

NOTE: These minutes are subject to Council approval and are not verbatim; however, tapes are available for public review.

MINUTES OF THE ALBANY CITY COUNCIL
IN REGULAR SESSION, 1000 SAN PABLO AVENUE
MONDAY, JANUARY 5, 2004

8:00 p.m.

Mayor Ely who led the Pledge of Allegiance to the Flag called the regular meeting of the Albany City Council to order on the above date.

ROLL CALL

Present: Council Members Good, Maris, Okawachi, Thomsen & Mayor Ely
Absent: None

STAFF PRESENT

Beth Pollard, City Administrator; Robert Zweben, City Attorney; Jacqueline Bucholz, City Clerk; Charles Adams, Finance & Administrative Services Director; Ann Chaney, Community Development Director.

3. ANNOUNCEMENT OF EXECUTIVE SESSION ACTION

4. CONSENT CALENDAR

(Consent Calendar items are considered to be routine by the City Council and will be enacted by one motion. By approval of the Consent Calendar, the staff recommendations will be adopted. There will be no separate discussion on these items unless a Council Member or a member of the audience requests removal of the items from the Consent Calendar.)

4-1. City Council minutes, December 15, 2003.

Staff recommendation: Approve.

4-2. a. Ratification of City of Albany net payroll in the amount of \$150,540.88; tax & benefits in the amount of \$134,831.00. Total payroll in the amount of \$285,371.88. Payroll period. 12/26/03.

b. Ratification of Albany Municipal Services JPA net payroll in the amount of \$35,556.72; tax & benefits in the amount of \$32,719.27. Total payroll in the amount of \$68,275.99; Payroll period: 12/26/03.

Staff recommendation: Ratify.

4-3. Ratification of bills, claims & demands against the City of Albany in the amount of \$340,001.32. Period: December 19, 2003.
(File #300-40)

Staff recommendation: Ratify.

4-4. Ratification of pension payments in the amount of \$105,071.29 for the month of December 2003.

Staff recommendation: Ratify.

4-5. Council Member Thomsen appointing Michele Mangin-Woods to the Arts Committee.

Staff recommendation: Information only.

4-6. Annual Report on the Status of the Albany General Plan – Accept the General Plan Status Report for calendar years 2002 and 2003 and instruct staff to file the report with the California Office of Planning and Research and Department of Housing and Community Development.
(File #420-30)

Staff recommendation: Approve Annual Report on the Status of the Albany General Plan.

4-7. Resolution #04-1 – A Resolution of the Albany City Council Approving the Application for Grant Funds for the Environmental Enhancement and Mitigation Program Under Section 164.56 of the Streets and Highways Code for the City of Albany Urban Forestry Program.

Staff recommendation: Approve Resolution #04-1.

Mayor Ely asked if anyone would like to remove an item for discussion. The City Clerk asked to remove item 4-1 and Council Member Maris asked that Item 4-6 be removed.

4-1. Council Minutes, December 15, 2003

The City Clerk stated that she would like to make a correction to page 7 of the minutes: Item 8-2 Mayoral Appointments – The alternate to ABAG should be Council Member Maris and not Mayor Ely, as indicated in the minutes.

4-6. Annual Report – General Plan

Council Member Maris asked when the Zoning Ordinance Code revisions would be completed. The Community Development Director responded that the public hearings before the Zoning Commission started in October, 2003 and due to concern about the zoning at Kains/Adams probably would not be completed until Spring/Summer, 2004.

Council Member Maris asked when the Community Reinvestment Agency would be paying back the loan to the General Fund? The City Administrator responded that once the City receives the final information from the County, which will help the City determine the tax increment, it probably will be done during the budget process.

Council Member Maris spoke on the following projects: 1) Asked when the Memorial Park improvements would be completed? The City Administrator responded it all depends on the weather noting there are approximately a couple of weeks of work left to be completed. 2) Codornices Creek/Ball fields – noted that the two user groups have worked together but still have some issues to resolve. 3) Expressed concern about EQUIP noting it is really tough to keep this important group going and suggested that ways be found to stimulate interest.

Mr. Clay Larson spoke on the General Plan stating he had some concerns with the language on page 2, second bullet, noting that it should be high density and not medium. Mr. Larson spoke about the General Plan and things that had not been implemented stating that it is a good document that the City does not really follow and suggested that procedures be put in place to follow the General Plan.

Council Member Maris stated that there is a lot of opportunity for people to get involved in the process for the review of the Zoning Ordinance and noted it is not the City’s intent to violate the General Plan but to have a living document.

Mr. Larson stated that the General Plan should be changed first and then revisions made to the Zoning Ordinance in response to the General Plan.

MOTION:

Moved by Council Member Okawachi, seconded by Council Member Thomsen to approve the Consent Calendar with changes made to the Council minutes, as recommended by the City Clerk.

AYES: Council Members Good, Maris, Okawachi, Thomsen & Mayor Ely

NOES: None

ABSENT: None

Motion carried and so ordered.

5. PRESENTATION/PUBLIC HEARING

6. UNFINISHED BUSINESS

7. NEW BUSINESS

7-1. June 30, 2003 Financial Statements and Reports of the Independent Auditors.

The Finance & Administrative Services (F&AS) Director reported that each year an independent financial audit is performed of the financial statements of the City and the

7-1. June 30, 2003 Financial Statements and Reports of the Independent Auditors

Community Reinvestment Agency; a compliance audit is performed of federal grants received by the City; and the auditors report to the City Council indicating their findings and recommendations regarding the City's internal control structure. For the fiscal year ending June 30, 2003, the CPA Accounting firm of Odenberg Ullakko Muranishi & CO performed this work.

The independent auditors' reports, which appear on page 1 of the Comprehensive Annual Financial Report (CAFR) and the Basic Financial Statements of the Albany Community Reinvestment Agency, are unqualified reports. This means that the auditors believe the financial statements to present fairly, in all material respects, the financial positions of the City and the Reinvestment Agency at June 30, 2003. This is the highest level of auditor assurance the City can achieve in an audit.

The CAFR presents financial information on the status of the City's financial affairs, first on a city-wide basis in which all City activities are combined into two groups: governmental activities and business-type activities. A second set of statements report separately the activities of 42 funds. The CAFR includes a transmittal letter, which describes the City government organization, major events and activities occurring during the year and an assessment of the economic outlook for the City. The statistical section of the report includes charts and tables on the City's revenues, expenditures, demographics and miscellaneous data. New this year is a Management Discussion and Analysis of the City's financial activities for the year.

The F&AS Director noted that the 2002/03 CAFR is the first report of the City to be prepared in accordance with Governmental Accounting Standards Board Statement 34 (GASB 34). On the combined activities basis, the schedule shows the City to have net assets of \$33.8 million with a solid ratio of assets to liabilities of 2.7. The change in net assets for the year was a favorable increase in assets of \$222,758.

The General Fund continues to be the point of focus for assessment of the short-term financial stability of the City and of the ability of the City government to deliver basic services. The results for the year were a favorable excess of revenues over expenditures of \$402,546 plus a prior period adjustment of \$386,203 for a total increase in fund balance of \$788,749. The prior period adjustment was required to recognize the obligation of the Reinvestment Agency to repay advances from the General Fund. The Reinvestment Agency's payback obligation is \$687,303 in advances and interest accruals. Funds for the repayment are to come from property tax increments in the redevelopment area.

The F&AS Director reported that the single audit is a report of City expenditures of federal grant funds. Such expenditures totaled \$1,238,221 in Fiscal Year 2002/03. All reports issued by the auditors were unqualified and there were no findings of weaknesses in internal controls or grant compliance requirements.

Each year, the independent auditors submit findings and recommendations on improvements to the City's internal controls within its financial systems. City staff has reviewed the findings and recommendations and has taken remedial action to strengthen control or correct deficiencies where necessary.

7-1. June 30, 2003 Financial Statements and Reports of the Independent Auditors

The F&AS Director introduced Mr. Chris Millias and Mr. Scott Miller, of Odenberg Ullakko Muranishi & Co., who went over their report noting the following recommendations:

1. Cancellation of Invoices: Currently the does not cancel invoices to prevent duplicate payments and it is recommended this be done. City's response: The effective canceling of the invoice by the department approval process, the recording of invoice number, date and amount and the review of payable register provide an effective guard against accidental duplicate payment by City staff and multiple submission of invoices by vendors.

2. Cancelled Checks: The City does not receive copies of the backs of cancelled checks from the bank and it is recommended the City receive the copies. City's response: The City has procedures that provide a high level of security against fraudulently issued checks. The reliance upon photocopies of checks upon request is cost effective both in terms of monthly bank charges and storage costs and is efficient in requiring a second handling of checks on an exception basis only.

3. County Measure B Funds – Tracking: The City currently records receipt of the Measure B funds in Special Revenue funds. Substantial portions of the Measure B expenditures are recorded within a department in the General Fund. The Special Revenue funds then transfer out to the General Fund the Measure B receipts. Recommendation: The City should track the expenditures related to Measure B funds in Special Revenue funds and track the expenditures by project. City's response: Staff concurs and effective July 1, 2003, established project codes for Measure B expenditures.

4. County Measure B Funds – Website: The City currently does not provide information on its website regarding how Measure B funds are being used nor does it provide a link to the County Transportation Improvement Authority's website. Recommendation: The City should update its website to provide the required information and link. City's response: Staff concurs and have commenced formatting a report for the website and a link to the County website will be provided.

Council Member Maris asked a number of questions regarding the audit, as follows: 1) Does the City get a regular report on what checks have been cashed? The auditor responded that after speaking with staff they feel there are enough mitigating control and separation of duties, which appears to be adequate. 2) Asked if the Sewer Enterprise Fund was adequately addressed? The auditor replied there is a separate fund in the CAFR on page 25 regarding this and they do sample audits of all funds. The F&AS Director noted that there is no legal mandate to prepare a report, unlike the Measure B funds. However, staff is given monthly project statements and there are three levels of tracking. 3) Expressed concern with the Independent Audit Report Letter and how much responsibility the auditors take. The auditors replied that the wording of the report is standard and dictated by GATSBE, which include random testing and compliance testing. 4) Asked about the review of the how the City is handling the VLF issue. The auditors responded that Albany is doing what most other cities are doing in that it is being disclosed that depending on what the State does with their budget will impact the City.

7-1. June 30, 2003 Financial Statements and Reports of the Independent Auditors

Council Member Maris stated that he would put the VLF issue with the mitigation of the bulb and the Workers Compensation costs.

The auditors reiterated that their report indicates an unqualified report, which is the highest level of auditor assurance the City can achieve in an audit.

MOTION:

Moved by Council Member Thomsen, seconded by Council Member Good to accept the June 30, 2003 reports of the City independent auditors, which include: The CAFR, the Community Reinvestment Agency, Single Audit Report and the Auditors Fiscal 2003 Report to the City Council.

AYES: Council Members Good, Maris, Okawachi, Thomsen & Mayor Ely

NOES: None

ABSENT: None

Motion carried and so ordered.

8. OTHER BUSINESS/ANNOUNCEMENT OF EVENTS

8-1. City offices will be closed on Monday, January 19, 2004, in observance of Martin Luther King, Jr. Day. Therefore, the regular scheduled meeting of the Albany City Council will be held on Tuesday, January 20, 2004.

9. GOOD OF THE CITY/PUBLIC FORUM

For persons desiring to address the City Council on an item that is not on the agenda please note that City policy limits each speaker to five (5) minutes. The Brown Act limits the Council's ability to take and/or discuss items that are not on the agenda; therefore, such items are normally referred to staff for comment or to a future agenda.

Mayor Ely opened the Good of the City/Public Forum and asked if anyone would like to speak.

Mr. Andrew Robinson stated that he and his Mother were forced out of their apartment at 599 Jackson and on November 18, 2003, a police report was filed noting that their locks had been changed.

Mr. Robinson asked whether the City was involved in this matter, which started in July, 2003? The City Attorney responded that the Council cannot speak on this matter pursuant to the Brown Act and informed Mr. Robinson that he should contact a private attorney to assist in this issue. The City Attorney stated the City does not condone eviction but noted this is a private issue. However, did state that the only time the City would be involved is if there were Building Code violations.

Mr. Robinson was advised to contact City staff regarding this matter.

Mayor Ely announced that Patricia Dempster, former City Clerk and Albany Police Woman, passed away and would adjourn the meeting in her memory.

There being no one else wishing to speak Mayor Ely closed the Good of the City/Public Forum.

10. ADJOURNMENT

9:20 p.m. – There being no further business before the City Council it was moved and seconded to adjourn the meeting in memory of Patricia Dempster and a moment of silence was observed.

Minutes submitted by Jacqueline L. Bucholz, CMC, City Clerk.

JON ELY
MAYOR

ATTEST:

JACQUELINE L. BUCHOLZ, CMC
CITY CLERK`