

**MINUTES
FINANCE COMMISSION
REGULAR MEETING
November 2, 2015**

City Council Chamber
1 Civic Center Plaza
Irvine, CA 92606

CALL TO ORDER – 5:30 p.m.

ROLL CALL

PRESENT: 5	Commissioner	Dressler
	Commissioner:	Montgomery*
	Commissioner:	Reyno
	Vice Chair:	Stein
	Chair:	Bartlett

*Commissioner Montgomery arrived at 5:32 p.m.

PLEDGE OF ALLEGIANCE

Commissioner Reyno led the Pledge of Allegiance.

INTRODUCTIONS

There were no introductions.

PRESENTATIONS

There were no presentations.

COMMITTEE REPORTS

There were no committee reports.

ADDITIONS AND DELETIONS TO THE AGENDA

There were no additions or deletions to the agenda.

PUBLIC COMMENTS

There were no public comments.

CONSENT CALENDAR

The consent calendar consisted of items 1 through 3.

ACTION: Moved by Vice Chair Stein, seconded by Commissioner Dressler, and unanimously carried to approve Consent Calendar Items 1 and 3. Item 2 was removed for separate discussion.

1. MINUTES

ACTION:

Approve the minutes of a regular meeting of the Finance Commission held on October 19, 2015.

3. SINGLE AUDIT OF FEDERALLY ASSISTED GRANT PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

ACTION:

Recommend the City Council receive and file the Single Audit of Federally Assisted Grant Programs for the Fiscal Year Ended June 30, 2015.

2. AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND AUDIT FOR THE FISCAL YEAR ENDED JUNE 30, 2015

This item was removed for separate discussion at the request of Commissioner Dressler.

Teri Washle, Finance Officer, was present and answered questions. Chuck Adams, Interim Director of Administrative Services, and Kathy Rafferty, Interim Manager of Fiscal Services, were also present and answered questions.

Commission discussion included: additional comments or notations in the audit management letter; and which investment pool does the Air Quality Improvement Special Revenue Fund get pulled into.

ACTION: Moved by Commissioner Dressler, seconded by Chair Bartlett, and unanimously carried to:

Recommend the City Council receive and file the Air Quality Improvement Special Revenue Fund Audit for the Fiscal year Ended June 30, 2015.

COMMISSION BUSINESS

4. AWARD OF CONSULTANT CONTRACT FOR BUILDING AND SAFETY INSPECTION SERVICES

Joe Kirkpatrick, Chief Building Official, presented the staff report and answered questions. Susan Wheelock, Senior Management Analyst, Chuck Adams, Interim

Director of Administrative Services, Angelina Garcia, Manager of Budget and Business Planning, and Tracy Hamilton, Purchasing Agent, were also present and answered questions.

Commission discussion included: clarification if an RFP or sole source contract; division of workload between internal staff and contract staff; difference in payroll (payroll burden) and cost effectiveness of using internal staff vs. contract services; contractual obligation; Affordable Care Act (ACA) requirements and who is the control employer within the contract; and cost of the agreement vs. the fees charged for services and recovering the cost of those charges.

ACTION: Moved by Commissioner Dressler, seconded by Vice Chair Stein, and unanimously carried to:

Recommend that the City Council approve the award of a consultant services contract to Jason Addison Smith Consulting Services, Inc. DBA JAS Pacific in the amount not to exceed \$1,050,000 to provide building and safety inspection services, and authorize the Mayor to execute the contract.

5. BUDGET ADJUSTMENT FOR THE PETERS CANYON WASH CHANNEL WATER CAPTURE AND REUSE PIPELINE PROJECT GRANT FUNDS

Amanda Carr, Water Quality Administrator, presented the staff report and answered questions.

Commission discussion included: diversion of water during storms to withstand flood flows; and the project's timeline from a regulatory standpoint and grant requirement standpoint.

ACTION: Moved by Commissioner Reyno, seconded by Commissioner Dressler, and unanimously carried to:

Recommend that the City Council approve a budget adjustment in the amount of \$4,273,105 to increase revenues and expenditures for grant funds awarded for the Peters Canyon Wash Channel Water Capture Reuse Pipeline Project.

6. SCOPE REVISION FOR THE UNIVERSITY DRIVE WIDENING IMPROVEMENT PROJECT FROM CAMPUS TO MACARTHUR

Katie Berg-Curtis, Development Administrator, presented the staff report and answered questions.

Commission discussion included: other opportunities for joint work throughout the City and methods of looking for opportunities to save on engineering and construction costs.

ACTION: Moved by Vice Chair Stein, seconded by Chair Bartlett, and unanimously carried to:

- 1) Recommend City Council approve a scope revision for the University Drive Widening Project (CIP 311306) to include improvements at the Campus/University Intersection, authorize the Mayor to execute a Memorandum of Understanding with LBA IV-PPI, LLC and approve a corresponding \$1,576,000 budget adjustment to:
 - a. Accept \$1,285,391 from LBA IV-PPI, LLC, owner of Park Place property, for the revised scope.
 - b. Transfer \$290,609 from Special Fees and Exaction Fund 113, previously received from Irvine Apartment Communities, for the revised scope.
- 2) Recommend the City Council approve and authorize the Mayor to execute a contract amendment increasing the not-to-exceed value of the professional services contract with Harris and Associates for the University Drive Widening Improvement Project by \$104,259 for the revised scope.

As amended, to include action #3, as follows:
- 3) The Finance Commission encourages more coordination between departments to seek out opportunities to combine projects when possible.

Chair Bartlett left the meeting at 6:42 p.m. and was not present for Agenda Items 7-9.

7. FISCAL YEAR 2014-2015 CAPITAL IMPROVEMENT AND SPECIAL FUNDS YEAR-END REPORT

Teri Washle, Finance Officer, presented the staff report and answered questions. Michael Sherwood, Deputy Director of Public Safety/Business Services Manager, Chuck Adams, Interim Director of Administrative Services, Shohreh Dupuis, Deputy Director of Public Works, Kathy Rafferty, Interim Manager of Fiscal Services, Susan Wheelock, Senior Management Analyst, Katie Berg-Curtis, Development Analyst, were also present and answered questions. Andy Do, Senior Accountant, was also present.

Commission discussion included: explanation for closed projects, future plans for those projects and fund balance (IBC Westpark pedestrian bridge, Irvine Station expansion and Alton at SR55 overcrossing); Information Technology fund in relation to the Strategic Technology Plan; CFD No. 2013-3 Improvement Area No. 1 Fiscal Year Expenditures and length of the district's life; and normal cost of district construction and administration.

ACTION: Moved by Commissioner Dressler, seconded by Commissioner Reyno, and unanimously carried to by those present to:

- 1) Recommend the City Council approve the closure of 45 projects with

\$34.72 million in expenditures and release appropriations of \$5.26 million in applicable special funds.

- 2) Recommend the City Council approve the continuation of 343 capital projects with budgets totaling \$235.61 million to Fiscal Year 2015-16.
- 3) Recommend the City Council approve a \$1.96 million net appropriation to inter-fund transfers for open capital projects among various special and capital project funds.
- 4) Recommend the City Council approve funding for outstanding purchase orders and continuing activities in the Special Funds totaling \$3.76 million.
- 5) Recommend the City Council receive and file Community Facility District (CFD) annual reports for CFD 2004-1 Central Park, CFD 2005-2 Columbus Grove and CFD 2013-3 Great Park.

9. CONSIDERATION OF CITY OF IRVINE ENERGY PLAN

Vice Chair Stein led a discussion on the City of Irvine Energy Plan and recommended the Commissioners revisit and revive the Energy Plan from 2008 to save money in City operations by utilizing technology enhancements and software.

By consensus:

Instruct staff to review the City of Irvine Energy Plan with the opportunity to update it for Fiscal Year 2016-17 or sooner, with the goal to increase efficiencies and reduce costs.

8. FISCAL YEAR 2014-15 GENERAL FUND YEAR-END REPORT

Angelina Garcia, Manager of Budget and Business Planning, presented the staff report and answered questions. Chuck Adams, Interim Director of Administrative Services, Kathy Rafferty, Interim Manager of Fiscal Services; Peter Hong, Management Analyst II, and Barbara Arenado, Senior Accountant, were also present and answered questions.

Commission discussion included: budget adjustment to account for forgone business licensing revenue; establishing an Innovation Fund and identifying its procedures and appropriations; Infrastructure and Rehabilitation fund and unfunded liability; and Fund 260 uncommitted balance.

ACTION: Moved by Commissioner Montgomery, seconded by Commissioner Dressler, and unanimously carried to by those present to:

- 1) Recommend the City Council receive and file the Budget Update Report for the Fiscal Year ended June 30, 2015.
- 2) Recommend City Council approve a Budget Adjustment allocating \$682,648 of year-end General Fund balance for outstanding encumbrances and Purchase Orders that were not completed by the end of the fiscal year.

ACTION: Moved by Vice Chair Stein, seconded by Commissioner Reyno, and unanimously carried by those present to:

As amended:


- 3) Recommend City Council approve a Budget Adjustment increase of approximately \$750,000 (final number to be reflected in the City Council report), allocating \$4,705,550 for specific projects/programs previously approved by the City Council; this will fund foregone business licensing revenue.
- 4) Recommend City Council approve a Budget Adjustment reducing allocations by \$750,000 to the contingency reserve fund, bringing the total to \$19,290,500 for reserves and other projects recommended by the City Manager.

ADJOURNMENT

By consensus, Vice Chair Stein adjourned the meeting at 7:56 p.m.




 ALLAN BARTLETT
 CHAIR



 CHUCK ADAMS
 INTERIM DIRECTOR OF
 ADMINISTRATIVE SERVICES



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 RECORDING SECRETARY



 DATE APPROVED