



City of San Leandro

Meeting Date: April 15, 2019

Minutes

File Number: 19-194 **Agenda Section:** CONSENT CALENDAR

Agenda Number: 8.B.

TO: City Council

FROM: Jeff Kay
City Manager

BY: David Baum
Finance Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: Minutes of the Finance Committee Meeting of March 5, 2019



City of San Leandro

Civic Center
835 East 14th Street
San Leandro, California

Draft Minutes

Finance Committee

Mayor Pauline Russo Cutter
Councilmember Ed Hernandez
Councilmember Benny Lee

Tuesday, March 5, 2019

5:30 PM

City Hall, Sister Cities Gallery

1. CALL TO ORDER

5:30pm

1.A. Attendance

Staff: Mayor Cutter, Councilmember Hernandez, Councilmember Lee, City Manager Kay, Assistant City Manager Warmerdam, Deputy City Manager Engelbart, Finance Director Baum, Budget & Compliance Manager Perini, Police Business Manager Koll, Project Coordinator Diaz

Public: Carlos Oblites, Jim Prola, Maureen Forney, Deborah Hirsch, Carol Bardoff, David Bardoff

1.B. Announcements

N/A

2. DISCUSSION ITEMS

2.A. [19-136](#) Discussion of City's Investment Policy

City Manager Kay reminded the Committee that at the January 8, 2019 meeting, staff was asked to work with Chandler Asset Management regarding investments that are socially acceptable.

Finance Director Baum also reminded the Committee of the three (3) major guidelines of the City of San Leandro's Investment Policy: Safety, Liquidity, and Yield. Chandler Asset has been assisting staff with updating the policy and incorporating socially responsible language. The City will avoid investments in tobacco, gun manufacturing, fossil fuel, and private prisons. Currently the City has two investments in fossil: Exxon and Chevron, and make up only 1% of the City's investment. The investment of Exxon will mature within a month and the Chevron investment will mature by 2021.

Carlos Oblites of Chandler Asset Investment stated if the City were to sell the investments early, there will be a loss of \$2,000-\$3,000.

Maureen Forney stated that she is concerned in migrant child detention centers and that should also be included in the Investment Policy as something that the City should not be a part of.

Mr. Oblites stated that migrant detention centers are included in "private prisons".

Mayor Cutter stated that the City should wait for the investments to mature and move forward with the change to the investment policy.

2.B. [19-143](#)

Discussion of Long Term Budget Strategies as Developed by the Cost and Revenue Efficiency (CARE) Team

City Manager Kay reported that with the direction of Deputy City Manager Eric Engelbart, the Cost and Revenue Efficiency (CARE) team, which consists of representatives of each department, was formed to come up with ideas on how to handle the long-term structural deficit that the City may be facing in the future years. The CARE team was directed to propose ideas to solve the long-term budget deficit Mr. Kay thanked Kurry Foley, Engineering & Transportation; Scott Koll, Finance/Police; and Jacqui Diaz.

Deputy City Manager Engelbart provided highlights of cost savings and revenue generating scenarios, listed from highest to lowest priorities. The scenarios (found in the Staff Report) were grouped into three distinct categories: Efficiency Savings (ES), Quantifiable Savings (QS), and Enhanced Revenues (ER).

The CARE team explored three revenue categories: Real Property Transfer Tax, as San Leandro has the lowest tax rate, a parcel tax, and a vacant property tax.

Mayor Cutter would like to reach out to the community and let them know what the financial future looks like and they will be asked which services are important to them. Public Safety is always priority however that may come with a consequence of having to reduce another service, e.g. library services.

City Manager Kay stated that further discussion of the CARE team findings as well as updates of the biennial budget will continue at future Finance Committee meetings as well as with the entire City Council.

3. PUBLIC COMMENTS

N/A

4. COMMITTEE MEMBER COMMENTS

N/A

5. ADJOURN

7:00pm

**CITY OF SAN LEANDRO
CITY COUNCIL COMMITTEE MEETING SIGN-IN SHEET**

NAME OF CITY COUNCIL COMMITTEE	DATE OF MEETING
FINANCE COMMITTEE	March 5, 2019

Signing-in on this sheet is not required for participation. Information provided below may be used for notification and/or follow-up.

NAME	MAIL ADDRESS	TELEPHONE NUMBER	EMAIL ADDRESS
1. <i>Jim Proala</i>	<i>on file</i>	<i>_____</i>	<i>_____</i>
2. <i>Maurice Forey</i>	<i>on file</i>	<i>_____</i>	<i>_____</i>
3. <i>Deborah Hirsch</i>	<i>on file</i>	<i>_____</i>	<i>_____</i>
4. <i>Grol Berdoff</i>	<i>_____</i>	<i>_____</i>	<i>_____</i>
5. <i>David "</i>	<i>_____</i>	<i>_____</i>	<i>_____</i>
6. <i>Carol Obkley</i>	<i>coblites@chandlerhessett.com</i>	<i>_____</i>	<i>_____</i>
7. <i>Mary Ann Perini</i>	<i>City Hall - Finance</i>	<i>X 3324</i>	<i>_____</i>
8. <i>David Baum</i>	<i>" " "</i>	<i>" "</i>	<i>_____</i>
9. <i>Liz Warnerham</i>	<i>" " CMO</i>	<i>_____</i>	<i>_____</i>
10. <i>Jeff Kang</i>	<i>" "</i>	<i>_____</i>	<i>_____</i>
11. <i>Benny Lee</i>	<i>" "</i>	<i>_____</i>	<i>_____</i>
12. <i>Pauline Catter</i>	<i>✓ CMO</i>	<i>_____</i>	<i>_____</i>
13. <i>Ed Hernandez</i>	<i>" "</i>	<i>_____</i>	<i>_____</i>
14. <i>_____</i>	<i>_____</i>	<i>_____</i>	<i>_____</i>
15. <i>_____</i>	<i>_____</i>	<i>_____</i>	<i>_____</i>