1. **Call to Order**  
Mayor Gutierrez called the meeting to order at 3:47 p.m. The following were in attendance at the meeting:

**Subcommittee Members:**  
Dr. Yxstian Gutierrez, Mayor  
Ulises Cabrera, Council Member

**Staff Members:**  
Marshall Eyerman, Chief Financial Officer/City Treasurer/Assistant City Manager  
Michael Wolf, Public Works Director/City Engineer/Interim Assistant City Manager  
Dena Heald, Deputy Finance Director  
Brian Mohan, Financial Resources Division Manager  
Janette Olko Electric Utility Division Manager  
Sharon Goodale, Management Analyst, FMS Administration

2. **Public Comments**  
None

3. **Approval of Minutes:**  
Minutes of 4/28/20 approved.

4. **A. Fiscal Year 2019/20 Third Quarter Budget Review and Approval of the Fiscal Year 2019/20 Third Quarter Budget Amendments**

ACM/CFO, Marshall Eyerman, presented the 3rd quarter update for fiscal year (FY) 2019/2020. This is a standard item; however, it was noted that the report, is pre-COVID-19, so the numbers may adjust in the 4th quarter. The CFO initially spoke about where the City was pre-COVID-19, and then discussed those budget adjustments and modifications required to maintain a balanced budget as the City goes through this current economic situation.

The 3rd quarter of the fiscal year, represents completion of 75% of the year. Revenues, anticipate by this time of the fiscal year should reflect 61% of budgeted revenues for the fiscal year. At the end of the 3rd quarter, the City had received 62% of the annual expected revenues for the 2019/2020 fiscal year, which is in line with expectations. Because the 3rd quarter was pre-COVID, any COVID impacts will show starting in the 4th quarter. Regarding expenditures, the City anticipated that 75% of the 2019/2020 fiscal year expenses would occur at this point. At the end of the 3rd quarter the City had incurred approximately 64% of the posted expenses anticipated for fiscal year 2019/2020. In short, expenses and revenues were both in line. Revenue and expenditure 3rd quarter details are included in the report. Adjustments as a result of COVID-19 will be presented in the FY 2019/2020 4th Quarter Report.

With regard to adjustments due to the COVID-19 event, on May 5th adjustments to personnel occurred when the City entered into the Amended Employee MOUs. In addition to the Amended MOUs, additional operational efficiencies are being reviewed. To insure the
budget is balanced for FY 2019/20, a portion of emergency reserves will need to be utilized. Council had foresight to set up these reserves for an economic situation such as the one we are currently experiencing. Going through the budget, the high level items include personnel adjustments of 3.3 million through salary reductions, Mayor and City Council taking at 10% reduction on such items as stipends, travel and training and other program spending, and Department reductions of an estimated 20% (15% in other salary savings and 5% in other areas).

One fixed charge internal service fund that is economically viable and able to be considered for suspension during this event is the reserve fund for vehicle replacements. Vehicles tend to have a little longer life, so those set aside reserves may be able to be suspended at least through the two-year budget.

Some of the activities normally conducted through Parks and Community Services are being slowed this summer due to the COVID-19 event. This situation continues to be monitored. The General Fund subsidy to Parks and Community Services of $528,000 may be cancelled for fiscal year 2020/2021. Along with other offsetting savings Parks and Community Services budget will be helped to balance. Although monitoring will be ongoing to determine what is reducing, some of the big activities that most likely will not be held this year include summer camps, where typically about 30 temporary workers are hired for the purpose of transporting and overseeing youth at such places as museums or other offsite activities, as those facilities are closed. Much of the operations are anticipated to move online, which means current staff can be utilized for these programs in lieu of in person programs where short term temporary workers are typically hired through the summer. This will provide Parks and Community Services some cost savings in addition to other operational efficiencies.

As we continue to monitor through the summer months to see what is occurring, such events as the movies and the concerts in the park, will have some limitations. Nothing at this point is specifically cancelled. As soon as the state changes what is allowed, the City typically has little notice to try to schedule events/activities. Currently, everything is suspended or on hold, which means we are saving money, but we are also ready to begin when needed.

Everywhere across the City we are tightening the belt. Items such as travel and training have been reduced. All programs will be reviewed for efficiencies. The last thing to mention is the reserve funds needed for fiscal year 2019/2020 to bridge the budget shortfall is about 2.8 million dollars.

Item approved to move forward to the June 2, 2020 Regular City Council Meeting

5. A. Authorization to Award Professional Consultant Services Agreement to Willdan Financial for Project Management Services of the Courtyards at Cottonwood Affordable Housing Project

CFO/ACM, Marshall Eyerman advised the Board on the proposed use of a Professional Consultant to provide Project Management Services in overseeing the Courtyards at Cottonwood affordable housing project development, which was previously approved by City Council. As development proceeds, utilize outside contracts are typically utilized to audit all invoices to insure reimbursed through the grant funding. This consultant would help to facilitate reimbursements for the project and also help with the close out of the fund
with the Federal government. These consultant services are fundable through the grant’s administration dollars and helps to ensure timelines are met in completing the required audit and closeout, which also helps to protect the City from liabilities.

Willdan has worked on many of grant programs. This particular agreement is a sub-agreement for this project, so it will follow the project. The cost for this service is approximately $150,000 over two plus years, depending upon the timeline of the project, to fund the project and to close out this grant program with the Federal government (HUD). This is a non-general fund item, but it is one of the requirements of the fund administration through the grants. This proposed consultant services will be presented to Council as a consent item at the regular City Council Meeting on June 16, 2020.

Advisory Item to move forward to a Regular City Council Meeting.

5. B. CARES Act Funding received for CDBG-CV is $1,197,491 and ESG-CB is $630,838. Applications are now being accepted until May 29, 2020 and Funding Recommendations will be present to City Council (CC 6/16)

ACM/CFO, Marshall Eyerman advised the Board on the CARES Act Funding for CDBG and ESG. The grant application process closes on May 29, 2020 with recommendations proposed to go before City Council by June 16, 2020. These applications will be reviewed similar to the review for the CDBG annual application process. The Members of the Finance Subcommittee Board will have an opportunity before the June 16, 2020 City Council Meeting to review the applications received and the recommendations, but due to timing constrains this item will not be brought to the Finance Subcommittee Board Meeting.

Advisory Item to move forward to a Regular City Council Meeting June 16.

6. Chief Financial Officer Comments

The June 2, 2020 City Council Meeting will have two items very similar to those presented to City Council for code enforcement concerning delinquent Code Enforcement penalties that were applied on the tax roll and collected in December. We have two instances, the Fire Abatement Fees and the Solid Waste Recovery Fees, for charges that were pre-COVID-19 and we will be requesting Council to allow these to be applied on the Tax Roll, so they can be collected at a later date. This will defer those collections until that time.

7. Council Member Comments

None

8. Adjournment

Meeting adjourned at 4:31 p.m.
## Prior Meeting Attendance

### Finance Subcommittee Attendance for 2020

JANUARY THROUGH DECEMBER

<table>
<thead>
<tr>
<th>Board Member</th>
<th>DATE OF MEETING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor Gutierrez</td>
<td>NM</td>
</tr>
<tr>
<td>Council Member Cabrera</td>
<td>NM</td>
</tr>
</tbody>
</table>

X – Present
E – Excused
A – Absent
NQ – No Quorum
SM – Special Meeting
NM – No Meeting