

**AGENDA
ITEM**

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AGENDA STAFF REPORT

DATE: October 23, 2019
TO: Mayor and City Council
APPROVED BY: David B. Dale, City Manager *DBD*
PREPARED BY: Karla E. Lobatos, Finance Director *KL*
SUBJECT: Ratification of Economic Development and Financial Advisory Commission Minutes for Meetings of November 13, 2018, March 12, 2019, June 11, 2019, July 9, 2019, and September 10, 2019

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Recommendation:

Ratification of the Economic Development and Financial Advisory Commission Minutes for Meetings of November 13, 2018, March 12, 2019, June 11, 2019, July 9, 2019, and September 10, 2019

Background:

Committee staff liaison shall prepare minutes of the proceedings of each Economic Development and Financial Advisory Commission meeting and present to the commission for approval. Once approved, a copy of the signed minutes is submitted for Council ratification.

Discussion & Analysis:

Attached minutes of the Economic Development and Financial Advisory Commission Minutes for Meetings of November 13, 2018, March 12, 2019, June 11, 2019, July 9, 2019, and September 10, 2019, have been approved by the committee and signed by the chairperson for ratification by Council.

Fiscal Impact:

None.

Coordinated With:

None.

Attachments:

1. Economic Development and Financial Advisory Commission Minutes for Meeting of November 13, 2018.
2. Economic Development and Financial Advisory Commission Minutes for Meeting of March 12, 2019.

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3. Economic Development and Financial Advisory Commission Minutes for Meeting of June 11, 2019.
4. Economic Development and Financial Advisory Commission Minutes for Meeting of July 9, 2019.
5. Economic Development and Financial Advisory Commission Minutes for Meeting of September 10, 2019.

THE ECONOMIC DEVELOPMENT AND FINANCIAL ADVISORY COMMISSION MET IN SPECIAL SESSION ON THE 13TH DAY OF NOVEMBER 2018 AT 6:00 P.M. AT THE FERNANDO "NENE" TORRES COUNCIL CHAMBERS, 608 HEBER AVENUE, CALEXICO, CALIFORNIA.

CALL TO ORDER

Commissioner Ben Horton called the meeting to order at 6:03 p.m.

ATTENDANCE:

Chairman: Benjamin Horton
Commissioner: Enrique Roman Ramirez
Commissioner: Bruno Suarez
Mayor ProTem: Jesus Eduardo Escobar
Vice-Chair: Ismael Lopez - Absent

PLEDGE OF ALLEGIANCE

Benjamin Horton led those present in the Pledge of Allegiance.

APPROVAL OF AGENDA

Chairman Horton opened the floor for EDFA Agenda approval as presented. Motion to approve the agenda as presented was made by Commissioner Ramirez and seconded by Mayor ProTem Escobar, and passed by the following vote to wit

AYES: Horton, Ramirez, Suarez, Escobar
NOES: None
ABSENT: None
ABSTAIN: None

ANNOUNCEMENTS/PUBLIC COMMENTS:

None at this time.

BOARD MEMBER COMMENTS:

Chairman Horton reported that he had attended the Martha Carr art exhibit at the Carmen Durazo Cultural Arts Center, Martha Carr was Dr. Fareed's mother. The event was well attended by residents from the valley, specifically the north end of Imperial Valley. Chairman Horton stated that the exhibit was a success and the art displayed was impressive.

DIRECTOR'S REPORT:

None at this time.

CONSENT AGENDA:

**APPROVAL OF ECONOMIC DEVELOPMENT AND FINANCIAL ADVISORY COMMISSION
MINUTES FOR MEETING OF SEPTEMBER 25, 2018.**

Motion was made by Commissioner Suarez to approve the Economic Development and Financial Advisory Commission minutes for the meeting of August 21, 2018. Motion was seconded by Commissioner Ramirez and passed by the following vote to wit:

AYES: Escobar, Ramirez, Suarez, Horton
NOES: None
ABSENT: Lopez
ABSTAIN: None

DISCUSSION AND POTENTIAL ACTION ITEMS:

**DISCUSSION: YEAR END REPORT 2017 & 1ST QUARTER REPORT FOR 2018 – PRESENTED
BY FINANCE DIRECTOR KARLA LOBATOS**

Finance Director Karla Lobatos reported that she had positive news for the commission. Director Lobatos stated that HDL Companies reported that property taxes had increased, thus more funds would come into the city. Director Lobatos further reported that the State of California would be adjusting their sales tax numbers due to a system malfunction that had occurred in their new system. Director Lobatos stated that this would increase the sales tax revenue by \$200,000 and those funds should be received by the city by the end of November 2018. Director Lobatos further reported that this new sales tax revenue would also be reflected on Measure H numbers for year end. Director Lobatos also reported that the salary expenses for the city are projected to be lower than expected for year end 2017. Director Lobatos advised that all the new hired police officers would be replacements and not new positions.

When asked what the police department's sworn personnel numbers were at, Director Lobatos stated that there were 20 sworn officers in the police department. Mayor ProTem Escobar stated that for a city the size of Calexico, the department should be at 50-60 sworn officers, but that was not the case since the city was not receiving revenue to fund that number of positions. Director Lobatos stated that there would be about \$150,000 in salary savings, and Measure H and other grant reimbursement assisted in funding the department's staffing.

Director Lobatos stated that a large expense for the police department was also traffic control. Director Lobatos added that all traffic controllers are temporary employees and are employed as needed. Director Lobatos stated that the traffic controllers cost was a significant expense. Director Figueroa reported that delineators were installed on the new exit into Mexico, which should alleviate some of the chaos on Second Street and Cesar Chavez Boulevard. Commissioner Suarez stated that it would be a good idea to put out something on social media to advise of the all the changes taking place for travelers going into Mexico.

November 19, 2018

Director Figueroa further stated that funds were coming in from Department of Housing and Community Development and that should provide a reimbursement for salaries in the Housing Department, for both the Economic Development Director and Housing Specialist.

Commissioner Ramirez inquired as to how the police department budget was doing. Director Figueroa stated that Director Lobatos was monitoring police and fire expenses, which included payroll and overtime expenses. Commissioner Ramirez inquired as to how much was the proposal presented by Imperial County Sheriff's Office (ICSO). Director Figueroa stated that the last proposal presented to the city by ICSO was significant (high). Director Figueroa further reported that the CPOA and the city had negotiated and signed an agreement for cuts and that was significantly less than ICSO's proposal. It was further presented to the commissioners that the police department's deployment of sworn staff should be 4 officers and 1 sergeant, but unfortunately it was taking some time to get to those numbers due to the low staffing levels. Recruitment for police officers is continuously on-going with the city. Chairman Horton advised that ICSO had a great reserve program and that the police department should model their program after ICSO's. Chairman Horton inquired as to what was the current number of reserve officers that the number police department had. Director Figueroa advised that that was a question for the Chief of Police

The city's TOT's (Transient Occupancy Tax) will be increasing as a result of Measure "J" being voted in November. The TOT's will increase approximately \$38,000 per year. Director Lobatos reported that hotels/motels bring in tax documentations when they present their payments to the City.

Director Lobatos reported that staff is still working to collect the full extent of the newly established ambulance fees. Director Lobatos reported that new contracts need to be worked on with both Medicare and MediCal, so that the new fees could be collected from the state. Director Lobatos stated that until new contracts are entered with Medicare and MediCal, the city cannot collect on the new rates, and this will impact the budget. Director Lobatos stated that this matter would be resolved, and everything should be in order within 90 days. Mayor ProTem Escobar stated that it should have been nice to have been receiving the new rates already but was hopeful that it would be taken care of soon. Director Lobatos further reported that contracts also needed to be re-negotiated with other insurances too. Director Figueroa stated that the city is fortunate that Director Lobatos was knowledgeable in the area of medical billing and was willing to tackle the immense job that was the ambulance billing.

Director Figueroa asked the commissioners if they wanted to make a recommendation to the City Council on Director Lobatos presentations (Items #2 & #3). Mayor ProTem Escobar made a motion to present items as presented with noted commissioner comments. Motion was Commissioner Suarez, and passed by the following vote to wit:

| | |
|----------|----------------------------------|
| AYES: | Escobar, Ramirez, Suarez, Horton |
| NOES: | None |
| ABSENT: | Lopez |
| ABSTAIN: | None |

PRESENTATION:

**ECONOMIC DEVELOPMENT ACTIVITY REPORT AND PROPOSED RECOMMENDATIONS
FOR 2018-19 – PRESENTED BY ASSISTANT CITY MANAGER MIGUEL FIGUEROA**

Director Figueroa presented to the commissioners an activity tracker of all the projects and accomplishments for 2018 by the EDFA Commission. Director Figueroa presented both projects that were accomplished and not accomplished.

The points brought up by Director Figueroa were as follows:

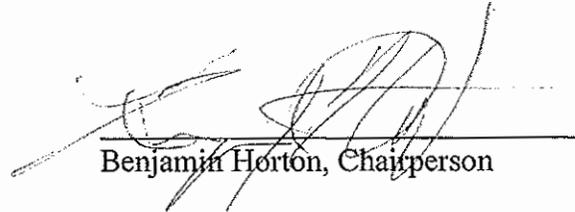
- Performance Assessment on Promoting City – Director Figueroa reported that funds were used on marketing the city; on what could be used or not used in streamlining services in Development Services. Director Figueroa stated that plans were underway in re-structuring the Development Services Department, with anticipation that the streamlining and new departmental structural would be welcoming to new business.
- Reviewing Ordinances – Director Figueroa advised the commissioners that the City Council had addressed the issues facing the city’s downtown area, and how City Ordinances would allow for the downtown area to be re-zone to both residential and commercial. Director Figueroa stated that he hoped that the ordinances changes would revitalize the downtown area with new plans
- Overall Assessment of ALL Businesses in the City – Director Figueroa advised that an analysis of the city’s businesses was being done to address their needs and why certain business are closing.
- SDSU Research – Director Figueroa advised that the questionnaire that SDSU would be using for survey had been finalized. The survey would be to assist in determining what is the area of industries should be coming into the city, in addition to what areas of service should be performed, and what type of businesses should be attracted to the city.
- Transient Occupancy Tax (TOT) Increase – Director Figueroa reported that the TOT Measure “J” had been voted in and that this would provide more revenue to the city.
- Partnering with City of Mexicali – Director Figueroa stated that he really wanted to partner with the City of Mexicali so that the City of Calexico could also be considered for future development of industrial parks. Mayor ProTem Escobar stated that he has been after this partnership between the City of Mexicali and the City of Calexico.

Mayor ProTem Escobar stated that the revitalization of the downtown area was very important. Commissioner Suarez stated that he hoped that the future plans for the downtown area included residential lofts and that the transportation issues were resolved.

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ADJOURNMENT

There being no further business, motion to adjourn the meeting was made by Mayor ProTem Escobar and seconded by Commissioner Ramirez. Meeting was adjourned at 7:27 p.m.



Benjamin Horton, Chairperson

Martha L. Gomez, Deputy Clerk

THE ECONOMIC DEVELOPMENT AND FINANCIAL ADVISORY COMMISSION MET IN SPECIAL SESSION ON THE 12TH DAY OF MARCH 2019 AT 6:00 P.M. AT THE FERNANDO "NENE" TORRES COUNCIL CHAMBERS, 608 HEBER AVENUE, CALEXICO, CALIFORNIA.

CALL TO ORDER

Assistant City Manager/Economic Development Director Miguel Figueroa called the meeting to order at 6:03 p.m.

SWEARING IN OF NEW COMMISSIONER(S):

Deputy City Clerk Gabriela Garcia swore in newly appointed Commissioner Esther Gomez. Re-appointed Commission Benjamin Horton had been sworn in on March 7, 2019.

ATTENDANCE:

Commissioner Benjamin Horton
Commissioner Esther Gomez
Commissioner Bruno Suarez
Commissioner Enrique Ramirez

PLEDGE OF ALLEGIANCE

Mr. Figueroa led those present in the Pledge of Allegiance.

APPROVAL OF AGENDA

Mr. Figueroa recommended to approve the agenda with the following revision, making Agenda Item #2 APPROVAL OF ECONOMIC DEVELOPMENT AND FINANCIAL ADVISORY COMMISSION MINUTES FOR MEETING OF NOVEMBER 19, 2018 to Agenda Item #1, under CONSENT; and making Agenda Item #1 ELECTION OF ECONOMIC DEVELOPMENT AND FINANCIAL ADVISORY COMMISISON OFFICERS Agenda Item #2 under DISCUSSION AND POTENTIAL ACTION ITEMS.

Commissioner Horton made a motion to approved modified agenda as recommended by staff. Commissioner Suarez second the motion and motion passed by the following vote to wit:

AYES: Horton, Ramirez, Suarez, and Gomez
NOES: None
ABSENT: None
ABSTAIN: None

BOARD MEMBER COMMENTS AND REPORTS:

Commissioner Horton announced that Sun Community Federal Credit Union (SCFCU) would be celebrating their 65th Anniversary and he felt that since SCFCU had started in Calexico, that it would only be appropriate for the City to Calexico to recognize SCFCU with a proclamation. Commissioner Gomez advised that SCFCU had a few events planned for their 65th anniversary celebration around the valley. Mr. Figueroa advised that he would be passing Commissioner Horton's request along to the appropriate channels.

Ms. Lobatos welcomed the newly appointed EDFA commissioner(s)/board.

DIRECTOR'S REPORT:

Mr. Figueroa advised the commissioners that he would provide them with a brief recap of what EDFA had worked on 2018.

CONSENT AGENDA:

1. CONSENT: APPROVAL OF ECONOMIC DEVELOPMENT AND FINANCIAL ADVISORY COMMISSION MINUTES FOR MEETING OF NOVEMBER 19, 2018.

Motion was made by Commissioner Horton to approve the Economic Development and Financial Advisory Commission minutes for the meeting of November 19, 2018. Motion was seconded by Commissioner Ramirez and passed by the following vote to wit:

AYES: Ramirez, Suarez, and Horton
NOES: None
ABSENT: None
ABSTAIN: Gomez

DISCUSSION AND POTENTIAL ACTION ITEMS:

2. DISCUSSION: ELECTION OF ECONOMIC DEVELOPMENT AND FINANCIAL ADVISORY COMMISSION OFFICERS

Election of EDFA commissioners was moved from CONSENT to DISCUSSION AND POTENTIAL ACTION ITEM. Motion to move this item from CONSENT to DISCUSSION AND POTENTIAL ACTION ITEM was made by Commissioner Horton and seconded by Commissioner Suarez, and passed by the following vote to wit:

AYES: Ramirez, Suarez, Gomez, and Horton
NOES: None
ABSENT: None

ABSTAIN: None

Commissioner Horton nominated Commissioner Ramirez for EDFA Chair. Commissioner Suarez seconded the motion. Commissioner Ramirez accepted the nomination and motion passed by the following vote to wit:

AYES: Suarez, Horton, and Gomez
NOES: None
ABSENT: None
ABSTAIN: None

Commissioner Horton nominated Commissioner Gomez for EDFA Vice-Chair. Commission Chair Ramirez seconded the motion. Commissioner Gomez accepted the nomination and motion passed by the following vote to wit:

AYES: Ramirez, Suarez, and Horton
NOES: None
ABSENT: None
ABSTAIN: None

Commissioner Horton nominated Commissioner Suarez for EDFA Secretary. Commission Vice-Chair Gomez seconded the motion. Commissioner Suarez accepted the nomination and motion passed by the following vote to wit:

AYES: Ramirez, Horton, and Gomez
NOES: None
ABSENT: None
ABSTAIN: None

3. DISCUSSION: APPROVED FY 2018-19 BUDGET AND 2ND QUARTER REPORT FOR 2018-19- PRESENTED BY FINANCE DIRECTOR KARLA LOBATOS

FD Lobatos presented to EDFA Commissioners the approved City of Calexico 2018-19 budget and the 2nd Quarter Report for 2018-19. FD Lobatos reported that the City's revenues had increased; more money in property tax had come in to the City; there were salary savings due to vacancies. FD Lobatos also reported she was being meticulous on all expenditure requests coming to her for approval. FD Lobatos further reported that the newly voter-approved TOT (Transient Occupancy Tax), would be bringing in more tax.

Commission Chair Ramirez inquired about the ambulance fee billing. FD Lobatos reported that the City was still trying to negotiate new contracts with both Medical and Medicare; she further reported that she has not let up on trying to get the new fees collected from those agencies, but that it has been difficult in trying to contact the right parties for the agencies. FD reported that

the new fees are being charged already, except for Medical and Medicare. Unfortunately, most of the ambulance service calls are Medical and Medicare customers, so the revenue expected will be lower until the contracts are re-negotiated. Commissioner Horton advised that the our State

representatives should be contacted (Vargas, Hueso, or Garcia). Mr. Figueroa advised that FD Lobatos had an extensive background on medical billing and that she was going above and beyond to resolve this issue. FD Lobatos advised the EDFA commissioners that the renegotiation of the contracts should have been done prior to the new fee increase. FD Lobatos further stated that she thought it would be a few months before this matter was resolved. FD Lobatos also reminded the commissioners that all this process was done prior to her arrival to the City.

Mr. Figueroa reported to the EDFA commissioners that FD Lobatos had established many a check and balance system and that she ran a tight reign on the City's expenses. FD Lobatos stated that many of the new changes had been established as a result of the State Auditors audit and that the changes had been implemented right away. FD Lobatos also reported that 2017-18 year end would be done by March, which was earlier than last year, which was done in April. FD Lobatos further stated that she hoped that 2018-19 year end might be done earlier next year. FD Lobatos further stated that she would be starting next year's budget preparations in a few weeks already.

Commission Secretary Suarez inquired as to the revenue projections coming in from the cannabis sales. Mr. Figueroa advised that Measure K would be providing tax revenue to the City of 10% for cannabis sales, \$16 per square foot of cultivation, and 3% of gross receipts for manufacturing. Mr. Figueroa advised the commissioners that the Planning Commission was set to meet on Monday, March 25th, to make/recommend some changes on the cannabis ordinance.

4. DISCUSSION: ECONOMIC DEVELOPMENT REPORT -- PRESENTED BY ECONOMIC DEVELOPMENT DIRECTOR MIGUEL FIGUEROA

Mr. Figueroa started his presentation where he left off on the meeting of November 19th. Mr. Figueroa continued with a brief rundown on that he's done in the past year and one half that he's been with the City.

Mr. Figueroa updated the commissioners on the Economic Development matrix, which now included the cannabis industry. Mr. Figueroa specified that the tax revenue from this industry will not solve all of the City's financial issues. Mr. Figueroa stated that the cannabis commercial activities included retail businesses and manufacturing of cannabis. He further reported that the numbers for the revenue would probably not be out until the second quarter of 2019-20.

Mr. Figueroa further reported that he was working on reviewing and finding options to update of Development Services fees. Per Mr. Figueroa the last fee study had been done a number of years ago by Maximus and currently the City was playing catch-up to be up to par with other municipalities.

Mr. Figueroa also reported that a new FED Ex distribution center would be coming into the Towncenter Plaza. Per Mr. Figueroa, this new distribution center would bring in 60-70 new jobs to Calexico.

Mr. Figueroa reported that the Mega Park project was also getting revitalized. The first phase of the Mega Park project entailed 30 acres that could see the development of industrial and hospitality businesses coming in.

Mr. Figueroa also reported that the City had hired a consultant that would be taking care of the planning services within the Development Department. Mr. Figueroa advised that he felt that this new person might be the right fit for the department.

Mr. Figueroa reported that the Community and Economic Development Department had been awarded a \$500,000 grant to offer first time home buyer loans and house rehabilitation loans. Mr. Figueroa further stated that the Community and Economic Development Department would be using funds for the purchase of equipment and office supplies. Per Mr. Figueroa, eventually there would be funds to hire more staff. Mr. Figueroa also reported that the City will be applying for CDBG grant money in the coming months.

5. DISCUSSION: STATEMENT OF ECONOMIC INTERESTS – FORM 700 – PRESENTED BY
DEPUTY CITY CLERK GABRIELA GARCIA

Deputy City Clerk Gabriela Garcia went over the Statement of Economic Interest with the EDFA commissioners and advised that all commissioners needed to complete the form as per City Ordinance #2018-85, and return it to her 30 days from the date that they receive the form (April 2nd would be the deadline).

6. DISCUSSION: AB 1234 ETHICS TRAINING – PRESENTED BY DEPUTY CITY CLERK
GABRIELA GARCIA

Deputy City Clerk Gabriela Garcia advised the commissioners that they were required to complete the AB 1234 Ethics training 30 days from the date of appointment (April 2nd). Deputy Clerk Garcia also provided the commissioners with a copy of the flyer of the upcoming Brown Act and Roberts Rule training to be held on April 4, 2019, at 6pm.

ADJOURNMENT

There being no further business, motion to adjourn the meeting was made by Commissioner Horton and seconded by Secretary Suarez. Meeting was adjourned at 7:18 p.m.



Enrique Roman Ramirez, Chairperson

Martha L. Gomez, Deputy Clerk

THE ECONOMIC DEVELOPMENT AND FINANCIAL ADVISORY COMMISSION MET IN SPECIAL SESSION ON THE 11TH DAY OF JUNE 2019 AT 6:00 P.M. AT THE FERNANDO "NENE" TORRES COUNCIL CHAMBERS, 608 HEBER AVENUE, CALEXICO, CALIFORNIA.

CALL TO ORDER

Vice-Chair Gomez called the meeting to order at 6:05 p.m. Vice-Chair Gomez was covering for Chair Ramirez who was running late.

ATTENDANCE:

Chair Enrique Ramirez – late, arrived at 6:30 p.m.
Vice-Chair Esther Gomez
Commissioner Benjamin Horton
Commissioner Camilo Garcia
Secretary Bruno Suarez - Absent

PLEDGE OF ALLEGIANCE

Commissioner Horton led those present in the Pledge of Allegiance.

APPROVAL OF AGENDA

Motion was made by Commission Member Horton to approve agenda. Motion was seconded by Commissioner Garcia and passed by the following vote to wit:

AYES: Gomez, Horton, Garcia
NOES: None
ABSENT: Suarez, Ramirez (late)
ABSTAIN: None

ANNOUNCEMENTS/PUBLIC COMMENTS/PUBLIC APPEARANCES:

None.

BOARD MEMBER COMMENTS AND REPORTS:

Commissioner Garcia thanked those present for his appointment and stated that he is looking forward to serving in the commission.

Commissioner Horton stated that it was a pleasure to be a part of the commission. Commissioner Horton stated that he felt that the city had a lot of issues that needed attention to, and that he had briefed the council on those issues, and had also provided a memorandum to Mayor Pacheco. Mr. Horton further advised that he wanted to know the administrative procedure of adding items onto the agenda for future meetings.

Commissioner Garcia stated that he would like to see the agenda back-up when it is emailed to the commissioners. Finance Director Lobatos stated that there was no back-up on this agenda other than the minutes that were going to be

approved, until a few moments before the start of the meeting. Finance Director Lobatos stated that she would try to get any back-up items pertaining to the agenda if anything was available.

Vice-Chair Gomez advised that she had attended the IVEDC Summit on May 30th. Vice-Chair Gomez brought along a copy of the agenda of the General Assembly meeting to provide to the commissioners. Staff will scan the documents and forward them to all commissioners for their review.

CONSENT AGENDA:

1. CONSENT: APPROVAL OF ECONOMIC DEVELOPMENT AND FINANCIAL ADVISORY COMMISSION MINUTES FOR MEETING OF MARCH 12, 2019.

Motion was made by Commissioner Horton to approve the Economic Development and Financial Advisory Commission minutes for the meeting of March 12, 2019. Motion was seconded by Vice-Chair Gomez. Commissioner Garcia acknowledged reviewing the minutes and passed by the following vote to wit:

| | |
|----------|-----------------|
| AYES: | Horton, Gomez |
| NOES: | None |
| ABSENT: | Ramirez, Suarez |
| ABSTAIN: | None |

Commissioner Garcia acknowledged review of the minutes due to him not being present during the meeting of March 12th.

DISCUSSION AND POTENTIAL ACTION ITEMS:

2. DISCUSSION: FY 2017-18 FINANCIAL AUDIT STATUS UPDATE – PRESENTED BY FINANCE DIRECTOR KARLA LOBATOS

Finance Director briefed the commissioners on last year's financial audit, FY 2017-18. Ms. Lobatos stated that there were some delays and that the auditors were still working on trying to complete it. Ms. Lobatos stated that she was hopeful that all issues that had come up with the auditors' requests would be resolved and it would be completed by the end of the week, (June 14th).

3. DISCUSSION: FY 2019-20 BUDGET PROGRESS – PRESENTED BY FINANCE DIRECTOR KARLA LOBATOS

Finance Director Lobatos presented the commissioners with a printout of the presentation she had provided to City Council on FY 2018-19 3rd Quarter Report and the information provided to staff for preparation of the FY 2019-20 budget.

Ms. Lobatos stated that the 3rd Quarter Report reflected the lack of revenue from the cannabis tax (\$650,000), the lack of Community Development fees (\$350,000); which combined, would have brought in \$1 million. Ms. Lobatos presentation also reflected the revenue brought in by the SRO contract with the CUSD, (\$15,000) and various interfund transfer (totaling \$\$599,000). Ms. Lobatos stated that the projected revenues for the cannabis tax and the community development fees will be much higher for FY 2019-20.

Economic Development Director and Assistant City Manager Miguel Figueroa also advised the commissioners that internal controls had been established to cut on expense, such as overtime and on differential pay. Mr. Figueroa further stated that Ms. Lobatos had met with police and fire regarding their overtime expense and that they had been advised that it had to cease immediately.

Commissioner Horton inquired if special reports were being provided to the City Council measuring the effectiveness of staff as a result of the cuts (in overtime/manpower). Mr. Figueroa stressed to the commission that no special report had been given to the City Council, but that the departments had internal measures to gauge the trends within their departments.

Ms. Lobatos advised the commissioners that she would be starting this year's financial audit (2018-19) much sooner so that the year could be closed as soon as possible. Ms. Lobatos' goal is to start audit proceedings by September 2019.

Ms. Lobatos was optimistic for the new fiscal year, with revenue from the cannabis tax coming in, no furloughs for employees, and hopefully additional revenues coming in from property taxes and sales taxes.

Commissioner Horton asked if city offices would be open every Friday, now that there were no more furloughs. Commissioner Horton was advised by Ms. Lobatos and Mr. Figueroa that the Friday that city offices are closed is due to the employees working the 9/80 work schedule. Commissioner Horton also asked about a budget for the Carmen Durazo Cultural Arts Center. Mr. Figueroa stated any money made from the Carmen Durazo Cultural Arts Center should go right back to the Center for maintenance of facility.

Commission Chair Ramirez inquired as to the city's lease of property and as the leases' duration. Mr. Figueroa stated that all city leases were being looked into. Mr. Figueroa advised that leases should be from 20-30 years, but that sometimes you had to sale properties to help during financial difficulties. Mr. Figueroa stated that the city had a few leases or properties that were only generating \$1 per year. Mr. Figueroa stated that the city could not let money go, and that those leases needed to be re-negotiated.

Ms. Lobatos summarized that 3rd Quarter Report had already been presented to City Council and the FY 2019-20 Budget would be presented to City Council within the next few weeks. Ms. Lobatos further advised that she had just celebrated her one year anniversary with the city and she feels confident that she has been making adjustments to the city's finance department and is also reducing the time that the city's financial consultant visits, thus saving the city a substantial amount too. Commissioner Garcia stated that in-house controls were needed as much as possible, and that administration needed to rely on department heads, but they needed to be allowed to do their job (department heads).

4. DISCUSSION: ECONOMIC DEVELOPMENT REPORT – PRESENTED BY ECONOMIC DEVELOPMENT DIRECTOR MIGUEL FIGUEROA

Mr. Figueroa reported that the Business Improvement District (BID) met three times since they started meeting in the month of April. Mr. Figueroa reported that the BID has been very active and has had various events in downtown, i.e. the Annual Car Show, Dia de Las Madres events, etc. Mr. Figueroa stated the BID board would be working on an event calendar to schedule events for the entire year. Mr. Figueroa further advised that there was a Downtown Action Plan for various projects; one being the Rockwood Plaza project between First Street and Second Street that was being realized with a SCAG grant of \$200,000. No City funds would be invested in this project. Per Mr. Figueroa, a facilitator would be hired with the sustainable grant.

Mr. Figueroa briefed the commissioners on Measure “K” (cannabis project). Mr. Figueroa again advised the commissioners that cannabis taxes were not coming in as expected, but that was not just in Calexico, but throughout various the entire state of California. Mr. Figueroa further explained that Measure “K” would allow for revenues to be collected from retail, manufacturing, and cultivation. Mr. Figueroa further reported that storefronts for the permitted had been increased from 5 to 7 by the City Council. Mr. Figueroa further reported that City Council was being conservative in their consensus to approve the cannabis project, by allowing any cannabis business to take place in a specific area. Mr. Figueroa further advised that most of the cannabis taxes would be coming in from permits that will be issued, construction, and fees paid.

Mr. Figueroa reported to the commissioners that a settlement agreement had been reached with Santo Tomas Swap Meet and the City of Calexico. Per Mr. Figueroa, the document had short term goals and long term goals that San Tomas needed to take care. Commissioner Horton inquired as to how the vendors were going to be assisted with transferring their business licenses back to Santo Tomas. Mr. Figueroa stated that the city would be honoring their business licenses and if they had already paid it, they would be able to transfer it to another location. Mr. Figueroa further informed the commissioners that the Santo Tomas Swap Meet was an operating and management, an autonomous business.

Mr. Figueroa reported that Applebee’s would not be closing in June as previously reported. The City was able to assist the property owner and the franchise owner come to an agreement with the landlord; thus saving 44 jobs.

Mr. Figueroa briefed the commissioners on the Megapark project. Per Mr. Figueroa, the project seems to be picking up again after being dormant for a while. The plans are for medical service development and industrial logistics developments.

Mr. Figueroa also briefed the commissioners on the El Portal housing development. Per Mr. Figueroa, El Portal would have approximately 1,000 units (houses/apartment units), and it would be developed in 3 phases.

Mr. Figueroa reminded the commissioners of the upcoming construction of the FedEx distribution center that would be going up in the Portico area.

Finally, Mr. Figueroa present to the commissioners the draft version of a new brochure that was being developed. The city had hired this professional firm to create this brochure that would highlight the city.

ADJOURNMENT

There being no further business, motion to adjourn the meeting was made by Chair Ramirez and seconded by Vice-Chair Gomez. Meeting was adjourned at 7:57 p.m.



Enrique Roman Ramirez, Chairperson

Martha L. Gomez, Deputy Clerk

THE ECONOMIC DEVELOPMENT AND FINANCIAL ADVISORY COMMISSION MET IN SPECIAL SESSION ON THE 9TH DAY OF JULY, 2019 AT 6:00 P.M. AT THE FERNANDO "NENE" TORRES COUNCIL CHAMBERS, 608 HEBER AVENUE, CALEXICO, CALIFORNIA. THE DATE, HOUR AND PLACE DULY ESTABLISHED FOR THE HOLDING OF SAID MEETING.

CALL TO ORDER

Commissioner Ramirez called the meeting to order at 6:00 p.m. and those present were led in the pledge of allegiance.

ATTENDANCE

Chairperson: Enrique R. Ramirez
Secretary: Bruno Suarez
Commissioner: Ben Horton
Commissioner: Camilo Garcia

ABSENT

Vice-Chairperson: Esther Gomez

APPROVAL OF AGENDA

Motion was made by Commissioner Horton to approve the agenda as presented. Motion was seconded by Commissioner Suarez and passed by the following vote to wit:

AYES: Ramirez, Suarez, Horton, Garcia
NOES: None
ABSENT: Gomez
ABSTAIN: None

BOARD MEMBER COMMENTS AND REPORTS

Ben Horton spoke on comments for the minutes on a flyer presented at a prior meeting. He was advised it could be discussed under consent.

Commissioner Garcia spoke on the Cultural Arts Center and the liability of opening the Cultural Arts Center with the condition of the air conditioning units.

Commissioner Horton commented on funds generated by the cultural arts center not going back to the center and the funding is going to general fund. Commissioners commented on the lease for the cultural arts center and the funding generated from the rental of the center. He also commented on the air conditioning units not functioning in the center and the need for the units to be repaired. Commissioner Horton requested information on revenues and expenditures for the center. Finance Director Lobatos stated she would look into the lease and the funding of the center.

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Commissioner Horton commented on the flyer presented and presented a profile on the City of Calexico by the County which includes information and is free to the public. He expressed his concern over a payment of \$12,000 for a product that included misspellings. He requested comments by Commissioner Camilo Garcia in his email on the flyer be included in the minutes for the prior meeting. City Clerk advised Mr. Horton his comments could not be included in the prior meeting minutes because it was not discussed at the meeting however, they would be part of the present meeting minutes.

Commissioner Garcia stated his concerns over the flyer and stated the need to sell and showcase the city and include within it comprehensive information on the properties in a professional presentation that can be used for developers.

CONSENT AGENDA

Motion was made by Commissioner Suarez seconded by Commissioner Garcia to approve the consent agenda consisting of the Economic Development and Financial Advisory Commission Minutes for meeting of June 11, 2019. Motion passed by the following vote to wit:

| | |
|----------|---------------------------------|
| AYES: | Ramirez, Suarez, Horton, Garcia |
| NOES: | None |
| ABSENT: | Gomez |
| ABSTAIN: | None |

DISCUSSION: FY 2019-20 BUDGET PRESENTATION BY FINANCE DIRECTOR KARLA LOBATOS

Finance Director Lobatos presented the 2019-20 Budget and discussed objectives and resolution for adoption of the budget. She presented revenues projected as follows for general fund: Property tax - \$5.5 million; Sales tax - \$4.3 million; Business licenses - \$1,023,000 million; Franchise Fees - \$723,000; other taxes - \$345,000 and Money and Property - \$ 491,000 (leases and investments) Sub-total of \$12 million. She presented city wide expenditures including \$42 million in the capital program. Director Lobatos provided a detailed explanation on the Program Revenues in the amount of \$3,437,147 and Interfund transfers of \$387,000 for a total of \$16 million in total revenues, and an overall explanation of self-insurance programs, city-wide personnel/workforce and general fund reserves and continue on a five year path to fiscal recovery. She advised the City will end the year with a \$190,000 surplus. Director Lobatos responded to comments and questions from commissioners.

ANNOUNCEMENTS/PUBLIC COMMENTS:

Carmen Durazo, Library, Arts and Historical Board spoke regarding the Cultural Arts Center revenues and a budget for the center. She spoke on having staff at the center for their events and various items needed at the center such as the doors and the air conditioning units which need to be replaced. She expressed her concern over the need for new air conditioning, building maintenance, the center lease and asked whether the budget included a line item for the cultural arts center.

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Javier Moreno expressed his concerns over the safety of the building with regards to the problem with the front door of the center.

Commissioner Horton expressed his concerns in detail over the air conditioning at the cultural arts center and requested it be reported that the City is "wanting" on the matter.

Commissioner Garcia also expressed his concerns over issues with facilities and requested the City be more proactive on the upkeep of its buildings.

ADJOURNMENT

There being no further business, meeting was adjourned at 7:20 p.m.



Enrique R. Ramirez, Chairperson

ATTEST:

Gabriela T. Garcia, City Clerk

THE ECONOMIC DEVELOPMENT AND FINANCIAL ADVISORY COMMISSION MET IN SPECIAL SESSION ON THE 10TH DAY OF SEPTEMBER 2019 AT 6:00 P.M. AT THE FERNANDO "NENE" TORRES COUNCIL CHAMBERS, 608 HEBER AVENUE, CALEXICO, CALIFORNIA.

CALL TO ORDER

Vice-Chair Gomez called the meeting to order at 6:00 p.m. Vice-Chair Gomez was covering for Chair Ramirez who would not be attending the meeting.

ATTENDANCE:

Vice-Chair Esther Gomez
Commissioner Benjamin Horton
Commissioner Camilo Garcia

Chair Enrique Ramirez – Absent
Secretary Bruno Suarez – Absent

PLEDGE OF ALLEGIANCE

Commissioner Garcia led those present in the Pledge of Allegiance.

APPROVAL OF AGENDA

Motion was made by Commission Member Horton to approve agenda. Motion was seconded by Commissioner Garcia and passed by the following vote to wit:

AYES: Gomez, Horton, Garcia
NOES: None
ABSENT: Suarez, Ramirez
ABSTAIN: None

ANNOUNCEMENTS/PUBLIC COMMENTS/PUBLIC APPEARANCES:

None.

BOARD MEMBER COMMENTS AND REPORTS:

Commissioner Garcia asked why there were no minutes from the last meeting. Ms. Gomez advised that City Clerk Gabriela Garcia had taken the minutes and had been able to complete them in time for the schedule meeting. Ms. Gomez advised that there would be two (2) sets of minutes to be approved for the October 8th meeting.

Commissioner Garcia inquired as to Mr. Figueroa's pamphlet update that was going to be used to market the City. City Manager David Dale advised that those pamphlets had received final approval and were being handed out already.

Commissioner Garcia also requested on update on the downtown development. Commissioner Garcia suggested that a joint BID and EDFA meeting could be held so that both commissions could be informed

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on each other's projects. Finance Director Lobatos advised that BID meetings were held during the mornings, but advised that she would notify Mr. Figueroa about their request for a joint meeting.

Commissioner Horton would like to inform the public that the EDFA meeting was being recorded. Commissioner Horton additionally advised that the BID would be hosting the 16th of September celebrations in conjunction with the Mexican Consulate on Friday, September 13th. Per Commissioner Horton, the Mexican Independence Day celebration would be held at Crummett Park, in lieu of downtown. City Manager Dale advised that the event had been fast-tracked and moved the Crummett Park due to security reasons. If the event would have been held in the downtown area, it would be costing the City \$25,000 for public safety; by moving the event to Crummett Park, the cost went down to \$5,000.

Commissioner Horton asked that any minutes that needed to be ratified by City Council needed to be submitted for ratification as soon as possible.

Vice-Chair Gomez congratulated City Manager Dale for the unveiling event of Cesar Chavez Boulevard and Second Street. Vice-Chair Gomez stated it was a very nice event. Vice-Chair Gomez notified the commissioners of the Joint Chambers Mixer coming up on October 23rd; she informed that Sun Community Federal Credit Union would be hosting the event in Brawley.

DIRECTOR'S REPORT

Finance Director Lobatos reported that finance is already working in Year End 2018-19. Finance Director Lobatos is estimating that a draft of the year end report would be presented to Council by the October 2nd meeting. Director Lobatos believes that 80-90% of the report should be completed by the time of presentation.

Finance Director Lobatos advised the commissioners that she had presented the Basic Financial Statements of Independent Auditor's Report for Year Ended June 30, 2018. The final report was presented to Council on September 4th. The TDA report from the auditor's was also presented on that Council meeting date. Finance Director Lobatos advised that Pun Group auditors were not available to come in to the Council meeting for the presentation. Finance Director Lobatos further advised that audit preparations would be starting earlier this fiscal year too, during January 2020. City Manager Dale also advised that budget workshops would also be scheduled during the that time too.

Commissioner Garcia inquired as to the internal controls referenced in the audit, in particular with the City's spending practices and meeting of deadlines with the State and the Federal government. Commissioner Garcia also referenced that he would like to see this type of report prior to their presentation to Council. Finance Director Lobatos agreed with Commissioner Garcia; she also informed that sometimes it is imperative to get Council approval on reports, and reports are not received with enough time to be approved by the commission(s). Finance Director Lobatos stressed that the timelines on submissions of reports to Council cannot always be controlled by staff. City Manager Dale advised the commissioners that he had pushed for the audit to be presented to Council as soon as it was received. Commissioner Garcia understood the timeline issues, but stressed that in order to have transparency of the city process, and encouraged the budget workshops.

CONSENT AGENDA:

No consent agenda items.

DISCUSSION AND POTENTIAL ACTION ITEMS:

**1. DISCUSSION: BASIC FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT
– PRESENTED BY FINANCE DIRECTOR KARLA LOBATOS.**

Finance Director Lobatos advised the commissioners that the City's Basic Financial Statement and Independent Auditor's Report had been presented to Council on September 4th. She further advised that the Report was done according to GASB and what was provided to the auditors. Finance Director Lobatos advised that there were three (3) findings that had been reported and that those finding had been addressed as they came up. One of the findings was on the shortage of staff, which Finance Director Lobatos has addressed in the past year by hiring and filling vacancies. Finance Director Lobatos advised that this finding (lack of staff) had been carried over from prior years. Another finding was that the finance staff was not experienced, which is also something that Finance Director has addressed with the newly hired staff (hiring of an accountant during FY 2018-19). The final finding was the CDBG reporting from Housing to the State. Finance Director Lobatos stated that this issue was being address by Mr. Figueroa.

Commissioner Garcia inquired if the audit was done on the items provided by staff, how comprehensive is the audit? Finance Director Lobatos advised that the auditors request samples of information based on percentage of activity. Per Finance Director Lobatos the auditors will request purchase orders, the invoice to the purchase order, making sure that it has all appropriate signatures, and attached back-up documentation; that is the information provided by staff upon the auditors' request. Finance Director Lobatos reported that usually 3-4 auditors come in to do the field work, and there are additional auditors at their office also working on the audit.

**2. DISCUSSION: TRANSPORTATION DEVELOPMENT ACT (TDA) ARTICLE 3 AND ARTICLE
8e – PRESENTED BY FINANCE DIRECTOR KARLA LOBATOS**

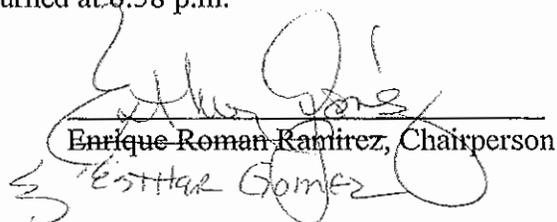
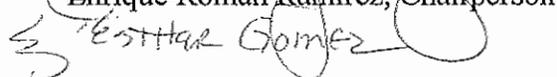
Finance Director Lobatos presented the commissioners with the Transportation Development Act (TDA) report. She advised the commissioners that it is a requirement that the TDA be audited separate from the Basic Financial Statement and Independent Auditors' Report. Finance Director Lobatos advised that there were no findings in the TDA report.

FUTURE AGENDA ITEM(S)

Commissioners requested that information be provided on how long the City was going to take to pay off JPIA.

ADJOURNMENT

There being no further business, motion to adjourn the meeting was made by Commissioner Horton and seconded by Commissioner Garcia. Meeting was adjourned at 6:58 p.m.


Enrique Roman Ramirez, Chairperson


Martha L. Gomez, Deputy Clerk