

February 15, 2006

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
Tuesday, February 14, 2006, 3:07 p.m.

Attendance: Present: Butt, Griffin, Rogers, and Thurmond
Absent: None

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

**Recommend approval of an Operations and Service Levels Work Flow Study for the
Planning and Building Department**

- Richard Mitchell, Director of planning & Building presented the report. Record keeping and analytical procedures in the Planning and Building Departments have not kept pace with modern demands for information retrieval and analysis.
- Revenue and activity flow are tracked through aging SAP software that was not specifically designed to support routine planning and building functions. As a result, it has become increasingly difficult to provide timely reports and make accurate projections to support management and City Council directives.
- Staff recommends that an operation, work flow, and reporting system study be undertaken.
- The cost of the study has not yet been determined; however because the project is associated with improving operational efficiency, staff is proposing that the cost be covered using funds allocated to the Internal Audit Program.
- A streamlined planning and building process should reduce transaction costs and increase efficiency.

OUTCOME:

On motion of Councilmember Thurmond, seconded by Councilmember Griffin to recommend approval to the full City Council.

Review & Approval of the City's Investment Policy and Debt Policy for Fiscal Year 2005-2006

- James Goins, Finance Director, presented the report. The Investment Policy has no fiscal impact to the City and will assist the City in maximizing investment opportunities, while providing guidelines for prudent safekeeping of public funds.
- A debt policy sets forth the parameters for issuing debt and managing the debt portfolio and provides guidance for the City.
- On January 1, 2005, the State of California amended the State Government Code Section 53646(a) and (b) removing the annual mandatory filing of a local agency's investment policy and its quarterly investment report.

OUTCOME:

On motion of Councilmember Griffin, seconded by Councilmember Rogers to recommend approval of the item to the full City Council.

Discuss each General Fund revenue source explaining how the City is maximizing Revenue

- Councilmember Butt introduced the item and distributed a comparison of the general fund budgets for FY 2005-2006 of 15 Northern California cities, including Richmond. The City of Richmond has a nominal General Fund Budget of \$106,353,000, larger on a per capita basis than all but two comparable cities. The major tax revenues to the City are from Property, Sales, Utility User's Tax and Franchise Fees
- Councilmember Butt requested that it be determined how well Business License Fees are collected in the City; take a comprehensive look at Franchise Fee revenue and look at how the City can increase fees already being collected; and the way Utility User's taxes are collected.
- Councilmember Rogers requested the status of the City Council's previous request that a report by an outside expert be conducted to calculate the value of the Chevron Utility User's tax. Mr. Goins replied that an engineering consulting firm is in the process of being hired to accomplish this.
- Councilmember Butt stated the a couple of years ago, the City Manager was directed by the City Council to put out a Request for Proposal to hire a consulting firm to compile a report using public information about whether or not the City of Richmond would get more money out of the 10% tax or under the maximum tax payable. Subsequent to this, there was another item placed on the Council's agenda to do something similar, but to make the information confidential. The Council did not support the latter.

Councilmember Butt suggested that this matter be further discussed at the Finance Committee's next agenda to allow the City Manager to complete the report process. Bill Lindsay, City Manager, replied that the way the report is being approached is that a person with technical knowledge of refinery operations to understand a range or normal utility usage will complete the report. The original scope of work was to be a financial audit and was not the intent of the City Council.

Future Agenda Items:

Election of Finance Committee Chairperson

Discussion on times and dates of future Finance Committee Meetings

Discussion regarding the role and purpose of the Finance Committee

Discussion regarding the possibility of the City of Richmond funding neighborhood council newsletters

The meeting was adjourned at 3:50 p.m.