

**MINUTES
FINANCE COMMISSION
REGULAR MEETING
November 3, 2014**

City Council Chamber
1 Civic Center Plaza
Irvine, CA 92606

CALL TO ORDER – 5:29 p.m.

ROLL CALL

PRESENT: 4	Commissioner:	King
	Commissioner:	Stein
	Commissioner:	Wong
	Vice Chair:	Bartlett
ABSENT: 1	Chair:	Duong

PLEDGE OF ALLEGIANCE

Commissioner King led the Pledge of Allegiance.

INTRODUCTIONS

Ken Brown introduced Satori Do, new Administrative Secretary for Fiscal Services.

PRESENTATIONS

There were no presentations.

COMMITTEE REPORTS

There were no committee reports.

ADDITIONS AND DELETIONS TO THE AGENDA

There were no additions and deletions to the agenda.

PUBLIC COMMENTS

There were no public comments.

CONSENT CALENDAR

The Consent Calendar consisted of items 1 through 4.

ACTION: Moved by Commissioner Wong, seconded by Commissioner King, and unanimously carried by those members present, to approve Consent Calendar Items 1 through 4.

1. MINUTES

ACTION:

Approved the minutes of a regular meeting of the Finance Commission held on October 6, 2014.

2. SINGLE AUDIT OF FEDERALLY ASSISTED GRANT PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

RECOMMENDED ACTION:

Recommended the City Council receive and file.

3. AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND AUDIT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

RECOMMENDED ACTION:

Recommended the City Council receive and file.

4. MASTER MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF IRVINE AND THE COUNTY OF ORANGE FOR ENHANCED PUBLIC SAFETY SERVICES RELATED TO PUBLIC SAFETY REALIGNMENT (ASSEMBLY BILL 109) FOR FISCAL YEAR 2014-15

RECOMMENDED ACTION:

- 1) Recommended the City Council authorize the Director of Public Safety to enter into the Master Memorandum of Understanding between the City of Irvine and the County of Orange for enhanced public safety services related to Public Safety Realignment (Assembly Bill 109) for Fiscal Year 2014-15.
- 2) Recommended the City Council approve a budget adjustment request in the amount of \$17,569.53 reflecting \$17,569.53 in revenues and appropriations for training costs and necessary overtime, equipment and supplies for enhanced public safety services related to Public Safety Realignment (Assembly Bill 109).

COMMISSION BUSINESS

5. COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2014 AND AUDITORS' COMMUNICATION

Teri Washle, Interim Manager of Fiscal Services, presented the staff report and answered questions. Ken Brown, Director of Administrative Services, also answered questions. Debbie Harper, Partner, Lance, Soll & Lunghard, LLP, was also present.

Commission discussion included: valuation of developer contributed land; valuation of compensated absences; fleet vehicles and capital leases; redevelopment agency loan and Successor Agency settlement; OCFA deferred revenue; and the history of CalPERS pension funding and the amount paid down to date.

RECOMMENDED ACTION: Moved by Commissioner Stein, seconded by Commissioner King, and unanimously carried by those members present, to:

Recommend the City Council receive and file.

6. FISCAL YEAR 2013-2014 CAPITAL IMPROVEMENT AND SPECIAL FUNDS YEAR END REPORT

Teri Washle, Interim Manager of Fiscal Services, presented the staff report and answered questions. Ken Brown, Director of Administrative Services, and Brian Fisk, Director of Community Development, also answered questions. Andy Do, Senior Accountant, was also present.

Commission discussion included: the Sand Canyon Project and costs related to move the pipeline; and clarification of the budget, or expenditures for the Lakeview Senior Center Gazebo project, Northwood Community Center, and Adventure Playground capital improvement projects.

RECOMMENDED ACTION: Moved by Commissioner Stein, seconded by Commissioner Wong, and unanimously carried by those members present, to:

- 1) Recommend the City Council approve the continuation of 331 capital projects with budgets totaling \$203.2 million to Fiscal Year 2014-15.
- 2) Recommend the City Council approve the closure of 27 completed projects, with \$32.9 million in expenditures.
- 3) Recommend the City Council approve the adjustment of inter-fund transfers needed for capital projects among the Infrastructure and Rehabilitation, Gas Tax, Fees and Exactions, System Development Charge, Renewed Measure M2 Fairshare, Community Facility District, Irvine Business Complex, and Fleet Service Funds for the

fiscal year beginning July 1, 2014, net of \$0.1 million.

- 4) Recommend the City Council approve funding for outstanding purchase orders and continuing activities in the Special Funds totaling \$2.9 million.

7. FISCAL YEAR 2013-14 GENERAL FUND YEAR-END REPORT

Donna Mullally, Manager of Budget and Business Planning, presented the staff report and answered questions. Ken Brown, Director of Administrative Services, and Brian Fisk, Director of Community Development, also answered questions. Peter Hong, Management Analyst II, was also present.

Commission discussion included: an explanation of the Community Services scholarship fund; the pension prepayment savings; the status of pension funding and potential future changes in CalPERS actuarial assumptions; the Newport Beach land transfer; technology enhancements to fleet vehicles; the reason behind the change in the self-insurance funding target range; the increase in legal costs related to Human Resources; future annual transfers of Bowerman Landfill host fee revenue to the Infrastructure and Rehabilitation fund; planning for long-term facility maintenance and rehabilitation; and the reason behind the unallocated amount of the year-end fund balance.

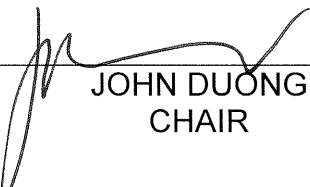
RECOMMENDED ACTION: Moved by Commissioner King, seconded by Commissioner Wong, and unanimously carried by those members present, to:

- 1) Recommend that the City Council receive and file the Budget Update Report for the Fiscal Year Ended June 30, 2014.
- 2) Recommend that the City Council approve a Budget Adjustment for Prior City Council Actions/Direction allocating \$1,610,250 for specific projects/programs previously approved by the City Council in FY 2013-14.
- 3) Recommend that the City Council approve a Budget Adjustment allocating \$513,998 of year-end General Fund balance for outstanding encumbrances and Purchase Orders that were not completed by the end of the fiscal year.
- 4) Recommend that the City Council approve a Budget Adjustment increasing allocations and transfers by \$7,280,000 for reserves and other projects recommended by the City Manager.
- 5) Recommend that the City Council approve a Budget Adjustment increasing FY 2014-15 property tax revenue by \$2,475,000, expenditures by \$475,000, and reallocating \$2.0 million to the Infrastructure and Rehabilitation Fund for future needs.


- 6) Recommend that the City Council modify the current Self-Insurance Fund reserve policy of 90% to a confidence level range of 70%-90% in line with comparable cities in the County.

ADJOURNMENT

By consensus, Vice Chair Bartlett adjourned the meeting at 6:38 p.m.



JOHN DUONG
CHAIR



MELINDA NEUMANN
RECORDING SECRETARY



KEN BROWN
DIRECTOR OF ADMINISTRATIVE
SERVICES



DATE APPROVED