

CALL TO ORDER

Mayor Luna called the meeting to order at 6:36 p.m.

ROLL CALL

Councilmember Richard C. Cook, Councilmember John T. Procter, Vice Mayor Laura Flores Espinosa, and Mayor Ray C. Luna responded to roll call. Interim City Manager Paul L. Skeels, City Attorney Phillip H. Romney, and Deputy City Clerk Josephine G. Herrera were also present. Councilmember Donald L. Johnson and City Clerk Steven J. Salas were absent due to prior obligations.

PUBLIC COMMENT

There was no Public Comment.

ORDER OF BUSINESS

A. Financial Audit for CDBG Code Enforcement and Housing Rehabilitation Programs - (96-2)

Finance Director Glenda D. Jay's report dated May 17, 2002.

It was moved by Vice Mayor Espinosa, seconded by Councilmember Procter for discussion, to authorize staff to negotiate with other audit firms and make the appropriate budget adjustment from the General Fund Reserve.

Finance Director Glenda D. Jay responded to a question regarding Moreland and Associates by stating that the firm has stated that they can propose a scope of work to address specific areas. She further stated that if a new firm is used that has not audited the City in the past, they would need to ensure that the City meets compliance requirements, good faith efforts, and separation of duties, and verify whether reports have been sent in a timely manner. She further noted that Moreland and Associates has already done this broad scope of work. She further responded to a question regarding Moreland and Associates' time frame for the audit by responding that they can begin the audit in June. She further responded to a question regarding the reason Arthur Martinez & Associates was originally chosen to perform the audit by responding that this firm was the only firm who responded to the Request for Proposals.

A discussion ensued regarding the possibility of negotiating a contract with an audit firm for the same amount as the proposal received from Arthur Martinez & Associates, which was \$11,300.

Vice Mayor Espinosa amended her motion to include the total price of the audit to \$12,000.

A discussion ensued regarding not setting a limit on the cost for the audit due to the fact that the City Manager is authorized to approve expenditures up to \$25,000.

Vice Mayor Espinosa rescinded her amended motion.

Under roll call vote, Councilmember Procter, Vice Mayor Espinosa, and Mayor Luna were in favor. Councilmember Cook was opposed. Councilmember Johnson was absent. The motion carried.

B. Annual Financial Report for the City of Santa Paula for the Fiscal Year Ended June 30, 2001 - (30/88)

Finance Director Glenda D. Jay's report dated January 11, 2002.

Finance Director Glenda D. Jay responded to a question regarding noncompliance on general fixed assets by responding that up to 1996, fixed assets of the City were recorded in the audit report, and that in 1997 the information was not updated nor included in the audit report due to changes in staff. She further responded to a question regarding Page 12 "Total Memorandum Only" by stating that the total memorandum is the two columns added together and that the word "memorandum" is accounting terminology. She further responded to a question regarding the Public Finance Authority by responding that this was established to issue debt, and that it was used for the purchase of the water company and to build the water conditioning facility. She further responded to a question regarding intergovernment revenue by responding that this is annual funds received from the state and federal government, for example, the BJA grants, FEMA grant, seismic grant, and program fees. She further responded to a question regarding compensated absences by responding that the City needs to calculate the cost to pay all of the employees if they were to leave the City.

It was moved by Vice Mayor Espinosa, seconded by Councilmember Procter, to receive and place on file the Annual Financial Report for the Fiscal Year Ended June 30, 2001.

Under roll call vote, Councilmember Cook, Councilmember Procter, Vice Mayor Espinosa, and Mayor Luna were in favor. Councilmember Johnson was absent. The motion carried.

C. Annual Financial Reports of the Local Transportation Development Act Fund for Article 3 and Article 8, Section 99400(a) and Section 99400(c) Funds for the City of Santa Paula for the Fiscal Year Ended June 30, 2001 - (30/88)

Finance Director Glenda D. Jay's report dated January 11, 2002.

It was moved by Councilmember Cook, seconded by Councilmember Procter, to receive and place on file the Annual Financial Reports for the Local Transportation Development Act Fund, Article 3, Section 99234 Public Utilities Code and Article 8, Section 99400(a) Public Utilities Code and Section 99400(c) Public Utilities Code Funds for the Fiscal Year Ended June 30, 2001, resulting from the audits by Simpson and Simpson, Certified Public Accountants.

Under roll call vote, Councilmember Cook, Councilmember Procter, Vice Mayor Espinosa, and Mayor Luna were in favor. Councilmember Johnson was absent. The motion carried.

CITY COMMUNICATIONS

Councilmember Cook mentioned that he and Mayor Luna had attended the open house for the new University Chancellor at the depot earlier this evening. Mayor Luna added that Interim City Manager Paul L. Skeels was also in attendance.

Councilmember Procter thanked Finance Director Glenda D. Jay for explaining the reports presented this evening.

FUTURE AGENDA ITEMS

There were no Future Agenda Items.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Luna adjourned the meeting at 7:28 p.m.

ATTEST:

Josephine G. Herrera
Deputy City Clerk