



## FINANCE AND AUDIT COMMITTEE MEETING

550 E. 6th Street, Beaumont, CA

Monday, July 12, 2021 - 6:00 PM

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Materials related to an item on this agenda submitted to the Finance and Audit Committee after distribution of the agenda packets are available for public inspection in the City Clerk's office at 550 E. 6th Street during normal business hours.

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### AGENDA

#### MEETING PARTICIPATION NOTICE

This meeting will be conducted utilizing teleconference communications and will be recorded for live streaming as well as open to public attendance subject to social distancing and applicable health orders. All City of Beaumont public meetings will be available via live streaming and made available on the City's official YouTube webpage. Please use the following link during the meeting for live stream access.

**[beaumontca.gov/livestream](http://beaumontca.gov/livestream)**

Public comments will be accepted using the following options.

1. Written comments will be accepted via email and will be read aloud during the corresponding item of the meeting. Public comments shall not exceed three (3) minutes unless otherwise authorized by City Council. Comments can be submitted anytime prior to the meeting as well as during the meeting up until the end of the corresponding item. Please submit your comments to: **[nicolew@beaumontca.gov](mailto:nicolew@beaumontca.gov)**
2. Phone-in comments will be accepted by joining a conference line prior to the corresponding item of the meeting. Public comments shall not exceed three (3) minutes unless otherwise authorized by City Council. Please use the following phone number to join the call **(951) 922 - 4845.**
3. In person comments subject to the adherence of the applicable health orders and social distancing requirements.

In compliance with the American Disabilities Act, if you require special assistance to participate in this meeting, please contact the City Clerk's office using the above email or call **(951) 572 - 3196.** Notification 48 hours prior to a meeting will ensure the best reasonable accommodation arrangements.

## **REGULAR SESSION**

6:00PM

### **CALL TO ORDER**

Committee Members: Council Member Julio Martinez, Council Member David Fenn, Treasurer Baron Ginnetti, Chair Thomas LeMasters, Vice Chair Steve Cooley, Member Frank Parks, Member Keith Bacon, Member Cesar Maruffo, Alternate Member David Vanderpool, and Alternate Member Dameon Butler

Action of any Requests for Excused Absence

Pledge of Allegiance

Adjustments to Agenda

Conflict of Interest Disclosure

### **PUBLIC COMMENT PERIOD (ITEMS NOT ON THE AGENDA):**

*Any one person may address the Committee on any matter not on this agenda. If you wish to speak, please fill out a "Public Comment Form" provided at the back table and give it to the Committee Chair or Secretary. There is a three (3) minute limit on public comments. There will be no sharing or passing of time to another person. State Law prohibits the Committee from discussing or taking actions brought up by your comments.*

### **ACTION ITEMS / PUBLIC HEARINGS / REQUESTS**

#### **1. Approval of Minutes**

##### **Recommended Action:**

Approve minutes dated June 14, 2021.

#### **2. FY2021 General Fund and Wastewater Fund Budget to Actual through June 2021**

##### **Recommended Action:**

Receive and file the attached report.

#### **3. Discussion of Potential Additional Areas Requiring a Sub-Committee**

##### **Recommended Action:**

Discuss Potential Additional Areas for Sub-Committee

### **SUB-COMMITTEE UPDATES**

### **FUTURE AGENDA ITEMS**

### **MEETING REVIEW - TREASURER**

### **FINANCE DIRECTOR'S COMMENTS**

### **ADJOURNMENT**

The next regular meeting of the Finance and Audit Committee Meeting is scheduled for Monday, August 9, 2021, at 6:00 p.m.

Beaumont City Hall – Online [www.BeaumontCa.gov](http://www.BeaumontCa.gov)

# FINANCE AND AUDIT COMMITTEE MEETING

550 E. 6th Street, Beaumont, CA  
Monday, June 14, 2021 - 6:00 PM

## MINUTES

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### REGULAR SESSION

6:00 PM

#### **CALL TO ORDER at 6:00 p.m.**

**Present:** Committee Members: Council Member Julio Martinez, Council Member David Fenn, Treasurer Baron Ginnetti, Chair Thomas LeMasters, Vice Chair Steve Cooley, Member Frank Parks, Member Keith Bacon, and Alternate Member David Vanderpool

**Absent:** Member Cesar Maruffo, Alternate Member Dameon Butler

Action of any Requests for Excused Absence: **Member Maruffo**

Pledge of Allegiance

Adjustments to Agenda: **None**

Conflict of Interest Disclosure: **None**

#### **PUBLIC COMMENT PERIOD (ITEMS NOT ON THE AGENDA):**

*Any one person may address the Committee on any matter not on this agenda. If you wish to speak, please fill out a "Public Comment Form" provided at the back table and give it to the Committee Chair or Secretary. There is a three (3) minute limit on public comments. There will be no sharing or passing of time to another person. State Law prohibits the Committee from discussing or taking actions brought up by your comments.*

**No comments.**

#### **ACTION ITEMS / PUBLIC HEARINGS / REQUESTS**

1. Approval of Minutes

**Motion by Treasurer Ginnetti**

**Second by Vice Chair Cooley**

**To approve minutes dated May 10, 2021.**

**Abstain: Martinez**

**Approved by a 6-0 vote.**

2. FY2021 General Fund and Wastewater Fund Budget to Actual through May 2021

**Motion by Member Bacon**

**Second by Vice Chair Cooley**

**To receive and file the attached reports.**

**Approved by a 7-0 vote.**

3. List of Sub-Committees

**Motion by Treasurer Ginnetti**

**Second by Council Member Fenn**

**To assign Cooley and Ginnetti to the Internal Control task sub-committee.**

**To assign Fenn, Bacon and Parton to the CFD Training Program and FAQ task sub-committee.**

**To notate the Investment and Financial Policies task as completed.**

**To notate the Process for Grant Reporting task as completed.**

**To assign Cooley, Vanderpool and Ustation to the Review Financial Training Program task and assign sub-committee members as needed.**

**To notate the I.T. security task as completed.**

**Approved by a 7-0 vote.**

**SUB-COMMITTEE UPDATES**

No updates

**FUTURE AGENDA ITEMS**

None

**MEETING REVIEW - TREASURER**

**FINANCE DIRECTOR'S COMMENTS**

Gave an update of the budget that was recently adopted. Gave an audit update. The finance department will be visiting departments to understand the operations of each department.

**ADJOURNMENT**

The next regular meeting of the Finance and Audit Committee Meeting is scheduled for Monday, July 12, 2021, at 6:00 p.m.

**ADJOURNMENT at 6:48 p.m.**



## Staff Report

**TO:** Finance and Audit Committee Members  
**FROM:** Jennifer Ustation, Interim Finance Director  
**DATE:** June 12, 2021  
**SUBJECT:** **FY2021 General Fund and Wastewater Fund Budget to Actual through June 2021**

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### **Background and Analysis:**

City staff has updated the analysis of the General Fund and Wastewater Fund for FY2021 with results through June 2021. This represents 12 months of activity. These are not final numbers for FY2021 as accruals will be taking place through the end of August. Final numbers will be reported with the audited financial statements. The analysis of results through June and estimated fiscal year results is included in the attachments.

### **Recommended Action:**

Receive and file the attached report.

### **Attachments:**

- A. FY2021 General Fund Budget to Actual Report – through June 2021
- B. FY2021 Wastewater Fund Budget to Actual Report – through June 2021



SubCategory	2018-2019		2019-2020		2020-2021		Parent Budget		Notes	
	YTD Activity		YTD Activity		YTD Activity		2020-2021	FY2021 Estimate		
							V1 2020-2021			
<b>Category: 40 - TAXES</b>										
400 - Real Property Taxes	\$	5,480,321.06	\$	5,855,207.39	\$	6,452,988.71	\$	6,174,605.00	\$	6,210,605.00
403 - Personal Property Taxes	\$	176,340.70	\$	254,416.12	\$	210,630.22	\$	267,137.00	\$	210,630.00
406 - Franchise Fees	\$	912,923.55	\$	8,074,503.93	\$	3,590,522.68	\$	3,019,846.00	\$	3,691,577.68
409 - Sales Taxes	\$	5,558,667.19	\$	6,593,629.85	\$	6,188,274.73	\$	6,375,048.00		
									\$	7,148,348.73
420 - Other Taxes	\$	6,459,771.74	\$	6,964,756.83	\$	7,680,219.39	\$	7,533,745.00		
									\$	7,725,219.39
<b>Total Category: 40 - TAXES:</b>	\$	<b>18,588,024.24</b>	\$	<b>27,742,514.12</b>	\$	<b>24,122,635.73</b>	\$	<b>23,370,381.00</b>	\$	<b>24,986,380.80</b>
										Taxes continue trending higher and are expected to exceed budget
<b>Category: 41 - LICENSES</b>										
430 - Business Licenses	\$	287,908.45	\$	337,993.21	\$	408,435.46	\$	325,000.00	\$	403,935.46
<b>Total Category: 41 - LICENSES:</b>	\$	<b>287,908.45</b>	\$	<b>337,993.21</b>	\$	<b>408,435.46</b>	\$	<b>325,000.00</b>	\$	<b>403,935.46</b>
										Exceeded Budget
<b>Category: 42 - PERMITS</b>										
450 - Building Permits	\$	4,067,985.32	\$	2,134,649.88	\$	1,964,951.72	\$	2,200,000.00	\$	1,973,951.72
453 - Inspections	\$	653,401.00	\$	270,960.79	\$	200,320.70	\$	210,000.00	\$	251,105.70
456 - Other Permits	\$	691,996.77	\$	561,801.25	\$	499,933.44	\$	452,500.00	\$	528,317.44
515 - Public Works	\$	72,642.65	\$	(75,974.50)	\$	-	\$	-	\$	-
<b>Total Category: 42 - PERMITS:</b>	\$	<b>5,486,025.74</b>	\$	<b>2,891,437.42</b>	\$	<b>2,665,205.86</b>	\$	<b>2,862,500.00</b>	\$	<b>2,753,374.86</b>
										Expected to come in below budget
<b>Category: 45 - INTERGOVERNMENTAL</b>										
465 - State	\$	31,934.92	\$	-	\$	-	\$	-		
470 - Local	\$	9,257.00	\$	2,549.65	\$	-	\$	-		
<b>Total Category: 45 - INTERGOVERNMENTAL:</b>	\$	<b>41,191.92</b>	\$	<b>2,549.65</b>	\$	<b>-</b>	\$	<b>-</b>		
<b>Category: 47 - CHARGES FOR SERVICE</b>										
500 - Sanitation	\$	8,086,892.56	\$	131,257.25	\$	206,572.23	\$	-	\$	-
505 - Animal Control	\$	118,056.02	\$	112,083.38	\$	98,570.78	\$	119,450.00	\$	111,232.78
510 - Community Development	\$	5,834.00	\$	5,526.00	\$	6,188.00	\$	5,500.00	\$	6,188.00
515 - Public Works	\$	9,445.00	\$	11,398.00	\$	49,237.06	\$	7,900.00	\$	49,237.06
525 - Abatements	\$	42,521.63	\$	68,021.58	\$	74,717.95	\$	54,500.00	\$	82,717.95
530 - Public Safety	\$	343,486.92	\$	403,344.09	\$	364,933.54	\$	537,850.00	\$	442,169.54
										Coachella/Stagecoach didn't happen this year, expected to be below budget
535 - Facilities	\$	179,469.39	\$	107,306.26	\$	83,561.39	\$	125,000.00		
									\$	83,561.39
										Swimming Pool and Daycare no longer City programs, expected to be below budget

540 - Programs	\$	151,049.11	\$	72,542.00	\$	4,323.00	\$	20,000.00	\$	4,323.00	
545 - Other	\$	223,385.23	\$	270,977.46	\$	88,065.21	\$	148,200.00	\$	93,173.21	
<b>Total Category: 47 - CHARGES FOR SERVICE:</b>	\$	<b>9,160,139.86</b>	\$	<b>1,182,456.02</b>	\$	<b>976,169.16</b>	\$	<b>1,018,400.00</b>	\$	<b>872,602.93</b>	Expected to come in below budget due to comments above
<b>Category: 50 - FINES AND FORFEITURES</b>											
555 - Vehicle	\$	92,306.03	\$	79,266.72	\$	84,228.36	\$	70,000.00	\$	87,228.36	
557 - Other	\$	36,917.47	\$	38,370.92	\$	40,781.85	\$	45,000.00	\$	40,881.85	
<b>Category: 50 - FINES AND FORFEITURES:</b>	\$	<b>129,223.50</b>	\$	<b>117,637.64</b>	\$	<b>125,010.21</b>	\$	<b>115,000.00</b>	\$	<b>128,110.21</b>	
<b>Category: 53 - COST RECOVERY</b>											
465 - State	\$	8,889.40	\$	26,259.52	\$	-	\$	25,000.00	\$		Expected to be below budget, due to COVID cancellations for in person trainings
565 - Other Income	\$	734,058.22	\$	898,030.29	\$	228,708.78	\$	461,500.00	\$	365,660.00	
<b>Total Category: 53 - COST RECOVERY:</b>	\$	<b>742,947.62</b>	\$	<b>924,289.81</b>	\$	<b>228,708.78</b>	\$	<b>486,500.00</b>	\$	<b>370,055.00</b>	
<b>Category: 54 - MISCELLANEOUS REVENUE</b>											
560 - Investment Earnings	\$	7,136.18	\$	191,115.55	\$	68,574.26	\$	170,000.00	\$	88,574.26	LAIF rates continue to decrease, expect to be below budget
565 - Other Income	\$	22,303.71	\$	46,573.17	\$	55,137.28	\$	27,000.00	\$	51,637.28	
<b>Category: 54 - MISCELLANEOUS REVENUES:</b>	\$	<b>29,439.89</b>	\$	<b>237,688.72</b>	\$	<b>123,711.54</b>	\$	<b>197,000.00</b>	\$	<b>140,211.54</b>	
<b>Category: 58 - OTHER FINANCING SOURCES</b>											
595 - Sale of Assets	\$	19,494.04	\$	33,430.98	\$	-	\$	15,000.00	\$	6,000.00	
599 - Other	\$	175,043.15	\$	(31.75)	\$	(26.84)	\$	-	\$	-	
<b>Category: 58 - OTHER FINANCING SOURCES:</b>	\$	<b>194,537.19</b>	\$	<b>33,399.23</b>	\$	<b>(26.84)</b>	\$	<b>15,000.00</b>	\$	<b>6,000.00</b>	
<b>Category: 90 - TRANSFERS</b>											
900 - Transfers	\$	86,315.69	\$	1,891,641.93	\$	6,430,624.44	\$	9,765,471.00	\$		All regular transfer expected to be made, ARPA transfer to cover premium pay expected to below budget amount
<b>Total Category: 90 - TRANSFERS:</b>	\$	<b>86,315.69</b>	\$	<b>1,891,641.93</b>	\$	<b>6,430,624.44</b>	\$	<b>9,765,471.00</b>	\$	<b>9,520,471.00</b>	
<b>Total Revenue:</b>	\$	<b>34,745,754.10</b>	\$	<b>35,361,607.75</b>	\$	<b>35,080,474.34</b>	\$	<b>38,155,252.00</b>	\$	<b>39,181,141.80</b>	
<b>Category: 60 - PERSONNEL SERVICES</b>											
600 - SALARIES AND WAGES	\$	11,395,747.45	\$	12,039,236.83	\$	13,125,541.20	\$	14,420,322.09	\$	13,760,940.60	Actuals include 25 of 26 pay periods and Premium Pay
610 - BENEFITS	\$	5,050,258.41	\$	5,637,869.20	\$	5,041,782.06	\$	6,187,941.40	\$	5,523,848.66	
615 - OTHER	\$	770,678.92	\$	854,011.07	\$	514,688.45	\$	463,508.50	\$	537,466.85	
699 - OTHER	\$	16,466.17	\$	25,156.09	\$	23,929.16	\$	34,200.00	\$	31,290.56	
<b>Total Category: 60 - PERSONNEL SERVICES:</b>	\$	<b>17,233,150.95</b>	\$	<b>18,556,273.19</b>	\$	<b>18,705,940.87</b>	\$	<b>21,105,971.99</b>	\$	<b>19,853,546.67</b>	
<b>Category: 65 - OPERATING COSTS</b>											
615 - OTHER	\$	21,326.41	\$	45,306.96	\$	62,089.00	\$	63,000.00	\$	67,089.00	
650 - UTILITIES	\$	1,736,500.37	\$	1,792,783.25	\$	1,697,538.73	\$	1,548,533.00	\$	1,851,859.73	
655 - ADMINISTRATIVE	\$	401,529.60	\$	360,303.83	\$	387,861.33	\$	440,301.00	\$	454,121.33	
660 - FLEET COSTS	\$	378,446.60	\$	454,633.11	\$	383,088.65	\$	369,669.00	\$	417,914.65	







SubCategory	2018-2019 YTD Activity	2019-2020 YTD Activity	2020-2021 YTD Activity	Parent Budget		Notes
				2020-2021 V1 2020-2021	FY2021 Estimate	
<b>Category: 50 - FINES AND FORFEITURES</b>						
557 - Other	\$ 9,000.00	\$ 1,000.00	\$ 1,945.93	\$ -	\$ 1,946	
<b>Category: 50 - FINES AND FORFEITURES:</b>	<b>\$ 9,000.00</b>	<b>\$ 1,000.00</b>	<b>\$ 1,945.93</b>	<b>\$ -</b>	<b>\$ 1,946</b>	
<b>Category: 53 - COST RECOVERY</b>						
565 - Other Income	\$ -	\$ 6,236.10	\$ 2,823.00	\$ 6,300.00	\$ 3,000	
<b>Total Category: 53 - COST RECOVERY:</b>	<b>\$ -</b>	<b>\$ 6,236.10</b>	<b>\$ 2,823.00</b>	<b>\$ 6,300.00</b>	<b>\$ 3,000</b>	
<b>Category: 54 - MISCELLANEOUS REVENUE:</b>						
560 - Investment Earnings	\$ 118,335.17	\$ 50,180.15	\$ 16,638.37	\$ 37,500.00		LAIF rates continue to decline, expected to come in below budget
<b>Category: 54 - MISCELLANEOUS REVENUES:</b>	<b>\$ 118,335.17</b>	<b>\$ 50,180.15</b>	<b>\$ 16,638.37</b>	<b>\$ 37,500.00</b>	<b>\$ 17,988</b>	
<b>Category: 56 - PROPRIETARY REVENUES</b>						
570 - WasteWater	\$ 8,802,917.67	\$ 10,526,803.77	\$ 8,853,830.13	\$ 10,849,000.00		5 of 6 payments received, last payment received in May
<b>Category: 56 - PROPRIETARY REVENUES:</b>	<b>\$ 8,802,917.67</b>	<b>\$ 10,526,803.77</b>	<b>\$ 8,853,830.13</b>	<b>\$ 10,849,000.00</b>	<b>\$ 10,685,000</b>	
<b>Category: 58 - OTHER FINANCING SOURCE</b>						
595 - Sale of Assets	\$ 635.00	\$ -	\$ -	\$ -	\$ -	
599 - Other	\$ 830.88	\$ 780.00	\$ -	\$ -	\$ -	
<b>Category: 58 - OTHER FINANCING SOURCES:</b>	<b>\$ 1,465.88</b>	<b>\$ 780.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Category: 90 - TRANSFERS</b>						
900 - Transfers	\$ (100,000.00)	\$ -	\$ -	\$ 128,804.00		Transfer in to cover premium pay expected
<b>Total Revenue:</b>	<b>\$ 8,831,718.72</b>	<b>\$ 10,585,000.02</b>	<b>\$ 8,875,237.43</b>	<b>\$ 11,021,604.00</b>	<b>\$ 10,836,738</b>	
<b>Category: 60 - PERSONNEL SERVICES</b>						
600 - SALARIES AND WAGES	\$ 702,821.84	\$ 1,218,765.14	\$ 1,252,331.47	\$ 1,469,380.56	\$ 1,388,055	
610 - BENEFITS	\$ 228,082.84	\$ 335,303.52	\$ 317,735.18	\$ 501,400.54	\$ 372,650	
615 - OTHER	\$ 27,943.29	\$ 438,920.08	\$ 19,269.83	\$ 17,571.90	\$ 20,096	
699 - OTHER	\$ 162.48	\$ 1,851.51	\$ 2,875.69	\$ 1,500.00	\$ 3,855	

<b>Total Category: 60 - PERSONNEL SERVICES:</b>	\$ 959,010.45	\$ 1,994,840.25	\$ 1,592,212.17	\$ 1,989,853.00		\$ 1,784,656	Savings expected in personnel expense
<b>Category: 65 - OPERATING COSTS</b>							
615 - OTHER	\$ 1,044.00	\$ -	\$ -	\$ -			
650 - UTILITIES	\$ 776,115.00	\$ 875,767.44	\$ 824,681.78	\$ 827,821.00			Utilities trending higher than budget
						\$ 899,653	
655 - ADMINISTRATIVE	\$ 119,094.63	\$ 175,372.96	\$ 213,645.04	\$ 291,216.00		\$ 233,067	
660 - FLEET COSTS	\$ 15,822.15	\$ 25,696.50	\$ 45,826.00	\$ 31,980.00		\$ 49,992	
670 - REPAIRS AND MAINTENANCE	\$ 75,386.31	\$ 69,597.60	\$ 36,315.67	\$ 60,695.00		\$ 39,816	
675 - SUPPLIES	\$ 276,838.82	\$ 203,164.49	\$ 397,590.17	\$ 379,610.00		\$ 432,590	
690 - CONTRACTUAL SERVICES	\$ 1,376,989.64	\$ 852,804.74	\$ 855,933.79	\$ 1,062,563.00		\$ 933,746	
697 - ADMIN OVERHEAD	\$ 612,000.00	\$ 650,000.00	\$ -	\$ -		\$ -	
699 - OTHER	\$ 100,296.87	\$ 107,527.97	\$ 131,899.74	\$ 478,637.00			Contract for Brine Line Maintenance not in full use for most of the year
						\$ 176,500	
<b>Total Category: 65 - OPERATING COSTS:</b>	\$ 3,353,587.42	\$ 2,959,931.70	\$ 2,505,892.19	\$ 3,132,522.00		\$ 2,765,363	
<b>Category: 70 - CAPITAL IMPROVEMENTS</b>							
700 - EQUIPMENT	\$ 6,490.86	\$ 449.23	\$ 166,794.30	\$ 153,638.00		\$ 247,351	
705 - VEHICLE	\$ -	\$ -	\$ -	\$ -			
750 - OTHER	\$ -	\$ -	\$ -	\$ 103,804.00		\$ 65,000	
<b>Category: 70 - CAPITAL IMPROVEMENTS:</b>	\$ 6,490.86	\$ 449.23	\$ 166,794.30	\$ 257,442.00			
						\$ 312,351	Emergency repairs for pump reolacements and lift station repairs
<b>Category: 90 - TRANSFERS</b>							
900 - Transfers	\$ -	\$ 3,858,375.00	\$ 5,041,717.45	\$ 5,641,787.00			One quarter of overhead allocation remaining
						\$ 5,697,852	
<b>Total Expense:</b>	\$ 4,319,088.73	\$ 8,813,596.18	\$ 9,306,616.11	\$ 11,021,604.00		\$ 10,560,223.05	
<b>Total Fund 700 - Wastewater Fund</b>	\$ 4,512,629.99	\$ 1,771,403.84	\$ (431,378.68)	\$ -		\$ 276,515.32	

**Analysis:** The Wastewater fund is trending to have a budget surplus in excess of \$276K for FY 2021. This is driven by savings in both personnel and operating costs.

\*These are not final numbers as accruals will be taking place through August 31st. Will report back final numbers with the audited financials.



## Staff Report

**TO:** Finance and Audit Committee Members  
**FROM:** Jennifer Ustation, Interim Finance Director  
**DATE:** July 12, 2021  
**SUBJECT:** Discussion of Potential Additional Areas Requiring a Sub-Committee

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### Background and Analysis:

At the last meeting it was discussed to bring back and item to discuss any potential additional areas that would require a sub-committee.

### Recommended Action:

Discuss Potential Additional Areas for Sub-Committee