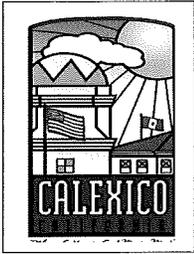


**AGENDA
ITEM**

03



AGENDA STAFF REPORT

DATE: October 3, 2018
TO: Mayor and City Council
APPROVED BY: David B. Dale, City Manager *DD*
PREPARED BY: Miguel Figueroa, Assistant City Manager *MJF*
SUBJECT: Ratification of Economic Development/Financial Advisory Commission Minutes for the Meeting of August 21, 2018.

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Recommendation:

Ratification of Economic Development/Financial Advisory Commission Minutes for the Meeting of August 21, 2018.

Background:

Commission staff liaison shall prepare minutes of the proceedings of each Economic Development/Financial Advisory Board 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/Financial Advisory Commission for the Meeting of August 21, 2018 have been approved by the commission and signed by the chairperson for ratification by Council.

Fiscal Impact: None.

Coordinated With: None.

Attachments:

Minutes for Economic Development/Financial Advisory Commission
Minutes for the Meeting of August 21, 2018.

AGENDA
ITEM
3

THE ECONOMIC DEVELOPMENT AND FINANCIAL ADVISORY COMMISSION MET IN SPECIAL SESSION ON THE 21ST DAY OF AUGUST 2018 AT 6:00 P.M., AT THE CITY HALL, FERNANDO "NENE" TORRES COUNCIL CHAMBERS, 605 HEBER AVENUE, CALEXICO, CALIFORNIA. THE DATE, HOUR AND PLACE DULY ESTABLISHED FOR HOLDING SUCH SAID MEETING.

CALL TO ORDER

Commissioner Ben Horton called the meeting to order at 6:01 p.m.

ATTENDANCE:

Chairman: Benjamin Horton
Vice-Chairman: Ismael Lopez
Commissioner: Enrique Roman Ramirez
Mayor ProTem Jesus Escobar – arrived at 6:07 p.m.

Economic Dev. Miguel Figueroa
Director
Finance Director Karla Lobatos

PLEDGE OF ALLEGIANCE

Benjamin Horton led those present in the Pledge of Allegiance.

APPROVAL OF AGENDA

Motion was made by Vice-Chair Lopez to approve the agenda as presented. Motion was second by Commissioner Ramirez and passed by the following vote to wit:

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

ANNOUNCEMENTS/PUBLIC COMMENTS:

No members of the public approached the commissioners for public comments.

BOARD MEMBER COMMENTS:

No comments from commissioners.

DIRECTOR'S REPORT:

Director Figueroa reported that various workshops for the public would be held on Thursday, August 23, 2018, at the Carmen Durazo Cultural Arts Center to discuss the traffic flow issues with the Calexico West Port of Entry. The times for the meeting would be 7:30 a.m. to 10:30 a.m., 12:30 p.m. to 2:30 p.m., and 4:00 p.m. to 7:30 p.m. The meeting is for all the changes that will be taking place on September 1st.

CONSENT AGENDA:

1. APPROVAL OF ECONOMIC DEVELOPMENT AND FINANCIAL ADVISORY COMMISSION MINUTES FOR MEETING OF JULY 10, 2018.

August 21, 2018

Motion was made by Commissioner Ramirez to approve the Economic Development and Financial Advisory Commission minutes for meeting of July 10, 2018. Motion was seconded by Vice-Chair Lopez and passed by the following vote to wit:

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

DISCUSSION AND POTENTIAL ACTION ITEMS:

2. DISCUSSION – STATUS REPORT OF ECONOMIC DEVELOPMENT PROJECT PLAN AS PRESENTED BY MIGUEL FIGUEROA.

Mr. Figueroa stated that in January of 2018 meeting, the commission had been presented with nine (9) Economic Development objectives. Mr. Figueroa stated that these objectives were part of the strategic plan that was being worked on by the City administration and the City Council. Mr. Figueroa advised that a retreat was held with City Council and City administration in 2017 to address and discuss the strategic plan, but the plan was never adopted. Mr. Figueroa suggests that the EDFA pick up the plan with the 9 objectives and make additional recommendations.

Chair Horton advised that if possible, could they have this plan made available to them so that the EDFA commission could review it and be ready for the next EDFA meeting, and make a recommendation to the City Council. Vice-Chair Lopez commented that the commission should be presented the plan as is, so that they can evaluate the plan as presented and then make recommendations for their September meeting, thus making approving a recommendation right away, instead of delaying any action. Chair Horton concurred with Vice-Chair Lopez and requested that the plan be provided to the commission as is. Mr. Figueroa advised the commission that that was his intent, to present the commissioners with the plan, and not delay the process further.

3. DISCUSSION – FISCAL YEAR 2017-18 FINANCIAL UPDATE AND TENTATIVE CLOSING SCHEDULE AS PRESENTED BY KARLA LOBATOS.

Ms. Lobatos presented the EDFA commission with a Power Point presentation outlining the City's Finance Department year-end close, the objectives, and steps to get there. Ms. Lobatos advised the EDFA commission that she had just taken a governmental fiscal course, in which they had gone over the year-end closing process. Thus, Ms. Lobatos would highlight key points of the a seven-step process to success, with objectives for the closing of the year-end, to provide accurate information, to include future staff development and cross-training. Ms. Lobatos advised the EDFA commission that there were many accounts and funds, not just General Fund, that need to be closed, and that closing each account/fund one was like closing a company. Ms. Lobatos advised the EDFA commission that the cut-off to for FY 2017-18 chargers would be Friday, August 24, 2018. Anything coming in to Finance after that date would be charged to FY 2018-19. Ms. Lobatos further advised that the audit will be starting in December 2018. Ms.

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Lobatos further advised that last year the audit process did not start until March, so she would have an early start this year, and hoped for an audit with minimal findings.

Chair Horton inquired from Ms. Lobatos as to her staff's knowledge and efficiency on using the of the Finance Department's software. Chair Horton further stated that he was under the notion that staff was not educated on the software, and it was not being used to level where it should be used at. Ms. Lobatos stated that the software was not new; it was over four (4) years old, and as far as she was aware, no training had taken place in which Finance staff had participated. Mayor ProTem Escobar further clarified if the software was not being used to its potential, what are the plans to make staff proficient on the software.

Mr. Figueroa stated that those were internal control issues, and that they were being worked on, and that a breakdown on the software's capabilities could be provided. Ms. Lobatos stated that the software was probably being used at 80%, reason being that modules were not purchased due to lack of funding. Vice-Chair Lopez inquired as to the status of ALL City of Calexico users; how well were they using the software. Ms. Lobatos stated that she could not provide that information, but that all employees in the various departments that needed access to the software were linked to the software. Ms. Lobatos stated that the purchasing element of the software had no issues, and that PO's were being satisfactory generated.

Ms. Lobatos continued with her presentation on the year-end closing process and how information was compiled and put in binders and that this information was provided to the auditors. Chair Horton inquired why it was not provided on a flash drive or CD; Ms. Lobatos stated that the electronic files were also provided, but the auditors also wanted the back-up on various accounts/funds, and that was what was in the binders.

Chair Horton inquired as to whether Ms. Lobatos would be presenting this Power Point presentation to the City Council and as to when what was going to be given to the auditors. Ms. Lobatos stated that a check list had assignments for staff of information to be provided to the auditors. Ms. Lobatos further stated that the information provided is based on what their past requests had been, and what they might be requesting this time too.

4. PRESENTATION/DISCUSSION – SUMMARY REPORT OF CITY OF CALEXICO BOND AS PRESENTED BY KARLA LOBATOS.

Ms. Lobatos presented the EDFA commission with a list of bonds that had been requested by them. Ms. Lobatos reported that this schedule of bonds was from last fiscal year and indicated how much the City owed on each bond. This listing was provided so that the EDFA commission could be informed, and they could make sound decisions and recommendations to the City Council.

Mr. Figueroa stated that he wanted the commissioners to have this information so that they had the information to review, follow due process and make proper recommendations to the City Council. Mr. Figueroa further stated that the upcoming presentation by Mr. Dan Massiello would provide more of a summary on the bonds and refinancing matter.

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5. PRESENTATION – REVIEW AND ANALYSIS OF INVESTMENT BANKING SERVICES TO THE CITY OF CALEXICO IN RELATION TO WATER REVENUE BOND REFUNDING AS PRESENTED BY DAN MASSIELLO, SR. VICE-PRESIDENT PUBLIC FINANCE KOSMONT COMPANIES.

Mr. Figueroa introduced Mr. Dan Massiello, Sr. Vice-President from Public Finance Kosmont Companies, Mr. Massiello would be providing a presentation on bond re-financing. Specifically, bonds that the city would benefit on refinancing. Mr. Massiello specified that it was a good opportunity for the city to consider re-financing the 2007 water bond, as it had a good bond rating, and given the city's financial struggles, the water system had maintained and not suffered. Mr. Massiello further stated that with the reserves that the city would obtain with the refinancing, the city's CIP programs would benefit. Chair Horton inquired as to insurance for the bond, and what would happen if the insurance company became insolvent. Mr. Massiello stated that bond insurance could be purchased with the trustee, which was a common practice.

City Manager Dale stated that the purpose was not to have a huge reserve, but to have the bond's reserves for the CIP for the sewer system. Mr. Figueroa stated that re-financing the bond would also provide for a more sound Enterprise Fund. Mr. Massiello stated that re-financing the bond is worthy of the commission recommending it to the City Council and to discuss the options presented to them. The re-financing would be at a fixed rate of 4.5%. Chair Horton called for a motion to formulate a plan concept to present to City Council their recommendation to re-finance the bond. First motion was made by Commissioner Ramirez and seconded by Vice-Chair Lopez. Motion was passed by the following vote to wit:

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

Second motion to provide a comprehensive analysis and present to City Council was made by Commissioner Ramirez and seconded by Vice-Chair Lopez. Motion was passed by the following vote to wit:

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

Mr. Massiello's presentation on the Analysis of Underwriter Qualifications would be done to staff, and they would be making a recommendation. Mr. Figueroa and Ms. Lobatos would meet with Mr. Massiello to discuss this issue.

6. PRESENTATION – CITY OF CALEXICO 110TH ANNIVERSARY EXPENDITURES AS PRESENTED BY MIGUEL FIGUEROA AND KARLA LOBATOS.

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Ms. Lobatos presented a summary of expenses for the City's 110th Anniversary Celebration. The report is detailed by sponsorships and expenses and by the events held for the City's 110th Anniversary. Chair Horton inquired as to why the logo for the celebration is noted as costing \$850, when he thought it was going to cost \$200. He further inquired why the banners were allowed to be purchased in Mexico, when this was a City event and no taxes would be paid on those expenses. Chair Horton expressed that he was perturbed and upset about this purchase.

Chair Horton further questioned why the Mayor's Summit is shown as an expense, when that should have been a City-funded expense. Mr. Figueroa did clarify that UETA's sponsorship included the sponsorship of the Mayor's Summit. Chair Horton stated he would like to see something to that effect as to their specifics on their sponsorship.

City Manager Dale reported that a special account had been set up in General Fund to take in all the sponsor funding so that it could easily be tracked. Chair Horton inquired if the expenses had been approved by the City Council. Ms. Lobatos stated that she was not sure if they had been, but that they were all listed in the monthly warrants reports.

Chair Horton further questioned the 110th Anniversary Celebration Gala dinner expenses, and the reason why so much food had been ordered, so much that it was being given away at the end of the night. Chair Horton expressed that it seemed like there was no budget and that the events lacked planning. Mr. Figueroa stated that a sub-committee was created and approved by city council to oversee the planning of the anniversary celebrations.

Vice-Chair Lopez stated that he would like staff that created this detailed report to come before the EDFA commission to answer questions and provide more information. Chair Horton stated that he just wanted accountability.

7. DISCUSSION – STATUS UPDATE REPORT WATER AND SEWER RATE STRUCTURE.
Mr. Figueroa stated there have been meetings in which they have discussed the water rates structure and purposed new rates. Mr. Figueroa further stated that himself, along with City Manager Dale had met with a group of people, that included council members, citizens, to discuss the specific steps that needed to take provide information to the citizens on this issue, to provide a transparent process. Ms. Lobatos and Vice-Chair Lopez have put together an analysis of the water and wastewater accounts. Ms. Lobatos stated that the report is a 7 year analysis of the water and wastewater revenues and expenses. After a brief overview by Ms. Lobatos, Chair Horton stated that the scheduled was self-explanatory. Vice-Chair Lopez stated that he had other statistical data that should be included; he would provide this information to the EDFA commission and to Ms. Lobatos.

ITEMS FOR NEXT MEETING:

Due to City Manager and Mr. Figueroa being out of town at the League of California conference on the next scheduled meeting date (September 11), next month's meeting will be held at a future date to be

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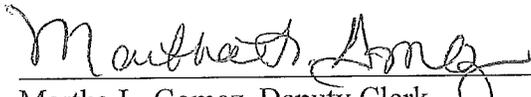
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determined. Commissioner Ramirez stated that worked for him since he would be out of town September 5th thru the 15th.

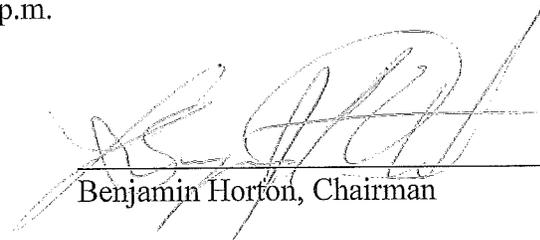
Vice-Chair Lopez inquired as to when the 5th EDFA commission member would be appointed. Mr. Figueroa stated that the City Clerk was working on having appointee(s) on the next City Council meeting for the 4th EDFA commission member. Mayor ProTem Escobar reported that he would not be appointing a commissioner to the EDFA since he was a candidate for another office and if he got elected, it would not be fair this person to be in the EDFA commission for just a few months, therefore, he would be attending the EDFA meetings.

ADJOURNMENT:

There being no further business, Commissioner Ramirez motioned to adjourn the meeting, and seconded by Vice-Chair Lopez, meeting was adjourned at 8:22 p.m.



Martha L. Gomez, Deputy Clerk



Benjamin Horton, Chairman