



Agenda
City of Beaumont Finance and Audit Committee Meeting
Regular Session 6:00 PM

550 E. 6th Street, Beaumont, Ca
Monday, December 2, 2019

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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Page

REGULAR MEETING

CALL TO ORDER

Committee Members: Mayor Martinez, Council Member Carroll, Treasurer Baron Ginnetti, Chair Steve Cooley, Vice Chair Thomas LeMasters, Member Richard Bennecke, Member Ana Olvera, Member Billiath Bengesa, and Alternate Member Andrew Forster

Action on any requests for excused absence:

Pledge of Allegiance:

Approval/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. | Adoption of Minutes | 3 - 4 |
| | FAC Minutes 11.04.19 | |
| 2. | Policy Regarding Removal of a Committee Member | 5 |
| | 1. Discussion and action regarding the removal of alternate committee member due to unexcused absences. | |
| | Staff Report - Html | |

3. October Financial Reports 7 - 10
[GF Budget Report for Oct 2019](#)

4. List of Council Assigned Tasks: 11 - 12

1. **Develop a CFD Training Program for Local Realtors and Develop a CFD Frequently Asked Question (FAQ) Document to Post on the City's Website,**
2. **Assist with the Request for Proposal (RFP) Process for Independent Financial Audit Services,**
3. **Evaluate the City of Beaumont Investment and Financial Policies,**
4. **Evaluate the Security of the City of Beaumont's Telecommunications System(s),**
5. **Develop a Process for Grant Reporting, and**
6. **Develop a Financial Training Program for the General Public.**

[DRAFT CDF Talking Pts](#)

5. Future Agenda Items

6. Finance Director's Comments

7. Meeting Review - Treasurer's Monthly Finance and Audit Committee Report to Council

Adjournment of the Finance and Audit Committee of the December 2, 2019 Meeting at ___ p.m.

The next regular meeting of the Finance and Audit Committee Meeting is scheduled for Monday, January 6, 2019 at 6:00 p.m.

Beaumont City Hall – Online www.BeaumontCa.gov



MINUTES
Finance and Audit Committee Meeting
Monday, November 4, 2019
Council Chambers
550 E 6th St. Beaumont, Ca
Regular Session: 6:00 PM

REGULAR MEETING

CALL TO ORDER at 6:00 p.m.

Present: Committee Members: Mayor Martinez, Council Member Carroll, Treasurer Baron Ginnetti, Chair Steve Cooley, Vice Chair Thomas LeMasters, Member Richard Bennecke, Member Ana Olvera, Member Billiath Bengesa

Absent: Alternate Member Andrew Forster

Action on any requests for excused absence: **None**

Pledge of Allegiance

Approval/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 speakers

ACTION ITEMS/PUBLIC HEARINGS/REQUESTS

1. Adoption of Minutes

Amendment to Item 3, correction to sub committee members. Deletion of Finance Director Mohlenkamp to Priority No. 1, and addition of Finance Director Mohlenkamp to Priority No. 3

Motion by Member Bennecke

Second by Treasurer Ginnetti

Approved by a unanimous vote.

2. September Financial Reports

Motion by Chairman Cooley

Second by Treasurer Ginnetti

To receive and file.

3. List of Council Assigned Tasks:
 1. Develop a CFD Training Program for Local Realtors and Develop a CFD Frequently Asked Question (FAQ) Document to Post on the City's Website,
 2. Assist with the Request for Proposal (RFP) Process for Independent Financial Audit Services,
 3. Evaluate the City of Beaumont Investment and Financial Policies,
 4. Evaluate the Security of the City of Beaumont's Telecommunications System(s),
 5. Develop a Process for Grant Reporting, and
 6. Develop a Financial Training Program for the General Public.

Discussion of priority no. 1, CFD Community Outreach. Input from the Committee and suggestions were made.

4. Future Agenda Items
 - Update of Priority 1 of the CFD Tasks
 - Presentation by the I.T. Department for Priority no. 4
5. Meeting Review - Treasurer's Monthly Finance and Audit Committee Report to Council
6. Finance Director's Comments

Gave an update of his first month with the City.

ADJOURNMENT

Adjournment of the Finance and Audit Committee of the November 4, 2019 Meeting at 7:13 p.m.

The next regular meeting of the Finance and Audit Committee Meeting is scheduled for Monday, December 2, 2019 at 6:00 p.m.

Beaumont City Hall – Online www.BeaumontCa.gov



Staff Report

TO: Finance and Audit Committee
FROM: Nicole Wheelwright, Deputy City Clerk
DATE: December 2, 2019
SUBJECT: Policy Regarding Removal of a Committee Member

Background and Analysis:

Per the request of the committee, Beaumont Municipal Code Section 2.35.040 has been provided for review in regards to the process of removal of a committee member due to unexcused absences.

2.35.040 - Appointment and Qualification of Committee Members.

The City Council shall appoint the members of the Committee. Committee members shall be at least 18 years of age and shall consist of at least two members of the City Council, the City Treasurer, the City Manager or his or her designee as the highest ranking financial staff member of the City, and five residents of the City of Beaumont. The ninth committee member shall either be a City resident and/or he or she must own a business operating within the City. The City Manager and his or her designee as the highest ranking financial staff position shall be on the Committee as non-voting members. There will be nine voting members. **Any Committee member may be removed from the Committee after three consecutive unexcused absences from meetings and a majority vote of the Committee.**

([Ord. No. 1062, § 3, 9-15-2015](#); [Ord. No. 1076, § 3, 7-5-2016](#))

Fiscal Impact:

No fiscal impact.

Recommendation:

1. Discussion and action regarding the removal of alternate committee member due to unexcused absences.



City of Beaumont, CA

Budget Comparison Report FY 2018, 2019 and 2020 through October

SubCategory	2017-2018 YTD Activity Through Per	2018-2019 YTD Activity Through Per	2019-2020 YTD Activity Through Per	GF Budget 2019-2020 REV 2	% of FY 2020 Budget	Notes
Fund: 100 - GENERAL FUND						
Revenue						
Category: 40 - TAXES						
400 - Real Property Taxes	\$ 300,161	\$ 330,024	\$ 116,634	\$ 4,823,562		most received in Dec and May
403 - Personal Property Taxes	\$ -	\$ -	\$ 155,790	\$ 228,000		
406 - Franchise Fees	\$ 54,326	\$ 49,548	\$ 54,371	\$ 853,875		
409 - Sales Taxes	\$ 779,970	\$ 885,928	\$ 1,022,772	\$ 5,436,227		large positive adjustment made in June
420 - Other Taxes	\$ 536,713	\$ 524,190	\$ 518,083	\$ 6,891,381		most received in Dec and May
Total Category: 40 - TAXES:	\$ 1,671,170	\$ 1,789,691	\$ 1,867,650	\$ 18,233,045	10.2%	
Category: 41 - LICENSES						
430 - Business Licenses	\$ 44,692	\$ 69,414	\$ 120,508	\$ 214,221		
Total Category: 41 - LICENSES:	\$ 44,692	\$ 69,414	\$ 120,508	\$ 214,221	56.3%	
Category: 42 - PERMITS						
450 - Building Permits	\$ 345,896	\$ 2,337,260	\$ 590,891	\$ 3,349,500		significant activity in Dec/ project timing contingent
453 - Inspections	\$ 849,919	\$ 135,672	\$ 61,489	\$ 1,080,100		project specific contingent
456 - Other Permits	\$ 154,307	\$ 263,669	\$ 164,013	\$ 738,285		
515 - Public Works	\$ 412	\$ 52	\$ -	\$ -		
Total Category: 42 - PERMITS:	\$ 1,350,534	\$ 2,736,652	\$ 816,393	\$ 5,167,885	15.8%	
Category: 45 - INTERGOVERNMENTAL						
465 - State	\$ 7,288	\$ 20,062	\$ -	\$ 21,288		
470 - Local	\$ -	\$ -	\$ -	\$ -		
Total Category: 45 - INTERGOVERNMENTAL:	\$ 7,288	\$ 20,062	\$ -	\$ 21,288		
Category: 47 - CHARGES FOR SERVICE						
500 - Sanitation	\$ 1,417,395	\$ 1,859,373	\$ 6,269,674	\$ 2,100,000		\$5 million franchise fee/ one time
505 - Animal Control	\$ 32,000	\$ 24,623	\$ 26,746	\$ 118,000		
510 - Community Development	\$ 1,560	\$ 2,038	\$ 2,072	\$ 5,000		
515 - Public Works	\$ -	\$ 6,085	\$ 2,713	\$ 13,000		
525 - Abatements	\$ 14,887	\$ 3,852	\$ 1,250	\$ 66,000		
530 - Public Safety	\$ 15,242	\$ 38,368	\$ 38,091	\$ 247,000		
535 - Facilities	\$ 37,095	\$ 46,418	\$ 46,675	\$ 125,000		
540 - Programs	\$ 53,462	\$ 56,081	\$ 44,432	\$ 110,500		
545 - Other	\$ 12,750	\$ 47,092	\$ 24,965	\$ 68,450		

Budget Comparison Report

SubCategory	Parent Budget				%
	2017-2018 YTD Activity Through Per	2018-2019 YTD Activity Through Per	2019-2020 YTD Activity Through Per	2019-2020 REV 2	
Total Category: 47 - CHARGES FOR SERVICE:	\$ 1,584,390	\$ 2,083,931	\$ 6,456,617	\$ 2,852,950	226.3%
Category: 50 - FINES AND FORFEITURES					
555 - Vehicle	\$ 18,406	\$ 15,054	\$ 21,596	\$ 111,780	
557 - Other	\$ 320	\$ 410	\$ 4,652	\$ 22,070	
Total Category: 50 - FINES AND FORFEITURES:	\$ 18,726	\$ 15,465	\$ 26,248	\$ 133,850	19.6%
Category: 53 - COST RECOVERY					
465 - State	\$ -	\$ 8,139	\$ 18,059	\$ -	
565 - Other Income	\$ 67,634	\$ 121,030	\$ 186,873	\$ 125,000	
Total Category: 53 - COST RECOVERY:	\$ 67,634	\$ 129,169	\$ 204,932	\$ 125,000	163.9%
Category: 54 - MISCELLANEOUS REVENUES					
560 - Investment Earnings	\$ -	\$ 78	\$ 225,227	\$ 1,000	
565 - Other Income	\$ 10,877	\$ 5,442	\$ 22,093	\$ 21,500	
Total Category: 54 - MISCELLANEOUS REVENUES:	\$ 10,877	\$ 5,520	\$ 247,320	\$ 22,500	1099.2%
Category: 58 - OTHER FINANCING SOURCES					
595 - Sale of Assets	\$ -	\$ -	\$ 9,465	\$ 5,000	
599 - Other	\$ -	\$ -	\$ -	\$ -	
Total Category: 58 - OTHER FINANCING SOURCES:	\$ -	\$ -	\$ 9,465	\$ 5,000	189.3%
Category: 90 - TRANSFERS					
900 - Transfers	\$ 123,769	\$ (510,108)	\$ -	\$ 5,687,300	
Total Category: 90 - TRANSFERS:	\$ 123,769	\$ (510,108)	\$ -	\$ 5,687,300	
Total Revenue:	\$ 4,879,078	\$ 6,339,795	\$ 9,749,134	\$ 32,463,039	30.0%
Expense					
Category: 60 - PERSONNEL SERVICES					
600 - SALARIES AND WAGES	\$ 2,794,209	\$ 3,411,284	\$ 3,512,202	\$ 12,724,112	
610 - BENEFITS	\$ 1,118,146	\$ 1,876,358	\$ 2,823,150	\$ 6,239,431	prepaid PERS liability portion
615 - OTHER	\$ 134,169	\$ 195,166	\$ 263,357	\$ 456,089	
Total Category: 60 - PERSONNEL SERVICES:	\$ 4,046,523	\$ 5,482,808	\$ 6,598,708	\$ 19,419,632	34.0%
Category: 65 - OPERATING COSTS					
650 - UTILITIES	\$ 456,740	\$ 660,643	\$ 692,540	\$ 2,064,300	
655 - ADMINISTRATIVE	\$ 108,667	\$ 100,184	\$ 121,321	\$ 370,237	
660 - FLEET COSTS	\$ 97,446	\$ 91,078	\$ 112,474	\$ 364,062	
665 - PROGRAM COSTS	\$ 333,186	\$ 331,214	\$ 357,085	\$ 493,200	
670 - REPAIRS AND MAINTENANCE	\$ 109,297	\$ 99,884	\$ 63,603	\$ 538,039	
675 - SUPPLIES	\$ 92,642	\$ 87,048	\$ 97,844	\$ 524,183	
680 - SPECIAL SERVICES	\$ 1,257,260	\$ 1,865,696	\$ 299,601	\$ 1,086,000	solid waste contracted out
690 - CONTRACTUAL SERVICES	\$ 956,827	\$ 1,126,759	\$ 805,777	\$ 6,341,106	
697 - ADMIN OVERHEAD	\$ (175,000)	\$ (178,000)	\$ -	\$ (750,000)	

SubCategory	Parent Budget				%
	2017-2018 YTD Activity Through Per	2018-2019 YTD Activity Through Per	2019-2020 YTD Activity Through Per	2019-2020 REV 2	
699 - OTHER	\$ 757,543	\$ 896,434	\$ 1,156,180	\$ 1,347,311	
Total Category: 65 - OPERATING COSTS:	\$ 3,994,607	\$ 5,080,939	\$ 3,706,424	\$ 12,378,438	29.9%
Category: 70 - CAPITAL IMPROVEMENTS					
700 - EQUIPMENT	\$ 54,899	\$ 141,139	\$ 14,908	\$ 105,950	
703 - FURNITURE	\$ 10,873	\$ -	\$ 6,087	\$ 6,038	
705 - VEHICLE	\$ 206,278	\$ 24,868	\$ 123,562	\$ 351,020	
710 - STRUCTURE	\$ -	\$ -	\$ -	\$ -	
750 - OTHER	\$ -	\$ -	\$ -	\$ -	
Total Category: 70 - CAPITAL IMPROVEMENTS:	\$ 272,050	\$ 166,007	\$ 144,556	\$ 463,009	31.2%
Category: 77 - CONTINGENCY					
770 - CONTINGENCY	\$ -	\$ -	\$ -	\$ 47,961	
Total Category: 77 - CONTINGENCY:	\$ -	\$ -	\$ -	\$ 47,961	
Category: 78 - CAPITAL OUTLAY					
780 - CAPITAL OUTLAY	\$ -	\$ -	\$ -	\$ -	
Total Category: 78 - CAPITAL OUTLAY:	\$ -	\$ -	\$ -	\$ -	
Category: 80 - DEBT SERVICE					
800 - Debt Service	\$ -	\$ -	\$ -	\$ -	
Total Category: 80 - DEBT SERVICE:	\$ -	\$ -	\$ -	\$ -	
Category: 90 - TRANSFERS					
900 - Transfers	\$ -	\$ -	\$ -	\$ 154,000	
Total Category: 90 - TRANSFERS:	\$ -	\$ -	\$ -	\$ 154,000	
Total Expense:	\$ 8,313,181	\$ 10,729,754	\$ 10,449,689	\$ 32,463,039	32.2%
Total Fund: 100 - GENERAL FUND:	\$ (3,434,103)	\$ (4,389,959)	\$ (700,555)	\$ -	
Report Total:	\$ (3,434,103)	\$ (4,389,959)	\$ (700,555)	\$ -	

FOR AUDIT/FINANCE COMMITTEE REVIEW

CFD COMMUNITY OUTREACH: Talking Points

Charge Given To Audit/Fin. Committee by Beaumont City Council

1. Develop a CFD Training Program for local realtors.

Determined not to be cost effective due to the transient nature of real estate sales force. Real Estate Brokers and their agents are responsible for full disclosure of all pertinent and relevant information associated with the purchase of real property. This includes any and all data on taxes, special liens, special assessments, etc.

2. Develop FAQ to post on City's website.

Recommend to City Council that their consultant charged with CFD clarifications, Webb & Associates, develop a comprehensive FAQ pamphlet based on recent questions from concerned citizens. Make this FAQ available, in pamphlet form, to Real Estate Brokers and their sales force and publish FAQ on City's web-site.

3. Full Transparency.

Recommend to the City Council that a quarterly publication (newsletter, magazine) be published with current, relevant information to include budget status, CFD status, economic development activity, City wide meetings and upcoming events, etc. Mail this publication to all citizens and business owners and post on the City's web-site.

4. Develop Video For CFD Presentation.

Recommend that this not be undertaken at this time.

5. Implementation of Civil Grand Jury Recommendation # 7, Bond Fund Security.

Recommend that the City Council add to the Audit/ Fin. Committee responsibilities, quarterly review of how Bond Money is being spent. Committee should make sure that Bond Money funds are directed for their intended purpose

and any diversion from the intent of the CFD Act, be reported to the appropriate authority.

Presented By Audit/ Finance Committee Members:

Ana Olvera, Richard Bennecke

10/19/2019