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## **FINANCE COMMITTEE AGENDA REPORT**

A Committee of the Chico City Council: Councilmembers Morgan, Schwab, and Chair Stone  
**Meeting of Wednesday, January 23, 2019 – 8:30 a.m. to 10:30 a.m.**  
Council Chamber Building, Conference Room 1, 421 Main Street, Chico

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### **REGULAR AGENDA**

#### **A. MONTHLY FINANCIAL REPORTS**

The Deputy Director – Finance, Barbara Martin, presented the Monthly Financial Report and Budget Monitoring Reports through December 31, 2018.

#### **B. ADMINISTRATIVE SERVICES DIRECTOR VERBAL REPORT**


Director Dowell provided an update regarding financial impacts of the Camp Fire.

#### **C. BUSINESS FROM THE FLOOR – None.**

#### **D. ADJOURNMENT AND NEXT MEETING**

The meeting adjourned at 9:35 a.m. to the next regular Finance Committee meeting on February 27, 2019 at 8:30 a.m. in Conference Room 1 at 421 Main St.

Prepared by:



Dani M. Rogers, Deputy City Clerk

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## FINANCE COMMITTEE AGENDA REPORT

A Committee of the Chico City Council: Councilmembers Morgan, Schwab, and Chair Stone  
**Meeting of Wednesday, February 27, 2019 – 8:30 a.m. to 10:30 a.m.**  
Council Chamber Building, Conference Room 1, 421 Main Street, Chico

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### REGULAR AGENDA

#### A. TAX FEASIBILITY VOTER SURVEY – PRESENTATION BY EMC RESEARCH

On November 20, 2018, the City Council approved the Finance Committee recommendation to engage a professional consulting firm to conduct a tax feasibility voter survey of City residents to determine the viability of passing a tax measure and to determine what they would prioritize to fund with such additional tax revenue. City staff evaluated several firms and selected EMC Research to perform the City voter survey. EMC Research made a presentation and answered questions. Additionally, they guided the City in other considerations required to refine the survey design. **(Report – Chris Constantin, Assistant City Manager)**

Addressing the Committee on this item was Mark Francis.

There was a consensus among the Committee members for EMC Research to provide several scenarios to forward to the Council for a revenue measure to start a conversation regarding the approach for a voter survey, with a summary to include how the City arrived here.

#### B. MONTHLY FINANCIAL REPORTS

The Deputy Director - Finance presented the Monthly Financial Report and Budget Monitoring Reports through January 31, 2019. **(Report – Barbara Martin, Deputy Director – Finance)**

Items of note include the following:

- City Clerk Department is trending over budget in Overtime due to several special Council meetings related to the Camp Fire and additional staff required to attend Council meetings to manage the overflow attendance.
- City Manager Department is trending over budget in publishing costs for the publication of ordinances related to the Camp Fire.
- Human Resources/Risk Management had a settlement.
- Contractual Abandoned Vehicle Abatement towing costs are trending high for extra towing costs related to the program.
- Code Enforcement Communications are trending high due to the addition of code enforcement officers.
- Police Department Communication costs are trending high due to increased staffing levels and cell phone needs. Background check costs are also trending high due to hiring of additional City staff.
- Animal Services is trending high due to overtime costs related to the care of animals from the Camp Fire.
- Central Garage costs are trending high due to outside fleet repairs, which can be covered at the category level.
- Sales Tax and Transient Occupancy Tax are trending higher than predicted.
- City requested, and was approved to receive, backfill of Property Tax revenues from the State for the lost revenues related to the Camp Fire.

#### C. ADMINISTRATIVE SERVICES DIRECTOR VERBAL REPORT – *Scott Dowell*

Director Dowell reported that TOT for November 2018 showed a 49% increase over 2017, and for December 2018 showed a 67% increase over 2017. Due to the 30 day limit placed on the collection of

TOT and the number of displaced Paradise residents staying beyond the 30 days, the City is losing approximately \$50,000 year to date in TOT.

D. **BUSINESS FROM THE FLOOR** – None.

E. **ADJOURNMENT AND NEXT MEETING**

The meeting adjourned at 9:48 a.m. to the next regular Finance Committee meeting on March 27, 2019 at 8:30 a.m. in Conference Room 1 at 421 Main St.

Prepared by:



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Dani M. Rogers, Deputy City Clerk

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## FINANCE COMMITTEE REPORT

A Committee of the Chico City Council: Councilmembers Morgan, Schwab, and Chair Stone  
**Meeting of Wednesday, March 27, 2019 – 8:30 a.m. to 10:30 a.m.**  
Council Chamber Building, Conference Room 1, 421 Main Street, Chico

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*Councilmember Reynolds attended the meeting in place of Councilmember Morgan.*

### **REGULAR AGENDA**

#### **A. MONTHLY FINANCIAL REPORTS**

The Deputy Director - Finance presented the Monthly Financial Report and Budget Monitoring Reports through February 28, 2019. (**Report – Barbara Martin, Deputy Director – Finance**)

Items of note included the following:

- Fire Department Salaries is trending high. This is a common overage due to fire season and mutual aid reimbursements will alleviate.
- Police Department Materials and Supplies is high due to a coding error and will be corrected.
- Public Works Lease Rental Expenses is over budget due to leaf pick up, flooding, and cleaning of storm drains.
- User Utility Tax refunds will be issued in May.

#### **B. ADMINISTRATIVE SERVICES DIRECTOR VERBAL REPORT – Scott Dowell**

Director Dowell reported that TOT revenue is significantly up over one year ago. In theory, it appears that TOT is doing well, but the City is losing out on revenue due to long term stays in hotels and short-term rentals.

The City is working with FEMA and Cal OES on some initial recovery costs incurred by the City related to the Camp Fire.

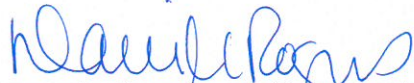
Staff continues to attend CalPERS meetings and to engage in discussions related to future CalPERS costs and increases.

#### **C. BUSINESS FROM THE FLOOR – None.**

#### **D. ADJOURNMENT AND NEXT MEETING**

The meeting adjourned at 9:00 a.m. to the next regular Finance Committee meeting on April 24, 2019 at 8:30 a.m. in Conference Room 1 at 421 Main St.

Prepared by:

  
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Dani M. Rogers, Deputy City Clerk

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## FINANCE COMMITTEE REPORT

A Committee of the Chico City Council: Councilmembers Morgan, Schwab, and Chair Stone  
**Meeting of Wednesday, April 24, 2019 – 8:30 a.m. to 10:30 a.m.**  
Council Chamber Building, Conference Room 1, 421 Main Street, Chico

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### REGULAR AGENDA

**A. 2019-20 DRAFT ANNUAL ACTION PLAN BUDGET SUMMARY FOR THE USE OF FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIPS GRANT (HOME) FUNDS**

The City receives an annual award of community development and housing funds from the federal Department of Housing & Urban Development (HUD). Each year, the City must submit an Annual Action Plan (AAP) to HUD describing the City's plan for using these funds in the upcoming year. **(Report—Marie Demers, Housing Manager)**

The Finance Committee reviewed and accepted the 2019-2020 Draft AAP budget summary.

**B. MONTHLY FINANCIAL REPORTS**

The Deputy Director - Finance presented the Monthly Financial Report and Budget Monitoring Reports through March 31, 2019. **(Report – Barbara Martin, Deputy Director – Finance)**

Items of note included the following:

- The City is seeing the secondary and indirect costs associated with the Camp Fire.
- City Council publishing budget is over budget due to publication of emergency ordinances related to the Camp Fire.
- City Council Conference expenses is over budget due to new Councilmembers attending the League of CA Cities Conference and the attendance at the annual League meeting.
- Workers Compensation is trending normal with the exception of one death benefit claim.
- Police Department budget is trending high for background check expenses related to new hires. Communication costs continue to trend high to more cell phones and related costs.
- Animal Services salaries and benefits continue to trend high due to overtime for hourly works tending to animals rescued from the Camp Fire.
- Water Pollution Control Plant materials and supplies is trending over budget due to a significant increase in purchase of chemicals to treat the wastewater from the increase in user demand.
- Central Garage continues to trend high due to higher costs in repairs and more fleet activity.
- The Cash Flow report is trending on track. Investment earnings are doing well.
- Revenue from home sales has increased due to more homes selling at higher prices due to the Camp Fire.
- Sales Tax remittance expected to be \$1 million above estimated budget.

**C. ADMINISTRATIVE SERVICES DIRECTOR VERBAL REPORT – Scott Dowell**

Assistant City Manager Constantin announced that Director Dowell was nominated for and received the Government Finance Officers Association Hero Award for demonstrated leadership during a financial, natural, or human made crisis.

**D. BUSINESS FROM THE FLOOR – None.**

**E. ADJOURNMENT AND NEXT MEETING –** The meeting adjourned at 9:00 a.m. to the next regular Finance Committee meeting on May 22, 2019 at 8:30 a.m. in Conference Room 1 at 421 Main St.

Prepared by:



Dani M. Rogers, Deputy City Clerk

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## FINANCE COMMITTEE AGENDA REPORT

A Committee of the Chico City Council: Councilmembers Morgan, Schwab, and Chair Stone  
**Meeting of Wednesday, May 22, 2019 – 8:30 a.m. to 10:30 a.m.**  
Council Chamber Building, Conference Room 1, 421 Main Street, Chico

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### REGULAR AGENDA

#### A. MONTHLY FINANCIAL REPORTS

The Deputy Director - Finance presented the Monthly Financial Report and Budget Monitoring Reports through April 30, 2019. (**Report – Barbara Martin, Deputy Director – Finance**)

Items of note included the following:

- City Clerk is trending high in meeting broadcasts due to having several special meetings and longer meetings.
- Human Resources is over in testing and screening of applicants and can cover from other categories. They are also trending over in service medical for toxicology testing on first responders following the Camp Fire.
- Salaries and benefits are aligning with budget.
- Salaries and benefits are trending high for the Transit Depot due to a lot of vandalism and graffiti removal.
- In the cash flow report, April showed for the first-time interest earnings reached over \$1 million since 2008.
- The cash balance is over \$100 million going into next year, which is a testament to building back fund balances and fund reserves.

#### B. ADMINISTRATIVE SERVICES DIRECTOR VERBAL REPORT – *Scott Dowell*

No report was provided.

#### C. BUSINESS FROM THE FLOOR

Addressing the Committee was BT Chapman.

#### D. ADJOURNMENT AND NEXT MEETING

The meeting adjourned at 8:41 a.m. to the next regular Finance Committee meeting on June 26, 2019 at 8:30 a.m. in Conference Room 1 at 421 Main St.

Prepared by:

  
Dani M. Rogers, Deputy City Clerk

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## FINANCE COMMITTEE AGENDA REPORT

A Committee of the Chico City Council: Councilmembers Morgan, Schwab, and Chair Stone  
**Meeting of Wednesday, June 26, 2019 – 8:30 a.m. to 10:30 a.m.**  
Council Chamber Building, Conference Room 1, 421 Main Street, Chico

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### REGULAR AGENDA

#### A. MONTHLY FINANCIAL REPORTS

The Deputy Director - Finance presented the Monthly Financial Report and Budget Monitoring Reports through May 31, 2019. (**Report – Barbara Martin, Deputy Director – Finance**)

Deputy Director Martin reported that the items of note moving forward will be projected on the screen for easier reference.

Items of note included the following:

- Administrative Services Department is trending over for the audit. This item was miscoded and will be corrected.
- Police Department background check expenses line item is trending high due to a lot of hiring and having to use an outside source for the background checks because there's not enough staff to do them all.
- Payroll expenses show an increase in May due to 3 payroll periods for the month.
- Some cash receipts have not been received yet, however the City is trending higher.
- There is a bump in sales tax revenue and will increase again by year end.
- Utility Users Tax is being impacted by the climate credit.
- Transient Occupancy Tax is trending high, over budget by \$400,000 by year end.
- Police Department is in receipt of \$81,000 for the Carr Fire response.
- Police Department is over budget in donations, mostly directed at the animal shelter.
- Rental and lease income for the airport is at \$315,000 in revenue from the CalOES lease.
- If trends continue through the end of the year, there will \$1.8 to \$2 million additional revenues than what was budgeted.
- Expenses are trending as budgeted.
- Critical needs in the upcoming month are air conditioning at City Hall and upgrades to the PD server room.

Director Dowell reported staff is currently going through the annual audit and is requesting that the Finance Committee review the audit report in depth prior to being presented to Council. Rather than holding the November and December regular Finance Committee meetings, he requested the meetings be consolidated into one meeting on December 4, 2019.

The Committee concurred to the meeting schedule change.

Councilmember Schwab inquired as to when the sales tax survey would be coming forward.

Assistant City Manager Constantin stated that the survey is anticipated to begin in October.

#### B. SUMMARY MONTHLY FINANCIAL REPORTS

Staff presented a draft of new proposed monthly financial reports for consideration by the Finance Committee. (**Report – Scott Dowell, Administrative Services Director**)

Director Dowell reviewed the new report. Although the report is being condensed from 250 pages to 50 pages, the information is more easily identifiable, making it more valuable. Staff can still provide the full 250-page report on a quarterly basis.

Mayor Stone inquired if this format meets the directive for financial reporting outlined in the Chico Municipal Code.

Director Dowell responded that it does.

Councilmember Schwab stated this is the type of report she typically sees and is open to trying it.

Councilmember Morgan stated that it's a long time coming, and the new report format is great for non-financial people to understand, and it makes it more readable.

Mayor Stone stated he appreciates the new format, that there is too much detail in the expanded format.

Councilmember Morgan suggested the Mayor explain at a Council meeting how and why the reports are being changed.

C. **BUSINESS FROM THE FLOOR** – None.

D. **ADJOURNMENT AND NEXT MEETING**

The meeting adjourned at 9:19 a.m. to the next regular Finance Committee meeting on August 28, 2019 at 8:30 a.m. in Conference Room 1 at 421 Main St.

Prepared by:

  
Dani M. Rogers, Deputy City Clerk