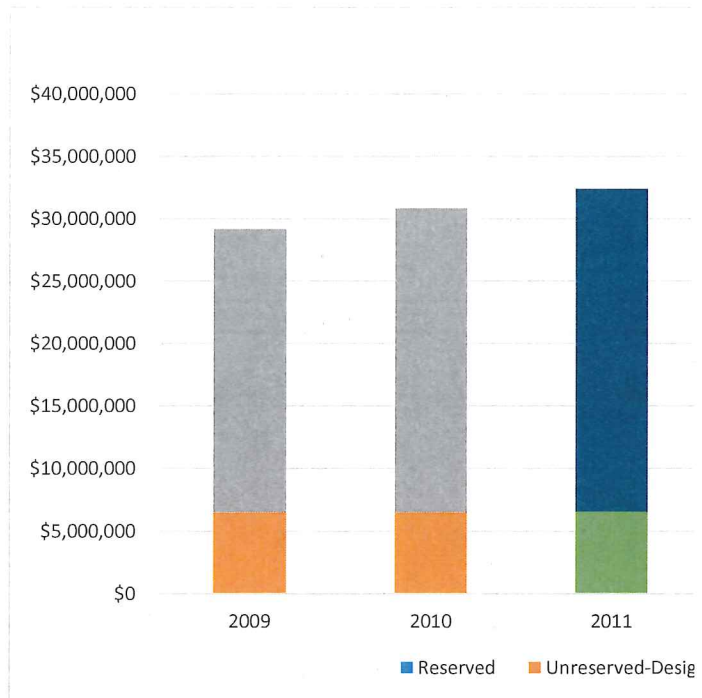
\$	0	\$ 20,175	\$ 0	\$ 0	\$ 0	\$ 0
	67,536	102,641	106,935	68,225	250,905	97,848
	421,062	709,810	826,619	500,000	290,067	1,194,533
	82,825	71,176	78,592	524,317	580,133	142,078
	421,063	100,113	109,561	281,687	476,222	264,422
	0	0	138,809	282,497	156,775	230,352
	2,314,303	479,793	0	0	169,204	283,634
	3,306,789	1,483,708	1,260,516	1,656,726	1,923,306	2,212,867
\$	3,306,789	\$ 1,483,708	\$ 1,260,516	\$ 1,656,726	\$ 1,923,306	\$ 2,212,867

\$	(12,207,808)	\$ (13,466,785)	\$ (11,118,931)	\$ (14,368,580)	\$ (12,833,350)	\$ (14,916,488)
\$	(12,207,808)	\$ (13,466,785)	\$ (11,118,931)	\$ (14,368,580)	\$ (12,833,350)	\$ (14,916,488)

\$	354,574	\$ 617,618	\$ 472,157	\$ 617,172	\$ 578,560	\$ 601,116
	5,517,652	6,232,713	6,843,923	10,851,063	11,202,349	11,397,118
	4,957,234	4,703,462	4,140,070	4,039,518	4,290,660	4,352,743
	0	0	0	0	0	0
	74,736	105,257	2,454,113	115,585	223,883	134,789
	496,197	503,140	615,754	473,432	247,803	416,023
	70,307	41,408	122,329	174,653	242,786	113,922
	0	0	0	0	0	0
	11,470,700	12,203,598	14,648,346	16,271,423	16,786,041	17,015,711
\$	11,470,700	\$ 12,203,598	\$ 14,648,346	\$ 16,271,423	\$ 16,786,041	\$ 17,015,711

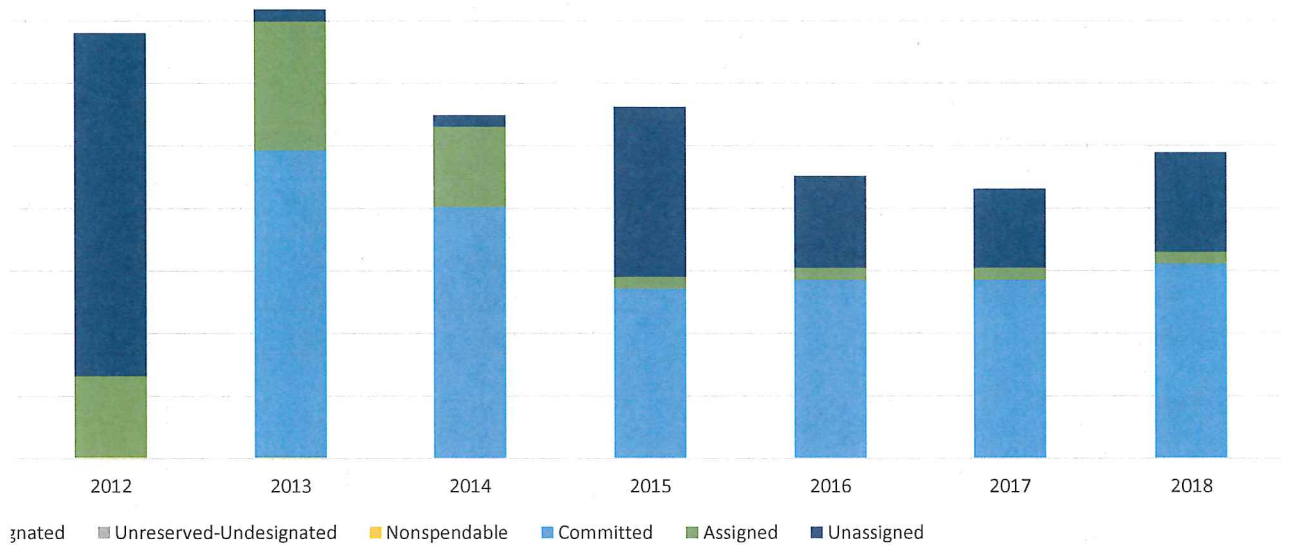
\$	(737,108)	\$ (1,263,187)	\$ 3,529,415	\$ 1,902,843	\$ 3,952,691	\$ 2,099,223
\$	(737,108)	\$ (1,263,187)	\$ 3,529,415	\$ 1,902,843	\$ 3,952,691	\$ 2,099,223

**Town of Colma
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**



	Fiscal Year Ended June 30,		
	2009	2010	2011
General Fund			
Reserved	\$ 5,804	\$ 9,102	\$ 0
Unreserved-Designated	6,464,640	6,464,640	0
Unreserved-Undesignated	22,683,168	24,362,588	0
Nonspendable	0	0	88,822
Committed	0	0	0
Assigned	0	0	6,464,640
Unassigned	0	0	25,848,027
Total General Fund	29,153,612	30,836,330	32,401,489
All Other Governmental Funds			
Reserved	\$ 984,613	\$ 959,750	\$ 0
Unreserved-Designated	0	0	0
Unreserved-Undesignated	(180,260)	0	0
Unreserved, reported in:			
Special revenue funds	118,490	105,593	0
Committed	0	0	959,750
Assigned	0	0	79,716
Unassigned	0	0	0
Total all other governmental funds	922,843	1,065,343	1,039,466

General Fund - Fund Balances



	2012	2013	2014	2015	2016	2017	2018
\$	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	103,788	98,956	0	0	0	0	0
	0	24,552,790	20,100,000	13,576,000	14,287,000	14,287,000	15,542,000
	6,464,640	10,319,919	6,417,979	950,000	950,000	950,000	950,000
	27,462,519	950,000	950,000	13,591,913	7,357,248	6,310,836	7,965,214
	<u>34,030,947</u>	<u>35,921,665</u>	<u>27,467,979</u>	<u>28,117,913</u>	<u>22,594,248</u>	<u>21,547,836</u>	<u>24,457,214</u>

\$	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	959,750	958,050	0	0	4,343,192	1,729,570	0
	120,291	203,792	79,249	71,557	8,980,111	13,839,459	8,399,613
	0	0	0	(47,219)	0	0	(11,269)
	<u>1,080,041</u>	<u>1,161,842</u>	<u>79,249</u>	<u>24,338</u>	<u>13,323,303</u>	<u>15,569,029</u>	<u>8,388,344</u>

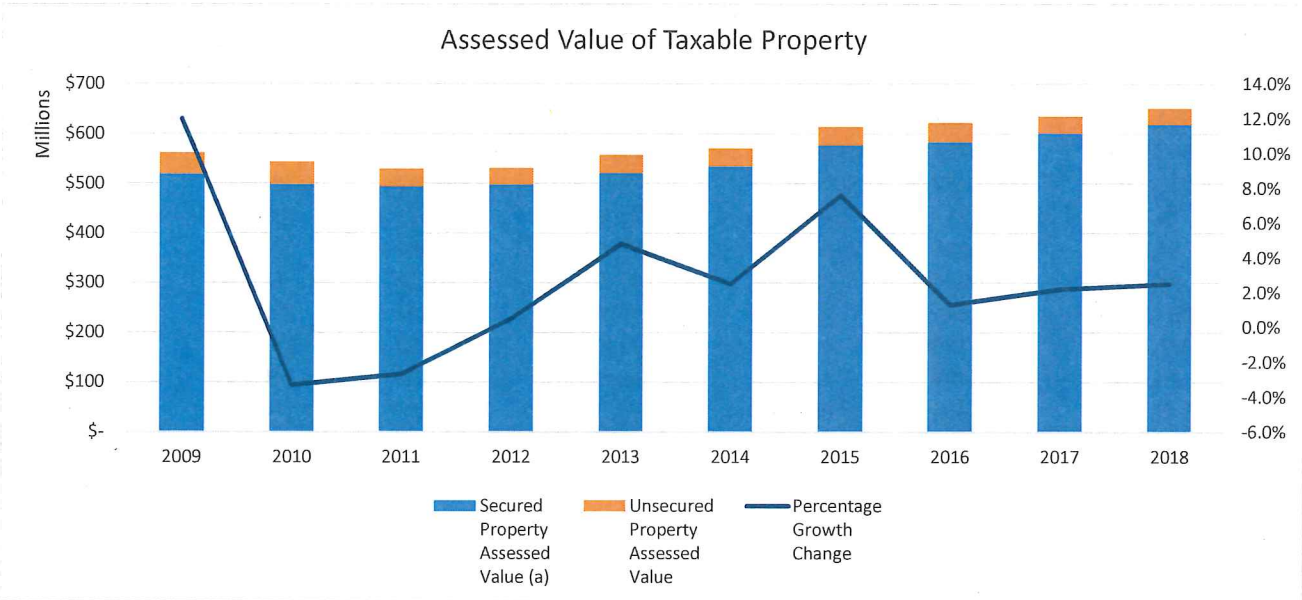
Town of Colma
Change in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,		
	2009	2010	2011
Revenues			
Property taxes	\$ 385,709	\$ 366,266	\$ 334,320
Sales taxes	5,337,807	4,901,120	5,045,150
Cardroom taxes	5,484,544	4,938,532	5,091,032
Other taxes	52,262	50,024	56,455
Licenses and permits	238,163	189,550	108,763
Fines and forfeits	84,039	70,604	98,673
Intergovernmental	2,155,277	1,793,072	2,252,336
Use of money and property	278,912	513,254	476,595
Other revenues	700,460	287,291	63,213
Charges for services	573,014	556,743	667,620
Total revenues	15,290,187	13,666,456	14,194,157
Expenditures			
Current:			
General government	2,680,083	2,509,572	2,620,539
Public safety	4,906,617	4,807,033	4,929,990
Public works	3,667,122	3,857,314	3,179,758
Recreation	899,458	859,300	888,871
Planning	352,269	351,375	407,336
Capital outlay	0	0	0
Debt service:			
Principal repayment	345,000	350,000	360,000
Interest and fiscal charges	614,421	604,934	595,309
Total expenditures	13,464,970	13,339,528	12,981,803
Excess (deficiency) of revenues over (under) expenditures	1,825,217	326,928	1,212,354
Other financing sources (uses)			
Issuance of long-term debt			
Transfers in	2,076,222	1,515,520	1,274,755
Transfers (out)	(2,076,222)	(1,515,520)	(1,274,755)
Total other financing sources (uses)	0	0	0
Net change in fund balances	\$ 1,825,217	\$ 326,928	\$ 1,212,354
Debt service as a percentage of noncapital expenditures	2.6%	2.6%	2.8%

	2012	2013	2014	2015	2016	2017	2018
\$	354,574	\$ 617,618	\$ 472,157	\$ 554,778	\$ 617,172	\$ 578,560	\$ 601,116
	5,517,652	6,232,713	6,843,923	10,327,853	10,851,063	11,202,349	11,397,118
	4,957,234	4,703,462	4,140,070	3,774,885	4,039,518	4,290,660	4,352,743
	74,736	105,257	2,454,113	138,463	115,585	136,895	127,789
	83,862	114,546	100,113	109,724	281,687	372,321	278,046
	83,732	67,536	66,611	65,785	68,225	64,740	73,907
	2,037,958	2,314,303	479,793	407,960	282,497	412,967	432,281
	496,197	503,140	615,754	427,801	473,432	247,803	416,023
	70,307	41,408	122,329	148,351	222,156	242,786	392,804
	749,962	810,404	837,191	946,198	1,024,317	1,160,266	1,156,751
	14,426,214	15,510,387	16,132,054	16,901,798	17,975,652	18,709,347	19,228,578
	2,936,363	2,921,076	2,967,299	3,903,936	3,194,543	2,821,469	3,158,045
	4,822,180	5,445,546	5,397,761	4,961,165	5,748,812	6,280,151	7,214,813
	2,866,880	2,936,622	3,299,749	6,083,862	4,730,141	6,575,487	11,312,133
	883,961	880,931	908,687	946,869	973,178	1,066,457	1,108,920
	287,288	395,809	417,626	410,942	512,090	470,802	443,700
	0	0	0	0	0	0	0
	375,000	385,000	12,100,000	0	180,000	110,000	110,000
	584,509	572,884	577,209	0	114,087	185,669	183,469
	12,756,181	13,537,868	25,668,331	16,306,774	15,452,851	17,510,035	23,531,080
	1,670,033	1,972,519	(9,536,277)	595,024	2,522,801	1,199,312	(4,302,502)
	1,140,692	1,230,450	12,246,681	0	5,252,497	5,848,997	1,215,893
	(1,140,692)	(1,230,450)	(12,246,681)	0	(9,833,630)	(5,848,997)	(1,215,893)
	0	0	0	0	5,252,497	0	0
\$	1,670,033	\$ 1,972,519	\$ (9,536,277)	\$ 595,024	\$ 7,775,298	\$ 1,199,312	\$ (4,302,502)

2.9% 2.8% 47.1% 0.0% 1.2% 0.6% 0.5%

Town of Colma
Assessed Value of Taxable Property
Last Ten Fiscal Years



Fiscal Year	Secured Property Assessed Value (a)	Unsecured Property Assessed Value	SBE Nonunitary Value (a)	Total Assessed Value (a)	Total Direct Tax Rate (b)	Percentage Growth Change
2009	518,887,963	42,215,361	723,100	561,826,424	1.0%	12.0%
2010	497,649,479	45,180,770	723,100	543,553,349	1.0%	-3.3%
2011	493,189,593	35,162,186	723,100	529,074,879	1.0%	-2.7%
2012	497,097,100	34,175,946	542,325	531,815,371	1.0%	0.5%
2013	520,782,477	36,007,528	542,325	557,332,330	1.0%	4.8%
2014	534,119,184	36,578,906	542,325	571,240,415	1.0%	2.5%
2015	577,284,551	36,807,516	542,325	614,634,392	1.0%	7.6%
2016	583,049,863	38,607,884	723,100	622,380,847	1.0%	1.3%
2017	600,830,262	34,339,922	723,100	635,893,284	1.0%	2.2%
2018	618,149,159	32,961,152	723,100	651,833,411	1.0%	2.5%

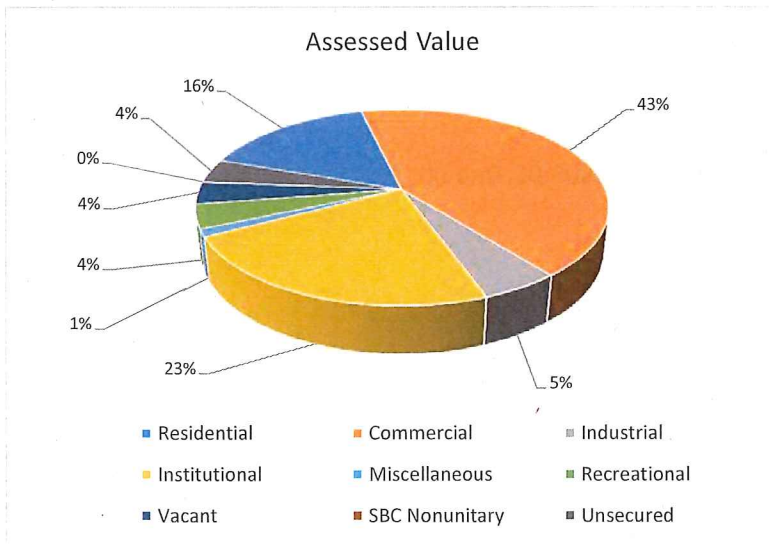
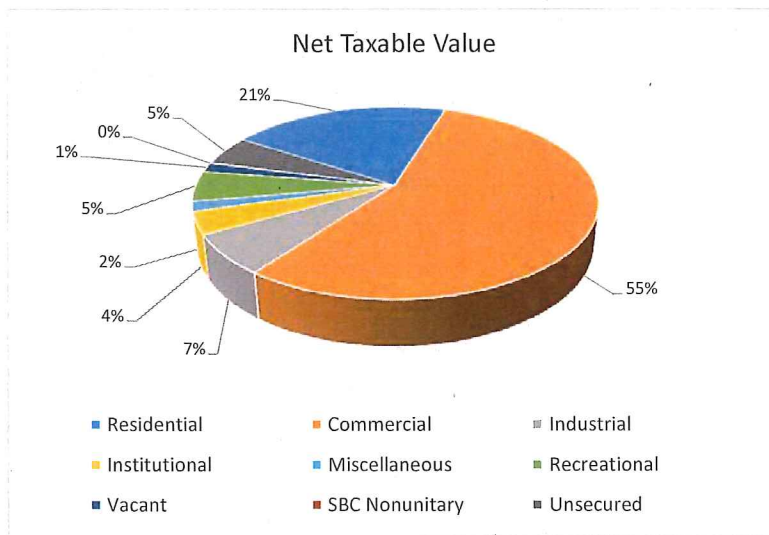
(a) Assessed values presented are net of exemptions.

The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of not more than two percent annually, plus any local over-rides. These values are considered to be full market values.

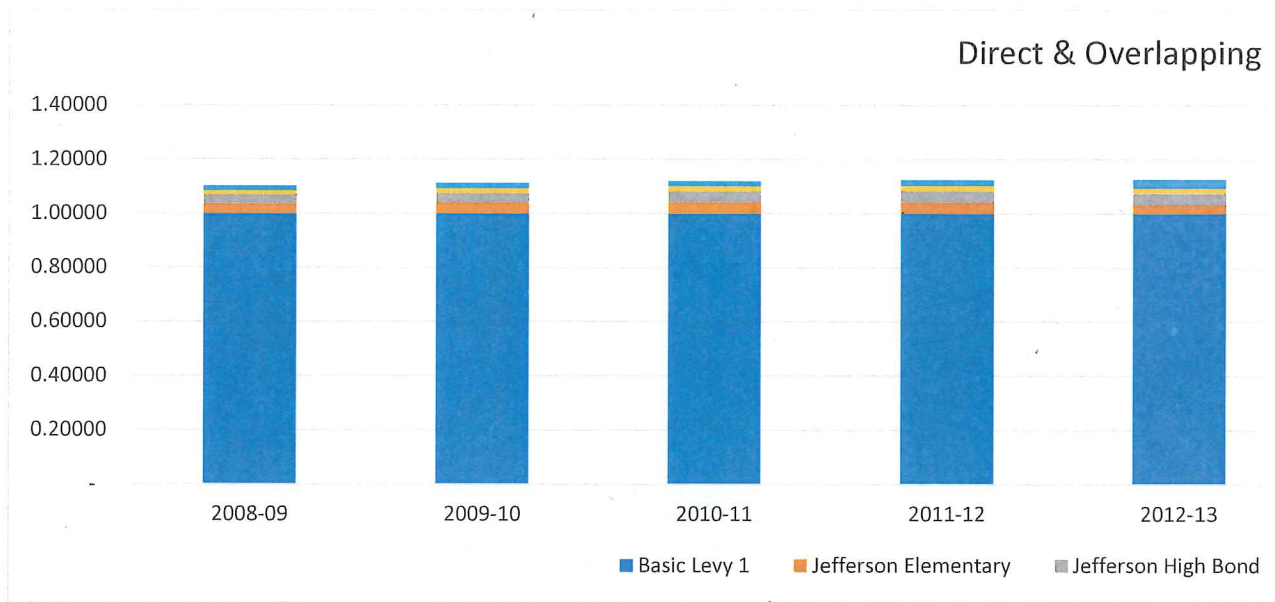
(b) California cities do not set their own direct tax rate. The State Constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The Town of Colma has seven tax rate areas.

Town of Colma
Assessed Value of Taxable Property by Use
Fiscal year ending June 30, 2018

Category	Parcels	Assessed Value	% of Total	Net Taxable Value	% of Total
Residential	313	134,470,114	16.0%	134,471,114	16.0%
Commercial	70	361,208,392	42.9%	361,208,392	42.9%
Industrial	19	43,935,687	5.2%	43,935,687	5.2%
Institutional	49	193,582,908	23.0%	24,619,903	2.9%
Miscellaneous	20	10,474,439	1.2%	10,474,439	1.2%
Recreational	2	33,222,053	3.9%	33,222,053	3.9%
Vacant	80	30,794,136	3.7%	10,218,571	1.2%
SBC Nonunitary	[3]	723,100	0.1%	723,100	0.1%
Unsecured	[117]	32,961,152	3.9%	32,961,152	3.9%
Total	433	841,371,981		651,834,411	



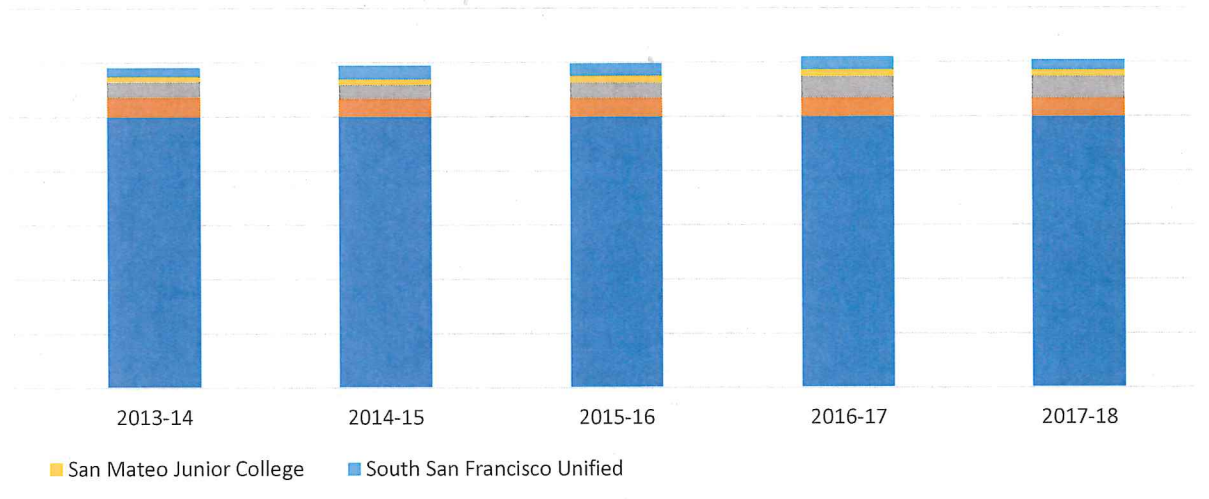
Town of Colma
Direct & Overlapping Property Tax Rates
(Rate per \$100 of Taxable Value)
Last Ten Fiscal Years



Agency	2008-09	2009-10	2010-11	2011-12
Basic Levy ¹	1.00000	1.00000	1.00000	1.00000
Jefferson Elementary	0.03540	0.03890	0.03990	0.04070
Jefferson High Bond	0.03330	0.03600	0.04160	0.04220
San Mateo Junior College	0.01650	0.01820	0.01930	0.01990
South San Francisco Unified	0.01620	0.01950	0.01960	0.02210
Total Direct & Overlapping Tax Rates	1.10140	1.11260	1.12040	1.12490
City's Share of 1% Basic Levy	0.10223	0.10223	0.10223	0.10223

Source: San Mateo County Assessor's 2008-09 Through 2017-18 Tax Rate Table

Property Tax Rates



2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.03160	0.07130	0.06620	0.06740	0.06800	0.06630
0.04300	0.05740	0.05300	0.05830	0.08000	0.08160
0.01940	0.01940	0.01900	0.02500	0.02470	0.02350
0.03270	0.03280	0.05130	0.04570	0.04670	0.03660
1.12670	1.18090	1.18950	1.19640	1.21940	1.20800
0.10223	0.10223	0.10223	0.10223	0.10223	0.10223

**Town of Colma
Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago**

2017-18

Business Name	Business Type
Babies R Us	Specialty Stores
Best Buy	Electronics/Appliance Stores
BevMo	Convenience Stores/Liquor
Carmax	New Motor Vehicle Dealers
Cypress Lawn Cemetery	Morticians and Undertakers
Golden Gate Acura	New Motor Vehicle Dealers
Home Depot	Building Materials
Honda Lease Trust	Auto Lease
Honda of Serramonte	New Motor Vehicle Dealers
Kohl's	Department Stores
Lexus of Serramonte	New Motor Vehicle Dealers
Lucky Chances Casino	Leisure/Entertainment
Marshalls	Family Apparel
Michaels Arts & Crafts	Art/Gift/Novelty Stores
Nissan Serramonte Certified Center	New Motor Vehicle Dealers
Nordstrom Rack	Department Stores
Old Navy	Family Apparel
Pacific Nurseries	Garden/Agricultural Supplies
Ross	Family Apparel
Serramonte Ford	New Motor Vehicle Dealers
South Bay Serramonte	New Motor Vehicle Dealers
Steward Chevrolet Chrysler	New Motor Vehicle Dealers
Target	Discount Dept Stores
Team Volkswagen Subaru	New Motor Vehicle Dealers
Toyota Lease Trust	Auto Lease

Percent of Fiscal Year Paid by Top 25 Accounts = 90.00%

2008-09

Business Name	Business Type
Babies R Us	Specialty Stores
Bed Bath & Beyond	Home Furnishings
Best Buy	Electronics/Appliance Stores
BevMo	Convenience Stores/Liquor
Colma Buick Pontiac GMC	New Motor Vehicle Dealers
Cypress Lawn Cemetery	Morticians And Undertakers
Golden Gate Acura	New Motor Vehicle Dealers
Home Depot	Building Materials
Honda Lease Trust	Auto Lease
Honda of Serramonte	New Motor Vehicle Dealers
Jo Ann Fabrics & Crafts	Specialty Stores
Kohl's	Department Stores
Lexus of Serramonte	New Motor Vehicle Dealers
Lucky Chances Casino & Dining	Leisure/Entertainment
Marshalls	Family Apparel
Nissan Infiniti	Auto Lease
Nordstrom Rack	Department Stores
Old Navy	Family Apparel
Pacific Coast Supply	Building Materials
Pacific Nurseries	Garden/Agricultural Supplies
Serramonte Auto Plaza	New Motor Vehicle Dealers
Serramonte Ford	New Motor Vehicle Dealers
Stewart Chevrolet Chrysler	New Motor Vehicle Dealers
Target	Discount Dept Stores
Toyota Motor Credit	Auto Lease

Percent of Fiscal Year Paid by Top 25 Accounts = 90.44%

**Town of Colma
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)
Adjusted for Economic Data**

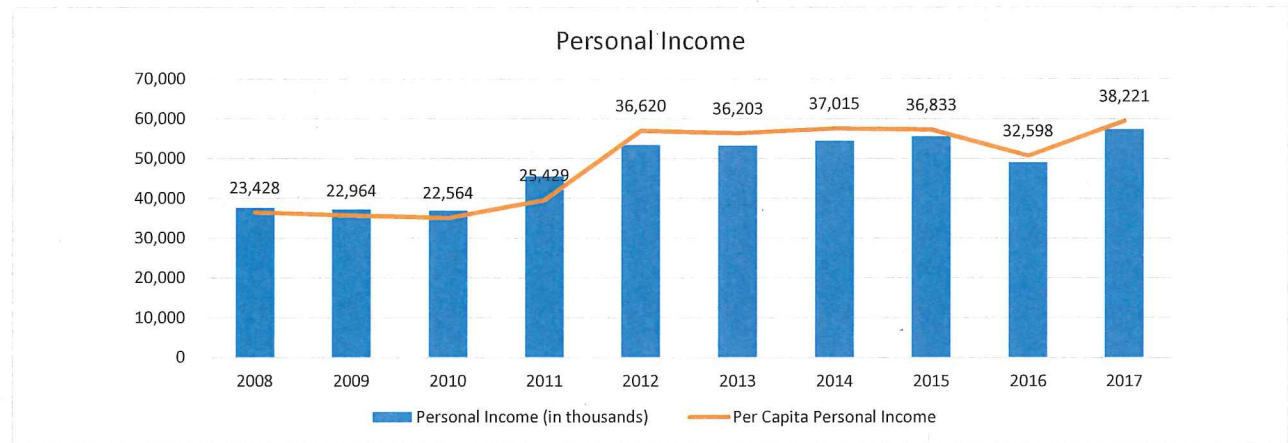
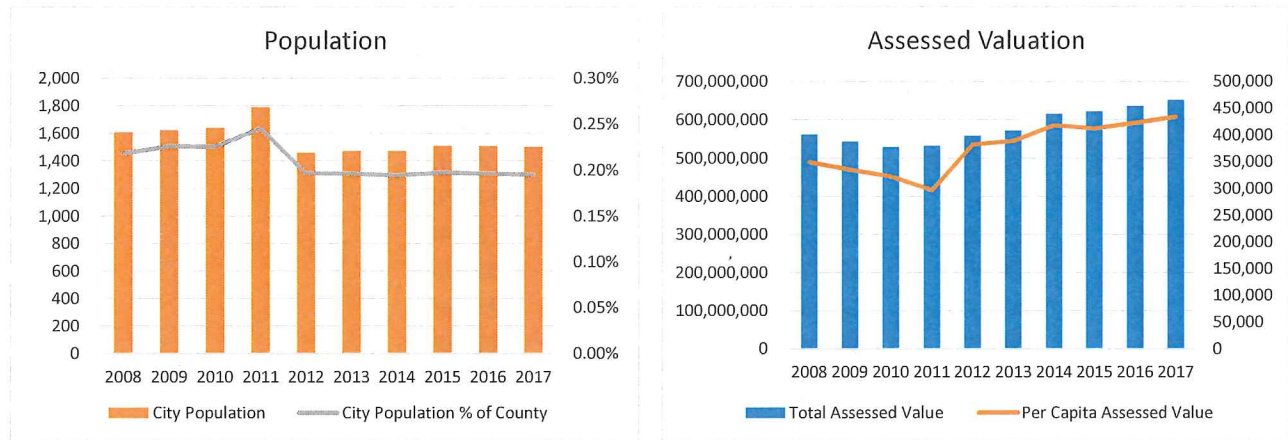
	2008	2009	2010	2011	2012
Apparel Stores	\$ 24,923	\$ 27,370	\$ 27,893	\$ 28,580	\$ 32,806
General Merchandise	116,220	119,226	115,708	124,342	127,239
Eating and Drinking Places	9,552	9,792	9,457	13,039	14,095
Auto Dealers and Supplies	231,358	215,815	229,839	265,893	341,349
Other Retail Stores	238,794	214,586	210,154	203,645	205,815
All Other Outlets	97,591	90,504	100,382	107,316	123,277
Total	\$ 718,438	\$ 677,293	\$ 693,433	\$ 742,815	\$ 844,581

Source: State of California Board of Equalization and the HdL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the source of the Town's revenue.

	2013	2014	2015	2016	2017
\$	31,538	\$ 31,053	\$ 30,707	\$ 35,231	\$ 40,328
	125,931	119,402	117,401	114,147	114,566
	13,994	15,528	16,383	16,998	20,466
	412,579	484,072	509,063	539,984	551,644
	222,168	225,642	228,579	225,747	237,458
	146,419	178,801	188,861	215,821	224,061
\$	952,629	\$ 1,054,498	\$ 1,090,994	\$ 1,147,928	\$ 1,188,523

Town of Colma
Demographic and Economic Statistic
Last Ten Fiscal Years



Fiscal Year	City Population	Total Assessed Value	Per Capita Assessed Value	Personal Income (in thousands)	Per Capita Personal Income	San Mateo County Population	City Population % of County
2008	1,607	561,826,424	349,612	37,649	23,428	736,951	0.22%
2009	1,622	543,553,349	335,113	37,248	22,964	718,451	0.23%
2010	1,637	529,074,879	323,198	36,937	22,564	726,305	0.23%
2011	1,789	531,815,371	297,270	45,492	25,429	729,429	0.25%
2012	1,458	557,332,330	382,258	53,392	36,620	740,850	0.20%
2013	1,470	571,240,415	388,599	53,218	36,203	749,165	0.20%
2014	1,471	614,634,392	417,834	54,449	37,015	756,866	0.19%
2015	1,509	622,380,847	412,446	55,581	36,833	764,711	0.20%
2016	1,506	635,893,284	422,240	49,093	32,598	768,507	0.20%
2017	1,501	651,833,411	434,266	57,369	38,221	770,116	0.19%

TOWN OF COLMA
TOWN COUNCIL
&
MANAGEMENT REPORT

For the Year Ended
JUNE 30, 2018

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R. J. RICCIARDI, INC.
CERTIFIED PUBLIC ACCOUNTANTS

Town Council
Town of Colma
Colma, California

In planning and performing our audit of the basic financial statements of Town of Colma for the fiscal year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Colma's internal control.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's basic financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the basic financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, as defined above. We did not identify any deficiencies in internal control that we consider material weaknesses, as defined above.

This report is intended solely for the information and use of management and Town Council of Town of Colma and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

We thank Town of Colma's staff for its cooperation during our audit.

R. J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
January 15, 2019

Town Council
Town of Colma
Colma, California

We have audited the basic financial statements of Town of Colma for the year ended June 30, 2018. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 14, 2018, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Town of Colma. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Town of Colma are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by Town of Colma during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole. The most sensitive estimates affecting the financial statements were:

- Accrual and disclosure of compensated absences;
- Capital asset lives and depreciation expense;
- Actuarial assumptions for pension and post-employment benefits;
- Fair value of investments and financial instruments.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 15, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Town of Colma's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Town of Colma's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis and the Budgetary Comparison Schedule for the General Fund, Local Government's Proportionate Share of Net Pension Liability, and Schedules of Contributions, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining statements and individual fund statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory Section and the Statistical Section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of management and Town Council of Town of Colma and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Town of Colma
MANAGEMENT REPORT
For the Year Ended June 30, 2018

Current Year Observations

There were no current year observations.

Prior Year Observations

There were no prior year observations.

**TOWN OF COLMA
MEASURE A FUND
(A nonmajor component unit fund)**

FINANCIAL STATEMENTS

JUNE 30, 2018

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Town Council
Town of Colma
Colma, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure A Fund of Town of Colma, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Measure A Fund's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to Town of Colma Measure A Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Colma Measure A Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

As described in Note 1 to the financial statements, the accompanying financial statements present only the Measure A Fund and do not purport to, and do not, present fairly the financial position of Town of Colma, California, as of June 30, 2018, and the changes in its financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure A Fund of Town of Colma, California, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

R. J. Ricciardi, Inc.

R. J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
December 18, 2018

Town of Colma
Measure A Fund
GOVERNMENTAL FUND TYPE
BALANCE SHEET
June 30, 2018

ASSETS

Cash	\$ 163,891
Accounts receivable	<u>10,508</u>
Total assets	<u>\$ 174,399</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Due to other fund	\$ <u>-</u>
Fund balance:	
Assigned	<u>174,399</u>
Total liabilities and fund balances	<u>\$ 174,399</u>

The accompanying notes are an integral part of these financial statements.

Town of Colma
Measure A Fund
GOVERNMENTAL FUND TYPE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2018

Revenues:	
20 percent of 1/2 cent sales tax	\$ 61,609
Use of money and property	<u>1,646</u>
Total revenues	<u>63,255</u>
Expenditures:	
Capital outlay	<u>-</u>
Total expenditures	<u>-</u>
Excess of revenues over expenditures	63,255
Fund balance, beginning of period	<u>111,144</u>
Fund balance, end of period	<u>\$ 174,399</u>

The accompanying notes are an integral part of these financial statements.

Town of Colma
Measure A Fund
NOTES TO FUND FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - REPORTING ENTITY

At the general election on June 7, 1988, the voters of San Mateo County approved Measure A, "An ordinance providing for the creation of the San Mateo County Transportation Authority, for the imposition of a one-half of one percent transactions and use tax, for the issuance of limited tax bonds, and for other purposes." It also includes an annual allocation of 20 percent of the total revenue generated by the aforementioned ½ percent transactions and use tax to the cities of San Mateo County and to the County of San Mateo for the improvement of local transportation, including streets and roads.

The Measure A Fund (the Fund) is a component unit nonmajor fund of Town of Colma. The accounting policies of the Fund conform to U.S. generally accepted accounting principles as applicable to governments. The accompanying financial statements present financial information for only the Measure A Fund, and not for Town of Colma (the Town) as a whole.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The operating statement of the fund presents increases and decreases in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related liability is incurred by the Fund.

B. Budgets and Budgetary Accounting

The Town adopted an annual budget for the Fund for the fiscal year ending June 30, 2018. The Town's budget is prepared on a basis consistent with U.S. generally accepted accounting principles. All annual appropriations lapse at year end.

The appropriated budget is prepared by fund, function, department and line item. The legal level of budgetary control is the fund level. Any changes to increase total appropriations in a fund require the approval of the Town Council.

Town of Colma
Measure A Fund
NOTES TO FUND FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 - CASH AND INVESTMENTS

The Town pools various funds' cash for investment purposes. The Fund's equity in such pooled assets is shown as "Cash and Investments." Cash and investments in the accompanying financial statements are carried at fair value.

The Town is authorized by its most recent investment policy to invest in the State of California Local Agency Investment Fund, the San Mateo County Treasurer's Investment Pool and other permitted investments.

Interest earnings, if any, were allocated to the Fund in the 2018 fiscal year based upon the Fund's average cash balances and the proportionate interest earned by the Town on its pooled investments in the State of California Local Agency Investment Fund (LAIF) and the San Mateo County Treasurer Pool. See the Town's Basic Financial Statements for the disclosures related to cash and investments and the related custodial risk categorization.

NOTE 4 - CONTINGENCIES

Local Financial Assistance. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the San Mateo County Transportation Authority. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantors cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

NOTE 5 - ASSIGNED FUND BALANCE

The accompanying financial statements reflect certain changes that have been made with respect to the reporting components of fund balances for governmental funds. In previous years, fund balances for governmental funds were reported in accordance with previous standards that included components for reserved fund balance, unreserved fund balance, designated fund balance, and undesignated fund balance. Due to the implementation of GASB Statement No. 54, the components of fund balances of governmental funds now reflect the component classification of assigned fund balance.

Assigned fund includes amounts intended to be used by the Town for specific purposes, subject to change, as established either directly by the Town Council or by management officials to whom the assigned authority has been delegated by the Town Council.

REPORT ON COMPLIANCE BASED
ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH AUDITING
STANDARDS GENERALLY ACCEPTED IN
THE UNITED STATES OF AMERICA

Honorable Mayor and Members
of the Town Council
Town of Colma
Colma, California

We have audited the Town of Colma's compliance with the agreement between the Town of Colma and San Mateo County Transportation Authority applicable to the Measure A Fund for the year ended June 30, 2018. Compliance with the requirements referred to above is the responsibility of Town of Colma's management. Our responsibility is to express an opinion on Town of Colma's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; and the agreement between the Town of Colma and San Mateo County Transportation Authority. Those standards and agreement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the Measure A Fund. An audit includes examining, on test basis, evidence about Town of Colma's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Town of Colma's compliance with those requirements.

Compliance

As part of obtaining reasonable assurance about whether Town of Colma Measure A Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including tests of Town of Colma's compliance with certain provisions of Measure A, 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 that are required to be reported under U.S. generally accepted auditing standards.

This report is intended solely for the information of and use of the Town Council and management of Town of Colma, and the County of San Mateo Transportation Authority, and is not intended to be and should not be used by anyone other than these specified parties.

R. J. Ricciardi, Inc.

R. J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
December 18, 2018

R. J. RICCIARDI, INC.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT
ON AGREED-UPON PROCEDURES APPLIED
TO APPROPRIATIONS LIMIT WORKSHEETS

Honorable Mayor and
Members of the Town Council
Town of Colma

We have applied the procedures enumerated below to the accompanying Appropriations Limit worksheet of the Town of Colma (the Town) for the year ended June 30, 2019. These procedures, which were agreed to by the Town (as presented in the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*) were performed solely to assist the Town in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution.

This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed appropriation limit worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the Town Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the Town Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit worksheet, we added last year's limit and total adjustments, and compared the resulting amount to this year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying Appropriations Limit worksheet to the other worksheets described in No. 1 above.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the Town Council for the prior year.

Finding: No exceptions were noted as a result of our procedures.

Honorable Mayor and
Members of the Town Council
Town of Colma - Page 2

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*.

This report is intended solely for the use of the Town of Colma and should not be used by those who have not agreed to the procedures and taken the responsibility for the sufficiency of the procedures for their purposes.

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
December 18, 2018

Article XIII B Appropriation Limit Calculation

Prior Year Limit (Reviewed)	\$ 40,622,372
Correction per Reso 2018-35 ^a	<u>1,708,259</u>
Prior Year Limit, restated	<u>\$ 42,330,631</u>
Multiply by:	
Non-Residential Assessed Valuation Growth	1.0050
Change in population	1.0367 <u>1.0419</u>
Total Appropriation Limit Fiscal Year 2018-2019	<u>\$ 44,103,586</u>

NOTE a: Correction is needed as a result of the wrong multiplier.



STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Brad Donohue, Public Works Director
 Kirk Stratton, Chief of Police
 VIA: Brian Dossey, City Manager
 MEETING DATE: January 23, 2019
 SUBJECT: Parking Restrictions

RECOMMENDATION

None. This is a Study Session to seek City Council input and feedback on potential solutions to parking-related issues Town wide. No council action will take place; however, staff seeks comments, questions, and feedback from the City Council and the public during the study session. Council's feedback regarding potential parking solutions will be used to draft amendments to the Colma Parking Code.

EXECUTIVE SUMMARY

On occasion staff will come before the City Council and public to review and seek guidance on parking restrictions and parking additions to the Colma Parking Code. Tonight's study session is mainly focused on providing parking opportunities to local businesses, employees of those businesses, and some residential parking areas. The discussion will also entail restricting parking in the Town's Right of Way (ROW) for overnight parking of business trucks and, or vehicles that serve as living units. Staff will be discussing "No Parking Zones" for a specific time duration on various commercial streets and also delineating parking spaces on various streets limiting one vehicle to one space as a way to manage parking in various commercial areas within the Town.

FISCAL IMPACT

None.

BACKGROUND

The parking of various types of debris hauling vehicles, recreation vehicles (RV's) and in some cases abandon vehicles have populated various streets and highways in the Town of Colma. The streets in question are Mission Road, Hillside Boulevard, Collins Avenue and El Camino Real (ECR), State Route 82. The above-mentioned streets have served as parking lots for the various mentioned vehicles. In most cases these vehicles are parked for long periods of time. Typically, they will stay in the same spot for up to 3 days to avoid being cited and then move a nominal distance in the same area and park there for 3 more days. The vehicle code does allow vehicles to stay in an un-marked parking area up to 3 days without moving. When they move their

vehicle, they are only required to move it a tenth of a mile, even though the vehicle has moved the required distance, they are still in the area taking up parking spaces that need to be available for local business uses. The RV's, Debris hauling trucks and abandoned vehicles has brought on issues that include roadway and public safety concerns, lack of trash containment, lack of proper sanitary facilities and a visual blight.

ANALYSIS/DISCUSSION POINTS & OPTIONS

Abating long Term Parking

The increase in parking on Hillside Boulevard, Mission Road, Collins Avenue and ECR can be attributed to various causes: Various business employees use these areas, customer parking for the businesses, Debris/recycle/junk haulers, RV residential overnight stays and RV storage, business car storage, vehicle abandonment, residential overflow parking. Though some of these uses are acceptable, however most of the daytime and overnight uses are not acceptable.

The RV parking has become a nuisance, these vehicles take up several parking spaces, and individuals that live within these vehicles typically have another vehicle that they tow in order to conduct their day to day activities. Public Works on several occasions has dealt with sanitation issues that come from the parked RV's and trash overload. RV's have brought safety concerns for the Police Department. Safety issues such as

- The RV's block or impact other vehicles line of sight when entering or exiting driveways along the street, especially at night.
- At times RV's impact travel lanes and other vehicles must cross into oncoming lanes of traffic to navigate around the large vehicle, or they impact bike lanes.
- These vehicles become a visual blight to the businesses that are in the area and detour customers and public who use the walkways from wanting to pass by those units that are parked on the street.

Discussion Point:

Large scale vehicles (i.e. RV's, Semi Hauling vehicles and large box trucks) have presented public safety and public health concerns if let parked in the right of way for long periods of time. To mitigate these safety hazards, staff is proposing the management of overnight parking.

Along with RV's lining the various commercial streets, panel trucks of all sizes have been parking their vehicles along the various roadways. A panel truck that is parked along the roadway is typically used for hauling debris, recycle goods, landscaping debris and equipment. These vehicles are of a larger size, they are adorned with homemade signage and contact information and in some cases are graffitied. Many of the trucks are filled with whatever the hauler solicits for their hauling business and are left there for days. What accompanies these vehicles are as follows:

- Excessive trash that falls or blows off the truck, the Public Works Maintenance crew has been burdened with having to clean up the various messes. Also, at times the individuals that own or drive the vehicles leave trash and sorted debris on the sidewalk and roadway.

- Workers have been seen removing whatever is in one truck and transferring it into another truck, (Swapping goods). Using the public right of way as their place of business.
- The larger vehicles have also proven to hinder the line of sight for those entering or exiting the various driveways and places of business.
- The long stay of these vehicles also impacts the ability of employees who work in the area, who depend on the parking availability on these streets for their personal vehicles.
- These vehicles become a visual blight to the businesses that are in the area.
- Several of the larger panel trucks are covered with graffiti, when allowed "Graffiti" seems to attract more tagging and marking of other vehicles, public and private property.

Discussion point:

Is the parking of the hauling and oversized vehicles that are occupying parking spaces on the various streets be allowed to stay overnight and, or for extended periods of time?

Adjacent business car storage (businesses that store their customer vehicles on the streets for extended periods of time) has also had some issues. Though not as severe as the above-mentioned parking situations, if left alone, this parking issue does become burdensome. The overnight parking of the businesses customer vehicles creates issues for other businesses that depend on those spaces for their patronage and, or employees. The overnight parking of these vehicles also starts to attract other unwanted vehicles for longer periods of time. Though this may be tolerated for very short periods of time by the local businesses, the streets were never meant to be the customer parking lot for businesses that service vehicles.

Discussion Point:

Is overnight and long-term parking of businesses customer vehicles acceptable? How do we help accommodate those businesses that have parking needs?

Daily employee and customers parking in the various areas at times has become scarce due to other vehicles occupying parking spaces for longer periods of time. Businesses are strapped constantly with the need to provide daily parking for their employees and customers. The intent of preserving parking spaces or parking areas for the various businesses will help the commercial districts retain both employees and customers.

Options

Below are options that will help and manage parking areas through enforcement, so the businesses and their customers will experience greater parking availability while removing blight and improving public health and safety.

Option 1

Currently we have a No Parking requirement with a time duration (2:00 AM to 6:00 AM) every day in certain areas on Mission Road. This parking restriction was instituted several years ago to curtail the parking of vehicles that are being serviced by the various auto repair outlets on Mission Road. The reason for restricting the parking in that area was the City Council and Staff did not want the Right of Way to be an overnight commercial parking lot for the businesses.

The use of the roadway parking areas is intended for daytime business activities, employee parking and customers. Restricting vehicles (all types) from parking through the night time hours has shown to be beneficial (i.e. public health and safety) to the business community. The Limited Time No Park Zone during day time hours will restrict the long-term parking and provide parking opportunities throughout the day to those businesses that depend on employee and customer parking in the immediate areas of their business. It is not guaranteed, but with the constant moving of the RV's and various hauling vehicles, they are more likely to relocate to other areas, thus assisting both Police and Public Works in having to maintain and police the long time stay of those vehicles.

Staff would like to propose, and City Council consider "No Overnight Parking" (2:00 AM to 6 AM) everyday along certain areas of El Camino Real, Collins Ave, and Hillside Blvd, similar to Mission Road.

Option 2

In lieu of "No Overnight Parking" along certain roadways in Town, City Council could consider painting parking spaces in certain areas on Mission Road, Hillside, and Collins Ave, and permit only vehicles of a certain size to be allowed to park in those spaces. Typically, the marked parking spaces range anywhere from 20 to 22 feet in length allowing a standard car or pickup truck. If parking spaces were to be painted, only one vehicle could occupy one space. A larger vehicle would not be allowed to occupy two or more spaces. This would prevent vehicles from long term parking in these areas.

Option 3

This option could be a hybrid of the first two options. This option would give some relief to businesses that may need too, on occasion, leave a vehicle out on the street overnight, or a business that operates 24 hours a day and requires the on-street parking spaces for their customers and, or employees. In other areas around Town, City Council may want to have a "No Overnight Parking" (El Camino Real, Collins Ave, and Mission Road) to remedy long term parking issues.

Option 4

This option is a more or less do-nothing scenario leaving the parking situations as is, though not a viable option it is still an option.

Discussion Point:

Discuss the options that are available, reviewing what would work best with the various business communities and the public at large.

Council Adopted Values

By the City Council allowing a study session to review, discuss and provide direction regarding parking restrictions in various areas with in the Town, demonstrates *fairness*, make decisions or giving direction based on the merits of the issue and promoting the public's right to meaningful public involvement.

CONCLUSION

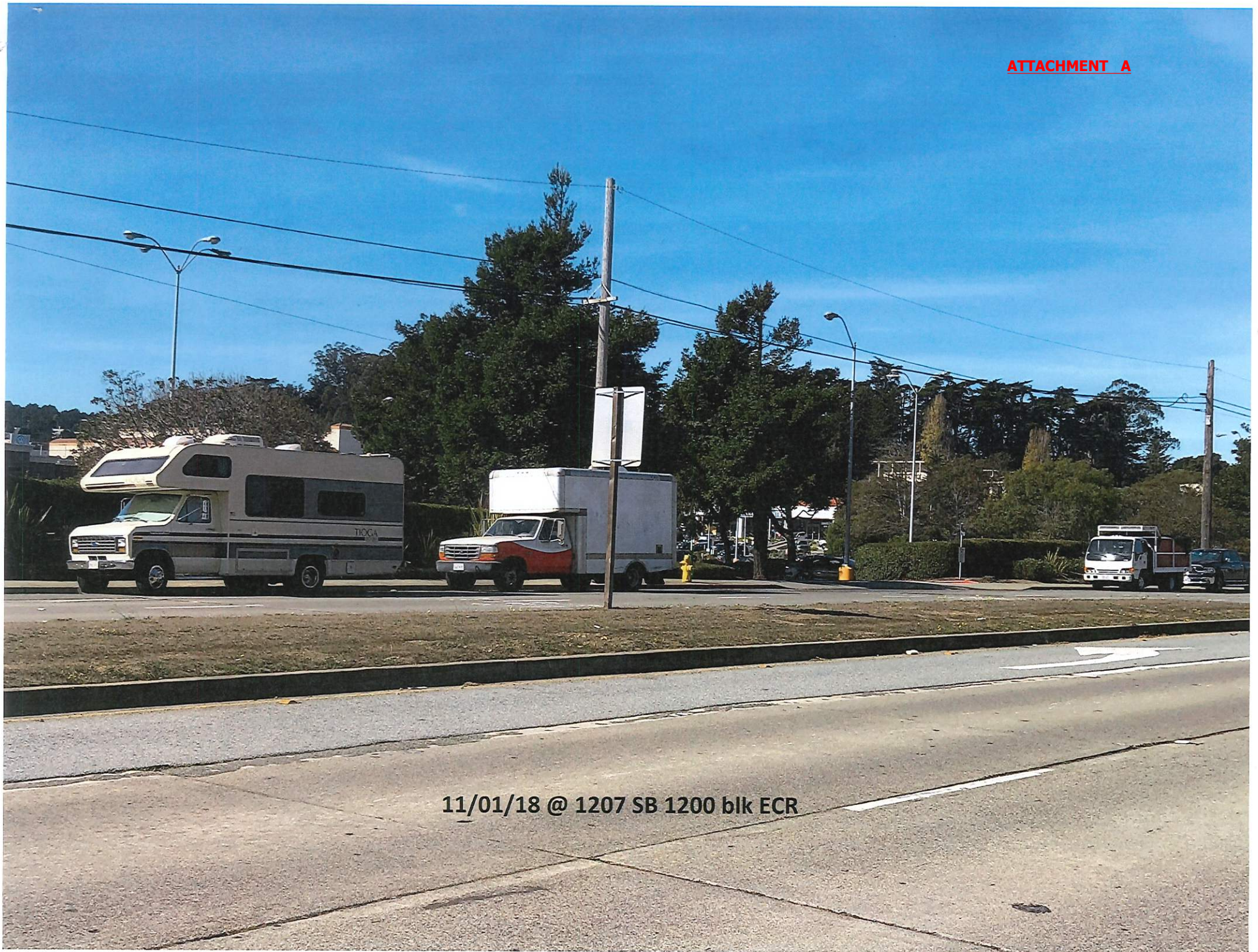
Where vehicles and their operators use the street parking areas has grown over the months and years, it has become a burden to the community and staff that must manage those areas.

The purpose of the study session is to provide City Council the opportunity to review, question and offer direction on where the Town resides on restricting parking in the various business communities within the Town of Colma.

ATTACHMENTS

- A. Various Pictures of large vehicles parked in Right of Way
- B. Roadways in Colma for Study Session





11/01/18 @ 1207 SB 1200 blk ECR

ATTACHMENT A

SPEED
LIMIT
40

11/01/18 @ 1207 NB 1200 blk ECR





11/01/18 @ 1216 NB ECR @ Colma Blvd

ATTACHMENT A



11/01/18 @ 1217 NB ECR at Hills of Eternity

ATTACHMENT A



JUNK REMOVAL

Cleaning & Hauling

415-933-1488

FREE ESTIMATES

89391K1

SPEED
LIMIT
25

11/01/18 @ 1219 WB 200 blk Collins



Colma - Parking Study Session

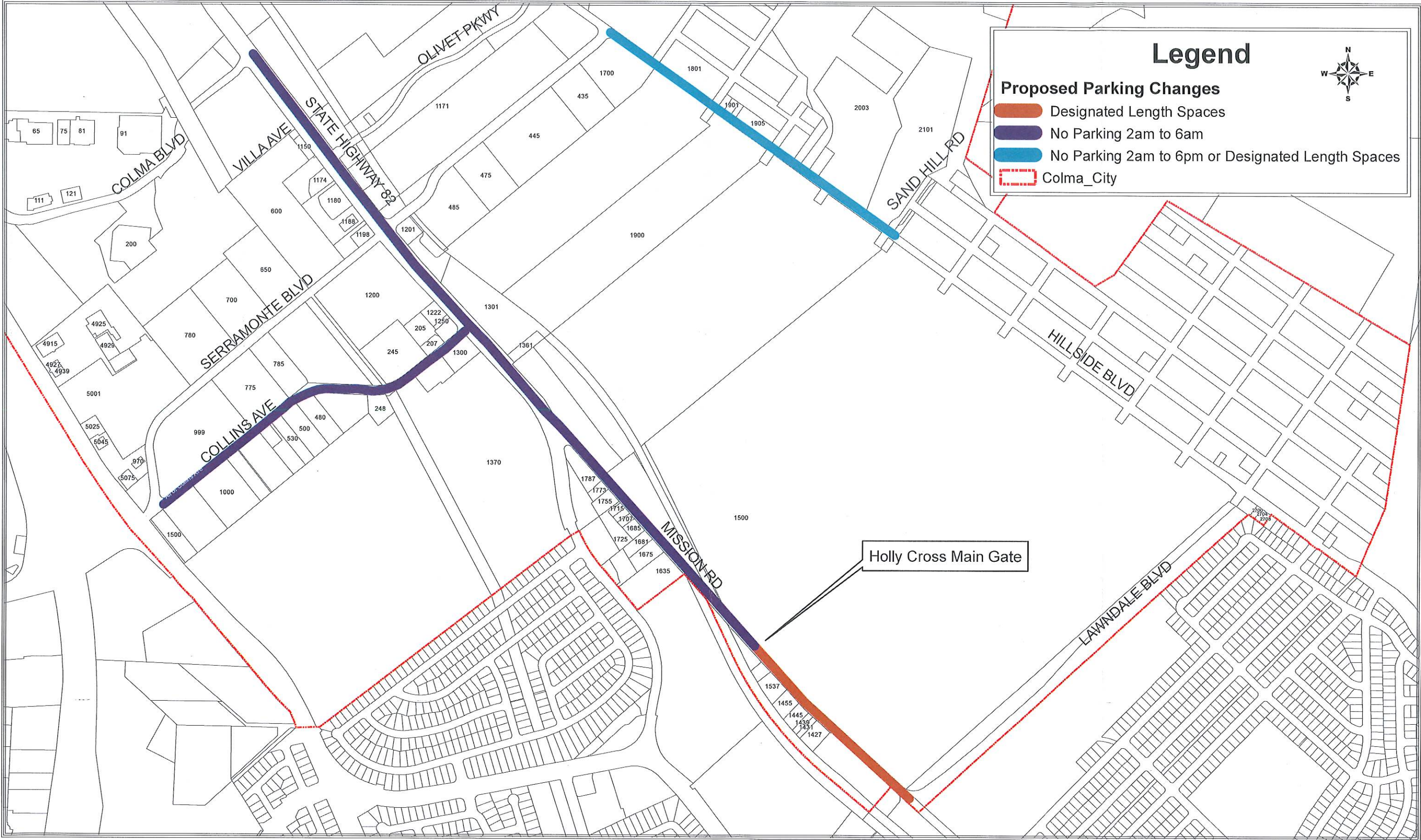


Exhibit B

