

November 10, 2008

To: Honorable Mayor Gayle McLaughlin
Members of the City Council

From: Finance, Administrative Services and Economic Development Committee

SUBJECT: SUMMARY
Finance, Administrative Services and Economic Development Committee
Friday, November 7, 2008, 9:05 a.m.

Attendance: Present: Chair Viramontes, Member Butt, Member Lopez (*arrived @ 9:18 a.m.*), and Member Rogers (*arrived @ 9:18 a.m.*).

Absent: None.

**FINANCE, ADMINISTRATIVE SERVICES AND ECONOMIC DEVELOPMENT
COMMITTEE**

Update on Fiscal Policy - no discussion

Review of the City's check register – no discussion

Review of the City's Investment Report and Cash Balance Report for the month of August 2008

- Chair Viramontes asked why the earnings summary has gone down and Latha Ravinder, Deputy Treasurer, replied that the earnings interest rates went down and there was a \$20 million debt service payment made for the Civic Center Project.

Review of the city-wide variance analysis report for September 2008

- Andrea Miller, Budget Administrator, stated that the first quarter General Fund expenditures for all departments have been analyzed and are on target for the period.
- The second quarter will reflect a 17% reduction in sales tax due to decreases in auto sales and manufacturing. There are no projected losses expected in property tax revenue.
- Chair Viramontes asked why the Miscellaneous General Government was over budget by 559%. Andrea Miller responded that this is where the Retiree Medical Reimbursements are paid from.

- Chair Viramontes informed that PERS will be raising their rates and the City will need to study how it will cover the increase in costs. A report on the Pension Stabilization Fund will return to the Committee at its next meeting.
- The Grant Expenditures line item is at 298% of budget due to grant monies being paid out by the City. Once the grant monies are received, the fund will be reimbursed.
- Chair Viramontes asked for detail on the Transfer Out line that is over budget at 806%, which the Finance Department will respond to at a later time.
- Chair Viramontes asked for a schedule and an arrangement plan for repayments of developer loans for the HOPE IV Project.

Direct staff to 1) schedule a City Council study session with Jim Sandoval, California Climate Change working group member, and 2) research the feasibility of a Sustainable Economic Zone and Incentives for the City of Richmond

- Chair Viramontes stated that she attended a presentation on the first planned sustainable city in the world called MASDAR city, which would be the first zero carbon, zero waste city. This initiative was led by the Crown prince of Abu Dhabi. The walled city is 6.4 sq kilometers to incorporate 1,500 companies, 50,000 residents and 40,000 commuters. There will be a Massachusetts Institute of Technology science and tech campus that will be built in the center of the city for renewable energy research.
- Chair Viramontes recommends inviting Mr. Sandoval to present the Sustainable Economic Zone plan for MASDAR at a study session to the full City Council and obtain ideas on ways to attract sustainable businesses to Richmond.
- Member Lopez suggested that questions be prepared in advance so that Mr. Sandoval is aware of the challenges faced by cities in respect to the creation of sustainable economies.

OUTCOME:

Member Lopez, seconded by Member Rogers, requested that this matter be discussed at a City Council meeting study session.

Discuss funds that were raised at the 2006 Mayor's "Kids First" Golf Tournament and consider recommendation for reallocation of funds to the program

- Chair Viramontes stated that funds were raised at the 2006 Mayor's "Kid's First" Golf Tournament for the purpose of funding "Kids First" programs in Richmond schools, specifically, the Pre-Apprenticeship program at Kennedy High School and the donated funds were not expended as advertised. Therefore, it is recommended that once the misused funds are recovered from the insurance company, that it is reallocated for the purpose the funds were raised for.
- Member Butt stated that the City Council should not dictate how the Mayor should spend the money in her budget.
- Member Rogers requested a legal opinion on the City Council's ability to decide how the Mayor spends funds in the Mayor's Office budget.
- Member Lopez recommended that City staff look into reimbursing the golf tournament fund.
- Member Rogers asked for a legal opinion from the City Attorney to determine whether the City Council has any authority on how the Mayor spends the funds and whether the solicitation for donations during the Mayor's Golf Tournament indicated the money collected would be used for a specific purpose.
- Member Butt suggested that any further discussion in this matter should be brought to the full City Council in order to include the Mayor's input.
- Jim Goins, Finance Director, stated that the forensic auditor hired to investigate this matter can work with the City Attorney's Office and report to the full City Council its findings at a later date. \$33,000 has already been recovered from VISA Credit Card.

OUTCOME:

Member Rogers, seconded by Member, referred this matter to the City Council and staff was directed to give an opinion on who has legal control of the Mayor's funds. Chair Viramontes amended the motion to request consideration for reimbursement to the fund. Member Butt abstained.

OPEN FORUM/PUBLIC COMMENT

There were no public speakers

ADJOURNED

The meeting adjourned at 10:15 a.m. to meet again on Friday, November 21, 2008.