

EXHIBIT L

CHARTER REVIEW COMMITTEE

City of Riverside

January 8, 2004, 5 p.m.

Mayor's Ceremonial Room

City Hall, 3900 Main Street

MINUTES

PRESENT: Chair Eric Haley and Members Barry Johnson, Marjorie von Pohle, Gar Brewton, Connie Leach, Damon Castillo, Dale McNair, Ray Higgins, Dorothy Bailey, Rusty Bailey, Art Garcia, Marcia McQuern, and Rose Mayes

ABSENT: Ben Johnson (excused), Stan Stosel (excused), Mike Teer (excused), and William Turpin

STAFF PRESENT: Pedro Payne, Bob Hall, Colleen Nicol, Gregory Priamos, Susan Wilson, Tricia Ruiz, and Janis Lowry

ALSO PRESENT: Chani Beeman, James Anderson, Sylvia Naomi James, Amanda Delfin, Brittany Belger, Laura Gibson, Holly Gilbreth, and others

Chair Eric Haley convened the Charter Review Committee meeting at 5:05 p.m.

The Pledge of Allegiance was given to the Flag.

ORAL COMMUNICATIONS FROM THE AUDIENCE

There were no comments presented at this time.

MINUTES

Following discussion, motion was made by Member Castillo and seconded by Member von Pohle, approving the minutes of December 11, 2003, as amended to clarify that no formal position was taken on issues presented. Motion carried unanimously with Member Garcia abstaining as he was absent from the meeting.

INTERVIEW WITH COUNCILMEMBER HART

Councilmember Hart presented the following issues for the Committee's consideration: (1) she favors the current City Manager form of government; (2) feels the current Ward system works well but also favors election of Councilmembers at-large; (3) the process for determining the Mayor's and City Council salaries should not be tied to any independent factor; (4) her position is full-time; (5) the current number of wards is sufficient; (6) the Mayor should not be granted a vote; (7) favors the City Council Standing Committee appointments by City Council action rather than Mayor appointments; (8) favors mail-in voting for run-off elections but does not support nomination only by Ward and run-off at-large; (9) supports increasing the roles and responsibilities of the boards and commissions; (10) the Charter does not limit City Council interaction with staff; (11) supports diversity on boards and commissions while retaining

professional expertise where appropriate; and (12) supports the election of a Mayor in off-years from City Council races.

FISCAL ADMINISTRATION

Finance Director Paul Sundeen reviewed Charter Section 1113 - Independent audit and the bidding process for the appointment of the independent auditor. Further, Mr. Sundeen reviewed the three minor changes recommended to the Charter for clarification; (1) Section 1110 - Cash management. The first word of the second sentence should be plural, change "Transfer" to "Transfers"; (2) Section 1111 - Capital projects funds. Under subparagraph (a) the capital letters therein, "B." and "C." should be changed to the lower case and enclosed in brackets, i.e. "(b)" and "(c)"; and (3) Section 1113 - Independent audit. The word "and" in the second sentence, in the series of words "audit and report" should be deleted. Without formal motion, the Committee, received and ordered filed the Fiscal Administration report.

The Committee adjourned at 6:30 p.m.

Respectfully submitted,

COLLEEN J. NICOL
City Clerk

ACCOMPLISHMENTS

1. Interviewed Councilmember Hart
2. Reviewed Fiscal Administration section of Charter

TO DO:

1. Interview newly-elected Councilmembers
2. Continue discussion regarding the Board of Public Utilities' recommendation for local preference to Riverside-based companies for construction contracts
3. Begin policy deliberations and formulate positions

Date: January 8, 2004

Item No. 6

Memorandum

To: Charter Review Committee

From Paul C. Sundeen – Finance Director

Date: 1/8/2004

Re: ARTICLE XI. FISCAL ADMINISTRATION

The following describes the interaction of the independent auditor with the City Council and recommended minor changes to this Article.

Sec. 1113 of the Charter requires an annual independent audit. The application of this section is described below.

Historically, proposals for the appointment of an independent auditor have been requested every five (5) years; however, only a one-year contract is signed with the selected auditor. That contract may be renewed by the City Council, with the consent of the independent auditor, during that five (5) year period. If the contract with that particular auditor is renewed annually for the five (5) year period, proposals are requested from all interested firms following the completion of the audit of the fifth year. If the independent auditor or the City Council declines to renew the contract during that five (5) year period, proposals from all interested firms are requested.

After proposals have been received and evaluated by the staff, meetings are arranged between qualified firms and City representatives that include the Finance and Public Utilities Departments and the Redevelopment Agency. In addition, a representative of the City Council is invited to attend. Following the meetings, one firm is selected, a contract is signed by the independent auditor and presented to the City Council for approval.

At the completion of the audit, the independent auditor meets with the City Council's Finance Committee. During that meeting, the annual financial statements are reviewed and the independent auditor presents his reports on the financial statements, the Single Audit (a report on federal and state grants) and internal accounting controls. Subsequently, these reports are presented to the City Council, with the approval of the Finance Committee, to receive and file and to consider the reappointment of the independent auditor for the subsequent year.

January 2, 2004

The following minor changes are recommended for clarification/correction:

1. Sec. 1110. Cash management. The first word of the second sentence should be plural. Change "Transfer" to "Transfers."
2. Sec. 1111. Capital projects funds. Under subparagraph (a), the capital letters therein, "B." and "C." should be changed to the lower case and enclosed in brackets, i.e. "(b)" and "(c)."
3. Sec. 1113. Independent audit. The word "and" in the second sentence, in the series of words "audit and report" should be deleted.

Sec. 1113. Independent audit.

The City Council shall employ, at the beginning of each fiscal year, a qualified public accountant who shall, at such time or times as may be specified by the City Council, and at such times as such accountant shall determine, examine the books, records, inventories and reports of all officers and employees who receive, handle or disburse public funds and of such other officers, employees or departments as the City Council may direct. As soon as practicable after the end of the fiscal year, a final audit and report shall be submitted by such accountant to the City Council, one copy thereof to be distributed to each member, one to the City Manager, controller, treasurer, and City Attorney, respectively, and three additional copies to be placed on file in the office of the City Clerk where they shall be available for inspection by the general public. (Effective 12/27/1995)