Call to Order at 7:05 p.m.

1. Roll Call

Present: Chair Kelly and Committee Members Allen, Hill, and Fleming

Other Attendees: Yvetteh Ortiz, Staff Liaison, Public Works Director/City Engineer
Mark Rasiah, Finance Director
Ahmed M. Badawi, City’s Consulting Auditor, Badawi & Associates

2. Comments from the Public (on non-agenda items)

None; no members of the public present.

3. Approval of Minutes

Committee reviewed meeting minutes from September 26, 2016 Meeting.

Action taken: Moved and seconded (Kelly/Allen) and carried unanimously to approve minutes.


Presenters: Yvetteh Ortiz, Staff Liaison, Public Works Director/City Engineer
Mark Rasiah, Finance Director

Director Rasiah provided background on the establishment of the Street Improvement Fund, and presented the CAFR and AUPR including revenues generated by the district sales tax, expenditures and overview of the original 2008 bonds. He answered several questions from the Committee regarding the bond issuance, debt service, and 2017 refinancing. Staff Liaison Ortiz also provided background information on the accelerated street improvement program in the first few years after of original bond issuance, and the current maintenance phase of the program. Director Rasiah and Staff Liaison Ortiz also answered questions
regarding why actual expenses were so much lower than the budget for capital outlay. This is because the capital budget is typically set higher than estimated expenses to account for contingencies and projects typically straddle two fiscal years.

Staff Liaison Ortiz highlighted the difference between the unaudited revenues and expenditures presented in September 2016 and the audited ones. Audited tax revenues were higher than the unaudited numbers due to a one-year spike. Audited expenses were lower than unaudited numbers because expenses of about $446K related to 2013-14 Pavement Rehabilitation Project (C3074) were moved to Fiscal 2014-15. Committee members inquired about the negative fund balance. Director Rasiah, Staff Liaison Ortiz, and Auditor Badawi explained that although the City does not typically plan for a fund deficit, these can occur.

Action taken: Moved and seconded (Allen/Hill) and carried unanimously to approve the draft report and approval by the Chair for presentation at a future City Council Meeting.

5. Review of Fiscal Year 2016–17 Revenues & Expenditures, CAFR and AUPR

Presenters: Yvetteh Ortiz, Staff Liaison, Public Works Director/City Engineer
Mark Rasiah, Finance Director
Ahmed M. Badawi, City’s Consulting Auditor, Badawi & Associates

Staff Liaison Ortiz presented the Fiscal Year 2016-17 Expenditure Plan Status Report and the listing of Fiscal Year 2016-17 financial activity, both audited revenues and expenditures.

Auditor Badawi presented the CAFR and AUPR and provided a handout, attached. He indicated Badawi found no exceptions and summarized assets, liabilities, revenues and expenditures. He highlighted the lower debt service payment due to the reissuance of bonds in 2017, and indicated that this lower payment was related to timing of reissuance and will not remain as low next year. He also provided a comparison of expenditures over three years.

Staff Liaison answered Committee questions regarding the specific projects including the history of Project C3027. This project has been used to track annual street improvement projects since 2007. She also discussed pavement condition assessments that are completed every two to three years, and guide staff in developing annual work plans. The high-level assessments are refined based on additional engineering and testing to determine appropriate pavement treatment and other factors. She indicated the pavement condition assessment summary can be provided to the Committee at the next meeting.

Staff and Committee members discussed potential scheduling of the annual report presentation to Council.

Auditor Badawi and Director Rasiah left the meeting at approximately 8:18 p.m.

Action taken: Moved and seconded (Hill/Fleming) and carried unanimously to approve the draft report and for presentation by Chair Kelly at a future City Council Meeting.
6. Staff Liaison Reports

Staff Liaison Ortiz presented the Fiscal Year 2017-18 Expenditure Plan Status Report, which included City Council annual budget approvals, as well as, subsequent mid-year adjustments by City Council. Staff Liaison Ortiz walked through the adopted revenues, expenditures, and capital project listing, and responded to several questions from the Committee regarding these items. The report is intended to facilitate the Committee’s review of the preliminary list of financial activity at its next meeting.

7. Review Committee Standing Rules

Committee members reviewed the Standing Rules, adopted in September 2014. They discussed a potential change of the regular meeting dates and requested that the City Attorney provide clarification on whether Committee members can concurrently serve on other City Boards, Commissions and Committees so as not to limit or discourage membership in this Committee.

8. Election of Committee Officers

The Committee discussed the nomination of the Chair and Vice-Chair positions for the coming year.

Action taken: Moved and seconded (Allen/Fleming) and carried unanimously to extend the term of Chair Kelly for another year.

Action taken: Moved and seconded (Fleming/Kelly) and carried unanimously to approve Committee Member Hill as Vice-Chair for the coming year.

9. Committee Member Announcements and Future Agenda Items and Meeting Schedule

Staff Liaison Ortiz indicated that next Regular Meeting would fall on Monday, November 12, 2018. The November meeting will include review of the unaudited Fiscal Year 2017-18 financial activity and Fiscal Year 2018-19 Expenditure Plan Status Report. This date happens to coincide with the Veteran’s Day Holiday so must be rescheduled.

Action taken: Committee members voted unanimously to set Wednesday, November 14, 2018 as the date for the next meeting.

10. Adjournment

Adjourned at approximately 8:50 p.m.