

# **City of Fresno**

*Council Chamber, City Hall, 2600 Fresno Street, Fresno , California*



## **Meeting Minutes - Draft**

**Friday, October 28, 2022**

**1:30 PM**

**Special Meeting**

**Council Chambers (In person and/or electronic)**

## **Fresno City Council Finance and Audit Committee**

***Chair - Nelson Esparza***

***Vice Chair - Tyler Maxwell***

***Committee Member - Miguel Arias***

The City of Fresno Finance and Audit Committee met in special session at 1:30 P.M. in the Council Chamber of City Hall on October 28, 2022.

**1:33 P.M. Roll Call**

**Present** 3 - Chair Nelson Esparza, Vice Chair Tyler Maxwell, and Committee Member Miguel Angel Arias

**Approval of the Agenda**

[ID 22-1705](#) Notice of Special Meeting - Signed

**On motion of Committee Member Arias, seconded by Chair Esparza, the agenda be APPROVED. The motion carried by the following vote:**

**Aye:** 3 - Chair Esparza, Vice Chair Maxwell and Committee Member Arias

**Approval of Minutes**

[ID 22-1666](#) Approval of the Minutes of March 23, 2022, Fresno City Council Finance and Audit Committee Regular Meeting

**On motion of Committee Member Arias, seconded by Vice Chair Maxwell, that the above minutes APPROVED. The motion carried by the following vote:**

**Aye:** 3 - Chair Esparza, Vice Chair Maxwell and Committee Member Arias

**Public Comment**

*Upon call, there was no public comment.*

**OPEN SESSION:**

**1. Status Updates:**

*Interim Controller Quinto made opening remarks stating the reports were provided to the committee and are available online.*

**1-A. [ID 22-1667](#) Parking Division Audit**

*Division Manager Almaguer gave the committee a brief update on the three findings of the Parking Division audit. The findings included: The city contracted with Ace to manage and monitor contracts for permits and*

*payments received monthly. Tyler Munis system will track all late fees and all payments will be enforced. New payment rates based on Consumer Price Index will adjust the Master Fee Schedule. Reduced citations will be reviewed monthly and signed off by the Parking Division Manager or Planning and Development Director. Updated policies and procedures, desk manuals relevant to the duties of all employees assigned positions, and training will be administered to all parking employees.*

*Committee Member Arias discussed the parking garage contracts, the process to manage and collect fees from Club One and the spiral garages or any garaged that are not staffed full-time. The status of implementing the technology of the parking garages. The determination of parking meters in residential area in the downtown districts. The authority to waive or dismiss citations and if the citations can be appealed by a hearing officer. Division Manager Almaguer responded to questions.*

*Committee Member Arias requested the committee be informed of any recommendations on the parking districts before any implementations so that he can host community meetings to obtain input and feedback from the surrounding residents.*

**1-B.** [ID 22-1668](#) Police Department Audit

*Interim Controller Quinto reported the findings of the Police Department audit. The Police Department addressed the personnel actions that were required because of the audit. The Police Department issued two policy updates to address the work permits and additional hours audit in March 2020. The guidelines are now consistent with the system for reserving contracts and time.*

*Vice Chair Maxwell requested more information on the Fresno Police Department policy and procedure 1040. He would like to know if any policies are governed by the City Council or Administrative Order. Interim City Attorney Gonzales will follow up.*

*Committee Member Arias requested the following information: Does the Police Department have the authority to change the 16-hour work permit without Council approval. Is there a policy to set in place to ensure commanders and managers review and approve the work permits. He would like more information on the officers claiming hours when working externally and in city departments. What is the implication to other labor units if the*

*Police department can change the work permit policy without approval by the council. Interim Controller Quinto responded.*

**1-C.** [ID 22-1669](#) Airport Department Audit

*Principal Internal Auditor Agrawal gave an update on the Airport Department audit. She informed the committee the procurement audit was placed on hold because of the lack of internal control within the Airports Department. She informed the committee Director Thompson requested an additional 12 months to work on implementing the controls before an audit could be reviewed and assessed.*

*Committee Member Arias does not support authorizing any expansion in the Airport Department before conducting a basic audit of the Airports Department. Interim Controller Quinto responded.*

**2. Pending Audits:**

**2-A.** [ID 22-1670](#) Finance Department - RFP

*Vice Chair Maxwell asked for recommendations regarding the scope of work and if a Request for Proposal should be brought before the council.*

*Committee Member Arias requested that the financial controls and responsibilities of the Finance Department for multiple years be thoroughly reviewed.*

*Interim Controller Quinto recommended the audit conduct an in-depth analysis and evaluation of the Finance Department's internal controls. This includes having documented policies and procedures and then having an external third-party firm evaluate whether or not the procedures establish a system of controls that ensures the city is following proper procedures.*

*Vice Chair Maxwell asked if the study of internal control includes council and mayoral expenditures. Interim Controller Quinto responded that procurement and payment processes do fall under credit card payments and/or reimbursement to employees.*

*Committee Member Arias would like a review of the policies, procedures, controls, and actual dollars and cents coming in and out of the city. He recommends that there be basic controls in place for departments that reflect the largest financial risk for the city and have them prioritized.*

*Committee Member Arias asked for an audit assessing the departments that do not have basic controls. He would like the council to be informed when money is lost.*

**2-B.** [ID 22-1706](#) City Credit Cards - RFP & Contract

*The above item was heard simultaneously with File ID 22-1670 Finance Department.*

**3. Future Audits:**

**3-A.** [ID 22-1671](#) Affordable Housing Covenants

*Director Clark gave the committee an update on the affordable housing covenants.*

*Committee Member Arias would like a review of the audit to ensure that the affordability covenants are in place that the city must monitor. Of those, he would like to know when the last time a review or audit was done to ensure those properties are honoring those covenants. Committee Member Arias asked if the staff is comfortable that they are on top of making sure all covenants outside the ones identified are working through. Director Clerk responded.*

*Vice Chair Maxwell asked Interim City Attorney Gonzales if it is within the council's purview to add additional punitive damages to individuals violating those covenants. He asked if the council could make a policy that applies to all current covenants in place. Interim City Attorney Gonzales responded.*

**Adjournment**

*The City of Fresno Finance and Audit Committee adjourned at 2:30 P.M.*