



## FINANCE AND AUDIT COMMITTEE MEETING

550 E. 6th Street, Beaumont, CA

Monday, September 13, 2021 - 6:00 PM

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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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### AGENDA

#### MEETING PARTICIPATION NOTICE

This meeting will be conducted utilizing teleconference communications and will be recorded for live streaming as well as open to public attendance subject to social distancing and applicable health orders. All City of Beaumont public meetings will be available via live streaming and made available on the City's official YouTube webpage. Please use the following link during the meeting for live stream access.

**[beaumontca.gov/livestream](http://beaumontca.gov/livestream)**

Public comments will be accepted using the following options.

1. Written comments will be accepted via email and will be read aloud during the corresponding item of the meeting. Public comments shall not exceed three (3) minutes unless otherwise authorized by City Council. Comments can be submitted anytime prior to the meeting as well as during the meeting up until the end of the corresponding item. Please submit your comments to: **[nicolew@beaumontca.gov](mailto:nicolew@beaumontca.gov)**
2. Phone-in comments will be accepted by joining a conference line prior to the corresponding item of the meeting. Public comments shall not exceed three (3) minutes unless otherwise authorized by City Council. Please use the following phone number to join the call **(951) 922 - 4845.**
3. In person comments subject to the adherence of the applicable health orders and social distancing requirements.

In compliance with the American Disabilities Act, if you require special assistance to participate in this meeting, please contact the City Clerk's office using the above email or call **(951) 572 - 3196.** Notification 48 hours prior to a meeting will ensure the best reasonable accommodation arrangements.

## **REGULAR SESSION**

6:00 PM

### **CALL TO ORDER**

Committee Members: Council Member Julio Martinez, Council Member David Fenn, Treasurer Baron Ginnetti, Chair Thomas LeMasters, Vice Chair Steve Cooley, Member Keith Bacon, Member Cesar Marrufo, Alternate Member David Vanderpool, and Alternate Member Dameon Butler, *Vacant member seat*

Action of any Requests for Excused Absence

Pledge of Allegiance

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. Approval of Minutes**

##### **Recommended Action:**

Approve Minutes dated August 9, 2021.

#### **2. Committee Member Seat Vacancy**

##### **Recommended Action:**

Appoint an alternate member to the vacant committee seat.

#### **3. FY2022 General Fund and Wastewater Fund Budget to Actual through August 2021**

##### **Recommended Action:**

Receive and file the attached report.

#### **4. Rescheduling the Finance and Audit Committee Meeting of October 11, 2021, due to Federal Holiday**

##### **Recommended Action:**

Reschedule or cancellation of next Finance and Audit Committee Meeting.

### **SUB-COMMITTEE UPDATES**

### **FUTURE AGENDA ITEMS**

### **MEETING REVIEW - TREASURER**

## FINANCE DIRECTOR'S COMMENTS

## ADJOURNMENT

Beaumont City Hall – Online [www.BeaumontCa.gov](http://www.BeaumontCa.gov)

# FINANCE AND AUDIT COMMITTEE MEETING

550 E. 6th Street, Beaumont, CA

Monday, August 09, 2021 - 6:00 PM

## MINUTES

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### REGULAR SESSION

6:00 PM

#### **CALL TO ORDER at 6:00 p.m.**

**Present:** Council Member Julio Martinez (in attendance at 6:02 p.m.), Treasurer Baron Ginnetti, Vice Chair Steve Cooley, Member Frank Parks, Member Keith Bacon, Member Cesar Marrufo, Alternate Member David Vanderpool

**Absent:** Chair Thomas LeMasters, Council Member Fenn, Alternate Member Dameon Butler

Action of any Requests for Excused Absence

Pledge of Allegiance

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 comments**

#### **ACTION ITEMS / PUBLIC HEARINGS / REQUESTS**

1. Approval of Minutes

**Motion by Member Bacon**

**Second by Treasurer Ginnetti**

**To approve Minutes dated July 12, 2021.**

**Approved by a 5-1 vote**

**Ayes: Martinez, Ginnetti, Cooley, Parks, Bacon, Marrufo**

**Abstain: Parks**

2. FY2022 General Fund and Wastewater Fund Budget to Actual through July 2021 and FY2021 4<sup>th</sup> Quarter Pooled Cash Investment Report

**Motion by Member Marrufo**

**Second by Member Bacon**

**To receive and file the attached reports.**

**Approved by a unanimous vote.**

### **SUB-COMMITTEE UPDATES**

**Internal Control Committee** - *No update, plans to have an update at the next meeting.*

**Financial Training Committee** - *An update to be brought to the next meeting.*

**CFD Training and FAQ Committee** - *No update, plans to have an update at the next meeting.*

### **FUTURE AGENDA ITEMS**

**Assignment to the 4 new tasks assigned by City Council:**

**Financial Policy Associated with CALPERS.**

**Bond Accountability**

**Reserve Policy**

**Long-term Financial Sustainability**

### **MEETING REVIEW - TREASURER**

### **FINANCE DIRECTOR'S COMMENTS**

*Gave an update to the current vacancy within the Finance Department, a job announcement will be forthcoming.*

### **ADJOURNMENT at 6:22 pm**

The next regular meeting of the Finance and Audit Committee Meeting is scheduled for Monday, September 13, 2021, at 6:00 p.m.



## Staff Report

**TO:** Finance and Audit Committee Members  
**FROM:** Nicole Wheelwright, Deputy City Clerk  
**DATE:** September 13, 2021  
**SUBJECT:** **Committee Member Seat Vacancy**

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### **Background and Analysis:**

The City Clerk's Office was notified of a request of resignation from Member Frank Parks. This leaves a vacant seat on the committee board. The Finance and Audit Committee currently has two Alternate Members that have been appointed to the committee for instances such as this when a vacancy occurs, to be able to fill the seat in a quick manner. City Council has authorized the Committee the ability to appoint an alternate member to the vacant member seat when needed.

### **Recommended Action:**

Appoint an alternate member to the vacant committee seat.



## Staff Report

**TO:** Finance and Audit Committee Members  
**FROM:** Jennifer Ustation, Finance Director  
**DATE:** September 13, 2021  
**SUBJECT:** **FY2022 General Fund and Wastewater Fund Budget to Actual through August 2021**

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### **Background and Analysis:**

City staff has updated the analysis of the General Fund and Wastewater Fund for FY2022 with results through August 2022. This represents 2 months of activity. The FY2021 accrual process will take place through the end of August. This will reflect on the July and August reports and is included in the analysis in the attachments.

### **Recommended Action:**

Receive and file the attached report.

### **Attachments:**

- A. FY2022 General Fund Budget to Actual Report – through August 2021
- B. FY2022 Wastewater Fund Budget to Actual Report – through August 2021



General Fund Budget to Actual through August 2021

Estimated Beginning Fund Balance:

\$15.6m

SubCategory	2019-2020 YTD Activity	2020-2021 YTD Activity	2021-2022 YTD Activity	Parent Budget		Notes
				2021-2022 V3	FY2022 Estimate	
<b>Category: 40 - TAXES</b>						
400 - Real Property Taxes	-	28,580.03	59,068.01	6,516,588.00	6,516,588.00	\$10,150.09 to be accrued to FY21
403 - Personal Property Taxes	-	11,525.66	-	277,822.00	277,822.00	
409 - Sales Taxes	15,285.80	-	20,741.90	6,926,638.00	6,926,638.00	
420 - Other Taxes	101,005.24	145,929.19	190,332.29	8,462,873.00	8,462,873.00	
<b>Total Category: 40 - TAXES:</b>	<b>116,291.04</b>	<b>186,034.88</b>	<b>270,142.20</b>	<b>22,183,921.00</b>	<b>22,183,921.00</b>	
<b>Category: 41 - LICENSES</b>						
430 - Business Licenses	104,332.53	100,459.01	103,669.46	405,000.00	405,000.00	
<b>Total Category: 41 - LICENSES:</b>	<b>104,332.53</b>	<b>100,459.01</b>	<b>103,669.46</b>	<b>405,000.00</b>	<b>405,000.00</b>	
<b>Category: 42 - PERMITS</b>						
450 - Building Permits	323,382.36	240,485.28	624,930.77	2,857,250.00	2,857,250.00	Increase in permit activity, will watch for potential increase
453 - Inspections	17,403.32	40,675.13	-	376,200.00	376,200.00	
456 - Other Permits	70,321.64	75,012.74	77,475.35	746,575.00	746,575.00	
515 - Public Works	-	-	2,039.98	-	-	
<b>Total Category: 42 - PERMITS:</b>	<b>411,107.32</b>	<b>356,173.15</b>	<b>704,446.10</b>	<b>3,980,025.00</b>	<b>3,980,025.00</b>	
<b>Category: 43 - FRANCHISE FEES</b>						
406 - Franchise Fees	5,525,000.00	525,000.00	525,000.00	3,111,474.00	3,111,474.00	
<b>Total Category: 43 - FRANCHISE FEES:</b>	<b>5,525,000.00</b>	<b>525,000.00</b>	<b>525,000.00</b>	<b>3,111,474.00</b>	<b>3,111,474.00</b>	
<b>Category: 45 - INTERGOVERNMENTAL</b>						
465 - State	-	-	-	-	-	
470 - Local	-	-	-	-	-	
<b>Total Category: 45 - INTERGOVERNMENTAL:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Category: 47 - CHARGES FOR SERVICE</b>						
500 - Sanitation	112,614.53	-	2,414.52	-	-	
505 - Animal Control	12,374.00	3,242.44	13,372.08	111,564.00	111,564.00	
510 - Community Development	1,132.00	616.00	876.00	6,135.00	6,135.00	
515 - Public Works	558.00	3,740.00	-	15,500.00	15,500.00	
525 - Abatements	850.00	3,984.40	2,097.70	67,399.00	67,399.00	
530 - Public Safety	26,358.55	6,319.36	(2,836.61)	450,496.00	450,496.00	Accrued invoice
535 - Facilities	20,727.88	19,414.64	17,473.72	131,020.00	131,020.00	
540 - Programs	31,548.50	-	1,864.00	18,750.00	18,750.00	
545 - Other	10,130.96	3,397.99	6,367.28	280,050.00	280,050.00	
<b>Total Category: 47 - CHARGES FOR SERVICE:</b>	<b>216,294.42</b>	<b>40,714.83</b>	<b>41,628.69</b>	<b>1,080,914.00</b>	<b>1,080,914.00</b>	



**Category: 50 - FINES AND FORFEITURES**

555 - Vehicle	6,892.07	5,117.32	718.81	76,608.00	76,608.00
557 - Other	3,157.58	5,002.48	-	52,195.00	52,195.00
<b>Category: 50 - FINES AND FORFEITURES:</b>	<b>10,049.65</b>	<b>10,119.80</b>	<b>718.81</b>	<b>128,803.00</b>	<b>128,803.00</b>

**Category: 53 - COST RECOVERY**

465 - State	2,669.57	-	-	20,000.00	20,000.00
565 - Other Income	53,819.40	83,297.47	53,032.10	432,500.00	432,500.00
<b>Total Category: 53 - COST RECOVERY:</b>	<b>56,488.97</b>	<b>83,297.47</b>	<b>53,032.10</b>	<b>452,500.00</b>	<b>452,500.00</b>

**Category: 54 - MISCELLANEOUS REVENUE**

560 - Investment Earnings	251.24	253.13	255.04	275,000.00	75,000.00	Low rate market conditions
565 - Other Income	3,977.86	(12,556.20)	16,547.65	34,000.00	34,000.00	
<b>Category: 54 - MISCELLANEOUS REVENUES:</b>	<b>4,229.10</b>	<b>(12,303.07)</b>	<b>16,802.69</b>	<b>309,000.00</b>	<b>109,000.00</b>	

**Category: 58 - OTHER FINANCING SOURCES**

595 - Sale of Assets	-	-	-	-	-
599 - Other	(13.29)	(2.00)	94.06	-	-
<b>Category: 58 - OTHER FINANCING SOURCES:</b>	<b>(13.29)</b>	<b>(2.00)</b>	<b>94.06</b>	<b>-</b>	<b>-</b>

**Category: 90 - TRANSFERS**

900 - Transfers	-	-	-	7,859,575.00	7,859,575.00	Transfers are quarterly
<b>Total Category: 90 - TRANSFERS:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,859,575.00</b>	<b>7,859,575.00</b>	

<b>Total Revenue</b>	<b>6,443,779.74</b>	<b>1,289,494.07</b>	<b>1,715,534.11</b>	<b>39,511,212.00</b>	<b>39,311,212.00</b>
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**Category: 60 - PERSONNEL SERVICES**

600 - SALARIES AND WAGES	1,765,804.99	1,650,007.20	1,778,792.29	14,713,709.00	14,552,652.00	3 of 26 pay periods reported
610 - BENEFITS	2,011,987.14	1,724,563.98	1,757,533.87	6,545,052.00	6,485,051.00	
615 - OTHER	121,741.45	86,194.57	46,410.49	299,931.00	289,735.00	
699 - OTHER	4,820.86	2,965.00	4,690.72	95,850.00	94,650.00	
<b>Total Category: 60 - PERSONNEL SERVICES:</b>	<b>3,904,354.44</b>	<b>3,463,730.75</b>	<b>3,587,427.37</b>	<b>21,654,542.00</b>	<b>21,422,088.00</b>	

**Category: 65 - OPERATING COSTS**

615 - OTHER	2,875.69	-	11,950.00	35,000.00	35,000.00	
650 - UTILITIES	182,380.43	181,571.97	190,803.50	1,624,392.00	1,624,392.00	
655 - ADMINISTRATIVE	77,860.80	31,180.68	81,112.22	642,892.00	642,892.00	
660 - FLEET COSTS	42,075.18	38,873.78	34,372.31	415,389.00	415,389.00	
665 - PROGRAM COSTS	347,530.43	4,290.10	23,982.29	750,250.00	750,250.00	
670 - REPAIRS AND MAINTENANCE	13,764.29	25,634.03	193,508.34	885,627.00	885,627.00	
675 - SUPPLIES	29,159.37	26,235.45	62,699.65	998,261.00	998,261.00	
680 - SPECIAL SERVICES	11,124.00	235.00	173,445.78	946,200.00	946,200.00	
690 - CONTRACTUAL SERVICES	478,433.04	(582,282.51)	459,350.58	7,337,385.00	7,337,385.00	
697 - ADMIN OVERHEAD	-	-	-	-	-	
699 - OTHER	1,118,846.61	1,459,302.76	1,703,776.81	1,872,674.00	1,872,674.00	Annual insurance premium paid
<b>Total Category: 65 - OPERATING COSTS:</b>	<b>2,304,049.84</b>	<b>1,185,041.26</b>	<b>2,935,001.48</b>	<b>15,508,070.00</b>	<b>15,508,070.00</b>	

**Category: 70 - CAPITAL IMPROVEMENTS**

700 - EQUIPMENT	7,453.88	23,421.54	12,967.80	344,751.00	344,751.00
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703 - FURNITURE	-	-	-	-	-
705 - VEHICLE	4,459.94	10,052.45	9,582.93	848,626.00	848,626.00
<b>Category: 70 - CAPITAL IMPROVEMENTS:</b>	<b>11,913.82</b>	<b>33,473.99</b>	<b>22,550.73</b>	<b>1,193,377.00</b>	<b>1,193,377.00</b>
<b>Category: 77 - CONTINGENCY</b>					
770 - CONTINGENCY	-	-	-	150,000.00	150,000.00
<b>Total Category: 77 - CONTINGENCY:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000.00</b>	<b>150,000.00</b>
<b>Category: 90 - TRANSFERS</b>					
900 - Transfers	-	883.31	-	445,271.00	445,271.00
<b>Total Category: 90 - TRANSFERS:</b>	<b>-</b>	<b>883.31</b>	<b>-</b>	<b>445,271.00</b>	<b>445,271.00</b>
<b>Total Expense</b>	<b>6,220,318.10</b>	<b>4,683,129.31</b>	<b>6,544,979.58</b>	<b>38,951,260.00</b>	<b>38,718,806.00</b>
<b>Total Fund 100 - General Fund</b>	<b>223,461.64</b>	<b>(3,393,635.24)</b>	<b>(4,829,445.47)</b>	<b>559,952.00</b>	<b>592,406.00</b>

**Add back Reappropriation of Unspent Funds** Aug 3, Council Reappropriated Unspent Funds

	<b>214,799.00</b>	<b>214,799.00</b>
	<b>774,751.00</b>	<b>807,205.00</b>

Estimated Ending Fund Balance: \$16.4m

**Analysis: The City is 2 months into FY2022. Invoices and receipts for prior year are accrued through the end of August. Permit activity is up from FY2021 at this time. Investment returns are expected to remain low throughout the FY. Billings are usually 30 days behind, therefore, trending is difficult until more operational activity is recorded. Personnel costs thus far are tracking to have savings. On August 3, City Council approved a budget amendment for unspent prior year appropriations and reappropriated \$214,799 for FY2022. This still leaves the City Council with \$774,751 of available funds for appropriations throughout the year.**



Wastewater Fund Budget to Actual through August 2021

Estimated Beginning Balance:

\$5.4m

SubCategory	2019-2020 YTD Activity	2020-2021 YTD Activity	2021-2022 YTD Activity	Parent Budget		Notes
				2021-2022 V3	Estimate	
<b>Category: 50 - FINES AND FORFEITURES</b>						
557 - Other	-	-	-	5,000.00		5,000.00
<b>Category: 50 - FINES AND FORFEITURES:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000.00</b>		<b>5,000.00</b>
<b>Category: 53 - COST RECOVERY</b>						
565 - Other Income	6,236.10	-	-	5,000.00		5,000.00
<b>Total Category: 53 - COST RECOVERY:</b>	<b>6,236.10</b>	<b>-</b>	<b>-</b>	<b>5,000.00</b>		<b>5,000.00</b>
<b>Category: 54 - MISCELLANEOUS REVENUE</b>						
560 - Investment Earnings	-	-	-	100,000.00		25,000.00 Returns are projected to remain low
<b>Category: 54 - MISCELLANEOUS REVENUES:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,000.00</b>		<b>25,000.00</b>
<b>Category: 56 - PROPRIETARY REVENUES</b>						
570 - WasteWater	(35,266.24)	(384,692.08)	(395,974.47)	11,671,500.00		11,671,500.00
<b>Category: 56 - PROPRIETARY REVENUES:</b>	<b>(35,266.24)</b>	<b>(384,692.08)</b>	<b>(395,974.47)</b>	<b>11,671,500.00</b>		<b>11,671,500.00</b>
<b>Category: 58 - OTHER FINANCING SOURCES</b>						
599 - Other	-	-	-	-		-
<b>Category: 58 - OTHER FINANCING SOURCES:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Total Revenue</b>	<b>(29,030.14)</b>	<b>(384,692.08)</b>	<b>(395,974.47)</b>	<b>11,881,500.00</b>		<b>11,731,500.00</b>
<b>Category: 60 - PERSONNEL SERVICES</b>						
600 - SALARIES AND WAGES	133,477.57	111,849.49	162,551.57	1,557,349.00		1,509,071.00 3 of 26 pay periods
610 - BENEFITS	96,642.56	83,302.69	131,387.60	576,339.00		546,945.00
615 - OTHER	2,487.80	1,844.93	2,538.36	21,412.00		21,232.00
699 - OTHER	53.00	562.70	704.97	12,300.00		12,300.00
<b>Total Category: 60 - PERSONNEL SERVICES:</b>	<b>232,660.93</b>	<b>197,559.81</b>	<b>297,182.50</b>	<b>2,167,400.00</b>		<b>2,089,548.00</b>
<b>Category: 65 - OPERATING COSTS</b>						
615 - OTHER	-	-	-	-		-
650 - UTILITIES	151,602.62	84,799.74	101,037.66	767,796.00		767,796.00
655 - ADMINISTRATIVE	12,019.94	28,997.73	27,479.52	187,475.00		187,475.00
660 - FLEET COSTS	3,192.50	2,017.45	3,127.94	34,820.00		34,820.00
670 - REPAIRS AND MAINTENANCE	601.54	5,216.87	3,575.00	96,200.00		96,200.00
675 - SUPPLIES	44,974.21	36,201.44	21,536.94	553,900.00		553,900.00

690 - CONTRACTUAL SERVICES	48,655.15	15,581.51	74,456.29	1,188,816.00	1,188,816.00
697 - ADMIN OVERHEAD	-	-	-	-	-
699 - OTHER	14,960.22	6,419.90	9,064.57	649,050.00	649,050.00
<b>Total Category: 65 - OPERATING COSTS:</b>	<b>276,006.18</b>	<b>179,234.64</b>	<b>240,277.92</b>	<b>3,478,057.00</b>	<b>3,478,057.00</b>

<b>Category: 70 - CAPITAL IMPROVEMENTS</b>					
700 - EQUIPMENT	-	17,272.92	145,872.74	198,638.00	198,638.00
705 - VEHICLE	-	-	25,909.38	215,000.00	215,000.00
750 - OTHER	-	-	-	100,000.00	100,000.00
<b>Category: 70 - CAPITAL IMPROVEMENTS:</b>	<b>-</b>	<b>17,272.92</b>	<b>171,782.12</b>	<b>513,638.00</b>	<b>513,638.00</b>

<b>Category: 90 - TRANSFERS</b>					
900 - Transfers	-	-	-	5,622,405.00	5,622,405.00
<b>Total Category: 90 - TRANSFERS:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,622,405.00</b>	<b>5,622,405.00</b>

Transfers are quarterly

<b>Total Expense</b>	<b>508,667.11</b>	<b>394,067.37</b>	<b>709,242.54</b>	<b>11,781,500.00</b>	<b>11,703,648.00</b>
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<b>Total Fund 700 - Wastewater</b>	<b>(537,697.25)</b>	<b>(778,759.45)</b>	<b>(1,105,217.01)</b>	<b>-</b>	<b>27,852.00</b>
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Estimated Ending Balance: **\$5.4m**

**Analysis: The City is in the 2nd month of the FY. Billing for Wastewater is done in the arrears, the first billing will show on September 1st. Low returns are projected for the near future which are resulting in a decrease in interest revenue. Personnel costs are thus far looking to have a savings resulting in a surplus of \$27,852 in the Wastewater Fund.**