



CITY OF WEST COVINA
FINANCE & AUDIT COMMITTEE

WEDNESDAY, JANUARY 27, 2021, 6:00 PM
REGULAR MEETING

WEST COVINA CITY HALL
VIA TELEPHONICALLY
WEST COVINA, CALIFORNIA 91790

AGENDA

Marsha Solorio, Chair
Davis Lin, Vice Chair

Dario Castellanos, Mayor Pro Tem/Finance & Audit Committee Member
Donna Chia, Finance & Audit Committee Member
Rosario Diaz, Council/Finance & Audit Committee Member
Jim Grivich, Finance & Audit Committee Member
Colleen Rozatti, City Treasurer/Finance & Audit Committee Member

On March 4, 2020, Governor Newsom proclaimed a State of Emergency in California as a result of the threat of COVID-19. On March 17, 2020, Governor Newsom issued Executive Order N-29-20, suspending certain requirements of the Brown Act relating to the conduct of public meetings. Pursuant to the Executive Orders, Finance & Audit Committee Members may attend the meetings telephonically and the Committee is not required to make available a physical location from which members of the public may observe the meeting and offer public comment.

Members of the public may watch the Finance & Audit Committee meeting live on the City's website at: <https://www.westcovina.org/departments/city-clerk/agendas-and-meetings/current-meetings-and-agendas> under the "Watch Live" tab or through the West Covina City YouTube channel at www.westcovina.org/LIVE.

REMOTE PUBLIC PARTICIPATION:

In lieu of attending the meeting in person, members of the public can submit public comments via email.

EMAILED PUBLIC COMMENT:

Members of the public can submit public comments to the Finance & Audit Committee via e-mail at VGonzales@westcovina.org. The subject line should specify "Oral Communications – 1/27/2021". Please include your full name and address in your e-mail. No comments will be read out loud during the meeting. All comments received by the start of the meeting will be made part of the official public record of the meeting.

AMERICANS WITH DISABILITIES ACT

The Committee complies with the Americans with Disabilities Act (ADA). If you 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 72 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.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

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) JUNE 3, 2020, FINANCE & AUDIT COMMITTEE MEETING MINUTES

It is recommended that the Finance & Audit Committee receive and file the Minutes of the Finance & Audit Committee Meeting on June 3, 2020.

2) JUNE 11, 2020, FINANCE & AUDIT COMMITTEE SPECIAL MEETING MINUTES

It is recommended that the Finance & Audit Committee receive and file the Minutes of the Special Finance & Audit Committee Meeting on June 11, 2020.

REPORTS

3) FINANCE & AUDIT COMMITTEE NOMINATION

It is recommended that the Finance & Audit Committee nominate:

1. Chair; and
2. Vice-Chair

NEW BUSINESS

1. Discussion of State Audit
2. Status of FY 19-20 CAFR and Single Audit
3. Review of last financials provided
4. Next meeting date and time

ADJOURNMENT



AGENDA STAFF REPORT

City of West Covina

DATE: 01/27/2021
TO: Finance & Audit Committee
FROM: Robbeyn Bird, CPA, Interim Finance Director
SUBJECT: **JUNE 3, 2020, FINANCE & AUDIT COMMITTEE MEETING MINUTES**

RECOMMENDATION:

It is recommended that the Finance & Audit Committee receive and file the Minutes of the Finance & Audit Committee Meeting on June 3, 2020.

Prepared by: Valerie Gonzales, Administrative Assistant I
Additional Approval: Robbeyn Bird, Finance Director

Attachments

Attachment No. 1 June 3, 2020 Minutes

CITY OF WEST COVINA

FINANCE & AUDIT COMMITTEE

MINUTES

MEETING

WEDNESDAY, JUNE 3, 2020 6:00 p.m.

The meeting of the Finance & Audit Committee was called to order at 6:02 p.m. in the Council Chambers via Go To Meeting. Member Grivich led the Pledge of Allegiance.

ROLL CALL

Present: Chair Marsha Solorio
 Vice-Chair David Lin
 Committee/Council Member Dario Castellanos
 Committee Member Donna Chia
 Committee Member James Grivich
 Committee Member/City Treasurer Colleen Rozatti
 Committee/Council Member Jessica Shewmaker

Absent: None

Staff Present: Finance Director Robbeyn Bird, City Manager David Carmany, Assistant City Manager Mark Persico, Assistant City Clerk Lisa Sherrick, Administrative Assistant I Valerie Gonzales

ORAL COMMUNICATIONS

- Peter Dien
- Yusif Arifir
- Erin Lopez
- Lauren Thielen
- Alfredo Luna
- Chris Miller
- Jessie Wang
- Julie Silva
- Delia Grubaug
- Carissa Castro
- Jordan Vergel de Dios
- Melanie Celaya
- Christine Nguyen
- Andrew Jandres
- Jilliana Herpacio
- Victoria Mejicanos
- Jocelyn Loera
- Gwynnevere De la Cruz
- Kira Matila
- Alessandra Lepe
- Riana Vergel de Dios
- Melayna Navarro
- Mason Manriquez
- Valerie Bueno (Concerned Resident)
- Karyme Padilla
- Audrey Le
- Leizza Acosta
- Shannon Lo
- Isaiah Gutierrez
- Charlize Tsang
- Samantha Torre
- Paulina Salas
- Ilianna Salas
- Joy
- Juliana Sandoval
- Rhauden Hizon
- Kaelyn Gonzales
- Julissa Guevara
- Emylou Vergel de Dios

- Cynthia Tran
- Chris A. Miller
- Christine Nguyen
- Melissa Garduno
- Victoria Gutierrez
- Anastasia Lepe
- Sebastian Calderon
- Apolonia Lepe
- Jacky Dai
- Nicole Higman
- Athena Jreij
- Mariel Bautista
- Xavier Sarinas
- Gino Santos
- Michael Munoz
- Samantha Williams
- Jacky Dai
- Peter Dien

--- End of Public Comment

1. APPROVAL OF OCTOBER 23, 2019 FINANCE & AUDIT COMMITTEE MINUTES

A Motion was given by Council Member Castellanos and seconded by City Treasurer Rozatti to approve the Finance & Audit Committee minutes of the October 23, 2019 meeting with amendments.
Motion carried by a vote 7-0.

2. APPROVAL OF JANUARY 22, 2020 FINANCE & AUDIT COMMITTEE MINUTES

A Motion was given by Council Member Castellanos and seconded by City Treasurer Rozatti to approve the Finance & Audit Committee minutes of the January 22, 2020 meeting.
Motion carries by a vote 7-0.

REPORTS

3. PRELIMINARY FISCAL YEAR 2020-21 BUDGET

City Manager Carmany informs Committee Members that there is a presentation/power point of the Preliminary Budget and then staff will be available for questions.

City Treasurer Colleen Rozatti asks about property tax and if we are closer to the budget mark than we were in March and if there was some push back from the county. Finance Director Robbeyn Bird informs the committee that her and the City Manager discussing the budget and how they would balance; she received an e-mail regarding property tax payments and that they were delayed until July due to Covid-19 and she received a second e-mail for Redevelopment stating January 2021. Property tax money was received in May. We also received sales tax in May, it was half of the payment we normally receive.

Member Jim Grivich states he has an issue with the budget overtime. States for years it's been a problem. City spends more on overtime than what's in the budget. He suggests Brown Out and possibility of using contracted ambulance service. His main request is that there be a specific plan on how we are going to achieve the budget & he is putting that in the form of a motion as a recommendation to the City Council. City Manager David Carmany connects Fire Chief Capelle to comment on the overtime topic. Fire Chief Capelle states that sticking to the amount of overtime budget with current staffing levels the only way to do that would be to have a work force reduction or grounding out and shutting down stations or resources within that district. Once the overtime ran-out we would not back fill any further and in that model it's somewhat similar to the Brown Out in San Diego. We wouldn't have any resources in that area. Brown Out would not work in West Covina, in current deployment we have one engine truck in each district of the five (5) districts. In San Diego they have 47 fire stations, 13 of them have a number of trucks; they never remove a resource from a district. In West Covina if we enact a Brown Out, there will be no resources.

Fire Chief Capelle discusses Care ambulance – the only way that would be beneficial is the transport portion or our basic life support. It would be a reduction in our work force; at this time City of West Covina transports its own advanced life support and basic life support patients. Contracting with a company they would only do the basic life support patients and we would have to advanced life support patients per LA County on health service policy.

Member Jim Grivich states his intent was just to say other folks out there do these kinds of things, it seems reasonable to think that we can. He doesn't want the budget to be a fantasy and ignored. Fire Chief Capelle reminds the committee that Engine 4 is closed, anything further would not be possible for the community of West Covina.

City Manager David Carmany states there are different models and we are working hard to find some of those that would make sense for the community.

Motion made by Committee Member Jim Grivich and seconded by Chair Marsha Solorio for the Committee to recommend to the City Council that the City Manager pursue what he just discussed to find a model that will effectively keep spending within the overtime budget.

Motion carried by a vote 7-0

Vice Chair David Lin thanks Finance Director Robbeyn Bird and staff for putting the budget together. Vice Chair David Lin would like to know based on pre-pandemic time, if we have a plan or idea how to stabilize or increase the cash flow? Finance Director Robbeyn Bird states yes and explains that they are looking into alternatives.

Vice Chair David Lin asks about the expenditure account on page 60, account 363 workers compensation. City Manager David Carmany informs that the overall

Risk Management Program changed from a program that just provided insurance to a program that provides a full Risk Management Program.

Member Jim Grivich hopes that they can have a revised revenues estimate soon.

City Treasurer Colleen Rozatti states she was looking at the chat going-on and folks are asking what was the reason for giving Police Department and Fire Department increases? City Manager David Carmany states raises were granted after some pretty careful review of where we were. We were losing police officers and fire fighters to agencies that were paying better.

Chair Marsha Solorio commends staff for putting together the budget and City Council for the great questions they asked at the meeting. Chair Marsha Solorio states that animal control has a big decrease in revenue, but the increase in expenses. Assistant City Manager Mark Persico stated they were looking at options, revenues didn't materialize as had been expected when they moved from L.A. County to Inland Valley. Chair Marsha Solorio asks questions about Police Department and states the accounts seem a bit heavy. City Manager David Carmany states that the Police Chief is not on the call, will have him get back to her.

Motion was made by Council Member Dario Castellanos and seconded by Vice Chair David Lin to approve Preliminary Fiscal Year 2020-21 Budget.

Motion carried by a vote 7-0

NEW BUSINESS

Council Member Dario Castellanos to speak with City Manager and Finance Director at the workshop regarding new meeting date.

Finance Director Robbeyn Bird informs the committee of terms expiring Jim Grivich, Marsha Solorio, and Jessica Shewmaker.

Postpone change of chair and vice chair to next meeting.

ADJOURNMENT

Chair Solorio moved to adjourn the meeting, seconded by Council Member Dario Castellanos at 7:38 p.m.

Valerie Gonzales
Finance & Audit Committee Secretary



AGENDA STAFF REPORT

City of West Covina

DATE: 01/27/2021
TO: Finance & Audit Committee
FROM: Robbeyn Bird, CPA, Interim Finance Director
SUBJECT: JUNE 11, 2020, FINANCE & AUDIT COMMITTEE SPECIAL MEETING MINUTES

RECOMMENDATION:

It is recommended that the Finance & Audit Committee receive and file the Minutes of the Special Finance & Audit Committee Meeting on June 11, 2020.

Prepared by: Valerie Gonzales, Administrative Assistant I
Additional Approval: Robbeyn Bird, Finance Director

Attachments

Attachment No. 1 June 11, 2020 Minutes

CITY OF WEST COVINA
FINANCE & AUDIT COMMITTEE
MINUTES
SPECIAL MEETING
WEDNESDAY, JUNE 11, 2020 6:00 p.m.

The special meeting of the Finance & Audit Committee was called to order at 6:00 p.m. in the Council Chambers via Go To Meeting. Pledge of Allegiance.

ROLL CALL

Present: Chair Marsha Solorio
Vice-Chair David Lin
Committee/Council Member Dario Castellanos
Committee Member Donna Chia
Committee Member James Grivich
Committee Member/City Treasurer Colleen Rozatti
Committee/Council Member Jessica Shewmaker

Absent: None

Staff Present: Finance Director Robbeyn Bird, City Manager David Carmany, Assistant City Manager Mark Persico, Assistant City Clerk Lisa Sherrick, Fire Chief Vincent Capelle

ORAL COMMUNICATIONS

- Phil Moreno
- Elsie Messman
- Gloria Gandara
- Teresa Cozad
- Martin & Debbie Valadez
- Carley Valadez
- Gladys Rupa
- Samantha Trejo
- Katherine Perez
- Sean Garcia
- Suzy
- Tammy Mathis
- Jerri Potras
- Terry Banover
- Maria Diaz
- Peter Howell

--- End of Public Comment

Chair Marsha Solorio asked if any staff would like to answer any questions.
City Manager David Carmany states questions will be addressed as part of the staff report.

NEW BUSINESS

Presentation by Fire Chief Capelle regarding fire service, West Covina Fire Department vs. LA County Fire Department.

Fire Chief Capelle opens discussion for questions.

City Treasurer Colleen Rozatti asks the question that caller Mr. Moreno asked, how many fire calls do we currently have recorded? Fire Chief Capelle informs her that he currently doesn't know, but for 2019 there were 159 calls that were fire related. City Treasurer Colleen Rozatti would like clarification regarding Station 4 being closed. Fire Chief Capelle states that Station 4 is not currently closed. They have shut-down & browned out engine 4 and moved the truck company to that location, which has water and hose added on it. If we have fire, it doubles as a resource.

City Treasurer Colleen Rozatti states before the contract is renegotiated, what type of term or contract would you have with LA County Fire. City Manager David Carmany states that joining of consolidated fire protection district requires a number of steps for a fee for service model & annexation into the district. The City is mindful of pension transitions, annual cost increase caps, needs to have things up to standards for LA County. Contract would be the initial 10-year term and contract would have to be the same as all other cities that are with LA County. City Treasurer Colleen Rozatti would like to know if the county has provided a bid. City Manager David Carmany states it would be the initial cost for what it would take to provide services. No cost conversion.

City Treasurer Colleen Rozatti asks about Fire's pension transition. City Manager David Carmany informed her that they would leave their retirement on hold with CalPERS and move to County. City Treasurer Colleen Rozatti asks if the Pension Obligation Bonds transfer as well or is the City still responsible. Finance Director Robbeyn Bird informs her that they haven't issued Pension Obligation Bonds as-of-yet. There have been issues since Covid-19 and the courts being closed. Committee Member Jim Grivich states that regardless we have to pay for unfunded liability for pensions. Finance Director Robbeyn Bird states that is correct.

City Treasurer Colleen Rozatti would like to know if the offer is to take all fire fighters that want to go. Fire Chief Capelle states yes, the ones that want to go can transfer. City Treasurer Colleen Rozatti states that there should be minimal loss of jobs for West Covina Fire Fighters. Fire Chief Capelle states there should be no loss of jobs. Committee Member Jim Grivich states he went through this same thing with the county sheriff and it is not true that every employee was accepted through the county. They had issues with some employees through their review and they were terminated. City Manager David Carmany informs the committee that the county has its own standards and needs to their background on anyone who is going to work for them. They have fitness standards to pass, it's not an absolute promise for jobs. Chair Marsha Solorio would like to know if we go ahead with this model, essentially terminating them here, how would this affect our cashflow paying out. Finance Director Robbeyn Bird states she is not sure how the cash outs will work. Paying out accruals for vacation and other things is about \$400,000. Fire Chief Capelle states many transfers of employees may not be done due to some medical issues that may have not been found until they did medical/background check with the county.

Vice Chair David Lin would like to know if LA County Fire Model is so much better, why haven't we considered adopting it in the past. City Manager David Carmany states that the consequences of this current pandemic have brought into clear focus the need for the

City to look at options in service provision not just in fire but everything we do. Exploring ideas maybe we should have done this years ago. Committee/Council Member Jessica Shewmaker states in the late 1990's voters overwhelmingly wanted to keep our own Fire Department. In the past it was more expensive than to maintain our own Fire Department. Vice Chair David Lin would like to know if a resident files a lawsuit, would that fall on LA County or City of West Covina. Fire Chief Capelle states it would fall on LA County, the City would not be responsible.

Committee Member Jim Grivich states that our facilities and equipment, etc., are in bad shape and need to be upgraded. It sounds like it would be expensive, but it's stuff we should be doing ourselves, not because we are going to LA County Fire. City Manager David Carmany informs the Committee that transitioning has a number of steps, capital replacement repairs is critical. A lot things are being studied and evaluated right now.

Committee Member Jim Grivich would like to know the cost for only running three (3) fire stations and how much it will cost the county. He states there needs to be a comparison analysis made. He is asking that all numbers be made available that weren't brought to the table tonight.

Committee Members are concerned about response time if stations close and we go to LA County Fire or have a Brown Out. Fire Chief Capelle states that if stations close and we are LA County, we are gaining 175 more stations and all the resources that come with them. If we go into a Brown Out, if an employee takes vacation at a certain station, that station is closed until the next shift comes in. Then it can close again once that shift is off. It will be an open/close type situation.

Committee Members would like to know about the Care Ambulance Service, if we go with them, would subscription service be offered to residents. Fire Chief Capelle informed of two (2) models; First model is a pass through model where they handle all billing; all services handled by their agency and we would get any revenue that took place during transport for any advance support paramedic call that's above and beyond the county fees. Second model is a lease, City would retain all billing and we would pay for the service from Care Ambulance. Retaining all the funds from the revenue from patient transport and we could do a subscription plan.

Chair Marsha Solorio would like to know if we go with the LA County Fire option, the fee for service, do we receive a bill every month for overtime, is it built into the invoice without being reported as separate. Fire Chief Capelle informed her that there are no incurred costs for the City. The City is not charged anything more and an invoice is done monthly. Committee Member Jim Grivich would like to know if the county is billing on actual cost. City Manager David Carmany informed the annual bill is 17.1 million for staff, City billed monthly.

Chair Marsha Solorio is anticipating receiving a copy of the draft contract. Fire Chief Capelle informed them they will share a copy of the contract. Committee/Council Member Shewmaker informed the Committee that the draft is with the City Attorney, should probably share after, changes are being made.

Chair Marsha Solorio states she is not truly understanding what their role is at this point. It is not good to make any recommendation at this time, assuming City staff will put something together at a later date. She asks the City Manager and City Attorney to provide some type of assurance that this type of analysis would be considered in the scope of duties, any decisions made by the Committee would be heavily scrutinized.

City Manager David Carmany informs the Committee the revenues have plummeted, expenses are up. Cash flow – we are negative in general fund. He asks the Finance & Audit Committee to discuss options and that they are well within their prerule to receive a report. He welcomes any comments and suggestions. He would like a vote out of the Committee with a recommendation.

Recommendation made to Council by City Treasurer Colleen Rozatti and seconded by Vice Chair David Lin to go to LA County Fire option for future of our (West Covina) Fire Department.

Committee Member Jim Grivich would speak against the motion, insufficient information on the table, change is forever.

Motion made by City Treasurer Colleen Rozatti and seconded by Vice Chair David Lin for City Council to look at LA County Fire proposal for West Covina Fire and do due diligence on; cost, long-term, liability, service changes, fleet and maintenance, direct cost comparison, service comparison, loss of station one, and include fire fighters & retention. Motion carried by a vote of 4-3.

Motion made by City Treasurer Colleen Rozatti and seconded by Committee Member Donna Chia that the Finance & Audit Committee recommend the LA County Fire option. Motion carried by a vote of 4-2-1 abstain

ADJOURNMENT

Chair Solorio moved to adjourn the meeting at 8:12 p.m.

Valerie Gonzales
Finance & Audit Committee Secretary



AGENDA STAFF REPORT

City of West Covina

DATE: 01/27/2021
TO: Finance & Audit Committee
FROM: Robbeyn Bird, CPA, Interim Finance Director
SUBJECT: FINANCE & AUDIT COMMITTEE NOMINATION

RECOMMENDATION:

It is recommended that the Finance & Audit Committee nominate:

1. Chair; and
2. Vice-Chair

DISCUSSION:

On June 5, 2019, the Finance & Audit Committee nominated then Committee Member David Lin as Vice-Chair, and on June 5, 2019, the Audit Committee nominated then Vice-Chair Marsha Solorio as Chair. Annually, City of West Covina Boards and Commissions select a Chair and Vice-Chair. It is recommended that the Finance & Audit Committee select a Chair and Vice-Chair at this time. Since there are no term limits currently for the seats of Chair and Vice-Chair on the Finance & Audit Committee, the Committee may confirm the existing positions or select a new Chair and Vice-Chair.

Prepared by: Robbeyn Bird, Finance Director

Additional Approval:
