



Legislation Details (With Text)

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Title: ACCEPT: Finance Committee Meeting Highlights of January 20, 2012

COMMITTEE RECOMMENDATION: Schedule adoption of the mid-year budget amendment for Fiscal Year 2011-2012

Indexes:

Code sections:

Attachments: 1. January 20, 2012 Finance Committee Agenda, 2. FC Memo - CAFR for Year Ending June 30, 2011, 3. MAZE & Assoc. - San Leandro Finance Committee presentation, 4. FC Memo - Mid-Year Financial 11-12 Report, 5. FC Memo - Mid-Year Budget Amendment Report 11-12, 6. January 20, 2012 Finance Committee Sign-in

Date	Ver.	Action By	Action	Result
2/21/2012	1	City Council	Approved as Submitted	Pass

Finance Committee Meeting Highlights of January 20, 2012

CITY OF SAN LEANDRO CITY COUNCIL FINANCE COMMITTEE

January 20, 2012
8:15am - 9:45am

San Leandro City Hall
835 East 14th Street
San Leandro, California
(Sister Cities Gallery)

HIGHLIGHTS

Committee Members: Mayor Cassidy (via telephone), Vice Mayor Gregory, Councilmember Souza

City Staff Present: Interim City Manager Marshall, Interim Finance Director O'Leary, Community Development Director Luke Sims, Deputy Finance Director Rodriguez, Budget & Compliance Manager Perini, Community Relations Representative Ornelas, Administrative Assistant III Perez

Public Present: Mark Wong

The meeting was called to order at 8:15 a.m.

1. Presentation by City's Independent Auditor on the Comprehensive Annual Financial Report (CAFR) for the Year Ended June 30, 2011

Finance Director James O'Leary introduced Mark Wong of the firm Maze & Associates, independent auditors that performed the audit for the Comprehensive Annual Finance Report (CAFR) for the Fiscal Year Ended June 30, 2011. Mr. Wong presented to the Finance Committee a brief summary and informed the Committee that the City of San Leandro has again received a clean unqualified opinion letter. Mr. Wong gave credit to the Finance Department's staff, Carla Rodriguez and Christine Galvin, as the financial statements are prepared by the department.

The Committee thanked Mr. Wong for his time.

2. Discussion Regarding 2011-12 Mid-Year Financial Report as of December 31, 2011 for the General Fund, Redevelopment Funds, Enterprise Funds, and Internal Service Funds

Mr. O'Leary presented the Mid-Year Financial Report as of December 31, 2011 for the General, Special Revenue, Enterprise, and Internal Service Funds. At the previous request of the Committee, the format of the report has been amended to include additional information. There are two columns that have been added: an "Adjusted Budget" column was added to the period ending December 31, 2011 to provide the Committee with current estimates of what the budget will be for the full year; the second column is for the year-ending June 30, 2011 and provides a year-end percentage of the budget, to indicate how the year actually ended. Mr. O'Leary compared the Total Taxes revenue between fiscal years 2011-12 and 2010-11. For the same period, December 31st, revenues are at 41% of the adopted budget for both years however for 2011-12, the adopted budget is \$6 million more than in 2010-11. Therefore, the revenue is higher. Mr. O'Leary also pointed out that the City has received a one-time Real Property Transfer Tax of \$600,000 for the sale of Lakeside Apartments. Mayor Cassidy questioned what the percentage of RPTT would be had we not received the money from Lakeside. Mr. O'Leary stated that the City would be on track with the adopted budget. Mr. O'Leary reported that based on the first half of the fiscal year, total revenue will exceed the expenditures by a significant amount.

Mayor Cassidy inquired about Sales Tax revenue. Mr. O'Leary stated that data has not yet been received from the State, as they are two months behind, and revenue for the last quarter would most likely not be received until March. Although the data has not been received, it appears as though the economy is getting better, as indicated by our analyst.

Vice Mayor Gregory inquired about fees and when they are figured into the budget, e.g. Kaiser permit fees. Community Development Director Sims stated that for the most part, there will be no further permits issued for the Kaiser development. Mr. Sims stated that due to the increase in inspections, he has submitted a request to the City Manager's Office for a part-time inspector. The personnel cost for a part-time inspector would be much less than the anticipated revenue.

Mayor Cassidy inquired about Business License revenue as it appeared to be lower than the previous year. Mr. O'Leary stated that it was too soon to tell as the 2012 renewals had just been mailed out.

Mayor Cassidy inquired about the Shoreline Fund and asked for a report on the revenues vs. expenditures at a future meeting, as well as the legal fees.

3. Discussion Regarding Mid-Year 2011-12 Budget Amendment

Mr. O'Leary presented the Mid-Year Budget Amendments for 2011-12. Mr. O'Leary stated that the biggest change is the transfer of PEG (Public Education Government) funds of \$180,907 from the General Fund to the Special Revenue Fund. Other budget changes include: \$24,000 approved for improvements to the Dispatch console; correction of \$40,635 to the City Attorney's retainer cost (previously discussed with the Finance Committee); and recruitment assistance cost from the outside for the Police Sergeant recruitment.

Committee Recommendation

Committee recommended taking to City Council for approval.

4. Update and Continued Discussion Regarding Status of Plan for Refinancing CalPERS Public Safety Side Fund

Mr. O'Leary informed the Finance Committee that staff has proceeded with the transfer of \$6 million from the Water Pollution Control Plant Fund to the General Fund for the payment to CalPERS to bring down the Side Fund, as previously approved by City Council. CalPERS has adjusted the Employer rates and we are now at a rate of 5.9%. Once the bonds are issued, the Side Fund will be eliminated. Mr. O'Leary said the City is waiting for the signed judgment from Court. However, he was informed by Bond Counsel that the Alameda Courthouse remains significantly back logged. Mayor Cassidy asked for information on the Judge, Court Clerk, and Bond Counsel assigned as he would like to contact them.

5. Public Comments

None

6. Committee Member Comments

None

7. Adjourn

The meeting was adjourned at 9:30 a.m.