



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

550 E 6th Street, Beaumont, Ca
Monday, July 1, 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
Approve Minutes dated June 3, 2019.
FAC Minutes 06.03.19 | 3 - 4 |
| 2. May 2019 Financial Reports
Receive and file.
Item 2 | 5 - 11 |
| 3. Finance and Audit Committee Ordinance Explaining the Purpose and Policies of the Committee. | 13 - 15 |

Receive and file.

[Item 3](#)

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 July 1, 2019 Meeting at ____ p.m.

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

Beaumont City Hall – Online www.BeaumontCa.gov



MINUTES
Finance and Audit Committee Meeting
Monday, June 3, 2019
Council Chambers
550 E 6th St. Beaumont, Ca
Regular Session: 6:00 PM

REGULAR MEETING

CALL TO ORDER at 6:03 p.m.

Present: Committee Members: Council Member Carroll, Treasurer Baron Ginnetti, Chair Steve Cooley, Vice Chair Thomas LeMasters, Member Richard Bennecke, Member Ana Olvera, and Member Billiath Bengesa

Absent: Mayor Martinez, and Alternate Member Andrew Forster

Action on any requests for excused absence: Mayor Martinez

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.

No speakers

ACTION ITEMS/PUBLIC HEARINGS/REQUESTS

1. Adoption of Minutes
Motion by Member Bennecke
Second by Treasurer Ginnetti
To approve Minutes dated May 6, 2019
Approved by a 7-0 vote.
2. April 2019 Financial Reports
Motion by Member Bennecke
Second by Member Olvera
To approve for presentation to City Council on June 18, 2019.
Approved by a 7-0 vote.

3. Fiscal Year 2019-20 City-Wide Budget and Fiscal Years 2019-20 through 2023-24 Capital Improvement Projects Budget
FY 2019-20 Budget and Capital Improvement Project was discussed with highlights of each.
4. Report of Tax Revenues Received through May 30, 2019
Direction to staff to look into transportation occupancy tax type revenues from local RV park.
5. Purchasing Policy
Purchasing policy was discussed in detail.
Motion by Member Bennecke
Second by Member Olvera
To receive and file
Approved by a 7-0 vote.
6. Establishing a Sub-Committee for Internal Control Review
Motion by Council Member Carroll
Second by Member Bengesa
To nominate Treasurer Ginnetti and Chairman Steve Cooley as the sub-committee for Internal Review.
Approved by a 7-0 vote.
7. Future Agenda Items
 - TOT revenues from local RV parks
 - Removal of Alternate Member due to lack of attendance
 - Formal Explanation of Meeting with Ordinance
8. Finance Director's Comments
9. Meeting Review - Treasurer's Monthly Finance and Audit Committee Report to Council

ADJOURNMENT

Adjournment of the Finance and Audit Committee of the June 3, 2019 Meeting at 7:25 p.m.

The next regular meeting of the Finance and Audit Committee Meeting is scheduled for Monday, July 1, 2019 at 6:00 p.m.

Beaumont City Hall – Online www.BeaumontCa.gov

Staff Report

TO: Finance and Audit Committee Members
FROM: Todd Parton, City Manager
DATE: July 1, 2019
SUBJECT: May 2019 Financial Reports

Background and Analysis:

The May 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 May financials should result in 8.33% 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 6/12/19
Bank of Hemet:	
Payroll	thru 5/31/19
Gas Tax	thru 5/31/19
Workers Comp	thru 5/31/19
Seizure/Evidence	thru 5/31/19
Construction	thru 5/31/19
Trustee Accounts	thru 5/31/19
LAIF	thru 5/31/19

Fiscal Impact:

None.

Recommendation:

1. Receive and file.

City Manager Review: _____



CITY OF BEAUMONT
Cash Balance Analysis and Reconciliation
For the Eleven Months Ending May 31, 2019

Fund	Fund Name	Beginning Cash 06/30/2018	Revenues	Expenses	Fund Transfers	Net Change Assets	Net Adjmts to Equity	Net Change Liabilities	Ending Cash 5/31/19
	GENERAL FUNDS	8,262,961.20	27,525,175.91	(29,369,129.38)	411,918.53	3,221,908.60	-	(1,439,158.61)	8,613,676.25
	SPECIAL REVENUE FUNDS	10,386,928.17	6,593,864.79	(260,192.18)	(474,882.51)	233,980.44		(200,466.00)	16,279,232.71
	CAPITAL FUNDS	36,267,375.48	17,909,982.45	(36,679,563.21)	13,824,699.00	5,879,037.40	379,041.63	1,161,946.37	38,742,519.12
	WASTEWATER FUNDS	13,276,268.32	20,214,272.00	(29,868,179.58)	4,636,047.00	(73,904,106.70)	4,351,755.65	73,755,083.99	12,461,140.68
	TRANSIT FUNDS	1,154,061.19	1,687,579.04	(3,070,841.82)	321.66	(954,256.29)	18,586.00	(220,889.82)	(1,385,440.04)
	AGENCY FUNDS	13,919,790.31	59,107,239.84	(27,175,364.37)	(16,398,143.63)	(80,639,155.54)	123,813.85	81,111,893.40	30,050,073.86
	TOTAL FUNDS	83,267,384.67	133,038,114.03	(126,423,270.54)	1,999,960.05	(146,162,592.09)	4,873,197.13	154,168,409.33	104,761,202.58

Reconciled Balances	Beginning	Revenues	Expenses	Fund Transfers	Net Change Assets	Net Adjmts to Equity	Net Change Liabilities	Ending Cash
Pooled Cash - Checking	33,734,678.11							56,556,686.19
Certificate of Deposit	-							200,000.00
Payroll	2,121,841.14							1,203,957.52
Workers Compensation	98,510.38							183,272.31
Gas Tax/Transportation	1,717,530.87							1,995,332.90
Construction	9,623,238.94							7,846,290.02
Seizure/Evidence	524,325.75							524,325.75
LAF	35,447,259.48							36,251,337.89
Total Reconciled Balances	83,267,384.67							104,761,202.58

FOR MANAGEMENT DISCUSSION PURPOSES ONLY



City of Beaumont, CA

PRELIMINARY

GENERAL FUND
Income Statement - Budget to Actual
For the Eleven Months and Year to Date 05/31/2019

	Current Total Budget	May 2019 Activity	Year to Date Activity	Variance Favorable (Unfavorable)	% Remaining	FY18-19 Projection
REVENUES						
40 - TAXES	16,980,867.00	2,028,970.95	13,919,819.21	(3,061,047.79)	-18.03%	16,980,867.00
41 - LICENSES	212,100.00	99,588.22	201,699.78	(10,400.22)	-4.90%	212,100.00
42 - PERMITS	5,397,170.00	164,473.01	4,571,581.22	(825,588.78)	-15.30%	5,397,170.00
45 - INTERGOVERNMENTAL	21,288.00	11,873.00	41,191.92	19,903.92	93.50%	21,288.00
47 - CHARGES FOR SERVICE	7,702,800.00	1,125,650.34	7,680,313.80	(22,486.20)	-0.29%	7,702,800.00
50 - FINES AND FORFEITURES	110,000.00	22,668.85	103,906.85	(6,093.15)	-5.54%	110,000.00
53 - COST RECOVERY	0.00	48,734.99	488,287.51	488,287.51	0.00%	0.00
54 - MISCELLANEOUS REVENUES	22,500.00	3,598.10	21,119.10	(1,380.90)	-6.14%	22,500.00
58 - OTHER FINANCING SOURCES	0.00	0.00	28,129.04	28,129.04	0.00%	0.00
TOTAL REVENUES	30,446,725.00	3,505,547.46	27,056,048.43	(3,390,676.57)	-11.1%	30,446,725.00
EXPENSES						
60 - PERSONNEL SERVICES	17,314,871.00	1,588,829.94	15,339,307.76	1,975,563.24	11.4%	17,314,871.00
65 - OPERATING COSTS	17,335,227.40	1,446,808.56	13,423,352.94	3,911,874.46	22.6%	17,335,227.40
70 - CAPITAL IMPROVEMENTS	878,938.36	277,169.57	592,698.21	286,240.15	32.6%	878,938.36
TOTAL EXPENSES	35,529,036.76	3,312,808.07	29,355,358.91	6,173,677.85	17.4%	35,529,036.76
TRANSFERS						
90 - TRANSFERS	5,232,745.00	0.00	86,918.53	(5,145,826.47)	-98.3%	5,232,745.00
NET CHANGE	150,433.24	192,739.39	(2,212,391.95)	(2,362,825.19)	-1570.7%	150,433.24
FY18-19 PROJECTED NET CHANGE	150,433					



City of Beaumont, CA

PRELIMINARY

GENERAL FUND
Comparative Income Statement
For the Eleven Months and Year to Date 05/31/2018 and 2019

	2017-2018		2018-2019		May Activity		2017-2018		2018-2019		YTD Variance	
	May 2018	May 2019	May 2019	May 2019	Favorable / (Unfavorable)	%	Year to Date Activity	Year to Date Activity	Year to Date Activity	Favorable / (Unfavorable)	%	
REVENUES												
40 - TAXES	4,146,096.15	2,028,970.95	2,028,970.95		(2,117,125.20)	-51.06%	15,322,871.50	13,919,819.21	(1,403,052.29)	-9.16%		
41 - LICENSES	85,569.31	99,588.22	99,588.22		14,018.91	16.38%	150,434.63	201,699.78	51,265.15	34.08%		
42 - PERMITS	451,474.12	164,473.01	164,473.01		(287,001.11)	-63.57%	3,669,056.74	4,571,581.22	902,524.48	24.60%		
45 - INTERGOVERNMENTAL	0.00	11,873.00	11,873.00		11,873.00	0.00%	7,288.01	41,191.92	33,903.91	465.20%		
47 - CHARGES FOR SERVICE	1,199,376.29	1,125,650.34	1,125,650.34		(73,725.95)	-6.15%	7,197,979.16	7,680,313.80	482,334.64	6.70%		
50 - FINES AND FORFEITURES	23,687.95	22,658.85	22,658.85		(1,029.10)	-4.34%	96,038.31	103,906.85	7,868.54	8.19%		
53 - COST RECOVERY	4,314.44	48,734.99	48,734.99		44,420.55	1029.58%	327,481.73	488,287.51	160,805.78	49.10%		
54 - MISCELLANEOUS REVENUES	1,445.83	3,598.10	3,598.10		2,152.27	148.86%	32,530.70	21,119.10	(11,411.60)	-35.08%		
58 - OTHER FINANCING SOURCES	0.00	0.00	0.00		0.00	0.00%	5,341.50	28,129.04	22,787.54	426.61%		
TOTAL REVENUES	5,911,964.09	3,505,547.46	3,505,547.46		(2,406,416.63)	-40.70%	26,809,022.28	27,056,048.43	247,026.15	0.92%		
EXPENSES												
60 - PERSONNEL SERVICES	1,334,991.48	1,588,829.94	1,588,829.94		(253,838.46)	-19.01%	12,969,513.77	15,339,307.76	(2,369,793.99)	-18.27%		
65 - OPERATING COSTS	2,149,311.02	1,446,808.56	1,446,808.56		702,502.46	32.69%	12,624,062.63	13,423,352.94	(799,290.31)	-6.33%		
70 - CAPITAL IMPROVEMENTS	46,010.27	277,169.57	277,169.57		(231,159.30)	-502.41%	580,677.14	592,698.21	(12,021.07)	-2.07%		
TOTAL EXPENSES	3,530,312.77	3,312,808.07	3,312,808.07		217,504.70	6.16%	26,174,253.54	29,355,358.91	(3,181,105.37)	-12.15%		
TRANSFERS												
90 - TRANSFERS	-	-	-		-	0.00%	(21,611.11)	86,918.53	108,529.64	502.19%		
NET CHANGE	2,381,651.32	192,739.39	192,739.39		(2,188,911.93)	-91.91%	613,157.63	(2,212,391.95)	(2,825,549.58)	460.82%		



City of Beaumont, CA

PRELIMINARY

WASTE WATER FUNDS
Income Statement - Budget to Actual
For the Eleven Months and Year to Date 5/31/2019

	Current Total Budget	May 2019 Activity	Year to Date Activity	Variance Favorable (Unfavorable)	% Remaining	FY18-19 Projection
REVENUES						
47 - CHARGES FOR SERVICE	2,050,000.00	387,271.75	3,463,620.47	1,413,620.47	69.0%	2,050,000.00
50 - FINES AND FORFEITURES	9,000.00	0.00	9,000.00	0.00	0.0%	0.00
54 - MISCELLANEOUS REVENUES	33,000.00	139,233.04	974,585.84	941,585.84	2853.3%	33,000.00
56 - PROPRIETARY REVENUES	8,820,774.00	1,479,075.82	7,300,994.66	(1,519,779.34)	-17.2%	8,820,774.00
58 - OTHER FINANCING SOURCES	90,001,466.00	0.00	8,896,465.88	(81,105,000.12)	-90.1%	90,001,466.00
TOTAL REVENUES	100,914,240.00	2,005,580.61	20,644,666.85	(80,269,573.15)	-79.5%	100,905,240.00
EXPENSES						
60 - PERSONNEL SERVICES	932,764.00	127,735.27	768,752.70	164,011.30	17.6%	932,764.00
65 - OPERATING COSTS	7,318,360.00	296,073.07	4,346,062.93	2,972,287.07	40.6%	7,318,360.00
70 - CAPITAL IMPROVEMENTS	87,289,750.00	5,321,729.35	23,092,008.74	64,197,741.26	73.5%	87,289,750.00
TOTAL EXPENSES	95,540,874.00	5,745,537.69	28,206,824.37	67,334,049.63	70.5%	95,540,874.00
TRANSFERS						
90 - TRANSFERS	50,000.00	1,360,766.96	4,205,652.15	4,155,652.15	8311.3%	50,000.00
NET CHANGE	5,423,366.00	(2,379,190.12)	(3,356,505.37)	(8,779,871.37)	-161.9%	5,414,366.00
FY18-19 PROJECTED NET CHANGE	5,414,366.00					



City of Beaumont, CA

PRELIMINARY

WASTE WATER FUNDS
Comparative Income Statement
For the Eleven Months and Year to Date 05/31/2018 and 2019

	2017-2018		2018-2019		May 2019		May Activity / Variance		2017-2018		2018-2019		YTD Variance	
	May 2018		May 2019		May 2019		Favorable / (Unfavorable) %		Year to Date Activity		Year to Date Activity		Favorable / (Unfavorable) %	
REVENUES														
47 - CHARGES FOR SERVICE	578,818.80	387,271.75	387,271.75				(191,547.05)	-33.09%	2,381,833.44	3,463,620.47	3,463,620.47	1,081,787.03	45.42%	
50 - FINES AND FORFEITURES	0.00	0.00	0.00				0.00	0.00%	0.00	9,000.00	9,000.00	9,000.00	0.00%	
54 - MISCELLANEOUS REVENUES	0.00	139,233.04	139,233.04				139,233.04	0.00%	0.00	974,585.84	974,585.84	974,585.84	0.00%	
56 - PROPRIETARY REVENUES	1,355,030.73	1,479,075.82	1,479,075.82				124,045.09	9.15%	6,697,431.35	7,300,994.66	7,300,994.66	603,563.31	9.01%	
58 - OTHER FINANCING SOURCES	0.00	0.00	0.00				0.00	0.00%	0.00	8,896,465.88	8,896,465.88	8,896,465.88	0.00%	
TOTAL REVENUES	1,933,849.53	2,005,580.61	2,005,580.61				71,731.08	3.71%	9,079,264.79	20,644,666.85	20,644,666.85	11,565,402.06	127.38%	
EXPENSES														
60 - PERSONNEL SERVICES	29,316.09	127,735.27	127,735.27				(98,419.18)	-335.72%	245,669.01	768,752.70	768,752.70	(523,083.69)	-212.92%	
65 - OPERATING COSTS	455,713.25	296,073.07	296,073.07				159,640.18	35.03%	5,608,393.03	4,346,062.93	4,346,062.93	1,262,330.10	22.51%	
70 - CAPITAL IMPROVEMENTS	10,825.00	5,321,729.35	5,321,729.35				(5,310,904.35)	-49061.47%	209,754.57	23,092,008.74	23,092,008.74	(22,882,254.17)	-10909.06%	
TOTAL EXPENSES	495,854.34	5,745,537.69	5,745,537.69				(5,249,683.35)	-1058.71%	6,063,816.61	28,206,824.37	28,206,824.37	(22,143,007.76)	-365.17%	
TRANSFERS														
90 - TRANSFERS	0.00	1,360,766.96	1,360,766.96				1,360,766.96	0.00%	1,303,220.75	4,205,652.15	4,205,652.15	2,902,431.40	222.71%	
NET CHANGE	1,437,995.19	(2,379,190.12)	(2,379,190.12)				(3,817,185.31)	-265.45%	4,318,668.93	(3,356,505.37)	(3,356,505.37)	(7,675,174.30)	-177.72%	

Staff Report

TO: Finance and Audit Committee Members

FROM: Nicole Wheelwright, Deputy City Clerk

DATE: July 1, 2019

SUBJECT: Finance and Audit Committee Ordinance Explaining the Purpose and Policies of the Committee

Background and Analysis:

As requested by the Committee, the ordinance regarding the Finance and Audit Committee that encompasses a formal explanation of purpose and policies has been attached for review.

Fiscal Impact:

None.

Recommendation:

- 1. Receive and file.

City Manager Review: 

Chapter 2.35 - FINANCIAL AND AUDIT COMMITTEE

2.35.010 - Purpose and intent.

The purpose of this Chapter to establish a Financial and Audit Committee. The Financial and Audit Committee shall act in advisory capacity to the City Council and work to promote enhanced fiscal responsibility, accountability, integrity, transparency, and to recommend fiscal and investment policies for City Council consideration.

(Ord. No. 1062, § 3, 9-15-2015 ; Ord. No. 1076, § 3, 7-5-2016)

2.35.020 - Definitions.

- (A) "*City*" shall mean the City of Beaumont;
- (B) "*Code*" shall mean the City of Beaumont Municipal Code;
- (C) "*Committee*" shall mean the Financial and Audit Committee as established herein.

(Ord. No. 1062, § 3, 9-15-2015 ; Ord. No. 1076, § 3, 7-5-2016)

2.35.030 - Creation of Committee.

There is hereby created a Financial and Audit Committee. The Committee shall consist of nine members.

(Ord. No. 1062, § 3, 9-15-2015 ; Ord. No. 1076, § 3, 7-5-2016)

2.35.040 - Appointment and qualification of Committee members.

The City Council shall appoint the members of the Committee. Committee members shall be at least 18 years of age and shall consist of at least two members of the City Council, the City Treasurer, the City Manager or his or her designee as the highest ranking financial staff member of the City, and five residents of the City of Beaumont. The ninth committee member shall either be a City resident and/or he or she must own a business operating within the City. The City Manager and his or her designee as the highest ranking financial staff position shall be on the Committee as non-voting members. There will be nine voting members. Any Committee member may be removed from the Committee after three consecutive unexcused absences from meetings and a majority vote of the Committee.

(Ord. No. 1062, § 3, 9-15-2015 ; Ord. No. 1076, § 3, 7-5-2016)

2.35.050. - Term and tenure of members.

All members of the Committee shall be appointed for a term of two years and shall serve at the pleasure of the City Council. Members shall serve without compensation.

(Ord. No. 1062, § 3, 9-15-2015; Ord. No. 1076, § 3, 7-5-2016)

2.35.060. - Powers and duties.

The Committee shall be advisory to the City Council. The Committee shall hold public meetings at least once every 60 days. The Committee shall make recommendations to the City Council regarding:

- (A) City investment policies and practices;
- (B) Long term financial planning;
- (C) Such other matters as the City Council may request from time to time.

(Ord. No. 1062, § 3, 9-15-2015; Ord. No. 1076, § 3, 7-5-2016)

2.35.070 - Rules and regulations.

The Committee shall appoint a chair, who shall conduct Committee meetings and report quarterly to the City Council on Committee activities and recommendations. The Committee shall adopt such rules and regulations as are needed to conduct its meetings and shall comply with the Brown Act and other applicable laws.

(Ord. No. 1062, § 3, 9-15-2015; Ord. No. 1076, § 3, 7-5-2016)