



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

550 E. 6th Street, Beaumont, Ca
Monday, October 7, 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
FAC Minutes 09.09.19 | 3 - 4 |
| 2. August Financial Reports
Receive and file.
Staff Report - Html
2019-08-31 Financial Reports | 5 - 11 |

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.**

4. Future Agenda Items

5. Finance Director's Comments

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

Adjournment of the Finance and Audit Committee of the October 7, 2019 Meeting at ___ p.m.

The next regular meeting of the Finance and Audit Committee Meeting is scheduled for Monday, November 4, 2019, at 6:00 p.m.

Beaumont City Hall – Online www.BeaumontCa.gov



MINUTES
Finance and Audit Committee Meeting
Monday, September 9, 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, Chair Steve Cooley, Vice Chair Thomas LeMasters, Member Richard Bennecke, Member Ana Olvera, Member Billiath Bengesa

Absent: Treasurer Baron Ginnetti, Alternate Member Andrew Forster

Action on any requests for excused absence: Treasurer Ginnetti has been excused.

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.

L. Uremovic - Spoke about the previous finance director and the Riverside Grand Jury report.

ACTION ITEMS/PUBLIC HEARINGS/REQUESTS

1. Adoption of Minutes

Moved by Council Member Carroll
Second by Vice Chair LeMasters
To approve Minutes.
Approved by a unanimous vote.

2. Future Agenda Items

- **Receive reports regarding CFD allocation on a bi-annual basis**
- **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.**

3. Finance Director's Comments

City Manager, Todd Parton gave an update on the current Audit and an update on the hiring process for a Finance Director.

4. June 2019 Preliminary Financial Reports and July Financial Reports

**Motion by Committee Member Bennecke
Second by Committee Member Olvera
To receive and file.
Approved by a unanimous vote.**

5. Consideration of City Council Direction to the Finance and Audit Committee

Reviewed the roles and responsibilities requested by the City Council, prioritized the list of tasks assigned by City Council.

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

ADJOURNMENT

Adjournment of the Finance and Audit Committee of the September 9, 2019 Meeting at 7:05 p.m.

The next regular meeting of the Finance and Audit Committee Meeting is scheduled for Monday, October 7, 2019 at 6:00 p.m.

Beaumont City Hall – Online www.BeaumontCa.gov



Staff Report

TO: Finance and Audit Committee
FROM: Todd Parton, City Manager
DATE: October 7, 2019
SUBJECT: August Financial Reports

Background and Analysis:

August 2019 Monthly Financial Reports are attached for review, as follows:

1. General Fund (summary level) – Actual versus Budget, current month and year to date
2. General Fund (summary level) – Current versus Prior Year, current month and year to date
3. Waste Water Fund (summary level) – Actual versus Budget, current month and year to date
4. Waste Water Fund (summary level) – Current versus Prior Year, current month and year to date
5. Treasurer’s Report – Cash Account Reconciled Balance allocations by Fund

The August financials should result in 83.33% of the budget remaining. Because the budget to actual variances can be deceiving, please note the following:

Revenues	Actual greater than Budget	Positive Overall Effect
	Actual less than Budget	Negative Overall Effect
Expenses	Actual greater than Budget	Negative Overall Effect
	Actual less than Budget	Positive Overall Effect

Bank reconciliations are completed as follows:

Pooled Cash (Citibank) thru 09/11/19

Bank of Hemet:

Payroll	thru 8/31/19
Gas Tax	thru 9/30/19
Workers Comp	thru 8/31/19
Seizure/Evidence	thru 9/30/19

Construction	thru 9/30/19
Trustee Accounts	thru 8/31/19
LAIIF	thru 9/30/19

Fiscal Impact:

None.

Recommendation:

Receive and file.

Attachments:

[2019-08-31 Financial Reports](#)

CITY OF BEAUMONT
Cash Balance Analysis and Reconciliation
For the Two Months Ending August 31, 2019

Fund	Fund Name	Beginning Cash 6/30/19	Revenues	Expenses	Fund Transfers	Net Change Assets	Net Adjmts to Equity	Net Change Liabilities	Ending Cash 8/31/19
	GENERAL FUNDS	11,512,066.96	6,445,664.27	(6,001,183.83)	-	3,644,420.04	-	(3,390,062.71)	12,210,904.73
	SPECIAL REVENUE FUNDS	18,038,065.93	240,599.43	(212,000.00)	3,500.00	289,070.58	-	(6,549.40)	18,352,686.54
	CAPITAL FUNDS	39,797,334.68	894,712.44	(1,131,946.33)	10,413,503.03	(2,672,755.57)	-	(7,714,448.16)	39,586,400.09
	WASTEWATER FUNDS	11,184,422.59	906,062.54	(9,007,104.35)	-	11,053,960.62	-	(7,071,248.77)	7,066,092.63
	TRANSIT FUNDS	(1,333,771.14)	30,406.08	(487,615.42)	-	865,468.33	-	(82,116.38)	(1,007,628.53)
	AGENCY FUNDS	27,817,432.72	21,281,505.64	(8,315,389.45)	(10,417,003.03)	(15,661,959.61)	-	482.58	14,705,068.85
	TOTAL FUNDS	107,015,551.74	29,798,950.40	(25,155,239.38)	-	(2,481,795.61)	-	(18,263,942.84)	90,913,524.31

Reconciled Balances

Pooled Cash - Checking	57,845,253.29	41,454,742.50
Certificate of Deposit	200,000.00	200,000.00
Payroll	2,125,437.51	1,770,447.92
Workers Compensation	108,637.41	193,990.07
Gas Tax/Transportation	2,281,131.76	2,606,277.35
Construction	7,679,428.13	7,680,753.67
Seizure/Evidence	524,325.75	524,325.75
LAIF	36,251,337.89	36,482,987.05
Total Reconciled Balances	107,015,551.74	90,913,524.31



City of Beaumont, CA

PRELIMINARY

GENERAL FUND
Income Statement - Budget to Actual
For the Two Months and Year to Date 08/31/19

	Current Total Budget	August 2019 Activity	Year to Date Activity	Variance Favorable (Unfavorable)	% Remaining	FY19-20 Projection
REVENUES						
40 - TAXES	18,233,044.87	817,808.90	116,291.04	(18,116,753.83)	-99.36%	18,233,044.87
41 - LICENSES	214,221.00	20,002.92	104,332.53	(109,888.47)	-51.30%	214,221.00
42 - PERMITS	5,167,885.00	259,436.88	411,107.32	(4,756,777.68)	-92.04%	5,167,885.00
45 - INTERGOVERNMENTAL	21,288.00	0.00	0.00	(21,288.00)	-100.00%	21,288.00
47 - CHARGES FOR SERVICE	2,852,950.00	196,107.96	5,747,362.01	2,894,412.01	101.45%	2,852,950.00
50 - FINES AND FORFEITURES	133,850.00	5,682.90	5,849.65	(128,000.35)	-95.63%	133,850.00
53 - COST RECOVERY	125,000.00	40,915.96	56,488.97	(68,511.03)	0.00%	125,000.00
54 - MISCELLANEOUS REVENUES	22,500.00	2,473.53	4,232.75	(18,267.25)	-81.19%	22,500.00
58- OTHER FINANCING SOURCES	5,000.00	0.00	0.00	(5,000.00)	0.00%	5,000.00
TOTAL REVENUES	<u>26,775,738.87</u>	<u>1,342,429.05</u>	<u>6,445,664.27</u>	<u>(20,330,074.60)</u>	<u>-75.9%</u>	<u>26,775,738.87</u>
EXPENSES						
60 - PERSONNEL SERVICES	19,419,793.00	1,992,483.34	3,738,177.35	15,681,615.65	80.8%	19,419,793.00
65 - OPERATING COSTS	12,384,315.00	644,722.66	2,156,079.56	10,228,235.44	82.6%	12,384,315.00
70 - CAPITAL IMPROVEMENTS	456,970.08	2,768.54	11,913.82	445,056.26	97.4%	456,970.08
TOTAL EXPENSES	<u>32,261,078.08</u>	<u>2,639,974.54</u>	<u>5,906,170.73</u>	<u>26,354,907.35</u>	<u>81.7%</u>	<u>32,261,078.08</u>
TRANSFERS						
90 - TRANSFERS	5,533,300.00	0.00	0.00	(5,533,300.00)	-100.0%	5,533,300.00
NET CHANGE	<u>47,960.79</u>	<u>(1,297,545.49)</u>	<u>539,493.54</u>	<u>491,532.75</u>	<u>1024.9%</u>	<u>47,960.79</u>
FY19-20 PROJECTED NET CHANGE	47,961					



City of Beaumont, CA

PRELIMINARY

GENERAL FUND
Comparative Income Statement
For the Two Months and Year to Date 08/31/2018 and 2019

	2018-2019 August 2018	2019-2020 August 2019	August Activity Favorable / (Unfavorable)	Variance %	2018-2019 Year to Date Activity	2019-2020 Year to Date Activity	YTD Variance Favorable / (Unfavorable)	Variance %
REVENUES								
40 - TAXES	794,714.04	817,808.90	23,094.86	2.91%	170,335.48	116,291.04	(54,044.44)	-31.73%
41 - LICENSES	13,404.79	20,002.92	6,598.13	49.22%	53,009.91	104,332.53	51,322.62	96.82%
42 - PERMITS	733,085.84	259,436.88	(473,648.96)	-64.61%	1,145,743.07	411,107.32	(734,635.75)	-64.12%
45 - INTERGOVERNMENTAL	0.00	0.00	0.00	0.00%	11,730.00	0.00	(11,730.00)	-100.00%
47 - CHARGES FOR SERVICE	435,117.28	196,107.96	(239,009.32)	-54.93%	609,233.44	5,747,362.01	5,138,128.57	843.38%
50 - FINES AND FORFEITURES	6,418.26	5,682.90	(735.36)	-11.46%	393.50	5,849.65	5,456.15	1386.57%
53 - COST RECOVERY	18,331.22	40,915.96	22,584.74	123.20%	31,719.39	56,488.97	24,769.58	78.09%
54 - MISCELLANEOUS REVENUES	3,542.44	2,473.53	(1,068.91)	-30.17%	2,481.93	4,232.75	1,750.82	70.54%
58 - OTHER FINANCING SOURCES	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%
TOTAL REVENUES	<u>2,004,613.87</u>	<u>1,342,429.05</u>	<u>(662,184.82)</u>	<u>-33.03%</u>	<u>2,024,646.72</u>	<u>6,445,664.27</u>	<u>4,421,017.55</u>	<u>218.36%</u>
EXPENSES								
60 - PERSONNEL SERVICES	1,780,175.26	1,992,483.34	(212,308.08)	-11.93%	2,860,429.68	3,738,177.35	(877,747.67)	-30.69%
65 - OPERATING COSTS	1,027,459.92	644,722.66	382,737.26	37.25%	2,135,387.31	2,156,079.56	(20,692.25)	-0.97%
70 - CAPITAL IMPROVEMENTS	11,325.03	2,768.54	8,556.49	75.55%	155,169.90	11,913.82	143,256.08	92.32%
TOTAL EXPENSES	<u>2,818,960.21</u>	<u>2,639,974.54</u>	<u>178,985.67</u>	<u>6.35%</u>	<u>5,150,986.89</u>	<u>5,906,170.73</u>	<u>(755,183.84)</u>	<u>-14.66%</u>
TRANSFERS								
90 - TRANSFERS	(5,878.02)	-	5,878.02	0.00%	(829,182.47)	0.00	829,182.47	100.00%
NET CHANGE	<u>(820,224.36)</u>	<u>(1,297,545.49)</u>	<u>(477,321.13)</u>	<u>58.19%</u>	<u>(3,955,522.64)</u>	<u>539,493.54</u>	<u>4,495,016.18</u>	<u>113.64%</u>



City of Beaumont, CA

PRELIMINARY

WASTE WATER FUNDS
Income Statement - Budget to Actual
For the Two Months and Year to Date 8/31/19

	Current Total Budget	August 2019 Activity	Year to Date Activity	Variance Favorable (Unfavorable)	% Remaining	FY19-20 Projection
REVENUES						
47 - CHARGES FOR SERVICE	2,441,957.00	277,355.10	333,147.89	(2,108,809.11)	-86.4%	2,441,957.00
53 - COST RECOVERY	0.00	6,236.10	6,236.10	6,236.10	0.0%	0.00
54 - MISCELLANEOUS REVENUES	(3,843,687.50)	122,897.35	2,257.06	3,845,944.56	-100.1%	(3,843,687.50)
56 - PROPRIETARY REVENUES	9,862,625.00	(933,540.37)	564,421.49	(9,298,203.51)	-94.3%	9,862,625.00
58 - OTHER FINANCING SOURCES	0.00	0.00	0.00	0.00	0.0%	0.00
TOTAL REVENUES	<u>8,460,894.50</u>	<u>(527,051.82)</u>	<u>906,062.54</u>	<u>(7,554,831.96)</u>	<u>-89.3%</u>	<u>8,460,894.50</u>
EXPENSES						
60 - PERSONNEL SERVICES	1,895,369.00	123,321.39	281,385.22	1,613,983.78	85.2%	1,895,369.00
65 - OPERATING COSTS	2,922,998.18	601,698.55	661,489.63	2,261,508.55	77.4%	2,922,998.18
70 - CAPITAL IMPROVEMENTS	1,303,637.64	6,401,276.12	6,409,912.58	(5,106,274.94)	-391.7%	1,303,637.64
TOTAL EXPENSES	<u>6,122,004.82</u>	<u>7,126,296.06</u>	<u>7,352,787.43</u>	<u>(1,230,782.61)</u>	<u>-20.1%</u>	<u>6,122,004.82</u>
DEBT SERVICE						
80 - DEBT SERVICE PAYMENT	(1,000,000.00)	(2,941,843.75)	(1,654,316.92)	654,316.92	-65.4%	(1,000,000.00)
TRANSFERS						
90 - TRANSFERS	-	-	-	-	0.0%	-
NET CHANGE	<u>1,338,889.68</u>	<u>(10,595,191.63)</u>	<u>(8,101,041.81)</u>	<u>(5,669,732.43)</u>	<u>-423.5%</u>	<u>1,338,889.68</u>
FY19-20 PROJECTED NET CHANGE	1,338,889.68					



City of Beaumont, CA

PRELIMINARY

WASTE WATER FUNDS
Comparative Income Statement
For the Two Months and Year to Date 08/31/2018 and 2019

	2018-2019 August 2018	2019-2020 August 2019	August Activity Favorable / (Unfavorable)	Variance %	2018-2019 Year to Date Activity	2019-2020 Year to Date Activity	YTD Variance Favorable / (Unfavorable)	Variance %
REVENUES								
47 - CHARGES FOR SERVICE	63,889.00	277,355.10	213,466.10	334.12%	354,186.30	333,147.89	(21,038.41)	-5.94%
54 - MISCELLANEOUS REVENUES	0.00	122,897.35	122,897.35	0.00%	0.00	2,257.06	2,257.06	0.00%
56 - PROPRIETARY REVENUES	(935.74)	(933,540.37)	(932,604.63)	99664.93%	(5,749.21)	564,421.49	570,170.70	-9917.37%
58- OTHER FINANCING SOURCES	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%
TOTAL REVENUES	<u>62,953.26</u>	<u>(533,287.92)</u>	<u>(596,241.18)</u>	<u>-947.12%</u>	<u>348,437.09</u>	<u>899,826.44</u>	<u>551,389.35</u>	<u>158.25%</u>
EXPENSES								
60 - PERSONNEL SERVICES	51,077.96	123,321.39	(72,243.43)	-141.44%	72,605.23	281,385.22	(208,779.99)	-287.56%
65 - OPERATING COSTS	253,656.33	601,698.55	(348,042.22)	-137.21%	420,438.22	661,489.63	(241,051.41)	-57.33%
70 - CAPITAL IMPROVEMENTS	17,272.92	6,401,276.12	(6,384,003.20)	-36959.61%	25,909.38	6,409,912.58	(6,384,003.20)	-24639.74%
TOTAL EXPENSES	<u>322,007.21</u>	<u>7,126,296.06</u>	<u>(6,804,288.85)</u>	<u>-2113.09%</u>	<u>518,952.83</u>	<u>7,352,787.43</u>	<u>(6,833,834.60)</u>	<u>-1316.85%</u>
DEBT SERVICE								
80- DEBT SERVICE PAYMENT	0.00	(1,000,000.00)	1,000,000.00	0.00%	0.00	(1,654,316.92)	1,654,316.92	0.00%
TRANSFERS								
90 - TRANSFERS	3,136,047.00	-	(3,136,047.00)	0.00%	3,136,047.00	-	(3,136,047.00)	-100.00%
NET CHANGE	<u>2,876,993.05</u>	<u>(7,659,583.98)</u>	<u>(10,536,577.03)</u>	<u>-366.24%</u>	<u>2,965,531.26</u>	<u>(6,452,960.99)</u>	<u>(9,418,492.25)</u>	<u>-317.60%</u>