



City of Hercules

111 Civic Drive
Hercules, CA 94547

Meeting Minutes

Finance Commission

J. Yamamoto, Chair
Stanley Tom, Vice Chair
Lori Risby, Commissioner
Zania Harris, Commissioner
Aida Torres, Commissioner

Monday, February 26, 2018

7:00 PM

Council Chambers

Regular Meeting

I. CALL TO ORDER - ROLL CALL

Meeting was called to order at 7:02 p.m. by Chairperson Yamamoto.

Y. Yamamoto, Chairperson – Present
Stanley Tom, Vice-Chair – Present
Zania Harris, Commissioner – Present
Aida Torres, Commissioner – Present
Lori Risby, Commissioner - Present

II. PLEDGE OF ALLEGIANCE

III. INTRODUCTIONS AND PRESENTATION - NONE

IV. AGENDA ADDITIONS/DELETIONS – NONE

- Director To made some minor changes to the Mid-Year Report after the agenda was published on the website and distributed the report to the Finance Commissioners at the meeting.

V. PUBLIC COMMUNICATIONS - NONE

VI. DIRECTOR REPORT

Disbursement List is located at <http://www.ci.hercules.ca.us>. Click on Departments and Services. Click on Finance. Click on Disbursement List.

- Director To reported that the City of Hercules has completed the FY16-17 annual audits. She distributed the FY16-17 audit reports to the Finance Commissioners.
 - Vice-Chair Tom recommended to provide explanations for variances under/over 25% as compared to prior year.
 - A Management Discussion and Analysis was omitted in The Hercules Public Financing Authority Report as it was not required per the auditors; however, Vice-Chair Tom suggested to include a management discussion in the future.

- Director To presented the Mid-Year review for FY17-18. The Finance Commission have asked for the following clarifications in the FY16-17 year-end report:
 - The FY 16-17 Actual Salaries & Benefits expenditures were under budget due to vacancies.
 - In prior years, depreciation expense was not budgeted in the Sewer Fund. Depreciation is a non-cash item. In the past fiscal years, depreciation was either not budgeted or was budgeted at a low level. Starting in FY17-18, Finance staff will start budgeting for Depreciation Expenses.
 - The revenues that are booked in the Miscellaneous Reimbursement account are for internal administrative allocations that General Fund is charging to other funds.
 - The revenues that are booked in the Miscellaneous Revenue account are revenues that do not fall into any of the existing revenue categories in the General Fund.
 - City Manager Biggs explained the addition of the revenues and expenditure budget for the BART Parking Lot.
 - The negative expenditure amount of (\$22,500) in Facilities Fund (Fund 470) is for the correction of a typo. The budgeted amount should be \$2,500 and not \$25,000.

VII. CONSENT CALENDAR

- Finance Commission meeting minutes from 01/22/18 was approved with amendments to update the Vice Chair Vote to 3-2 in Section III, Item 4.(For Tom: Yamamoto, Harris, Risby; For Harris: Tom, Torres).
(Motion: Vice-Chair Tom, Second: Commissioner Risby, Pass 5-0 (Ayes: Chair Yamamoto, Vice-Chair Tom, Commissioner Harris, Commissioner Risby; Commissioner Torres)
- Finance Commission meeting minutes from 02/08/18 was approved with amendments to correct the meeting adjournment name from Chairperson Tom to Chairperson Yamamoto and to note that the February 26 meeting will be a regular meeting (not a special meeting).

(Motion: Vice-Chair Tom, Second: Commissioner Risby, Pass 5-0 (Ayes: Chair Yamamoto, Vice-Chair Tom, Commissioner Harris, Commissioner Risby; Commissioner Torres)

VIII. DISCUSSION AND/OR ACTION ITEMS

- Commissioner Torres provided an update on the Parks & Recreation meeting that was held on 02-26-18.
- Vice-Chair Tom made a presentation on Measures B & C. Vice-Chair Tom and Commissioner Risby recommended to use a 2-month reserve for the Fiscal Neutrality fund to help define long term financial stability. Previously, in the FY 15-16 report, a month reserve was used.
 - Vice-Chair Tom motioned to approve Measures B & C reports, with amendments to update the designations for Vice-Chair Tom and Commissioner Harris. Second, Commissioner Harris, Pass 5-0 (Ayes: Chair Yamamoto, Vice-Chair Tom, Commissioner Harris, Commissioner Risby; Commissioner Torres).
 - Vice-Chair Tom and Commissioner Risby recommended a 2-month reserve. Chair Yamamoto questioned why they recommended a 2-month reserve. Commissioner Risby and Vice-Chair Tom said that they eventually would like 3 month reserve but are shooting for 2 months now to make a gradual change. When Chair Yamamoto questioned how they came up with this and the basis for that conclusion, Risby said it was based on "industry standards ". When Chair Yamamoto asked what industry standards? Risby responded that it is based on industry studies - when she was questioned further by Chair Yamamoto it was discovered that they based this conclusion on fact that from her own personal experience as a tax preparation agent, she recommends that her individual taxpayers have at least a 3 month reserve. Chair Yamamoto pointed out that the City of Hercules should not be compared to an individual taxpayer and that that logic is flawed.

IX. COMMISSIONER REPORTS AND ANNOUNCEMENTS

- Vice-Chair Tom attended the City Leadership Meeting. He informed Chair Yamamoto that City Staff prepared a handout on tips of how to run a meeting and that Director Martin may have a copy.
- Vice Chair Tom and Commissioner Risby had a Measure B and Measure C Sub-Committee meeting.

X. FUTURE AGENDA ITEMS

Future Agenda Items Work Plan: Long Term plan and Parks and Recreation update will be included in the March agenda.

XI. ADJOURNMENT

Chairperson Yamamoto adjourned the meeting at 9:02pm.

The next Regular Meeting of the Commission will be held on Monday, March 26, 2018 at 7:00 p.m. in the Council Chambers.

Submitted by: Deysi Ortega x 

Approved by the majority vote of the Commission on March 26, 2018