



CITY OF WEST COVINA
FINANCE & AUDIT COMMITTEE

WEDNESDAY, OCTOBER 23, 2019, 6:00 PM
SPECIAL MEETING
AMENDED AGENDA (NEW BUSINESS ITEM ADDED)

WEST COVINA CITY HALL
MANAGEMENT RESOURCE CENTER (MRC) ROOM 314
WEST COVINA, CALIFORNIA 91790

AGENDA

Marsha Solorio, Chair
David Lin, Vice Chair
Dario Castellanos, Council/Finance & Audit Committee Member
Donna Chia, Finance & Audit Committee Member
Jim Grivich, Finance & Audit Committee Member
Colleen Rozatti, Finance & Audit Committee Member
Jessica Shewmaker, Council/Finance & Audit Committee Member

AMERICANS WITH DISABILITIES ACT

The Committee complies with the Americans with Disabilities Act (ADA). If you will need special assistance at Committee Meetings, please call (626) 939-8433 (voice) or (626) 960-4422 (TTY) from 8:00 a.m. to 5:00 p.m. Monday through Thursday, at least 48 hours prior to the meeting to make arrangements.

AGENDA MATERIAL

Agenda material is available for review at the West Covina City Clerk's Office, Room 317 in City Hall, 1444 W. Garvey Avenue and at www.westcovina.org. Any writings or documents regarding any item on this agenda not exempt from public disclosure, provided to a majority of the Commission that is distributed less than 24 hours before the meeting, will be made available for public inspection in the City Clerk's Office, Room 317 of City Hall during normal business hours.

PUBLIC COMMENTS
ADDRESSING THE FINANCE & AUDIT COMMITTEE MEMBERS

Any person wishing to address the Committee on any matter listed on the agenda or on any other matter within their jurisdiction should complete a speaker card that is provided at the entrance to the MRC and submit the card to the Committee Secretary.

Please identify on the speaker card whether you are speaking on an agenda item or non-agenda. Requests to speak on agenda items will be heard prior to requests to speak on non-agenda items. All comments are limited to three (3) minutes per speaker.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Introduction of members and welcome Donna Chia to Finance & Audit Committee.

ORAL COMMUNICATIONS - Three (3) minutes per speaker

Please state your name and city of residence for the record when recognized by the Committee Chair.

APPROVAL OF MEETING MINUTES

1) JULY 10, 2019, SPECIAL FINANCE & AUDIT COMMITTEE MEETING MINUTES

It is recommended that the Finance & Audit Committee receive and file the Minutes of the Special Finance & Audit Committee Meeting on July 10, 2019.

REPORTS

PRESENTATION:

Hilltop Securities - Pension Obligation Bonds

NEW BUSINESS

Discuss Monthly Financials

Schedule New Meeting Date

Possible date: January 28, 2020

ADJOURNMENT



AGENDA STAFF REPORT

City of West Covina

DATE: 10/23/2019
TO: Finance & Audit Committee
FROM: Robbeyn Bird, CPA, Interim Finance Director
SUBJECT: **JULY 10, 2019, SPECIAL FINANCE & AUDIT COMMITTEE MEETING MINUTES**

RECOMMENDATION:

It is recommended that the Finance & Audit Committee receive and file the Minutes of the Special Finance & Audit Committee Meeting on July 10, 2019.

Prepared by: Valerie Gonzales, Administrative Assistant I

Additional Approval: Robbeyn Bird, CPA, Interim Finance Director

Attachments

Attachment No. 1 - July 10, 2019 Minutes of the Special Finance & Audit Committee Meeting

CITY OF WEST COVINA

FINANCE & AUDIT COMMITTEE

MINUTES

SPECIAL MEETING

WEDNESDAY, JULY 10, 2019 6:00 p.m.

The special meeting of the Finance & Audit Committee was called to order at 6:01 p.m. in the M.R.C. Committee/Council Member Jessica Shewmaker led the Pledge of Allegiance.

ROLL CALL

Present: Chair Marsha Solorio
Vice-Chair David Lin
Committee/Council Member Dario Castellanos
Committee Member James Grivich
Committee/Council Member Jessica Shewmaker
Committee Member Vacant

Absent: Committee Member Colleen Rozatti

Staff Present: Interim Finance Director Robbeyn Bird, Accounting Manager Todd H. Owens, Interim City Manager David Carmany, Purchasing Manager Mark Baxter, Accounting Technician Renee Chavez

ORAL COMMUNICATIONS

No speakers.

1. APPROVAL OF JUNE 5, 2019, SPECIAL FINANCE & AUDIT COMMITTEE MINUTES

A Motion was given by Castellanos and seconded by Lin to approve the Special Finance & Audit Committee minutes of the June 5, 2019 meeting with amendments. Motion carried by a vote 4-0-1 with Shewmaker abstaining and Rozatti absent.

2. APPROVAL OF MARCH 7, 2019, AMENDED SPECIAL AUDIT COMMITTEE MINUTES

A Motion was given by Shewmaker and seconded by Grivich to approve the Special Audit Committee minutes of the March 7, 2019 meeting with amendments. Motion carried by a vote 5-0 with Rozatti absent.

NEW BUSINESS

Solorio questions how RAMS audits the I.T. portion. RAMS informs the Committee that typically they audit the access control, user controls at a higher level. They request a listing as to who has access to what and what users have access to what. Castellanos questions the kind of back-ups that are done by I.T. Baxter, Purchasing Manager, informs them we've had a lot of changes in I.T. with back-up stuff, the person they need to speak to is Shawn. Castellanos requested that they check with Shawn. Solorio stated that addresses her question(s) for I.T.

Bird, Interim Finance Director, introduces Scott Manno with RAMS. Audit firms rotate partners, so that you get a new set of eyes looking at information.

Grivich has new business:

A Motion was given by Grivich to approve the expansion of the scope of duties for the Finance & Audit Committee to include a review of Fire Departments Overtime. Motion failed, no second.

Grivich has an item for new business, information passed out. Information is regarding Fire Department overtime. Overtime has not been reduced. Grivich is asking that there be an audit comparing the situation from now to the situation a year ago because the department doesn't have to staff those positions with overtime, so why have the expenditures changed? It doesn't have to be an external auditor; the City hired an auditing company to come out and help in the Finance Dept. Grivich has a lot of experience with this company. It's possible those people could do what he's asking for; change the scope of their duties for what he's asking for. It may cost the City money, so another option would be to have an Audit Committee Member come in and do the research.

Shewmaker states 1. she isn't sure this can be part of the scope of work that they do, 2. If they want to expand the scope it would have to go to Council, under their new rule about amending contracts, and 3. They would all like an answer to it. She states it should be a request for information at the next meeting, we don't need outside auditor/internal auditors, it should just be a Finance Dept. answer the question; why is this the way it is? Solorio states the Fire Chief at the last council meeting came down and explained why it is. Grivich states there was no explanation as to why it hasn't changed since the positions were eliminated. Shewmaker states there are vacancies in the department above and beyond the positions eliminated, is part of the reason.

Bird states she can bring something back to the Committee regarding these concerns.

Grivich states he wants to be very precise about what he is talking about, he is not talking about the positions vacant now, he is talking about the positions that were eliminated last August, that had been previously staffed last fiscal year; a whole year ago 17/18.

Chavez informs Chair Solorio that there is a motion on the floor, it has not been seconded. If it doesn't get seconded, then it fails. Another motion can be made to perhaps do these other things that have been discussed. Solorio asks for a second, no second was received. Motion failed.

Castellanos agrees with Shewmaker to have the Finance Department help the Finance & Audit Committee figure out what's happening by seeing if the Fire Chief could provide data.

A Motion was given by Castellanos to begin searching for an answer to the finance information and seconded by Shewmaker. Carmany requests clarification of the motion.

Amended Motion given by Castellanos stating the Finance & Audit Committee is asking why overtime didn't decrease with elimination of nine (9) vacant positions associated with engine four (4) and the causes behind Fire Department overtime and seconded by Shewmaker. Motion carried by a vote 5-0 with Rozatti absent.

Monthly financials up for discussion by Solorio. Grivich asking why expenditures were higher, there was a three percent difference. Bird informs Grivich was using the adopted budget and in a lot of cases there were amendments to those budgets. Grivich states only pure expenditures. Bird can inform what the process is, at budget kick-off all the sheets were sent out to the different departments that make up the budget, they come back with the projections on where they think they are going to end up at the end of the year. Shewmaker states that Grivich is saying what we need to figure out is how to stop all the budget amendments or not have so many. The departments need to see about putting money aside for specific items they know they will need. There shouldn't be consistent budget amendments going to the Council requesting more money. Solorio states she is glad Baxter brought up the lock on the budget/accounts. She is glad it is on, since they were informed a year ago by previous management that the lock was off.

Solorio asks what account 5253 cash back is? Account 5999 salary savings, what is that, it's usually a negative? Bird responds that they budget for all positions for the whole year. Professional services why is that negative, does anyone track that? Baxter responds stating those are contract amounts, we need to request more money to increase the P.O. but then try to find that money within the Finance Dept. in other areas. Individual departments are required to manage their own contracts, we can't manage their contracts at the finance department level.

Finance & Audit Committee is requesting staff to provide the Policies and Procedures of the City as it's related to contracts and percentages over contracts and Policies and Procedures for budget limits.

Next meeting to take place Wednesday, October 23, 2019 at 6:00 p.m.

ADJOURNMENT

Motion was made by Shewmaker, seconded by Grivich adjourn the meeting at 7:13 p.m. Motion carried by a vote 5-0 with Rozatti absent.

Valerie Gonzales
Finance & Audit Committee Secretary