



City of San Leandro

Meeting Date: December 18, 2017

Minutes

File Number: 17-702

Agenda Section: CONSENT CALENDAR

Agenda Number: 8.F.

TO: Finance Committee

FROM: Chris Zapata
City Manager

BY: David Baum
Finance Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: Highlights of the Finance Committee Meeting of November 14, 2017

CITY OF SAN LEANDRO

FINANCE COMMITTEE

November 14, 2017

5:30 - 7:00p.m.

San Leandro City Hall
835 East 14th Street
San Leandro, California
(Sister Cities Gallery)

HIGHLIGHTS

1. CALL TO ORDER

Mayor Cutter called the meeting to order at 5:30 p.m.

1.A. Attendance

Committee members present: Mayor Cutter, Councilmember Lee

City staff present: City Manager Zapata, Assistant City Manager Kay, Finance Director Baum, Recreation and Human Services Director Dong, Deputy Finance Director Vong, Budget & Compliance Manager Perini

Public present: Juan Galvan (Jones Hall), Robert Glotch, Robert Duey, Ivan Cornelius, Kimberly Pace, Shane Wakerling, Phil Williams, Pat Marino, Dan McNely, Robert Larkins (Raymond James)

1.B. Announcements

None

2. DISCUSSION ITEMS

2.A. 17-666 Discussion Regarding Successor Agency to the Redevelopment Agency of the City of San Leandro 2018 Tax Allocation Refunding Bonds

Finance Director Baum presented a report which proposes refunding the outstanding balance of the 2008 Tax Allocation Bonds (TABs), \$22 million, and refinance by issuing bonds with lower rates. Refunding of bonds can be done once every 10 years. By refunding the bonds, the total savings would be approximately 20%. The City of San Leandro will realize approximately 12% of the savings, or \$1 million or \$540,000 on a net present value basis. The remaining savings would be allocated to other taxing entities such as the County and the school district.

Mr. Baum explained that as the issuer of the bonds, the City of San Leandro may be compensated for the work related to the cost of the issuance. The City's Master Fee Schedule does provide for the City to be able to charge a fee for any bond issued. The fee is currently in discussion with the bond counsel. Mr. Baum did advise the Committee that although the proposal is to issue the bonds by March 2018, there may be a delay due to the tax reform bill that is being discussed in Washington D.C.

The Committee Recommendation

Staff is to present the issuance of the bond refunding to City Council and the Oversight Board in December.

2.B 17-669 Boys and Girls Club Capital Improvement Project

City Manager Zapata introduced the directors of the Boys and Girls Club to discuss the needs for the Capital Improvement Project. Ivan Cornelius stated that the building built in the 1960s is in desperate need of repairs. The overall project will cost \$9.8 million. The Board has secured the commitment of \$4 million from the Valley Foundation, \$500k from the Boys and Girls Club Foundation, \$325k from the Board of Directors' pledges and gifts, and the Board is continuously seeking donations from other entities and foundations. Unfortunately, many of the foundations require that 50% of the funding already be secured and the Board is short of the 50% requirement.

The Board hired a professional capital campaign consultant to assist with keeping the project on track, a capital campaign manager, and a local general contractor.

Items on the project list include the shower/ locker rooms, classrooms would be in one area, more program space, including a space for teens, and provide space for the community to use when programs are not in session, upgraded heating and lighting.

Programs for teens are a priority for the Boys and Girls Club. Programs for kids ages 6-18 has always been provided during the summer, but not year-round. There are several MOUs that are being signed with other programs out of San Leandro and Oakland.

Councilmember Lee asked if there was a way to determine the communities that are being served by the Boys and Girls Club. Councilmember Lee would like to ensure that outreach is being done in areas that may not have access or may not be aware of the advantages that are offered at the Boys and Girls Club.

Mayor Cutter stated that her goal is to have the Boys and Girls Club be accessible to all youth but not just for the after school program, e.g. ACES program. The ACES program may not have funding two years from now and if there is no money, what will happen to the program at the Boys and Girls Club? Mayor Cutter would like the club to be used for the purpose that it was always meant for and that is for the youth of the community to be able to gather with supervision and to provide a learning/safe space.

One of the Directors stated that it is the goal to grow a partnership with the School District and the City to grow programs.

There must be a 100% commitment by April 1, 2019 for Valley Foundation to commit to their portion of the funding.

City Manager Zapata stated that there is a pride that the City of San Leandro and the Boys and Girls Club are partners in connecting with the community. The City has put money aside for renovations to the pool at the Club.

Committee Recommendation

Staff is to take the item to the full City Council regarding commitment to providing funds for the project, contingent upon all other funding has been secured.

2.C 17-667 Discussion Regarding Budget Calendar for Fiscal Year 2018-19 for Mid Cycle Budget Update Process

Director Baum went through the calendar for the upcoming budget calendar, highlighting the important dates, e.g. the Council Retreat, CIP Budget Discussion, and the Adopted Budget Update in June 2018.

3. PUBLIC COMMENTS

None

4. COMMITTEE MEMBER COMMENTS

None

5. ADJOURN

The meeting was adjourned at 6:53 p.m.