



# Finance Committee Report

DATE: April 11, 2008

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TO: CITY COUNCIL

FROM: FINANCE COMMITTEE

RE: **REPORT ON FINANCE COMMITTEE MEETING HELD MARCH 11, 2008**

<b>Committee present:</b> Chair Gruendl Councilmember Flynn Councilmember Wahl	<b>Staff present:</b> City Manager Burkland Interim Assistant City Manager Beardsley City Attorney Barker Finance Director Hennessy	Capital Project Services Director Varga Administrative Services Director Pierce Administrative Analyst Cameron
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## **COMMITTEE MATTERS NOT REQUIRING COUNCIL ACTION**

- A. **Consideration of Deficit Reduction Strategy Implementation.** At this meeting the Finance Committee continued discussion regarding implementation of the Strategy to Balance the Ten Year Financial Plan which was adopted by the City Council on 12/18/07. Staff reviewed the status of all non-General Fund funds and reported on the Community Satisfaction Survey results to date. (**Report - Dave Burkland, City Manager**)

### **Financial Status of All Funds**

Staff indicated that the City has over 230 separate funds and as of 6/30/07 a total of 12 funds were in a deficit position (excluding the General Fund). Staff noted there was a one-time payment of \$.5 million to Fund 862 and current annual General Fund transfers of \$250,000. The City Manager indicated that at the Finance Committee meeting of 4/08/08 there will be a broad set of data related to Fund 856 such as fees charged for gas and how Chico Airport compares to surrounding airports. Chair Gruendl asked staff to consider how it is charging the backfilling of the Airport Manager position. Staff confirmed that when deficit funds borrow from positive funds, accounts pay interest to others, allowing accounts in a positive fund balance to earn interest at a rate of approximately 4%.

### **Community Assessment Survey**

Staff presented the results of the community assessment survey as conducted by Fairbank, Maslin, Maullin and Associates, noting that graffiti removal and arts programs were a low priority.

Staff indicated they would provide the Council with additional data from the consultant in order to analyze the demographics, along with the results from the website survey, adding there were more extreme answers from the website survey. Chair Gruendl stated there is no doubt this survey will be very useful to help guide the Council in making budget cuts. He added the survey also contained data about drug use and meth labs which the City will share with the County about their level of service.

Stephanie Taber, Juanita Sumner, Mike Reilley, and Bob Best addressed the Committee on this item.

- B. **Business From the Floor.** None.
- C. **Adjournment and Next Meeting.** The meeting adjourned at 7:50 p.m. The next meeting is scheduled for March 26, 2008, at 8:00 a.m. in Conference Room No. 1.

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Lynda Cameron, Administrative Analyst

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