

**City of Emeryville  
Finance Advisory Committee**

William C Reuter, Chairperson & Resident  
Nora Davis, Council Member  
Jac Asher, Council Member  
Fran Quittel, Resident

Elizabeth Altieri, ViceChair & Business Rep  
Benay Curtis-Bauer, Business Rep  
Stephen Cutty, Labor Rep

**AGENDA**

Regular Meeting of the Finance Advisory Committee  
GARDEN ROOM, OLD TOWN HALL  
1333 Park Avenue, Emeryville, CA 94608  
**Monday, May 20, 2013, 5:30 p.m.**

All Advisory Committee meetings are noticed as Special City Council Meetings so that any or all of the City Council may attend and participate in the Advisory Committee's deliberations. However, actions taken by Advisory Committees are not official actions of the City Council but must be ratified at a regular City Council. All writings that are public records and relate to an agenda item below which are distributed to a majority of the Finance Committee (including writings distributed to a majority of the Finance Committee less than 72 hours prior to the meeting noticed below) will be available at the Information Counter, 1333 Park Avenue, Emeryville, California during normal business hours (9am to 5pm, Monday through Friday, excluding legal holidays).

In compliance with the Americans with Disabilities Act, a person requiring an accommodation, auxiliary aid or service to participate in this program should contact the sponsoring department or the City Clerk at (510) 596-7800, as far in advance as possible, but no later than 72 hours before the scheduled event. The best effort to fulfill the request will be made.

No dogs, cats, birds or any other animal or fowl shall be allowed at or brought in to a public meeting by any person except (i) as to members of the public or City staff utilizing the assistance of a service animal, which is defined as a guide dog, signal dog, or other animal individually trained to provide assistance to an individual with a disability, or (ii) as to police officers utilizing the assistance of a dog(s) in law enforcement duties.

The **AGENDA** for this meeting is as follows:

- I. **CALL TO ORDER**
- II. **PUBLIC COMMENTS**
- III. **APPROVE MINUTES FROM FEBRUARY 25, 2013 MEETING**
- IV. **AGENDA ITEMS**
  - A. Fiscal Year 2012-13 and 2013-14 Mid-cycle Budget Review
  - B. FY 2013 Third Quarter (Q3) Financial Update
  - C. Status of Alameda County Fire Services Contract
  - D. Single Audit and TDA Audit for year ended June 30, 2013
  - E. Recommend Appointment of Finance Committee Member to Economic Development Committee
  - F. Information on City and Successor Agency Debt Portfolio
  - G. Update on Redevelopment Dissolution Actions
- V. **STAFF COMMENTS**
- VI. **COMMITTEE MEMBER COMMENTS**
- VII. **ADJOURNMENT**

**FURTHER INFORMATION** may be obtained by contacting Debra Auker, Director of Administrative Services, at (510) 596-4352. The next regular scheduled meeting is **August 19, 2013 at 5:30 p.m.**

**DATED:** May 10, 2013

\_\_\_\_\_  
Karen Hemphill, City Clerk

Post on: May 15, 2013  
Post until: May 21, 2013

**City of Emeryville**  
**Finance Advisory Committee Meeting Minutes**  
**February 25, 2013, 5:30pm**

**Members Present:**

William C Reuter, Chairperson  
Nora Davis, Council Member  
Benay Curtis-Bauer, Business Rep  
Fran Quittel, Resident  
Stephen Cutty, SEIU 1021

**Staff Present:**

Patrick O'Keeffe, City Manager  
Debra Auker, Director of Administrative Services  
Michelle Strawson O'Hara, Accounting Supervisor  
Karen Hemphill, City Clerk  
Cindy Montero, Interim Community Services Director

**Excused:**

Jac Asher, Vice-Mayor, Council liaison  
Elizabeth Altieri, Vice Chairperson

- I. **Call to Order:** The meeting was called to order at 5:30 p.m.
- II. **Public Comments:** None
- III. **Minutes from November 19, 2012 Meeting:** Approved
- IV. **Agenda Items:**
  - a. **Audited Financial Statements for the Year Ended June 30, 2012 and Transfer of Fund Balances.** Debra Auker presented highlights from the Comprehensive Annual Financial Report (CAFR) and discussed recommendations for the transfer of available General Fund-Fund Balances to fund capital and long term liabilities. Bryan Gruber, Partner from LSL CPAs made a presentation outlining the annual audit process for the City of Emeryville. He confirmed that an unqualified opinion was given for the 6/30/12 CAFR, which is the best opinion available for a financial reporting audit opinion.

Members Davis and Curtis-Bauer requested more information regarding the Pension Trust Fund which currently has three participants. Specifically, they would like to understand what happens to the pension fund balance after the plan is closed out. Member Davis requested that the committee review the City's investment risk at a future meeting. Member Quittel recommended utilizing improved technology to automate attendance at the Child Development Center and help resolve some of the ongoing compliance issues reported by LSL, CPAs.

The Committee recommended acceptance of the audited financial statements to the City Council, and approval of the recommended transfers of General Fund Balances.
  - b. **FY 2013 Second Quarter (Q2) Financial Update** – Informational item only. Ms. Auker presented the report.
  - c. **Status of Alameda County Fire Services Contract** - Informational item only. Ms. Auker presented the second Quarterly Report from Alameda County Fire Department. The Committee agreed to keep a close watch over the contact costs and review the annual costs for FY 2012-13 next summer.
  - d. **Update on Redevelopment Dissolution Actions** - Informational item only. Ms. Auker provided an update on the Due Diligence items.

- e. **Community Grant Program (Karen Hemphill)** – Informational item only. Ms. Hemphill requested that the Committee make a recommendation to the Council related to the handling of the Community Grant Program for FY 2013-14. The Committee recommended that the criteria and total grant amount remain the same as it has been for FY 2013-14, but that the program be revised for future years.
  
- V. **Staff Comments:** City Manager O’Keeffe confirmed that Special Revenue Fund “San Pablo Ave. Street Lighting Assessment District” which reflects a June 30, 2012 negative fund balance of \$1,429 (page 109 of CAFR) should be closed down as the project has been completed for several years.
  
- VI. **Committee Member Comments:** A member requested that future meeting agendas be distributed as soon as they are available (no later than Wednesday before a Monday meeting). A member requested that the Committee receive regular, quarterly updates on City and Successor Agency debt. Ms. Auken to consider and add to next agenda.
  
- VII. **Adjournment:** The meeting was adjourned at 7:40 p.m.



**MEMORANDUM**

**DATE:** May 20, 2013

**TO:** Finance Advisory Committee

**FROM:** Debra Auker  
Administrative Services Director

**SUBJECT:** Fiscal Year 2012-13 and 2013-14 Mid-cycle Budget Review and Recommendation of Budget Adjustments to the City Council

**RECOMMENDATION**

Staff recommends that the Finance Advisory Committee review the proposed mid-cycle budget amendments to the Fiscal Years 2012-13 and 2013-14, and recommend approval to the City Council.

**BACKGROUND**

As part of the two-year budget cycle, the City of Emeryville Operating Budget for the 2012-13 fiscal year (FY 2013), along with the budget for the 2013-14 fiscal year (FY 2014) was adopted by the Emeryville City Council on June 19, 2012. It is now necessary to amend the budget in order to update it for circumstances which have changed during the fiscal year.

**DISCUSSION**

All departments reviewed their budgets and have proposed certain changes. These changes will be described in detail at the May 20, 2013 Financial Advisory Committee meeting and then presented in a Study Session to the City Council on June 4, 2013. A detailed schedule is attached which reflects the proposed budget amendments (Attachment A).

**General Fund – Summary of Adjustments**

Based on a review of the revenues received to date, expenditures paid, and amounts projected through June 30, 2014 the following budget amendments are proposed:

<b>Summary of General Fund Amendments</b>				
	FY 2013		FY 2014	
	FY 2013 Original Budget	Proposed Changes	FY 2014 Original Budget	Proposed Changes
Revenue	\$ 29,055,800	\$ 1,050,000	\$ 29,260,800	\$ 375,000
Expenditures	28,955,700	101,580	29,254,000	693,084
Net Change	\$ 100,100	\$ 948,420	\$ 6,800	\$ (318,084)

### **General Fund - Revenue Adjustments**

Based on the review of revenues in the General Fund staff has estimated an overall increase of \$1,050,000 in FY 2013, and \$375,000 in FY 2014. These increases are based on the general growth of the economy and increased business and development activity in Emeryville. Business license taxes and transient occupancy hotel taxes have increased significantly during the current fiscal year. Building permit revenue is greater than projected mainly due to the Parkside and 64<sup>th</sup> & Christie Avenue projects. The overall increase in revenue also reflects a decline in vehicle code citations due to the elimination of the photo red light program. During FY 2014, estimates for property tax and sales tax are slightly greater than the standard growth projections that are included in the two-year budget.

### **General Fund - Expenditure Adjustments**

Based on the review of expenditures in the General Fund staff has estimated an overall increase of \$101,580 in FY 2013, and \$693,084 in FY 2014. These increases are briefly described below and will be discussed further at the Finance Committee meeting.

General Government - The increases to general government and administrative programs include proposed staffing changes, increased costs for broadcasting committee meetings, the records management project and other administrative adjustments.

Building – These changes reflect moving the graffiti abatement and code enforcement programs from Economic Development to the Building Division.

Economic Development and Housing - These changes are mainly due to the dissolution of redevelopment and items that have been disallowed by the State Department of Finance and must now be funded by the City. The changes also reflect moving the graffiti abatement and code enforcement programs from Economic Development to the Building Division.

Community Services – these changes reflect a net zero change in the budget.

Police – These changes reflect the implementation of the regional communication system

called EBRCSA. The annual per radio maintenance fees will now be reflected in the Police and Public Works department budgets.

Fire – The City contracted with Alameda County Fire Department beginning July 1, 2012. The estimated minimum increase in the contract cost will require a \$120,414 increase to the City budget for FY 2014.

Public Works – These changes are related to maintenance of City properties including properties that have been converted from RDA to City properties in the past year. Building maintenance and storm water discharge fees have also increased. For CMMS implementation and street light supplies, staff is proposing to move funding from FY 2013 to FY 2014.

### **PROPOSED ADJUSTMENTS TO OTHER FUNDS**

The attached schedule also proposes changes to affordable housing programs, transportation funding, sewer maintenance and the child care center. Attachment A summarizes the requests for FY 2013 and FY 2014.

Attachment: Attachment A

## Attachment A

City of Emeryville  
**Mid-Cycle Budget Amendments**  
 As of May 9, 2013

			FY 2012-13	FY 2013-14
<b>REVENUE</b>				
101	41000	Property Tax		100,000.00
101	42000	Sales Tax		75,000.00
101	43000	Business Licence Tax	400,000.00	250,000.00
101	44000	Transient Occupancy Tax	450,000.00	300,000.00
101	58200	Building Permits	500,000.00	
101	60400	Vehicle Code Fines	(300,000.00)	(350,000.00)
			<b>\$ 1,050,000.00</b>	<b>\$ 375,000.00</b>
<b>EXPENDITURES</b>				
<b>City Manager</b>				
1200	71000	Reclass of ACM to Administrative Services Director		(45,400.00)
<b>City Clerk</b>				
1250	80550	Elections		(44,000.00)
1250	85100	Records storage		8,000.00
1250	80050	Code Red		9,250.00
1250	80060	Cable services-taping meetings		20,000.00
<b>City Attorney</b>				
1400	80050	Possible staffing/consultant costs		85,210.00
<b>Finance</b>				
1500	71000	Reclass of ACM to Administrative Services Director		45,400.00
1500	80050	Professional services		15,000.00
<b>Human Resources</b>				
1600	71000	Convert Management Analyst to FT position		24,100.00
1600	80050	Professional services		5,000.00
<b>Non-Departmental</b>				
1900	73150	Postage		10,000.00
1900	87300	Community promotions-Poet		3,000.00
1900	88350	Disaster preparedness		5,000.00
1900	79050	Insurance		(50,000.00)
1900	80050	Professional Svc: Mail distribution		13,700.00
<b>Building</b>				
1730	73100	New Building Code Books	1,500.00	1,500.00
1730	87210	Graffiti abatement	7,000.00	13,000.00
1730	87260	Code enforcement	1,500.00	3,500.00
<b>Economic Development &amp; Housing</b>				
1800	87210	Graffiti abatement-move to Building	(10,000.00)	(10,000.00)
1800	87260	Code enforcement-move to Building	(2,500.00)	(2,500.00)
1800	80050	Townsend contract-return to original contract		50,000.00

## Attachment A

City of Emeryville  
**Mid-Cycle Budget Amendments**  
 As of May 9, 2013

			FY 2012-13	FY 2013-14
<b>1800</b>		<b>RDA Items:</b>		
<b>1800</b>	71050	OT for Community and Committee meetings		4,680.00
<b>1800</b>	82000	Economic Development promotions/advertising		13,000.00
<b>1800</b>	80050	Professional Services-monitoring, studies		41,000.00
<b>1800</b>	84100	Membership-Ca Redevelopment Assoc.		750.00
<b>1800</b>	TBD	Enterprise Zone contribution		10,000.00
<b>1850</b>	TBD	<b>BMR Program:</b>		
<b>1850</b>	TBD	Housing Rental Monitoring cost rejected by DOF		59,236.00
<b>1850</b>	TBD	Homebuyer Program Monitoring cost rejected by DOF		44,994.00
<b>1850</b>	TBD	Other BMR program costs	12,000.00	43,150.00
<b>COMMUNITY SERVICES</b>				
5000	71050	Overtime		2,000.00
5000	73150	Postage		2,000.00
5000	73420	Field trips		2,000.00
5000	87700	EUSD Program-pool exp		(15,000.00)
5000	88400	Transit		5,000.00
5000	76000	Utilities		4,000.00
<b>POLICE</b>				
2100	77150	EBRCSA Radio Fees		24,600.00
<b>FIRE</b>				
3000	80050	Fire Service Contract increase		120,414.00
<b>PUBLIC WORKS</b>				
4050	71030/benefits	Convert Environmental Tech to full-time position		45,000.00
4050	71040	Increase intern for GIS and Lucy implementation		3,000.00
4050	80050	ACTA membership dues increase	6,000.00	6,000.00
4050	77060	Increased Non-point discharge fees	12,000.00	25,000.00
4050	77060	Increased Non-point discharge fees		7,000.00
4060	77020	Landscape maint-additional RDA properties	35,000.00	35,000.00
4060	80050	Move to FY 2014 for CMMS implementation	(10,000.00)	10,000.00
4060	77350	New signal timing plans	10,000.00	
4060	77150	EBRCSA Radio Fees	2,250.00	4,500.00
4060	73540	Street light supplies	(30,000.00)	30,000.00
4065	77000	Glashaus HOA fee increase	6,000.00	6,000.00
<b>Building maintenance:</b>				
1900	77030	HVAC issues and door failure	5,600.00	
3000	77030	HVAC issues, plumbing and gate/door failure	17,460.00	
4060	77030	Move to new site, HVAC, lighting and leaking issues	12,870.00	
5200	77030	New equipment installations, plumbing and alarm issue:	21,960.00	
5460	77030	Plumbing issues	2,940.00	
<b>Total General Fund</b>			101,580.00	693,084.00

## Attachment A

City of Emeryville  
**Mid-Cycle Budget Amendments**  
 As of May 9, 2013

			FY 2012-13	FY 2013-14
<b>Homebuyer Program - Fund 296</b>				
296	TBD	Homebuyer Loan Program Costs	8,520.00	46,200.00
<b>Affordable Housing Capital Residual - Fund 29X</b>				
29X	77020	Property Maintenance at 3706 San Pablo	24,000.00	79,400.00
29X	77020	Property Maintenance at Christie Ave properties		108,200.00
29X	77020	Property Maintenance at Ambassador properties		Still allowable in ROF
29X	77020	Property Maintenance at Adeline properties		Still allowable in ROF
<b>Measure B</b>				
240	88400	Paratransit	65,000.00	65,000.00
240	90100	Street Improvements	766,965.00	
<b>Sewer</b>				
4350	86120	Sewer collection charges-increase EBMUD contract		7,000.00
4350	80210	Sewer/GIS technology server upgrade	6,000.00	
<b>CHILD CARE CENTER</b>				
5200	71030	Increase hours for part-time employees		40,000.00
5200	72210	PERS cost for part-time employees		10,000.00
5200	71000	Salaries-cook		(53,200.00)
5200	73600	Food supplies		53,200.00
5200	73600	Food supplies		15,800.00
5200	77990	Major Maint transfer		(15,800.00)

**CITY OF EMERYVILLE**  
**QUARTERLY FINANCIAL REPORT**  
*Third Quarter 2012-13*  
*As at March 31, 2013*

**OVERVIEW**

This report summarizes the third quarter of fiscal year 2012-13 and reflects 75% of the City of Emeryville's 2012-2013 Operating Budget Period. General Fund key revenues are discussed along with a summary discussion on General Fund expenditures. In addition, expenditure data for the same point in time of the prior budget period (FY 2011-12) is shown for comparative purposes.

**GENERAL FUND OVERVIEW**

**Revenue and Expenditure Summary**

Through the end of the third quarter, revenues are at 91% of projections and expenditures are at 69.1%:

	<b>Adopted Budget</b>	<b>YTD Actual</b>	<b>Variance</b>	<b>Percent</b>
Revenues	29,055,800	26,431,664	(2,624,136)	91.0%
Expenditures	30,855,966	21,312,721	9,543,245	69.1%
Est.Fund Balance, 07-01-12	12,010,789	12,010,789	-	
Estimated Balance Yr to Date	10,210,623	17,129,732	6,919,109	

**Key Revenues**

The City's top ten budgeted revenues account for 92% of total General Fund revenues.

<b>Top Ten Budgeted Revenues</b>	<b>Annual Budget</b>	<b>Current Year Actual</b>	<b>% of Budget</b>	<b>Prior Year Actual</b>	<b>Actual vs. Prior Year Variance</b>	
Sales Tax	6,893,900	3,960,490	57%	3,896,506	63,985	2%
Business License Tax	4,284,400	4,548,661	106%	4,190,340	358,321	9%
Transient Occupancy Tax	4,100,000	3,197,623	78%	2,779,988	417,635	15%
Utility Users Tax	3,047,300	1,998,006	66%	1,998,751	(745)	0%
Cardroom Tax	2,300,000	1,627,026	71%	1,621,390	5,636	0%
Property Tax	1,756,400	2,119,527	121%	1,846,176	273,351	15%
Property Tax Residual Payment	-	3,235,442	0%	911,670	2,323,772	255%
Franchises	1,444,400	1,080,048	75%	1,144,046	(63,998)	-6%
Licenses and Permits	1,235,700	1,451,757	117%	1,655,388	(203,631)	-12%
Fines	685,000	299,358	44%	464,493	(165,135)	-36%
V.L.F. In Lieu	617,000	315,300	51%	308,512	6,788	2%
<b>Total</b>	<b>26,364,100</b>	<b>23,833,238</b>	<b>90%</b>	<b>20,817,259</b>	<b>3,015,979</b>	<b>14%</b>

The following highlights key revenue results:

**Sales Tax:** Sales tax receipts were tracking 18% below budget projections through March 31, 2013 due to the timing of receipts (February and March 2013 receipts will be included in the Quarter 4 reporting). When compared to prior year, the 2% increase reflects a modest improvement in consumer spending. With sales tax being the General Fund's top revenue generator, staff will continue to monitor its results closely.

**Business License Tax (BLT):** Given the March 1<sup>st</sup> business license renewal deadline, the majority of tax revenues were received by March 31, 2013. Compared to prior year, the \$358k increase is primarily due to the BLT cap increase to \$307,800 which applied to one of Emeryville's large businesses for the 2013 tax year. Staff continues to employ an active discovery program to collect revenues due to the City.

**Transient Occupancy Tax (TOT):** Year-to-date revenues for TOT were 78% of budget and 15% higher than the same time period last year. Hotel revenues for all four hotels exceeded prior year, the result of increased occupancy combined with higher room rates.

**Utility Users' Tax (UUT):** UUT is reflected at 66% of budget due to the timing of the monthly PG&E receipt (March 2013 receipt will be included in the Quarter 4 reporting). Receipts are consistent with prior year.

**Property Tax:** Property taxes exceed budget due increased activity in the commercial and residential housing markets. Modest growth of about 3-4% is projected for next year.

**Residual Property Tax:** Residual property taxes are funds that were originally RDA tax increment but are now redistributed to the City due to the dissolution of Redevelopment. Staff is recommending that all residual property taxes received be set-aside for affordable housing and capital projects. This policy will be presented to the Council in June.

**Licenses and Permits:** Licenses and Permits revenue are derived primarily from the planning/building department including reimbursement/cost recovery income. Third quarter results are \$204k less than prior year, primarily due to a decrease in plan checking fees.

**Fines:** Fines are derived from parking and vehicle code violations, with revenues recognized in arrears upon collection. Collections at the end of the third quarter were below current year projections and prior year actual collections due to the elimination of the Red Light camera program.

## Expenditures

Total operating costs are generally about 6% below budget at the end of the third quarter of the fiscal year as summarized below.

### By Department:

Expenditures	Annual Budget	Current Year Actual	% of Budget	Prior Year Actual
City Council	170,000	112,419	66.1%	112,361
City Manager	356,019	246,879	69.3%	318,776
City Clerk	338,400	244,399	72.2%	262,041
Public Information Office	103,400	57,311	55.4%	0
City Attorney	479,200	368,613	76.9%	415,847
Administrative Services	1,908,981	1,378,694	72.2%	1,357,330
Planning and Building	1,691,300	1,039,121	61.4%	1,188,178
Economic Development	834,796	583,290	69.9%	690,091
Public Works	2,812,200	1,955,449	69.5%	1,744,182
Non-Departmental Operations	4,617,570	3,460,158	74.9%	1,293,285
Police	9,961,000	6,822,707	68.5%	7,122,009
Fire	5,453,400	3,728,967	68.4%	4,147,983
Community Services	2,129,700	1,314,716	61.7%	1,215,266
<b>Total</b>	<b>30,855,966</b>	<b>21,312,721</b>	<b>69.1%</b>	<b>19,867,350</b>

Overall departmental expenditures are considered to be on target if they are within 10% of the budget target for March, which is 75%. Departmental expenditures that vary more than 10% from the budget target are reviewed below.

The Public Information Office is under budget because the funds set aside for printing and distributing community wide information has not been expended as of March.

The Planning/Building Department is under budget because the timing of expenses for contract service, supplies, advertising/print, maintenance, education/training.

The Community Services is also under budget as well, the operating expenses from the Youth & Adult Divisions are low as of March, however summer programs will begin next quarter.

**Expenditures By Type:**

Expenditures By Type	Annual Budget	Current Year Actual	% of Budget	Prior Year Actual
Staffing	15,966,175	11,473,771	71.9%	15,438,878
Contract Services	7,360,621	4,523,931	61.5%	1,235,314
Maintenance	1,930,900	1,265,716	65.6%	1,295,802
Supplies	716,700	418,800	58.4%	470,115
Utilities	586,000	388,969	66.4%	433,260
Insurance	606,700	395,746	65.2%	513,508
Advertising/Printing & Publication	175,900	70,692	40.2%	113,177
Education & Training	238,700	89,732	37.6%	125,839
Rental & Leases	49,800	37,028	74.4%	39,821
Fees & Charges	114,500	28,006	24.5%	29,444
Programs & Grants	111,000	72,357	65.2%	118,095
Other	(26,800)	12,648	-47.2%	32,661
Capital Equipment	23,100	26,142	113.2%	18,060
Interfund Transfers	3,002,670	2,509,182	83.6%	4,194,683
<b>Total</b>	<b>30,855,966</b>	<b>21,312,721</b>	<b>69.1%</b>	<b>24,058,656</b>

The most significant variances by type of expenditure are summarized below:

- Savings from advertising/printing/publication, education/training and fees/charges were from 35% to 50%.
- Some savings is due to the timing of when bills are processed. Contract services were generally low for almost all departments, especially the Building Department as these services do not follow a straight-line pattern. All other operating costs were also lower than expectations in most departments such as maintenance, supplies, utilities, insurance, and programs/grants were 9% to 13%.
- The purchase of a passenger van for Community Services and the payments for the VHM software/hardware for the Police Department caused the capital expenses to be high for the quarter.
- Interfund transfers include both one-time transfers to other funds, and monthly interfund transfers which to cover the debt service, general capital improvements, litigation charges, childcare program, and housing assets maintenance costs.

**CITY OF EMERYVILLE**

**MEMORANDUM**

**DATE:** May 20, 2013  
**TO:** Finance Committee  
**FROM:** Debra Auker, Director of Administrative Services  
**SUBJECT:** Status of Alameda County Fire Services Contract

**Recommendation**

This is an information item only.

**Discussion**

Staff has attached the FY 2012-13 Third Quarterly Report from Alameda County Fire Department as a discussion item. The Alameda County Fire Department (ACFD) started providing fire and emergency response services to the City of Emeryville on a contract basis beginning July 1, 2012. The contract requires that ACFD provide a quarterly report in order to monitor the service levels and contract costs. The results of the current and prior reports are reflected below:

<b>Summary of Fire Service Costs</b>	<b>Budgeted Expenditures</b>	<b>Actual Expenditures</b>	<b>Year End Estimate favorable/ (unfavorable)</b>	<b>Notes</b>
First Quarter	\$1,330,015	\$1,291,355	\$85,642	1.6% under budget
Second Quarter	\$1,330,015	\$1,285,580	(\$28,326)	.05% over budget
Third Quarter	\$1,330,015	\$1,290,517	\$36,286	0.7% under budget
Fourth Quarter	\$1,330,015			
Total	\$5,320,060			

Attachments: FY 2012-13 Third Quarter and Year End Estimated Expenditures Report.



## Alameda County Fire Department

835 E. 14th Street, Suite 200 · San Leandro, CA 94577  
Tel (510) 618-3490 · Fax (510) 618-3445  
www.acgov.org/fire

April 22, 2013

DEMETRIOUS N. SHAFFER  
Fire Chief

SERVING:

City of Dublin

City of Emeryville

City of Newark

City of San Leandro

City of Union City

Lawrence Berkeley  
National Laboratory

Lawrence Livermore  
National Laboratory

Unincorporated Areas  
of Alameda County

Alameda County  
Regional Emergency  
Communications Center  
"Accredited Center  
of Excellence"

Michael Biddle, Interim City Manager  
City of Emeryville  
1333 Park Avenue  
Emeryville, CA 94608

Dear Michael:

**Subject: 2012-13 Third Quarter and Year End Estimated Expenditures Report**

Attached for your review is the Third Quarter and Year End Estimated Expenditure Report for City of Emeryville. The 2012-13 approved City contract amount is \$5,320,060, year-end projection for the City's contract is \$5,283,774, and it is estimated to be 0.7% or \$36,286 under budget. The Third Quarter expenditures were \$1,290,517 or 24% of budget.

The level of spending during the Third Quarter was consistent with initial contract projections:

- Salaries and Benefits are estimated to be 1.3%% or \$60,195 over budget due to the net change of the following:
  - Salary is estimated to at budget;
  - Actual health premium costs are lower than budgeted Kaiser Family rate;
  - Overtime is estimated to be over budget due to higher than anticipated personnel on workers comp and # of retirements, department is staffed under constant staffing level;
  - Higher than estimated workers comp allocation from County Risk Management.
- Services and Supplies expenditures are estimated to be 19.1% or \$89,193 under budget due to:
  - Buildings & Ground program is estimated to be under budget due to costs for station signs are included in start-up costs;
  - PPE program and Training & Staff Development program both are estimated to be under budget due to cancellation of Recruit Academy;
  - Building Lease is estimated to be under budget due to timing of moving into new Administration Office, it is anticipated to be Q3 FY 2013-14;
  - IT program is estimated to be under budget due to lower than anticipated system maintenance costs;

- Contract services program is estimated to be over budget due to budget for hiring of consultant for financial planning;
  - Emergency Disaster Preparedness program is estimated to be over budget due to utilizing contract service for the program;
  - EMS program is estimated to at budget due to postpone of purchasing reserve EMS equipment cache;
  - Fire Prevention program is estimated to be over budget due to costs for printing inspection forms and code book update;
  - Laundry program is estimated to be over budget due to higher fuel surcharge for delivery;
  - SCBA program is estimated to be under budget due to grant funded new SCBAs require fewer repairs;
  - Staff Vehicle program is estimated to be over budget due to aging fleet requires more repairs;
  - Wildland program is estimated to be over budget due to hose and fitting project to replace aging and failing hoses.
- Countywide Overhead is estimated to be under budget based on County allocation for FY 12-13.

**Quarterly Payment Reconciliation**

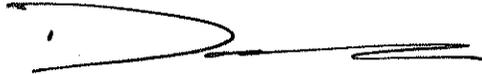
The method of payment used by the City is to make monthly payment to the ACFD; the first two month's payment is based on the monthly average of the annual budget amount. The ACFD provides the City with a quarterly expenditure report that reconciles actual expenditures with payments made by the City and invoices the City the difference.

The City has paid \$886,676.66 for the Third quarter, the Third Quarter actual expenditures were \$1,290,517.00. The following is a summary of year-to-date reconciliation:

Service for FY 2012-2013	Monthly Budget Payment	City YTD Payments	Actual Expenditures	Quarter-end Invoice Amount
1 <sup>st</sup> Quarter	\$443,338.33	\$886,676.66	\$1,291,355.00	\$404,678.34
2 <sup>nd</sup> Quarter	\$443,338.33	\$886,676.66	\$1,285,580.00	\$398,903.34
3 <sup>rd</sup> Quarter	\$443,338.33	\$886,676.66	\$1,290,517.00	\$403,840.34

Should you have questions or require additional information concerning this report, please feel free to contact me or Shu-Mei Chen.

Sincerely,



Demetrious N. Shaffer  
Fire Chief

DNS\SC:sc  
Attachments

cc: Debra Auker, Administrative Services Director, City of Emeryville  
Accounts Payable, City of Emeryville  
Kevin Johnston, Division Chief, ACFD

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ALAMEDA COUNTY FIRE DEPARTMENT

CITY of EMERYVILLE CONTRACT COSTS FOR FY 2012-13

PROGRAM	2012-13 Estimated Actual					Total Estimated Actual	Variance (Over)/Under Budget	
	2012-13 Contract	Jul - Sept 12 Actual	Oct - Dec 12 Actual	Jan - Mar 13 Actual	Apr - June 13 Estimates		\$	%
Allocated %	5.51%	5.51%	5.51%	5.51%	5.51%			
PROGRAM SERVICES & SUPPLIES	\$468,192	\$71,066	\$66,838	\$81,435	\$159,660	\$378,999	\$89,193	19.1%
APPARATUS & EQUIPMENT	\$78,578	\$3,626	\$3,602	\$11,444	\$22,949	\$41,621	\$36,957	47.0%
BUILDINGS & GROUNDS	\$13,025	\$0	\$0	\$0	\$3,000	\$3,000	\$10,025	77.0%
PPE & UNIFORMS	\$28,281	\$2,078	\$3,005	\$5,321	\$8,625	\$19,029	\$9,252	32.7%
EQUIP & BLDG RENTS & LEASES	\$27,550	\$1,375	\$1,102	\$1,110	\$3,054	\$6,641	\$20,909	75.9%
RADIOS	\$24,659	\$65	\$123	\$4,200	\$21,059	\$25,447	(\$788)	-3.2%
INFORMATION TECHNOLOGY	\$92,043	\$17,339	\$17,875	\$17,753	\$23,836	\$76,803	\$15,240	16.6%
DISPATCH CONTRACT	\$70,000	\$17,500	\$17,500	\$17,500	\$17,500	\$70,000	\$0	0.0%
PROFESSIONAL SERVICES CONTRACTS	\$11,956	\$2,754	\$1,564	\$1,482	\$7,669	\$13,469	(\$1,513)	-12.7%
DISASTER PREPAREDNESS	\$434	\$1,109	\$1,047	\$935	\$1,357	\$4,448	(\$4,014)	-924.9%
EMS	\$14,267	\$2,754	\$1,424	\$1,845	\$7,799	\$13,822	\$445	3.1%
FIRE PREVENTION	\$1,654	\$49	\$85	\$236	\$1,941	\$2,311	(\$657)	-39.7%
FUEL/TRANSP	\$29,827	\$7,371	\$6,136	\$7,020	\$9,953	\$30,480	(\$653)	-2.2%
HAZARDOUS MATERIALS	\$5,602	\$265	\$109	\$1,104	\$4,070	\$5,548	\$54	1.0%
HOUSEHOLD SUPPLIES	\$8,054	\$1,294	\$1,551	\$1,922	\$2,703	\$7,450	\$694	7.5%
LAUNDRY	\$8,836	\$2,441	\$2,433	\$2,591	\$3,979	\$11,444	(\$2,608)	-29.5%
MAPPING	\$2,262	\$0	\$24	\$572	\$331	\$927	\$1,335	59.0%
ADMINISTRATION	\$4,329	\$914	\$549	\$784	\$2,025	\$4,272	\$57	1.3%
PUB ED & COMM RELATIONS	\$11,269	\$2,738	\$1,039	\$1,902	\$5,105	\$10,784	\$485	4.3%
SCBA	\$11,251	\$2,656	\$3,485	\$267	\$3,123	\$9,531	\$1,720	15.3%
STAFF VEHICLES	\$3,498	\$1,842	\$978	\$923	\$2,820	\$6,563	(\$3,065)	-87.6%
TRG & STAFF DEV.	\$11,586	\$2,345	\$1,861	\$1,350	\$2,916	\$8,472	\$3,114	26.9%
RESCUE	\$2,016	\$248	\$353	\$531	\$1,373	\$2,505	(\$489)	-24.3%
WILDLAND	\$632	\$144	\$0	\$151	\$1,309	\$1,604	(\$972)	-153.8%
HUMAN RESOURCES	\$3,360	\$159	\$1,013	\$440	\$586	\$2,198	\$1,162	34.6%
RESERVE	\$413	\$0	\$0	\$52	\$578	\$630	(\$217)	-52.5%
STRATEGIC PLANNING INITIATIVES	\$2,810	\$0	\$0	\$0	\$0	\$0	\$2,810	100.0%

CITY of EMERYVILLE CONTRACT COSTS FOR FY 2012-13												
PROGRAM	2012-13 Estimated Actual											
	2012-13 Contract	Jul - Sept 12 Actual	Oct - Dec 12 Actual	Jan - Mar 13 Actual	Apr - June 13 Estimates	Total Estimated Actual						Variance (Over)/Under Budget
							\$	%	COMMENTS			
NONDISCRETIONARY SERVICES & SUPPLIES (COUNTY RISK MGMT, COUNSEL)	\$79,777	\$20,931	\$20,931	\$20,931	\$16,565	\$79,358	\$419	0.5%	Based on County allocation			
COUNTY INDIRECTS	\$41,030	\$9,038	\$9,038	\$9,038	\$7,046	\$34,160	\$6,870	16.7%	Based on County allocation			
ALL PROGRAMS AND OVERHEAD SUBTOTAL:	\$588,999	\$101,035	\$96,807	\$111,404	\$183,271	\$492,517	\$96,482	16.4%				
SALARIES AND BENEFITS												
SALARIES & OVERTIME:												
BASE SALARY	\$2,614,198	\$640,188	\$640,803	\$642,160	\$661,607	\$2,584,758	\$29,440	1.1%				
OVERTIME	\$473,609	\$162,058	\$156,970	\$147,776	\$150,607	\$617,411	(\$143,802)	-30.4%	Estimated to be over budget due to personnel on workers comp and higher than anticipated # of retirements, under constant staffing level			
HOLIDAY PAY	\$146,464	\$38,589	\$38,588	\$32,982	\$34,200	\$144,359	\$2,105	1.4%				
PERS	\$669,179	\$164,925	\$165,046	\$162,670	\$168,580	\$661,221	\$7,958	1.2%				
PAYROLL TAXES	\$46,898	\$10,116	\$10,132	\$10,100	\$10,450	\$40,798	\$6,100	13.0%				
HEALTH INSURANCE	\$421,326	\$84,420	\$87,318	\$92,670	\$93,192	\$357,600	\$63,726	15.1%				
50% COLA INCREASE APPLIED TO OPEB/HEALTH PREMIUM	\$11,829	\$0	\$0	\$0	\$23,480	\$23,480	(\$11,651)	-98.5%	Due to higher than expected COLA rate			
DENTAL	\$36,026	\$7,869	\$7,885	\$7,662	\$7,892	\$31,308	\$4,718	13.1%				
401A CONTRIBUTION	\$2,430	\$0	\$0	\$0	\$0	\$0	\$2,430	100.0%	401A contribution will be reinstated until FY 13-14			
OTHER BENEFITS	\$31,844	\$7,780	\$7,656	\$8,718	\$8,669	\$32,823	(\$979)	-3.1%	Estimated to be over budget due to increase in Cafeteria Plan contribution effective 01/01/13 per MOU extension			
WORKERS COMP	\$131,452	\$37,923	\$37,923	\$37,923	\$37,923	\$151,692	(\$20,240)	-15.4%	Based on County allocation			
SALARIES & BENEFITS TOTAL:	\$4,585,255	\$1,153,868	\$1,152,321	\$1,142,661	\$1,196,600	\$4,645,450	(\$60,195)	-1.3%				
CONTRACT WITH OAKLAND FIRE DEPARTMENT FOR ADDITIONAL COVERAGE	\$145,807	\$36,452	\$36,452	\$36,452	\$36,451	\$145,807	\$0	0.0%				
APPROVED CONTRACT TOTAL:	\$5,320,060	\$1,291,355	\$1,285,580	\$1,290,517	\$1,416,322	\$5,283,774	\$36,286	0.7%				
RECONCILIATION												
Month 1 of Quarterly Payment		443,338.33	443,338.33	\$443,338.33								
Month 2 of Quarterly Payment		443,338.33	443,338.33	\$443,338.33								
Quarter-end True-up Invoice Amount		404,678.34	398,903.34	\$403,840.34								

R/C	Unit	ALCO Identifier	Date	Labr	OT/Labor	Parts	Freight	OSR	Tax	R/O Total	Reg Hrs	OT Hrs	Reason for repair	Work performed
121288	170	E34	1/9/2013	\$ 85.00	\$ -	\$ 0.32	\$ -	\$ -	\$ 0.03	\$ 85.35	1.0	0.0	Call to station	Replaced map light
130048	171	E35	2/11/2013	\$ 127.50	\$ -	\$ 1,130.71	\$ 8.54	\$ -	\$ 11.76	\$ 278.51	1.5	0.0	Call to station	Replaced driver window regulator
130148	171	E35	3/4/2013	\$ 340.00	\$ -	\$ 7.15	\$ -	\$ -	\$ 0.64	\$ 347.79	4.0	0.0	BIT Inspection	90 day inspection. Repair foam leaks. Tighten loose clamps.
130147	170	E34	3/4/2013	\$ 170.00	\$ -	\$ 6.94	\$ -	\$ -	\$ 0.62	\$ 177.56	2.0	0.0	BIT Inspection	Complaint leaking. Found bad water filter. Return the next day to replace filter (didn't have one on truck)
130146	6244		3/4/2013	\$ 85.00	\$ -	\$ -	\$ -	\$ -	\$ 85.00	\$ 85.00	1.0	0.0	BIT Inspection	90 Day Inspection. Add oil. TIC camera not charging. Repair wiring to charger.
130141	200	T535	3/4/2013	\$ 85.00	\$ -	\$ -	\$ -	\$ -	\$ 85.00	\$ 85.00	1.0	0.0	BIT Inspection	90 day inspection.
130135	170	E34	3/4/2013	\$ 170.00	\$ -	\$ 45.73	\$ -	\$ -	\$ 4.12	\$ 219.85	2.0	0.0	Call to station	Coolant leak. Found broken lower radiator clamp, replaced and re-fill cooling system.
130310	171	E35	3/19/2013	\$ 340.00	\$ -	\$ 50.83	\$ 2.50	\$ -	\$ 4.57	\$ 397.90	4.0	0.0	Call to station	Replaced map light. Welded SCBA bracket release.

Total for Quarter \$ 1,676.97



**ALAMEDA COUNTY FIRE DEPARTMENT**

835 East 14th Street, Suite 200

San Leandro, CA 94577

Tel: (510) 618-3490

Fax: (510) 618-3445

**Date:** April 23, 2013

**Invoice No:** 2012-13-211

**To:** City of Emeryville  
Attn: Debra Auker, Director of Administrative Services  
1333 Park Avenue  
Emeryville, CA 94608

**Federal Tax ID #:** 94-3175000

**RE:** City of Emeryville Fire and Emergency Response Services for March 2013  
PO# 20130001

Total Amount Due and Payable ..... \$403,840.34

**Please remit payment to:  
Alameda County Fire Department  
835 East 14th Street, Suite 200, San Leandro, CA 94577  
Attn: Accounts Receivable**

# CITY OF EMERYVILLE



## MEMORANDUM

**DATE:** May 20, 2013

**TO:** Finance Committee

**FROM:** Debra C. Auker, Director of Administrative Services  
Finance Division, Administrative Services Division

**SUBJECT:** Single Audit of Grant Funds and Expenditures and TDA Compliance Audit for the Year Ending June 30, 2012

### **Single Audit of Grant Funds for the Year Ending June 30, 2012**

Each year, the City of Emeryville (City) completes a financial audit, in which independent outside auditors provide an opinion on the City's financial statements. The City also completes a Single Audit of all Federal and State Grant funds and expenditures when the grant expenditures exceed \$300,000 in a fiscal year. Emeryville has engaged the firm of Lance, Soll & Lunghard as the City's outside auditor to perform the Single Audit. The auditor's report provides comments related to the City's internal controls and compliance with grant requirements. This report is attached for your review.

### **Transportation Development Act Compliance Audit**

The City also received funds from the MTC via the Transportation Development Act which requires an annual compliance audit. This report is attached for your review.

### **Recommendations**

The following are staff recommendations relating to the financial statements for the City of Emeryville for the year ended June 30, 2012:

- Review and accept the final audits: Single Audit of Grant funds and TDA Compliance Audit

#### Attachments:

Single Audit for the City of Emeryville  
Compliance Audit: TDA Audit

- David E. Hale, CPA, CFP
  - Donald G. Slater, CPA
  - Richard K. Kikuchi, CPA
  - Susan F. Matz, CPA
  - Shelly K. Jackley, CPA
  - Bryan S. Gruber, CPA
  - Deborah A. Harper, CPA
- Brandon W. Burrows, CPA, Retired

# DRAFT

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON THE TDA ARTICLE 3 FUNDS AND ON INTERNAL CONTROL OVER COMPLIANCE

Governing Board of the  
City of Emeryville, California

### Compliance

We have audited the compliance of the Transportation Development Act (TDA) Article 3 Funds of the City of Emeryville, California, with the types of compliance requirements described in Section 6667/6666 of Title 21 of California Code of Regulations and tests of compliance with the applicable provisions of the Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission for the year ended June 30, 2012. Compliance with the requirements referred to above is the responsibility of the City of Emeryville, California's management. Our responsibility is to express an opinion on the City of Emeryville, California's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in Section 6667/6666 of Title 21 of California Code of Regulations and tests of compliance with the applicable provisions of the Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a material effect on the TDA Article 3 Funds occurred. An audit includes examining, on a test basis, evidence about the City of Emeryville, California's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Emeryville, California's compliance with those requirements.

In our opinion, the City of Emeryville, California complied, in all material respects, with the requirements referred to above that are applicable to the TDA Article 3 Funds for the year ended June 30, 2012, except for compliance with the filing requirements of section 99245 which required filing an annual certified fiscal audit within 180 days of fiscal year end which was not completed timely.

### Internal Control Over Compliance

The management of the City of Emeryville, California is responsible for establishing and maintaining effective internal control over compliance with the requirements listed above. In planning and performing our audit, we considered the City of Emeryville, California's internal control over compliance with the requirements that could have a direct and material effect on the TDA Article 3 Funds in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Emeryville, California's internal control over compliance.



Governing Board of the  
City of Emeryville, California

*A deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected on timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in the internal control over compliance that we consider material weaknesses as defined above.

This report is intended solely for the information and use of the Metropolitan Transportation Commission, management, Governing Board, and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Lance, Soll & Loughard, LLP*

Brea, California  
March 27, 2013



## CITY OF EMERYVILLE

### MEMORANDUM

**DATE:** May 20, 2013  
**TO:** Finance Advisory Committee  
**FROM:** Debra Auker, Director of Administrative Services  
**SUBJECT:** **Recommend Appointment of a Member of the Finance Advisory Committee to the Economic Development Committee**

#### **Recommendation**

That the Finance Advisory Committee make a recommendation to the City Council, to appoint a member of the Finance Committee to the Economic Development Advisory Committee. The approved Finance Advisory Committee roster is included for information purposes only.

#### **Discussion**

At the March 19, 2013 City Council meeting, Council established the regular meeting date of the Economic Development Committee as 12:00 pm, on the first Wednesday of every month and amended the roster accordingly. The Finance Committee member position on this committee has a two year term expiring December 31, 2014 and is currently vacant. Staff is recommending the Finance Advisory Committee recommend that the Council appoint one of its members to fill the vacant Economic Development Committee member position.

Also at the March 19, 2013 City Council meeting, Council revised the Finance Advisory Committee membership to include a second non-voting City Council Liaison and appointed Jac Asher to serve in this position. The Finance Committee roster was amended and approved accordingly.

**Attachment:** Finance Advisory Committee roster

# Attachment

## Finance Advisory Committee

Created: May 3, 2011

Official Action: Resolution No. 11-75

Definition/Purpose: Advisory – Standing – Advise and make recommendations to the City Council on finance related policies and issues such as audit, budget, debt issuance and investments.

Eligibility Requirements/Composition: 2 Councilmember liaisons (non-voting member), 2 Residents, 2 Business Members, 1 Labor Representative

Terms of Members: 2 Years, expiring on December 31<sup>st</sup>, except for City Council liaison term which expires each year.

Regular Meeting: Quarterly (May, August, November and February)  
Third Monday of the month at 5:30 p.m.

Location: Civic Center, 1333 Park Avenue

Chairperson: William Reuter

Secretary: Debra Auker, Administrative Services Director

Members:	1	Nora Davis	Council Liaison	2013
	2.	Jac Asher	Council Liaison	2013
	3	Fran Quittel	Resident	2013
	4	William C. Reuter	Resident	2014
	5	Elizabeth Altieri	Business	2013
	6	Benay Curtis-Bauer	Business	2014
	7	Stephen Cutty	Labor	2013

Other Staff: City Manager  
Finance Accounting Supervisor