

City of Menifee Finance Committee
Meeting Minutes
January 26, 2010

1. Call to order and Roll Call

Committee chairman Mann called the meeting to order at 4:05 p.m. Present were: Chairman Scott Mann, Committee member Wallace Edgerton, City Manager George Wentz, Director of Administrative Services Gary Thompson, City Clerk Kathy Bennett and Senior Accountant Wendy Welch (arrived 4:25 p.m.)

2. Public Comments

None.

3. Approval of Minutes of January 13, 2010 Finance Committee

Minutes were approved by committee.

4. Purchases/Contracts over \$10,000

a. Engineering Department Computer Upgrades

Following discussion, committee had no objections or concerns with purchase as outlined in the staff report.

5. Outline of Performance Review

Chairman Mann distributed a Performance Review Outline (attached) and Talking Points (attached) for this item. City Manager Wentz agreed to move forward following the process outlined and report back to the Committee at the meeting in March 2010.

6. Committee Members Comments

Committee member Edgerton noted that all groups sometime experience some tension and sometimes outside help is needed and can be productive for all.

7. City Manager Comments

Director Thompson noted that the draft legislation for VLF has been submitted by Assemblyman Cook.

City Manager Wentz noted that he is working on the balance of the W & K contract and will have further to report as this moves along, and Bob Cartwright is now going to be on a contract with the City, but now through W & K.

City Manager Wentz noted the City Attorney bills are going to the Finance Committee for review as per the earlier agreement. He asked who was following up on the ad hoc committee to consider community support and Chairman Mann said that Councilmember Kuenzi will take the lead on that meeting.

8. Adjournment

Chairman Mann adjourned the meeting at 4:45 p.m.



Kathy Bennett, City Clerk

TALKINGS POINTS – January 25, 2010 Finance Committee Meeting

Performance Review

1. We were here two weeks ago and had a thorough and healthy discussion of conducting a performance review. We took these ideas to the Council, which then agreed that we need to develop a performance review process that is multiple step and ongoing, a part of which is the financial audit which has apparently been completed.
2. In the manner of other agencies of our type, our review should look at the contracting process, including the budgeting in advance of contracting and the management process after contracting.
3. In addition, it should track costs incurred by our contracts and management in comparison to peer agencies so that we can establish that our progress as a city is leading our region.
4. Then we should look at our audit process in relation to audits of similar agencies. I am confident that our process is extremely thorough and to make it appropriately so we need to make sure that it exceeds the quality of the process – not trying to pre-determine the result but just look at what our auditors are looking at compared to what other city auditors are looking at.
5. I think that we should look at each of the departments and as we can try and determine the expectations for performance with other agencies of similar type. Does it take longer to file a form with our agency than with a similarly sized city. How does our city clerk track all of the forms we have to file as leaders and everyone else has to file as vendors, contractors, etc. and are those processes similar to what occurs in other cities.

We work so hard here at the city and we have so much invested here that we should come up with a process that shows not only the Council but taxpayers quickly how we are doing in the many ways that effect their daily lives – including spending their dollars wisely.

Scott A. Mann
Councilmember
Chairman, City Finance Committee
January 25, 2010

PERFORMANCE REVIEW OUTLINE

- Purpose:**
1. To maintain integrity in the city's financial management through good governance with clearly articulated values, objectives and strategies; proper tone at the top; sound internal controls;
 2. To maintain ethics in the city's financial management by setting and enforcing clear lines of accountability that hold people responsible for doing the right thing.

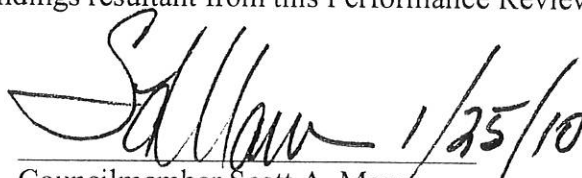
Authority: Authority for this performance review was given with the consent of the City Council on Tuesday, January 19, 2010.

Scope: In accordance with good public sector governance strategies, a performance review shall be conducted that goes beyond the city's first financial audit. The scope of this performance review shall consist of, but not be limited to, the following:

- Cash flow analysis of the Adopted Budget for FY-09/10
 - * Assess impact of Vendor, Consultant and Contractor expenditures compared to adopted expenditures (burn rate)
 - * Revise budget assumptions to include percentage decreases in revenue streams (MVLFF, Measure A, HUTA, Property and Sales Tax)
 - * Based upon the above, assess the impact to the Operating Reserve and Contingency Reserve funds and City Operations
 - * Compare budget performance to the Incorporation CFA (over / under)
 - * Make recommendation for early repayment to County (yes / no)
- Vendor, Consultant and Contractor Agreements to include but not be limited to:

* Winzler & Kelly	* Buxton	* RJM
* PV Maintenance, Inc.	* Four Leaf	* Planning Center
* Becker Engineering	* Pacific Plus	
* GST Consulting	* RBF	
* T&B Planning	* Data Ticket	
* Criscom	* JAS	
- All Invoices billed for services rendered without formal agreement
- Random sampling of all expenditures, billings and invoices compared to source documents and Warrant Register.
- Audit against all CA Form 700's where applicable (law)
- Audit against all CA Form 460's where applicable (ethics)

Review and Remedy: Implement recommendations and findings resultant from this Performance Review


Councilmember Scott A. Mann
Chairman, City Finance Committee