

March 9, 2007

To: Honorable Mayor Irma L. Anderson
Members of the City Council

From: Finance, Administrative Services and Economic Development Committee

SUBJECT: SUMMARY
Finance, Administrative Services and Economic Development Committee
Thursday, March 8, 2007, 8:41 a.m.

Attendance: Present: Members Butt, Lopez, Rogers, and Viramontes
Absent: None

FINANCE, ADMINISTRATIVE SERVICES AND ECONOMIC DEVELOPMENT COMMITTEE

(Juan Reardon expressed concern regarding the fact that a chairperson has not been selected yet for the newly formed Finance Standing Committee and questioned the legality of the formation of a Finance Budget Subcommittee).

Consider recommending approval of a request to call for bids for the landscape maintenance of the Pt. Molate facilities and beach area - *(This item was withdrawn from the agenda)*

Consider recommending approval of the write off of delinquent, uncollectible accounts receivable

- Antonio Banuelos, Revenue Collection Manager, stated that by approving the proposed write-off, both the accounts receivable and their offsetting allowance can be deleted. The write-off includes \$1,264,875 in accounts receivable due from outside parties over three years old, many occurring in year 2001, and \$909,717 from the Richmond Housing Authority, an adjustment necessary to complete the 2006 Audit, for a sum total of \$2,174,592.
- The Finance Department has worked with the Port and Police Departments in particular to identify collectible outstanding accounts and continue collection efforts against customers. Police abatement invoices have been collected through the County's property tax collection process.
- Several accounts represent transfers from the City's PRIME financial system. Some accounts that were paid after the year 2000 were erroneously credited to the former financial system. Payments should have been credited in the current SAP financial system.

- Councilmember Viramontes asked for separate listings that differentiate between those accounts that are uncollectible, those that are to rectify accounting issues, and those that are still being pursued for payment.
- Councilmember Butt asked that this issue return to the committee with the distinction made of those accounts that have been paid, but are simply bookkeeping adjustments and those that are still outstanding and will be pursued for payment.
- Chair Rogers asked for an explanation of those uncollected amounts that pertain to City employees.
- Councilmember Lopez requested that a discussion of the problems regarding collection of false alarms and what amendments can be made to the ordinance to be able to pursue these charges in the future. Pearl Hunter, Finance Department, replied that the Finance Department is currently working with the Police Department to revise the false alarm ordinance to apply to any future false alarm collection charges.

Juan Reardon expressed his appreciation to Mr. Goins and the Finance Department for bringing this matter to the attention of the Finance Committee.

OUTCOME:

This agenda item will return to the Finance Standing Committee with a report indicating specifically those accounts that are bookkeeping corrections and those that are uncollectible items.

Consider recommending approval of action items for the rehabilitation of five community centers and two branch libraries. Funding was provided as part of the Adopted 2006-2011 Capital Improvement Plan

- Finance Director, Jim Goins, stated that as part of the adopted 2006-2011 Capital Improvement Plan, funding was provided for the rehabilitation of 5 community centers and 2 branch libraries. This included \$800,000 appropriated in fiscal year 2006-2007.
- Current year appropriation included Westside Branch roof \$100,000, refresh branch libraries \$100,000, Nevin Center roof \$100,000, and community centers \$500,000. A swap of up to \$600,000 is proposed between current year CIP appropriation for the Fire Training Center Relocation and the proposed fiscal year 2007-08 funding for the community centers.
- Councilmember Butt asked who the project manager will be for this project. Bill Lindsay, City Manager replied that the Public Works department, under the supervision of Willie Haywood, will oversee this project.

- Councilmember Butt asked Assistant City Manager, Mary Renfro, to determine whether the contract was bid legally or not.

OUTCOME:

Councilmember Viramontes, seconded by Chair Rogers, made a motion to recommend to the full City Council that they reauthorize the transfer of funding from the Fire Training Center line item to the Parks and Recreation budget in order to fulfill the restoration of 5 community centers and 2 branch libraries with the legal opinion as to whether the contract was bid legally or not.

Discuss & Recommend a proposed policy for the annual selection of the Vice Mayor

- Chair Rogers stated that the process to select the Vice Mayor should be based on seniority on a rotation basis. The councilmember that has served the longest uninterrupted term without having served as Vice Mayor should automatically be appointed as Vice Mayor. If the eligible councilmember refuses the appointment, the councilmember that has served the next longest uninterrupted term without serving as Vice Mayor would be offered the appointment and the initial councilmember would be placed at the bottom of the pool. The process continues in seniority until a councilmember accepts the appointment.
- Councilmember Butt stated that Chair Rogers’ recommendation is contrary to what the Charter states, which is: “The City Council shall elect from its members a Vice Mayor”.
- Councilmember Viramontes stated that an option to “express displeasure” with a councilmember who is unethical can be expressed by not supporting them as Vice Mayor and seniority should not be the only prerequisite for appointment.
- The majority of the Finance Committee members stated they would like to leave the procedure the way it currently is outlined in the City’s Charter.

Juan Reardon stated that this item should not have been on the Finance Committee’s agenda. Chair Rogers stated that currently there is not an active Rules & Procedure Committee and such matters are considered part of the administrative purview of the Finance committee.

OUTCOME:

The Finance Committee referred this matter to the Charter committee for further review.

Discuss & Recommend the formation and appointment of a Budget Subcommittee

- Chair Rogers stated that he received advice from the City Attorney’s office is that a two-person budget subcommittee can be formed and recommended that

Councilmembers Lopez and Viramontes form the subcommittee. The purpose of the subcommittee would be to provide an “informational loop” from the subcommittee to the Finance Director and City Manager as the budget is being prepared.

- Councilmember Butt stated that the budget subcommittee should report back to the Finance Committee as a whole and questioned the efficiency of the committee if the same matters were discussed at the subcommittee level, then Finance Committee, then City Council.
- Councilmember Lopez stated that she would like the Budget Subcommittee to report back to the Finance Committee who would then make recommendations to the full City Council and there should be a timeframe given for the amount of time the subcommittee will meet.
- Councilmember Viramontes supports having Councilmember Lopez as chair of the subcommittee and Councilmember Rogers be the other member of the Budget Subcommittee in order to assist with the calendar and schedule of the budget preparation process.

OUTCOME:

A motion was made by Councilmember Viramontes, seconded by Councilmember Lopez agreed to form a Budget Subcommittee.

Juan Reardon stated that the Finance Standing Committee is an advisory committee to the full City Council and the Budget Subcommittee cannot have a quorum of the Finance Committee, therefore only two members, not three, are allowed per the Brown Act.

OPEN FORUM:

Juan Reardon reminded the members of the two-person Budget Subcommittee that no other member of the Finance Committee can participate.

FUTURE ITEMS:

- Possibility of a joint meeting of the City Council and Finance Committee
- Election of Finance Standing Committee Chair for 2007
- Follow-up on false alarm collection procedures

The meeting adjourned at 10:33 a.m.