

May 18, 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
Wednesday, May 17, 2006, 9:50 a.m.

Attendance: Present: Griffin, Rogers, and Thurmond (arrived late)
Absent: Butt

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

**Review & Recommend approval of the Interest Rate Swap Policy for
Fiscal Year 2005-2006**

- Jim Goins, Finance Director, stated that since the scope of interest rate swaps is beyond that of traditional fixed rate long-term bonds covered by the adopted Debt Policy, it is important that Council adopt a policy that will provide guidance in selecting, implementing and administering future interest rate swaps related to City bond issues.
- Adopting the 2005-2006 Swap Policy will set forth the framework to guide staff in entering into and monitoring interest rate swaps and will govern the use and management of interest rate swaps as they may be used in conjunction with the City's debt issues.
- In credit rating process, the rating agencies believe it is appropriate to place significant value on swap policies that have been implemented by cities.

OUTCOME:

Forwarded to the City Council Agenda.

Recommend approval of the lease addendum with SunTrust Leasing Corporation

- Jim Goins, Finance director stated that the City of Richmond needs to execute an addendum to the master lease agreement to finance certain equipment purchases.
- This action appends to the existing master lease, and will extend the end date to June 30, 2011. The new lease will be in the amount of \$2,660,000; annual lease

payments will be \$600,000. These payments are included in the IT Services proposed budget for fiscal year 2006-2007.

OUTCOME:

Forwarded to the City Council.

Review & Recommend adoption of proposed revisions to the City Council Expenditure Policy

- Janet Schneider, City Manager's Office, stated that AB 1234 requires local agencies to adopt expense reimbursement policies if the local agency reimburses its officials for expenses incurred in the performance of their official duties.
- New language is included in describing the Mayor's use of a City car, and the Mayor's use of the City debit card. Eliminated provisions include references to specific dollar amounts, rates and fares not accessible to local government employees, and all the fixed monthly expense allocations for cell phone and fax usage.
- Under new legislation, only *actual* charges, rather than a certain set amount can be reimbursed. The three available options are: use personal telephone & fax and submit bills to the City for reimbursement for City related business, use personal cell phone and identify number of minutes used and percentage of calls and the City will reimburse the charges, or the City can provide a cell phone and fax and no money will be reimbursed because the bills will come directly to the City for payment.
- Chair Rogers suggested that the \$100 stipend amount previously given for cell phone and fax be added to Councilmember's salaries instead.
- Councilmember Thurmond suggested that an analysis of "real costs" of phone and fax expenses be conducted.
- In order for Councilmembers to comply with reporting of attendance at meetings and conferences, this will be added to the Reports of Officers section on the agenda.

OUTCOME:

On motion of Councilmember Thurmond, seconded by Councilmember Griffin to forward this matter to the City Council.

Investigate & Direct staff to research charges for Services from 1996-2005 to identify the significant differential in annual funds collected.

OUTCOME:

Per Jim Goins this matter will return to the next Finance Committee on June 21, 2006.

Discussion of ways to provide better and increased services through finding new revenue sources, obtaining organizational efficiencies, and redirecting existing sources of funding

OUTCOME:

To be discussed at the next Finance Committee Meeting of 6/21/06.

The meeting adjourned at 11:13 a.m.