

## FINANCE COMMITTEE REPORT

A Committee of the Chico City Council: Councilmembers Gruendl, Stone and Chair Sorensen

**Meeting of January 28, 2014 – 8:00 a.m. to 10:00 a.m.**

Council Chamber Building, 421 Main Street, Conference Room No. 1

### REGULAR AGENDA

- A. **Presentation** – Richard Tagore-Erwin of R3 Consulting Group presented a draft Request for Proposal for the franchising of solid waste and recycling services to the Finance Committee for its review and direction. The presentation addressed franchising options, desired scope of services, and criteria for the proposal evaluation and selection process.

After the presentation, the Committee asked the following questions:

- Will rates go up?
- Will the municipal code have to be amended?
- Will flow control be part of the proposal?
- Will bin or cart size be determined by land use?
- The City would like the two main haulers maintained. How will the contracts be divided?

Mr. Tagore-Erwin stated that he anticipates rates going up about 10% and there would have to be a considerable revamping of the municipal code. He added that waste generated in the county stays in the county, and flow control has more provisions in Southern California. The City currently sets the maximum rates of what the haulers can charge. It would be a competitive bid process moving forward.

Chair Sorensen opened the meeting to public comments.

Addressing the Committee on this item, were Juanita Sumner, Chris Bolchazy, Joe Matz and Ryne Johnson.

The Committee Members raised the following concerns and/or asked for more information on the following:

- The process Paradise used for their waste hauler
- The timeframe is overly aggressive
- Terms and flexibility for the definition of multi family dwelling
- Flow control needs more consideration and the possibility of missing out on future technologies
- Address potential revenue generation for compost facility
- The City's responsibility of where the garbage ends up
- Is a residential versus commercial contract fair in the competitiveness
- What is the City really trying to accomplish (i.e. franchise fee revenue, reduced impact on city streets, etc?)
- Impact on the City Attorney's office in updating the code

City Manager Nakamura stated that the Committee and staff have received a lot of input. The City needs to co-exist with the franchises and the City needs to provide programs and services. If rates are going to triple, as stated by Joe Matz of Recology, the City may not want to pursue this avenue. But if there are opportunities such as turning food waste into fuel and addressing the composting facility that interferes with the airport, then these issues need to be looked at. Staff should be able to provide the rates when asked.

Committee direction is for the Consultant and/or staff to return to a future Finance Committee meeting, to address the above noted questions and concerns.

- B. **Monthly Financial Reports** - The Administrative Services Director presented the Monthly Financial Report and Budget Monitoring Reports through December 31, 2013. *(Report – Chris Constantin, Administrative Services Director)*

Stephanie Taber addressed the Committee on this item.

- C. **City of Chico Proposed Fee Schedule Change** – Consideration of a change to the City's Fee Schedule that would eliminate the fingerprinting fee exemption for persons who are employed by or volunteering with non-profit organizations. *(Report – Kirk Trostle, Chief of Police)*

Police Captain Ford Porter provided an overview of the current fingerprinting process.

Chair Sorensen opened the meeting to public comments. There were no public comments.

A motion was made by Gruendl and seconded by Stone to forward a recommendation to Council to approve the amendment to the fee schedule.

The motion carried 3-0.

- D. **Consideration of the Community Organization and Economic Development/Tourism Funding Programs and the Chico Branch of the Butte County Library Funding for FY 2014-15** – In light of the City's budgetary constraints, and the impact that staff reductions have had on the city organization, the Finance Committee was asked to review the Community Organization (public services and the arts), Economic Development/Tourism, and the Chico Branch of the Butte County Library (Chico Library) funding programs and provide staff with direction as to whether these programs should continue as currently structured or if modifications or temporary suspension of one or more of the programs should be considered. *(Report – Mark Orme, Assistant City Manager)*

Assistant City Manager Orme provided the Committee with an overview of the labor intensive process by which this program is administered. Eight staff positions within the City Manager's office and the Housing and Neighborhood Services Department previously provided the support. The City Manager's office was reduced by 3.5 positions and the HNSD was reduced from 6 staff members to 2. The oversight of this program includes the noticing of the availability of funds, receiving applications, agendaizing for several committees and then Council, preparing agreements, issuing checks, and auditing of 39 organizations.

The Committee Members addressed the following concerns:

- The impacts of this program, including the library funding, on City funds and staff resources
- The City supplanting other branches of the library by providing library funding
- Prior to 2001, the City did not provide library funding

Chair Sorensen opened the meeting to public comments.

Addressing the Committee on this item were: Diane Freedman, Brad Montgomery, Mel Lightbody, Diane Puckett, Stephanie Taber, Katie Simmons and Trudie Doosenberg.

A motion was made by Gruendl and seconded by Stone to forward a recommendation to Council to continue the 15% CDBG funding, postpone the General Fund contribution, with the exception of library funding, and look at available alternatives at the March Finance Committee meeting.

The motion carried 3-0.

- E. **Business from the Floor**

Ken Campbell inquired as to when staff would be allowed to move back into Fire Station 5.

Director Constantin stated that the building is not structurally sound. Chair Sorensen added that the mold issue in the station is no small matter, along with the roof repairs.

City Manager Nakamura stated that one of the issues with mold remediation is, as soon as water is re-introduced, the mold will come back. The City can't put a band aide on it. There have been issues with the station from the time it was built and the City signed off on it.

- F. **Adjournment and Next Meeting** - The meeting adjourned at 10:13 a.m. to the next regular Finance Committee meeting on February 25, 2014, at 8:00 a.m. in Conference Room No. 1.

  
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Dani M. Brinkley, Deputy City Clerk

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## FINANCE COMMITTEE REPORT

A Committee of the Chico City Council: Councilmembers Gruendl, Stone and Chair Sorensen

**Meeting of February 26, 2014 – 2:00 p.m. to 3:15 p.m.**

Council Chamber Building, 421 Main Street, Conference Room No. 1

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### REGULAR AGENDA

*All Committee Members were present.*

- A. **Consideration of Budget Policy Revisions** – The Committee was asked to consider Budget Policy Revisions to establish three new funds and a new policy governing disclosure and/or approval of grant funding opportunities. (*Report – Chris Constantin, Administrative Services Director*)

The Committee provided the following comments and/or questions:

- Appreciates that funding of the compensated absences is being addressed
- How does staff propose to keep the liability at what it may be years down the road?
- Will each department have to fund its own liability?
- Are there risks associated with separating the SAFER grant funds?
- Will Council be receiving a report when staff seeks future grant opportunities?
- How long since a report has been provided to Council?

Director Constantin stated the budget policy sets a target of 50% of the total compensated absences. The City will fund the liability and it will be incorporated into each departments' operating budget. He stated the separate fund accounts for the SAFER grant funds that are being proposed can have restrictions placed on the funds by Council. However, the funds would not be legally restricted and the Council can change the policy with a majority vote. There has been a budget policy related to staff seeking approval before pursuing grant funding opportunities, however, it has long been forgotten. This policy will be reinstated.

There were no public comments on this item.

A motion was made by Gruendl and seconded by Stone to forward a recommendation to Council to provide direction regarding proposed policy changes.

The motion carried 3-0.

- B. **Monthly Financial Report and Budget Monitoring Reports** - The Administrative Services Director presented the Monthly Financial Report and Budget Monitoring Reports through January 31, 2014. (*Report – Chris Constantin, Administrative Services Director*)

Addressing the Committee on this item was Dale Bennett.

- C. **Business from the Floor** - None

- D. **Adjournment and Next Meeting** - The meeting adjourned at 2:50 p.m. to the next regular Finance Committee meeting on March 26, 2014, at 2:00 p.m. in Conference Room No. 1.

Prepared by:

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Dani M. Brinkley, Deputy City Clerk

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## FINANCE COMMITTEE REPORT

A Committee of the Chico City Council: Councilmembers Gruendl, Stone and Chair Sorensen

**Meeting of March 26, 2014 – 2:00 p.m. to 3:15 p.m.**

Council Chamber Building, 421 Main Street, Conference Room No. 1

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### REGULAR AGENDA

*Chair Sorensen and Committee Member Stone were present. Committee Member Gruendl arrived post roll call at 2:30 p.m.*

- A. **2014-15 Draft Annual Plan Summary for the Use of Federal Community Development Block Grant (CDBG) and Home Investment Partnerships Grant (HOME) Funds.** The City receives an annual award of community development and housing funds from the federal Department of Housing & Urban Development (HUD). Each year, the City must submit an Annual Plan to HUD describing the City's plan for using these funds in the upcoming year. *(Report—Marie Demers, Housing Manager)*

Housing Manager Demers provided an update to the report, which included the actual amount that City will receive under this program.

Addressing the Committee on this item was Mike Trolinder.

A motion was made by Stone and seconded by Sorensen to accept the draft Annual Plan summary and forward its recommendations to the City Council for consideration.

The motion carried 2-0, with one absent.

- B. **Consideration of restructuring of the Community Organization, Economic Development/Tourism and Butte County Library funding** - In light of the City's budgetary constraints, and the impacts that staffing reductions are having on the city organization, the Finance Committee was asked at its meeting of January 28, 2014 to review the Community Organization (Public Services and Arts), Economic Development/Tourism, and the Chico Branch of the Butte County Library (Chico Library) funding programs and provide staff with direction as to whether these programs should continue as currently structured or if modifications or temporary suspension of one or more of the programs should be considered. At that meeting, staff was directed to proceed with the CDBG component of the funding process but return with proposed modifications at the meeting of March 26, 2014, as it relates to the remaining items.

Addressing the Committee on this item were Muir Hughes, Monica McDaniel and Mike Trolinder.

*Chair Gruendl arrived.*

A motion was made by Stone and seconded by Sorensen to forward the six (6) recommendations outlined in the staff report to the City Council for consideration.

The motion carried 3-0.

- C. **Monthly Financial Report and Budget Monitoring Reports** - The Administrative Services Director presented the Monthly Financial Report and Budget Monitoring Reports through February 28, 2014. *(Report – Chris Constantin, Administrative Services Director)*

Addressing the Committee on this item was Stephanie Taber.

## REPORTS AND COMMUNICATIONS

- D. **FY 2014-15 Preliminary Budget** – The Administrative Services Director presented the 2014-15 Preliminary Budget for review and discussion. (*Report – Chris Constantin, Administrative Services Director*)

Director Constantin reported that this year, staff wanted to provide a draft of the preliminary budget. The budget reflects the updated salaries and benefits from the recently completed negotiations. What is not reflected in this budget are additional budget requests from departments for additional operating expenses and staff. Director Constantin stated that something else that will not be found in this year's budget is transfer of gas tax, which has been millions in the past.

The Committee addressed the following concerns:


- There is still a structural imbalance in Fund 400
- The methodology used to calculate overhead costs in Fund 400
- The General Fund will have to subsidize the overhead costs of the Capital Projects

Director Constantin stated the methodology for calculating overhead costs in Fund 400 will be changing, this is a clearing house fund and in some cases, things can get double counted. Staff explained there are some overhead costs that are reasonable and there are some that are not sustainable. On the monthly monitoring reports, staff will provide a list of projects and staff will have to determine if the projects can still be done. There has been little or no cost containment.

City Manager Nakamura advised that the City has some projects that are eminent. The General Fund will have to pay for the \$7.8 million deficit because the fund can't begin the new fiscal year in a deficit. Another project that is nearing the critical stage is the sewer trunk line replacement at a cost of \$6 million. Other projects that have to be addressed are the condition of Fire Station 5 and the police radio replacement, which may cost \$2 million. The City cannot afford to have a critical failure to the WWTP or police officer safety.

Addressing the Committee on this item was Stephanie Taber.

- E. **Business from the Floor** – None.
- F. **Adjournment and Next Meeting** - The meeting adjourned at 3:35 p.m. to the next regular Finance Committee meeting on April 23, 2014, at 2:00 p.m. in Conference Room No. 1.

  
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Dani M. Brinkley, Deputy City Clerk

### **DISTRIBUTION:**

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## FINANCE COMMITTEE REPORT

A Committee of the Chico City Council: Councilmembers Gruendl, Stone and Chair Sorensen  
**Meeting of April 22, 2014 – 8:00 a.m. to 10:00 a.m.**  
Council Chamber Building, 421 Main Street, Conference Room No. 1

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*Chair Sorensen and Committee Member Stone were present. Committee Member Gruendl was absent.*

### **REGULAR AGENDA**

- A. **Update on Analysis of City's Solid Waste Collection Franchising Options** - R3 Consulting Group, Inc. presented an update to the Finance Committee on its analysis of the City's solid waste collection franchising options to include the additional tasks that have been completed and the results of a Rate and Service Survey. (*Report – Richard Tagore-Erwin, R3 Consulting Group, Inc.*)

Mr. Tagore-Erwin reported he met with the two current waste haulers and the meetings have been very productive. The current waste system needs to be updated and modernized. If the City chooses to maintain the two current agreements, he believes the details could be worked out by the end of this year.

Addressing the Committee on this item were Juanita Sumner, Joe Matz, and Michael Gross.

The direction provided by the Committee was to forward a recommendation to Council to approve Option 4: Adopt A "Zoned" Franchise System, which includes:

- Negotiate an exclusive franchise limited to WM and Recology based on two exclusive residential service "zones" that would be based on approximate split of current residential accounts/revenue base;
- WM and Recology would be responsible for providing street sweeping, leaf collection, collection from City buildings/facilities, and illegal dumping collection in their respective exclusive residential "zones";
- Commercial services would remain as the current "open market" competition between WM and Recology (not zoned);
- City sets maximum rates for all services (residential and commercial);
- Franchise agreements would cover both residential and commercial services and the terms, conditions, service requirements, performance standards, franchisee fees, etc. would be the same for both WM and Recology; and
- Franchise agreements would replace current permits, and WM and Recology would waive any 5-year continuity rights.

- B. **Consideration of a request from the Chico Creek Nature Center to defer quarterly loan payments for an additional two year period** - The Finance Committee considered a new request from the Chico Creek Nature Center to defer an additional two years of quarterly loan payments for the "Restated Loan Agreement for the Construction of New Exhibit and Classroom Facility, Chico Creek Nature Center, Inc." (*Report – Brian Nakamura, City Manager*)

City Manager Nakamura reported that the Committee was provided with two options in the staff report; however, there is a third option and that would be to write off the loan. Legal counsel advised that in consideration of writing off the loan, it would become an obligation of the General Fund. The City is in a time of "true ups" and the Committee may want to consider this option.

Addressing the Committee on this item were Don Kryszakowski, Caitlin Reilly, and Juanita Sumner.

The Committee requested that the Center provide a copy of the Form 990, as its budget is too small to necessitate a formal audit. The Form 990 will provide details related to the budget.

Committee Member Stone was in favor of forgiving the loan. Chair Sorensen stated he has no interest in forgiving the loan. A formal motion was not provided and the request will be forwarded to the Council without a recommendation from the Committee.

- C. **FY 2014-15 Final Preliminary Budget** – The Administrative Services Director presented the FY 2014 -15 Final Preliminary Budget for review and discussion. (*Report- Chris Constantin, Administrative Services Director*)

Director Constantin provided an update of additional requests from various departments, as well as some corrections to the attachment that was provided in the staff report.

The Committee inquired or expressed concern about the following additional budget requests:

- What is the \$10,000 special project requested by the Finance Committee
- There is not a clear understanding of the problems being experienced with the police radio communications

Director Constantin stated the special project is to pay for a third party to determine if there were any issues or problems with how the former auditors performed the audits.

Staff stated there are gaps in service with public safety radio service. The gaps in service are random and it is difficult to repeat the problem. The Police Department has reached out to Motorola engineers to assist with determining the cause of the problem.

Addressing the Committee on this item was Stephanie Taber.

- D. **Monthly Financial Report and Budget Monitoring Reports** - The Administrative Services Director presented the Monthly Financial Report and Budget Monitoring Reports through March 31, 2014. (*Report – Chris Constantin, Administrative Services Director*)

Addressing the Committee on this item was Stephanie Taber.

- E. **Business from the Floor** –

Mike Trolinder inquired if Parking Fund 853 could be used for a marketing campaign to announce the relocation or change of day in the event the Saturday Farmer's Market is either moved to Sunday or moved to the Chico Municipal Center parking lot.

Director Constantin stated that the funds are restricted and that wouldn't be an appropriate expense.

- F. **Adjournment and Next Meeting** - The meeting adjourned at 9:27 a.m. to the next regular Finance Committee meeting on May 27, 2014, at 8:00 a.m. in Conference Room No. 1.

  
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Dani M. Brinkley, Deputy City Clerk

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## FINANCE COMMITTEE REPORT

A Committee of the Chico City Council: Councilmembers Gruendl, Stone and Chair Sorensen

**Meeting of May 27, 2014 – 8:00 a.m. to 10:00 a.m.**

Council Chamber Building, 421 Main Street, Conference Room No. 1

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### REGULAR AGENDA

- A. **Mortgage Subsidy Program Loan Subordination Request.** Staff received a request for subordination of the City's Mortgage Subsidy Program loan from borrower Sean McGowan. The request did not meet the requirements for approval by the City Manager. Pursuant to AP & P 27-10, the request was being referred to the Finance Committee for consideration. ***(Report—Marie Demers, Housing Manager)***

Addressing the Committee on this item were Sean McGowan and Neal Bettencourt.

The Committee addressed the following questions to the Housing Manager:

- Can the Committee consider Mr. McGowan's assertion that he is assisting in maintaining two households, while going through a divorce?
- What happens if the Committee approves the request, against City policy?
- Were the policies of other cities considered and how do they differ from the City's policy?

Housing Manager Demers stated that the wife's income would also have to be considered, if Mr. McGowan is able to claim he is providing for two households. If the Committee chooses to approve the request, then the City's policy would have to be changed. It would give Mr. McGowan an opportunity that others may not have had. Policies of other cities were reviewed. CALHFA loans accrue interest until the loan is paid off. The City's program forgives interest after a certain period of time in the home. CALHFA has nothing to lose.

A motion was made by Gruendl and seconded by Stone to deny the request to subordinate the loan.

The motion carried 3-0.

- B. **Consideration of New Fees for Inclusion in City's Fee Schedule** – In accordance with Budget Policy D.3, changes in the City's Fee Schedule will be brought to Council one time a year and incorporated into the budget approval process in June of each year. At this meeting, the Finance Committee was asked to consider changes to existing fees to be incorporated in the City's Fee Schedule. ***(Report – Frank Fields, Accounting Manager)***

A motion was made by Stone and seconded by Gruendl to approve changes to existing fees as presented in the attached Fee Schedules, and forward its recommendation to the City Council for consideration.

The motion carried 3-0.

- C. **Monthly Financial Report and Budget Monitoring Reports** - The Administrative Services Director presented the Monthly Financial Report and Budget Monitoring Reports through April 30, 2014. ***(Report – Chris Constantin, Administrative Services Director)***

Addressing the Committee on this item was Stephanie Taber.

- D. **Business from the Floor** - None

- E. **Adjournment and Next Meeting** - The meeting adjourned at 8:47 a.m. to the next regular Finance Committee meeting on June 24, 2014, at 8:00 a.m. in Conference Room No. 1.

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## FINANCE COMMITTEE AGENDA

A Committee of the Chico City Council: Councilmembers Gruendl, Stone and Chair Sorensen

**Meeting of June 24, 2014 – 8:00 a.m. to 10:00 a.m.**

Council Chamber Building, 421 Main Street, Conference Room No. 1

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### REGULAR AGENDA

- A. **Mortgage Subsidy Program Loan Subordination Discussion** – At its meeting 5/27/14, the Finance Committee considered a request for subordination of the City's Mortgage Subsidy Program loan from borrower Sean McGowan. The request was denied (3-0) as it was determined that it did not meet the requirements for approval. Chair Sorensen requested this item be placed on this agenda to discuss and obtain greater clarity of the options that are available. **(Chair, Mark Sorensen)**

Chair Sorensen explained the reasoning behind his request to have this item brought back to the Committee for further discussion and consideration. If the City allows the home to go into foreclosure or a short sale, the City stands to lose a considerable amount of money.

Housing Manager Demers reviewed the mortgage subsidy program. The intent of the program is to help people afford home ownership. The interest on the loan is forgiven if the owner stays in the home for at least 15 years. If the owner refinances within that time, the loan is reviewed and any changes in income are taken into consideration. The City's policy allows exceptions for hardships, extreme medical conditions, job loss or something else that is out of the ordinary. The Committee may want to consider more clearly defining the exceptions.

The Committee addressed the following issues:

- What is the best situation for the City and the homeowner?
- Does subordination put the City in worse position?
- The City will get nothing from a foreclosure or short sale.
- Were there financial difficulties prior to the separation, or anything in the financial history that would jeopardize the City's position?

Neal Bettencourt, representing Mr. McGowan, addressed the Committee's concerns and stated a divorce is not ordinary or typical. The City will lose \$38,000 in loans, after the sale of the home and payment to the realtors. The foreclosure process takes about 9 months. Mr. McGowan is not exposing the City to a lesser position or taking any money from the refinance. He added that he was not aware of any financial issues that would jeopardize the City's position.

Also addressing the Committee was Stephanie Taber.

A motion was made by Sorensen and seconded by Gruendl to subordinate the loan to reduce the City's exposure to loss and directed staff to revise the policy to state that when there is no harm to the City to subordinate the loan, the City may do so after review of the situation, and if there is no cash balance paid to the owner through the refinance.

The motion carried 2-1, with Stone dissenting regarding the loan subordination, but he was supportive of the policy revision.

- B. **Community Organization Funding** – Allocate General Funds, in an amount not to exceed \$25,000, to those agencies who applied for Community Development Block Grants, but were not fully funded and/or not funded at all, pursuant to City Council direction at the meeting of June 17, 2014. **(Verbal Report – Mark Orme, Interim City Manager)**

Addressing the Committee on this item were Stephanie Taber, Gian, Anastasia Snyder, Tom Kelem, Sherry Morgado, Brad Montgomery, Joan Costa and Diane Puckett.

A motion was made by Gruendl and seconded by Sorensen to approve allocating the additional \$25,000 to following groups:

ORGANIZATION	2013-14 GF/CDBG ALLOCATION	2014-2015 REQUEST	Council Adopted CDBG	Finance Committee General Fund Approved 6.24.14	Total Allocation
Caminar*	4,803	4,803	4,803		4,803
Catalyst Women's Advocates, Inc.*	11,525	20,000	11,079	8,000	19,079
Catholic Ladies Relief Society #3	12,278	12,000	0	10,500	10,500
Chico Area Council on Aging, Inc.*	13,724	13,724	13,192		13,192
Chico Community Children's Center*	14,410	14,410	13,851		13,851
Chico Community Shelter Partnership*	11,802	13,000	11,345	2,000	13,345
Community Action Agency*	9,264	10,000	8,906	1,000	9,906
Community Legal Information Center (CLIC)	3,000	3,000	0	1,000	1,000
Do-It Leisure (Work Training Center)*	8,886	8,886	8,547		8,547
Independent Living Services*	10,385	10,000	9,613		9,613
Innovative Health Care Services*	19,693	19,694	18,929	500	19,429
Legal Services of Northern California*	11,047	11,700	10,619		10,619
Stonewall Alliance	2,000	2,000	0	1,000	1,000
Youth for Change	2,400	2,400	0	1,000	1,000

The motion carried 3-0.

- C. **Monthly Financial Report and Budget Monitoring Reports** - The Administrative Services Director presented the Monthly Financial Report and Budget Monitoring Reports through May 31, 2014. (**Report – Chris Constantin, Administrative Services Director**)

Addressing the Committee on this item was Stephanie Taber.

- D. **Business from the Floor** - None
- E. **Adjournment and Next Meeting** - The meeting adjourned at 9:16 a.m. to the next regular Finance Committee meeting on July 22, 2014, at 8:00 a.m. in Conference Room No. 1.

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Dani M. Brinkley, Deputy City Clerk

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## CITY OF CHICO FINANCE COMMITTEE

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### NOTICE OF CANCELLATION OF MEETING

The Finance Committee meeting scheduled for  
July 22, 2014 has been cancelled.

The next meeting of the Finance Committee is scheduled for  
Tuesday, August 26, 2014 at 8:00 a.m. in Conference Room  
1, unless otherwise noted.

Posted: July 17, 2014

By: \_\_\_\_\_  
Dani Brinkley, Deputy City Clerk

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## FINANCE COMMITTEE REPORT

A Committee of the Chico City Council: Councilmembers Gruendl, Stone and Chair Sorensen

**Meeting of August 26, 2014 – 8:00 a.m. to 10:00 a.m.**

Council Chamber Building, 421 Main Street, Conference Room No. 1

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### REGULAR AGENDA

- A. **Loan of HOME and Community Development Block Grant Funds for Supportive Housing** - The Valley View Apartments project was previously presented to the Committee and Council along with the Torres Shelter expansion project in 2011. It had been envisioned the two would be developed simultaneously; with the demise of the Redevelopment Agency, Valley View was not able to proceed to construction, though much predevelopment work has been completed. New funding possibilities have emerged, and with them, the ability to serve a broader population to include adults 18 to 62 years old with serious mental illness who are homeless or at-risk of becoming homeless, rather than only those aged 18 to 24. The project would be situated on City-owned land, and would include 14 one-bedroom apartments, a two-bedroom on-site manager's apartment, management and supportive services offices, a community room, and a small warehouse to store vocational tools. Valley View Apartments will incorporate on-site and off-site supportive services and vocational training coordinated by Butte County Department of Behavioral Health (BCDBH) with some enhancement of services by Northern Valley Catholic Social Service (NVCSS). **(Report – Marie Demers, Housing Manager)**

The following person addressed the Committee on this item: Stephanie Taber.

A motion was made by Committee Member Stone and seconded Committee Member Gruendl to make the following recommendations to the City Council:

- Authorize the City Manager to enter into a lease agreement with NVCSS, including authorization to assign the lease to the to-be-formed project ownership entity, for long-term use of approximately 0.7 acres of City-owned property located behind 101 Silver Dollar Way; and
- Authorize the City Manager to enter into a \$266,000 HOME loan agreement with NVCSS to construct 14 apartments of supportive service housing for adults and manager's unit; and
- Authorize the City Manager to modify the existing CDBG grant to Youth for Change and assign it as a loan to NVCSS.

The motion carried 3-0.

- B. **Acceptance of the Community Organization Compliance Reports for Fiscal Year 2012-13 Agreements** - The Accounting Manager presented the results of the compliance reviews conducted on Community Organizations who received City funding during the fiscal year 2012-13. **(Report – Frank Fields, Accounting Manager)**
- C. **Monthly Financial Report and Budget Monitoring Reports** - The Accounting Manager presented the Monthly Financial Report and Budget Monitoring Reports through July 31, 2014. **(Report – Frank Fields, Accounting Manager)**

After reviewing the reports, Accounting Manager Fields provided the Committee with a review of the time it takes for staff to prepare these reports each month for both the Finance Committee and the City Council. Staff recommended that the monthly monitoring reports be reviewed by the Finance Committee on a bi-monthly basis between the months of July and December and monthly monitoring begin January through May. There is little activity in the first six months of the fiscal year and it is less likely to cause budget overruns. The reports will be posted on the City's website.

The following person addressed the Committee on this item: Stephanie Taber.

There was a consensus among the Committee members to receive the monthly monitoring reports as recommended by staff. Future reports will be presented to the Finance Committee and City Council on a bi-monthly basis between the months of July and December and monthly beginning in January through May. All monthly reports except the Cash Flow statements will be posted on the City's website by the 15<sup>th</sup> of each month.

- D. **Business from the Floor** – None
- E. **Adjournment and Next Meeting** - The meeting adjourned at 9:40 a.m. to the next regular Finance Committee meeting on September 23, 2014, at 8:00 a.m. in Conference Room No. 1.

Prepared by:

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Dani Brinkley, Deputy City Clerk

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## CITY OF CHICO FINANCE COMMITTEE

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### NOTICE OF CANCELLATION OF MEETING

The Finance Committee meeting scheduled for  
September 23, 2014 has been cancelled.

The next meeting of the Finance Committee is scheduled for  
Tuesday, October 28, 2014 at 8:00 a.m. in Conference Room  
1, unless otherwise noted.

Posted: Sept. 16, 2014

By: \_\_\_\_\_  
Dani Brinkley, Deputy City Clerk