



Public Works Department

Minutes

REGULAR MEETING OF THE CITIZEN STREET OVERSIGHT COMMITTEE

Monday, January 26, 2009, 7:00 p.m.
El Cerrito Temporary City Hall
Conference Room A
10940 San Pablo Avenue

Roll Call at 7:00 p.m.

Present: Committee Members Kessler, Al Miller, Thomas Miller, Robertson, and Ozselcuk.
Absent: none

Staff Liaison Jerry Bradshaw and Finance Director Mary Dodge also present.

1. Council / Staff Liaison Report

No reports.

2. Comments from the Public

None.

3. Approval of Minutes

Draft minutes of the September 22, 2008 meeting were presented in “action minutes” format. Discussion centered on lack of details with no mention of discussions that occurred concerning many items at the previous meeting. Staff explained that the City had gone to action minutes of boards and commissions. It was felt that many important issues were discussed in great detail, but all of that was left out of the permanent record. Consensus was reached that in the future the minutes should include a summary of the points of discussion. Staff agreed to provide more detail in the future.

Action taken: Minutes approved 5 – 0

4. Staff Presentation of Measure A Background

Staff gave a slide show illustrating the complete history of the Measure A Program beginning with the Street Condition Report to Council in 2006 through the election of February 2008. Committee members appreciated the presentation and how it gave a good background and context to their role as committee members.

Action taken: no action.

5. Staff Follow Up on Ordinance Questions from Previous Meeting

- a. Section 4.60.150 (a) of the enabling ordinance states that “No revenues collected ... may be spent on department administrators’ salaries...” However, the Expenditure Plan includes a section for Administration Costs that implies that financial staff salaries are approved expenses. Staff explained that the Ordinance would prevail in this case and added that it was the intent to charge no administrative staff costs to the Measure A fund. The committee concurred with that interpretation.
- b. Section 2.04.320 C. 3. states, “The committee is not charged with decision-making on spending priorities...” However, the Expenditure Plan section entitled *Annual Program of Maintenance and Improvement* includes the following statement: “It [the Maintenance and/or Improvement Program] will follow recommendations and priorities established annually by the City Council and Citizens’ Oversight Committee...” Staff explained that the Ordinance would prevail in this case, too. Discussion ensued about whether the Committee should be involved with setting maintenance or improvement priorities, and the consensus was that the committee’s purpose was solely to oversee the proper expenditure of Measure A funds, which did not include setting priorities or making recommendations for the work being performed.

Action taken: It was moved and seconded to recommend to the City Council to amend the Expenditure Plan per the discussion above. Passed 5 – 0

6. Staff Report of Audit Reports from Fiscal Year 2007-080

Director Mary Dodge gave a presentation of the following:

- a. How the bonds work, what requirements had to be met for “coverage” (the percentage that projected revenues exceed debt service costs) and “set aside”. In the case of the Measure A bonds, coverage is very high - approximately 40%.
- b. Summary of auditing practices including the citywide unified audit, a separate and independent review of Measure A, reviewing and testing procedures.
- c. Director Dodge passed out four pages from the 2007-08 audit report (26, 30, 78 and 82) that summarized the activity for Measure A including revenues, expenditures, and fund balances. A list of vendors to which expenditures were made was also passed out and reviewed.
- d. Director Dodge presented the Comfort Letter issued by the auditors for Measure A. Discussion ensued about how the comfort letter was not too comforting in its wording, although the financial activity of the Fund showed nothing for concern. Director Dodge suggested that the auditor attend a future meeting of the Committee to further explain the process.

Discussion moved to the form by which the Committee would report to the City Council and people of El Cerrito as mandated by the enabling ordinance. One option discussed was that the staff liaison simply report the findings of the Committee to the City Council at a regular Council meeting. Chair Miller believed that was too casual since this report is the sole purpose for the committee. It was suggested that the committee chair appear before the Council to make the report.

Other discussion ensued about the form of a written record of the Committee's findings such as a formal resolution, written report, or simply a copy of the meeting minutes. Further, should there be an opportunity for a minority report (if such a minority opinion were to exist).

It was agreed that there would be a written report signed by the Chair stating that the Committee reviewed the audit report and other financial documents and that the Committee found that the Measure A funding was spent on approved expenditures. Staff liaison Bradshaw left the meeting to draft such a document. When completed, it was presented to the Committee. It was decided that a simple vote and minute order was adequate to allow the report go forward to the Council.

Action taken: It was moved and seconded that the draft Annual Report to the City Council and Citizens of El Cerrito memo be approved, signed by Chair Miller, and presented to the City Council at an upcoming meeting. Passed 5 – 0.

7. Meeting Schedule

It was discussed that the annual review of the audit and financial activity was best done in a January meeting. Beyond that, there was discussion about whether there should be another meeting sometime during the year. Staff offered to have a meeting to brief the Committee on the work plan for maintenance and improvements for the following construction season. That would require no action by the committee, but may be useful in their review of financial activity the following January. Another purpose for a mid-year meeting would be to approve the minutes from the previous January meeting rather than waiting a full year to approve the minutes.

Action taken: By consensus agreement, the next meeting was tentatively scheduled for May 11, 2009 at 7:00 p.m. The meeting was to include the following:

- a briefing of the 2009 work plan and review of the CIP process
- have the auditor come to explain their work and the tests they perform
- provide copies of the statements from the State of California monthly sales tax disbursements.

8. Adjourned at approximately 9:30 p.m.