

City of Emeryville
Finance Advisory Committee Meeting Minutes
August 19, 2013, 5:30pm

Members Present:

Nora Davis, Council Member
Benay Curtis-Bauer, Business Rep
Fran Quittel, Resident
Stephen Cutty, SEIU 1021
Jac Asher, Council Member

Staff Present:

Sabrina Landreth, City Manager
Debra Auker, Director of Administrative Services
Cindy Montero, Community Services Director
Peggy Xu, Senior Accountant

Excused:

William C Reuter, Chairperson
Elizabeth Altieri, Vice Chairperson

- I. **Call to Order:** The meeting was called to order at 5:35 p.m.
- II. **Public Comments:** None.
- III. **Minutes from May 20, 2013 Meeting:** Approved
- IV. **Agenda Items:**
 - a. **Discussion of Emeryville Center of Community Life (ECCL)** – Director Debra Auker provided handouts and discussed the overview of the ECCL Project, which included the Parties, Objective, Site, Financing, and History of this project. Director Auker outlined recent activities, the planning schedule and steps going forward. She also referred to the agreements that will be approved by Council related to this project, which include: the Master Joint Occupancy Agreement, Lease/Sublease, Finance, Governance, Operation/Maintenance/Use, Design/Construction, and General Condition. Ms. Auker and Ms. Montero shared that the maintenance costs to the City was projected to increase to \$300k a year when full programming was implemented, as compared to the current cost of \$80k a year due to the different usage calculations, and this was calculated at the maximum capacity. Further, Ms. Auker shared that this item was scheduled to be approved by Council and the School District in September, 2013. Superintendent Dr. Debba Lindo was also present at the meeting.
 - Member Fran Quittel questioned about the total costs of the project on how it is funded. Ms. Auker responded that it's funded by two sources, one was from the school district's measure J Bonds, funded by a School District special property tax measure; and RDA bond proceeds funded by the former Redevelopment Agency property tax increment revenue; and that the bond proceeds are not required to be paid to the State. Ms. Auker also said that the escrow for the State Department of Finance (DOF) was not part the project funds, meaning that the funds for ECCL are not part of the lawsuit between the City and the State. City Manager, Sabrina Landreth added that the City is in the process of getting a Finding of Completion letter from the State, that will allow the Successor Agency to use the bond proceeds.
 - Member Benay Curtis-Bauer asked about the bond proceeds and debt interest rates.
 - There was a discussion on the State Escrow which would allow the State to issue the Finding of Completion. Ms. Auker shared that the City has done what's needed and waiting for the final decision from the State.

- Ms. Auker shared the highlights on the ECCL project, the structure of the master agreement and the list of responsibilities for different governance committees, and how costs were shared.
 - Resident Bukowski questioned about the members on the different Committee. Ms. Auker said that the elected officials are not on the Sub-Committees, but they are members of the governance committee.
 - Ms. Auker & Ms. Montero talked about the shared use matrix cost which was calculated based on the maximum usage.
 - Member Benay Curtis-Bauer asked if the calculation based on the footage, Ms. Auker said the calculation is based on the number of hours used.
 - Member Asher expressed concerns on the high maintenance costs and would like to know if the program is not growing, but paying the future costs, she requested more accurate calculations. Ms. Auker agreed to provide more financial information as the project moving forward and more discussions will take place.
 - Member Fran Quittel also needed more financial information and would like to know about the library service and the benefits about building this center. Member Davis said that it needs to be looking forward for the long term benefits.
 - A member asked about the transportation to the Center. Ms. Montero said that people could use public transportations like taking bus and by bike. Member Davis said the transportation details will be available in the next Planning Commission Meeting.
 - Member Davis said the matrix had the ability to control programming which is critical in adjusting the costs.
 - Member Asher was concerned this will impact the other funds of the City because the size of the project.
 - Member Fran Quittel & Asher questioned the benefits of the project. Member Davis suggested the members to look at the long term benefits and the value of the community in the long run as well and that takes time, and it's the investment not just liability.
 - Ms. Auker talked about the procedures on the operations and the budget of the project.
- b. **Investment Policy Review** – The Committee accepted the report and recommended it be forwarded to the Council for approval. Member Benay Curtis-Bauer recommended floating rates to be used for investments for the Council review. The Committee did not recommend changes to the policy.
- c. **Audit Planning for the Year Ended June 30, 2013** – The auditor's professional standards required that they communicate with the governing body about the year-end audit. The letter in the Finance Committee packet provides this communication. The auditors were on site in early August for pre-audit fieldwork. There were no findings related to the internal control test performed. The final audit is scheduled from Oct 21 to Oct. 25, 2013.
- d. **Status of Alameda County Fire Services Contract** – Member Fran Quittel expressed concerns about the emergency preparedness trainings and the fire truck for the Fire Department. Ms. Auker responded that there have been trainings performed by the Fire Department for the City and more will follow, and shared that there were sufficient funds for the Fire truck replacement on the books and the budget for the Fire Services Contract for the current year will be increased by \$130k to meet the expected costs.
- e. **Update on Redevelopment Dissolution Actions** – Director Auker provided a verbal report on the current activities related to redevelopment dissolution. City Manager

Landreth shared that the ROPS for the RDA Dissolution is required every six months with new format each time until it's done. The City is still waiting for the decision on the Escrow. SA properties will need to be decided on what to do by the Successor Agency, but the City is allowed to spend the remaining bond funds toward the projects, like the ECCL.

- V. **Staff Comments:** None.
- VI. **Committee Member Comments:** Member Fran asked to add the details on the Payoff Note for the Bay Street on the next agenda and asked the purpose of this meeting. Member Asher liked more financial details on the ECCL. Ms. Auker said that this discussion just to give a general picture based on the current budget, it's not the final numbers for the costs. Member Benay Curtis-Bauer was pleased with the hard work on the ECCL project.
- VII. **Adjournment:** The meeting was adjourned at 7:05 p.m.