Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.

CITY OF OXNARD CALIFORNIA

AGENDA
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE

Council Chambers, 305 West Third Street

December 8, 2020

Regular Meeting - 9:30 to 10:45 AM

This meeting is held pursuant to the State Emergency Services Act, the Governor's Emergency Declaration, and Governor's Executive Order N-29-20 to allow members of the City Council or staff to participate via teleconference.

Pursuant to the Ventura County Public Health Official's order and Governor's Executive Order N-33-20, all city buildings are temporarily closed to the public. The public is encouraged to view the meeting from home on the City's website at Oxnard.org/city-meetings, Spectrum channel 10, Frontier channel 35, or YouTube at Youtube.com/oxnardnews. Video recordings are typically available online immediately following the meeting.

The public may provide comments to the City Council via email at cityclerk@oxnard.org no later than 8:00 a.m. on the day of the meeting. Please identify the committee name, meeting date, and agenda item in the email Subject line.

A telephone option for public comments is also available at this time due to the State of California "Stay At Home" order. Requests to speak must be submitted no later than 8:00 a.m. on the day of the meeting. Use the form on the city's website to submit your request: Oxnard.org/city-meetings, or call the City Clerk's Office at (805) 385-7803, or email your request to cityclerk@oxnard.org.

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

At this time, the legislative body will consider public comments for a maximum of fifteen minutes. A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker requests shall be submitted as set forth on the first page of this agenda. Based on the number of speaker requests submitted, the presiding officer may impose time limits per speaker. Typically, speakers are limited to two minutes, but shorter time may be established as deemed necessary. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager for administrative action or scheduled on a subsequent agenda for discussion.

C. CONSENT AGENDA

1. City Clerk Department

   SUBJECT: Approval of Minutes.

   RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the November 24, 2020 regular meeting as presented.

   Contact: Michelle Ascencion, (805) 385-7805

D. REPORTS

1. City Manager Department

   SUBJECT: City of Oxnard Whistleblower Summary Update. (10/5/5)

   RECOMMENDATION: That the Finance and Governance Committee recommends that City Council receive and file the update on Whistleblower Matters.

   Contact: Shiri Klima, (805) 385-7487

2. Finance Department

   SUBJECT: Proposed City Council's Risk Assessment Responsibilities Policy. (10/5/5)

   RECOMMENDATION: That the Finance and Governance Committee provide feedback on a proposed City Council Risk Assessment Policy and give authorization to staff to present the item to City Council for approval.

   Contact: Kevin Riper, (805) 385-7475

3. Fire Department

   SUBJECT: Fire Academy FY20/21. (10/10/5)

   RECOMMENDATION: That the Finance and Governance Committee recommend that City Council:
   1. Receive a report from the Interim Fire Chief discussing the current level of vacancies, the need to re-establish our recruit training academy, and adding additional recruit firefighters to the academy cadre; and
   2. Approve a budget appropriation of $755,461 from Fund 104 Measure O (Half-cent Sales Tax).

   Contact: Alexander Hamilton, (805) 385-7708

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

M I N U T E S
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Regular Meeting
November 24, 2020

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 9:33 a.m., Member Perello called to order the regular meeting of the Oxnard City Council Finance and Governance Committee in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Members Vianey Lopez and Bert E. Perello were present via videoconference. Chair Tim Flynn was absent.

Staff members present were Shiri Klima, Deputy City Manager; Stephen M. Fischer, City Attorney; Alexander Nguyen, City Manager; Eden Alomeri, Billing and Licensing Director; Kevin Riper, Chief Financial Officer; and Michelle Ascencion, City Clerk.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from Lawrence Stein (College Park Master Plan, cleanup of Halaco Superfund site).

C. CONSENT AGENDA

City Clerk Department

1. SUBJECT: Approval of Minutes.
RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the November 10, 2020 regular meeting as presented.

It was moved by Member Lopez, seconded by Member Perello, to approve the minutes as presented. VOTE: Lopez and Perello voted in favor; the motion carried 2-0.

D. REPORTS

Billing and Licensing Department

1. SUBJECT: Agreements with Elavon for Credit Card Merchant Services.
RECOMMENDATION: That the Finance and Governance Committee recommend the City Council ratify the three-year agreements A-8268 (for over the counter non-utility payments), A-8269 (for over the counter utility payments) and A-8270 (for online payments) between Elavon, Inc. and the City of Oxnard for credit card merchant services in the amount of $954,000.

The Billing and Licensing Director gave a report. Discussion ensued among the Committee and staff.

It was moved by Member Lopez, seconded by Member Perello, to approve the recommended action as presented. VOTE: Lopez and Perello voted in favor; the motion carried 2-0.

Finance Department

2. SUBJECT: Amendment to the Existing City Debt Policies.
   RECOMMENDATION: That the Finance and Governance Committee provide feedback on a proposed amendment to the City's Debt Policies in Resolution No. 15,359 to address bond continuing disclosure and compliance requirements and ensuring debt compliance, and authorize staff to present the item to City Council.

The Chief Financial Officer gave a report. Discussion ensued among the Committee and staff.

It was moved by Member Lopez, seconded by Member Perello, to approve the recommended action as presented. VOTE: Lopez and Perello voted in favor; the motion carried 2-0.

E. ITEMS FOR FUTURE AGENDAS

Member Perello requested a discussion on recognition of elected officials upon completion of their term.

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Flynn adjourned the meeting at 10:16 a.m.

MICHELLE ASCENCION, CMC City Clerk	TIM FLYNN Chair

CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.1

DATE: December 8, 2020

TO: Finance & Governance Committee

FROM: Shiri Klima, Deputy City Manager, (805) 385-7487, shiri.klima@oxnard.org

SUBJECT: City of Oxnard Whistleblower Summary Update. (10/5/5)

RECOMMENDATION

That the Finance and Governance Committee recommends that City Council receive and file the update on Whistleblower Matters.

BACKGROUND

The City of Oxnard established various mechanisms for employees and residents of the City to report potential fraud, waste or abuse. Those mechanisms include a whistleblower hotline and a web page on the City's website for online submissions as well as email complaints to the independent accounting firm that monitors the whistleblower hotline, Price Paige and Company. Price Paige and Company will conduct investigations on allegations and complaints received in accordance with the program guidelines. Price Paige and Company will report to the City Council's Finance and Governance Committee on a periodic basis depending on the volume of complaints received.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to strengthen and stabilize the organizational foundation of the City in the areas of Finance, Information Technology, and Human Resources, and to improve workforce quality while increasing transparency to the public. This item supports the following goals and objectives:

Objective 1a. Ensure the 128 recommendations outlined in the organizational assessment are implemented through the 3 phased implementation action plans adopted by Council in July, 2015 and provide periodic reports to Council on the status of the implementation plans.

Objective 1b. Establish an Internal Audit Program to complete performance audits of identified programs to ensure compliance with state and federal law and that Council policy is adhered to.

Objective 1c. Develop written procedures to address Internal Control recommendations from Auditor.

FINANCIAL IMPACT

There is no financial impact. The whistleblower program is designed to help reduce potential fraud, waste or abuse of resources of the City which can be substantial.

Prepared by: Henry Oum, Price Paige & Company

ATTACHMENTS

1. Whistleblower Program Summary through 11.23.2020
2. City of Oxnard Whistleblower Presentation thru 11.23.2020

PRICE PAIGE & COMPANY
Accountancy Corporation

The Place to Be

November 23, 2020

From: Price Paige and Company
To: Finance and Governance Committee of the City of Oxnard

City of Oxnard Whistleblower Activity Report

Whistleblower Information

The City of Oxnard Whistleblower Policy authorizes Price Paige and Company ("PPC"), a contracted independent accounting firm, to receive complaints from city employees and members of the public who wish to report an improper governmental action. An "improper governmental action" is defined as "any activity by a local agency or employee that is undertaken in the performance of the employee's official duties, including activities deemed to be outside the scope of his or her employment, that is in violation of any local, state, or federal law or regulation relating to corruption, malfeasance, bribery, theft of government property, or willful omission to perform duty, is economically wasteful, or involves gross misconduct". The complaints received by PPC shall remain confidential, and the identity of the complainant will not be revealed without the permission of the complainant, except to an appropriate law enforcement agency conducting a criminal investigation.

Upon receiving a complaint, PPC may conduct an investigation into the facts alleged in the complaint to determine whether an improper governmental action has occurred. Before launching an investigation, PPC's staff will conduct a careful evaluation of the complaint to determine whether it has enough potential merit to warrant the expenditure of city resources to conduct an investigation. After PPC receives a complaint, any investigation resulting from the complaint is confidential, so PPC's staff cannot provide any updates about what is being done to investigate the complaint or what information has been uncovered. Information about the investigation will not be released unless PPC substantiates that an improper action has occurred and issues a report about it.

Whistleblower Priority Assessment

Due to the limited resources of the City, conducting full investigations of all allegations and complaints received is not feasible. PPC will first screen the allegation to determine "predication". Predication is defined by the Association of Certified Fraud Examiner's as *"the totality of circumstances that would lead a reasonable, professionally trained, and prudent individual to believe a fraud has occurred, is occurring, and/or will occur."* Predication is the basis upon which an investigation is commenced. Investigations should not be conducted without proper predication. Once predication is established, PPC will commence an investigation into the allegation or complaint.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

www.ppcpas.com

Allegations and complaints received are ranked by risk and investigative efforts are focused on those that represent the greatest risk to the City. The following shows how we generally classify types of tips based on risk:

High Priority – Matters that are considered high priority could include: potential loss to the City of more than $75,000, high level management involvement, collusion of multiple wrongdoers, major department-wide issues, or the need for immediate action to stop a potential major issue. These matters could take priority over other investigations and audits subject to PPC's professional judgment.

Medium Priority – Matters that are considered medium priority could include: potential loss to the City of more than $25,000, include abuse of authority, medium-to-low-level employee involvement, minor department-wide issues, or patterns of small issues that could be significant cumulatively. Some medium-priority items could be referred to a department for further review.

Low Priority – Matters that are considered low priority could include: potential loss to the City of up to $25,000, comprise of isolated instances of time abuse, wasteful practices that could lead to efficiencies if corrected, or allegations that lack creditability and evidence. PPC would aim to investigate items in this list, but may not do so due to limited resources. Some low priority allegations could be referred to a department for their review.

Whistleblower Activity Report

The following allegations and complaints were received during the period of June 5 through November 23, 2020:

Incident #	Primary Type of Allegation	urce of Submiss	Priority	Current Status
2020-3-1	None specific	Website	N/A	Non-fiscal or City related
2020-3-2	Heatlh Hazard	Email	N/A	Non-fiscal related; forwarded to appropriate department
2020-4-1	COVID-19 safety concerns	Website	Low	Non-fiscal related; forwarded to appropriate department
2020-4-2	Unrelated to the City	Website	Low	Non-fiscal related
2020-4-3	Heatlh Hazard	Website	N/A	Non-fiscal related; forwarded to appropriate department
2020-4-4	Heatlh Hazard	Email	N/A	Non-fiscal related; forwarded to appropriate department
2020-4-5	Employee relations	Website	N/A	Non-fiscal related; forwarded to appropriate department
2020-4-6	None specific	Website	N/A	Insufficient information to forward to appropriate department
2020-4-7	Potential favoritism	Website	N/A	Non-fiscal related; forwarded to appropriate department
2020-4-8	Procurement	Website	High	IA determining if predication exists
2020-4-9	Personnel complaint	Website	N/A	Non-fiscal related; forwarded to appropriate department

There were a total of 11 complaints/allegations received from June 5 through November 23, 2020.

Whistleblower Activity Summary

PPC is currently following up on one allegation listed above to establish predication prior to commencing a formal investigation (incident #2020-4-8 which is similar to a prior allegations and will be reviewed concurrently). Many of the allegations received thus far are unrelated to the City of Oxnard and as appropriate, have been forwarded to the appropriate department.

City of Oxnard Whistleblower Program

PRICE PAIGE & COMPANY
Accountancy Corporation

Independent Accounting Firm
Whistleblower Program Monitoring

Whistleblower Program

- In 2017, the City established a Whistleblower Program, contracted through Price Paige & Company ("PPC"), an independent accounting firm, to receive complaints from city employees and members of the public who wish to report an improper governmental action.
- Complaints received by PPC shall remain confidential, and the identity of the complainant will not be revealed without the permission of the complainant, except to an appropriate law enforcement agency conducting a criminal investigation.

Whistleblower Program

- PPC will only focus on <u>fiscal related matters</u>. Other matters received through the program will be forwarded to the appropriate department.
- After receiving a complaint, PPC will evaluate the complaint for merit prior to launching an investigation. PPC will not provide updates to the complainant or other parties until the matter has been fully investigated and reported.

Whistleblower Priority Assessment

- PPC will screen the complaint for “*predication*”.
- Predication is defined by the Association of Certified Fraud Examiner’s as *“the totality of circumstances that would lead a reasonable, professionally trained, and prudent individual to believe a fraud has occurred, is occurring, and/or will occur.”*

Whistleblower Priority Assessment

Quantitative Assessment Categories:

High Priority:	Above $75,000
Medium Priority:	Between $25,000 to $75,000
Low Priority:	Less than $25,000

Whistleblower Priority Assessment

Qualitative Assessment Categories:

High Priority: Involves high level management, collusion of multiple wrongdoers, etc.

Medium Priority: Abuse of authority, medium to low employment involvement, etc.

Low Priority: Isolated incidents of time abuse, wasteful practices, etc.

Whistleblower Activity Report

Complaints from June 5, 2020 through November 23, 2020:

Incident #	Primary Type of Allegation	Source of Submission	Priority	Current Status
2020-3-1	None specific	Website	N/A	Non-fiscal or City related
2020-3-2	Heatlh Hazard	Email	N/A	Non-fiscal related; forwarded to appropriate department
2020-4-1	COVID-19 safety concerns	Website	Low	Non-fiscal related; forwarded to appropriate department
2020-4-2	Unrelated to the City	Website	Low	Non-fiscal related
2020-4-3	Heatlh Hazard	Website	N/A	Non-fiscal related; forwarded to appropriate department
2020-4-4	Heatlh Hazard	Email	N/A	Non-fiscal related; forwarded to appropriate department
2020-4-5	Employee relations	Website	N/A	Non-fiscal related; forwarded to appropriate department
2020-4-6	None specific	Website	N/A	Insufficient information to forward to appropriate department
2020-4-7	Potential favoritism	Website	N/A	Non-fiscal related; forwarded to appropriate department
2020-4-8	Procurement	Website	High	IA determining if predication exists
2020-4-9	Personnel complaint	Website	N/A	Non-fiscal related; forwarded to appropriate department

- A total of 11 complaints have been received for the period above
- 10 of the 11 (91%) are non-fiscal related and have been forwarded to the appropriate department, if applicable
- One complaint assessed as HIGH and being reviewed concurrent with prior complaints of similar issues

Whistleblower Program Summary

- To date, we have investigated a total of 3 of the 79 complaints/allegations received as part of the Whistleblower Program.
- A group of complaints (alleging similar issues) is currently being reviewed to determine predication. We will advise the City whether a formal investigation will be commenced.

City of Oxnard Whistleblower Program

Questions and comments?

CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.2

DATE: December 8, 2020

TO: Finance & Governance Committee

FROM: Kevin Riper, Chief Financial Officer, (805) 385-7475, kevin.riper@oxnard.org

SUBJECT: Proposed City Council's Risk Assessment Responsibilities Policy. (10/5/5)

RECOMMENDATION

That the Finance and Governance Committee provide feedback on a proposed City Council Risk Assessment Policy and give authorization to staff to present the item to City Council for approval.

BACKGROUND

The City Council understands the importance of ensuring that risk assessments are performed to serve as a basis for adapting the Internal Control - Integrated Framework to changing conditions. The City Council policies define its control responsibilities, including appointment of independent auditors, and implementation of improvements in the internal support and governance functions.

DISCUSSION

There are nine recommended policies associated with the Internal Control - Integrated Framework (ICIF). Each policy is associated with one of the five Committee of Sponsoring Organizations of the Treadway Commission (COSO) components. On September 1, 2020, the City Council adopted the ICIF and the first four implementing policies under the COSO Control Environment:

1) FPOL 1.01 Adoption of Internal Control - Integrated Framework
2) FPOL 1.02 Adoption of Internal Control Oversight Responsibilities
3) FPOL 1.03 Finance and Governance Committee Duties and Responsibilities
4) FPOL 1.04 Assignment of Authority and Responsibility for Achieving Operational, Reporting and Compliance Objectives

The policies are being implemented in stages utilizing the framework components. The next COSO component is Risk Assessment. Staff recommends the Finance and Governance Committee provide feedback on proposed Finance Policy FPOL 1.05 City Council's Risk Assessment Responsibilities. This policy defines the City Council's responsibilities related to defining the City's risk tolerance and overseeing how the organization manages and responds to risks. The next step in the risk assessment process, assuming this policy is approved by City Council, will be to engage a consulting firm to perform a comprehensive risk assessment for the City. An RFP process will be conducted in the spring of 2021 to select the firm.

A risk assessment includes risk identification, risk assessment analysis, and other risk mitigation approaches. Risk identification examines a wide variety of factors such as the City's vulnerability to extreme events, revenue source stability, expenditure volatility, leverage, liquidity, other funds dependency, growth, and high priority capital projects that do not have a funding source. Risk assessment analysis determines the City's vulnerability to such factors, as well as past experience. Risk mitigation approaches examine what options the City has to avoid, reduce, or transfer risk. A final risk score and/or rating, based on established risk criteria for cities of similar population and services, will be determined, as well as recommendations to avoid, reduce, or transfer risk.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to strengthen and stabilize the organizational foundation of the City in the areas of Finance, Information Technology, and Human Resources, and to improve workforce quality while increasing transparency to the public. This item supports the following goals and objectives:

Goal 1. To help foster a healthy and accountable corporate foundation by strengthening the support functions of the organization, which include Finance, Information Technology and Human Resources.

Objective 1c. Develop written procedures to address Internal Control recommendations from Auditor.

Goal 2. Increase transparency with Council, community and staff related to the City's budget and financial management processes.

Goal 3. Focus on creating a culture of learning and talent development that will lead to a quality workforce which meets the needs of our community.

Objective 3a. Develop a training program that focuses on strengthening the effectiveness of supervisory/ management staff by establishing a common understanding of basic HR, IT, and fiscal policies and procedures. services to ensure an efficient and effective public safety service delivery model.

FINANCIAL IMPACT

There is no financial impact until FY 2021-22, when the Proposed Budget will recommend a one-time appropriation to pay for a contract with the selected risk assessment consulting firm. At this early stage it is not possible to estimate with any precision at all how much such a contract may cost, but staff guesses less than one hundred thousand dollars.

Prepared by: Christine Williams, Senior Manager, Internal Controls

ATTACHMENTS

1. Resolution establishing City Council's Risk Assessment Responsibilities.v2
2. FPOL 1.05 City Council's Risk Assessment Responsibilities
3. PowerPoint Presentation on City Council' Risk Assessment Responsibilities Policy

CITY COUNCIL OF THE CITY OF OXNARD
RESOLUTION NO. ________
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD ADOPTING RISK ASSESSMENT RESPONSIBILITIES POLICY

WHEREAS, in furtherance of the City Council's Organizational Effectiveness Strategic Goal, City staff recommends adopting policies associated with the Internal Control - Integrated Framework (ICIF) relating to the five Committee of Sponsoring Organizations of the Treadway Commission (COSO) components;

WHEREAS, the COSO ICIF risk assessment component includes risk identification, risk assessment analysis, and other risk mitigation approaches, which address such issues as examining a wide variety of factors such as the City's vulnerability to extreme events, revenue source stability, expenditure volatility, leverage, liquidity, other funds dependency, growth, and high priority capital projects that do not have a funding source in order to determine the City's vulnerability to such factors, as well as past experience, in order to examine risk mitigation approaches and options the City has to avoid, reduce, or transfer risk.

WHEREAS, the recommended Risk Assessment Responsibilities Policy includes City Council review of the City organization's risk exposures and establishing the City Council's tolerance for risk by considering the cumulative impact of identified risks in relation to the City organization's risk tolerance, as well as keeping the City Council apprised of the most significant risks and ascertaining whether management is responding appropriately; and

WHEREAS, recommended delegation of responsibilities includes assigning the Finance and Governance Committee to work with the Internal Auditor to identify and evaluate risk factors for fraud and oversee the City Manager's response to such issues.

NOW, THEREFORE, the City Council of the City of Oxnard resolves to adopt the Risk Assessment Responsibilities Policy (FPOL 1.05 City Council's Risk Assessment Responsibilities) attached hereto as Exhibit A.

PASSED AND ADOPTED on this __ day of _______________, 2021, by the following vote:

AYES:

NOES:

ABSENT:

____

Mayor

ATTEST:

____

City Clerk

APPROVED AS TO FORM:

____
Stephen M. Fischer, City Attorney

EXHIBIT A

FPOL 1.05 City Council's Risk Assessment Responsibilities

CITY OF OXNARD CALIFORNIA	**City of Oxnard Finance Policy**		
TITLE City Council's Risk Assessment Responsibilities			**PAGE** 1 of 2
NUMBER FPOL 1.05	VERSION 1.0	DOCUMENT OWNER Christine Williams	EFFECTIVE DATE 1/5/2021
PROCEDURE OWNER Christine Williams	TITLE Sr. Mgr, Internal Controls	(Signature)	DATE 9/10/2020

1.0 POLICY STATEMENT

The City Council shall:

a. Review the City's risk tolerance and philosophy on a regular basis;

b. Ensure that the City's strategic goals and decisions are in alignment with the organization's risk tolerance and philosophy;

c. Review the organization's risk exposures and define the Council's tolerance for risk by considering the cumulative impact of identified risks in relation to the organization's risk tolerance;

d. Stay apprised of the most significant risks and ascertain whether management is responding appropriately; and

e. Assign the Finance and Governance Committee (F&GC) to work with the Internal Auditor to identify and evaluate risk factors for fraud and oversee the City Manager's response to such issues.

2.0 SCOPE

This policy covers all of the City of Oxnard's internal control activities as they relate to the City Council's Risk Assessment responsibilities.

3.0 BACKGROUND

3.1.1. The City Council understands the importance of ensuring that risk assessments are performed to serve as a basis for adapting the internal control framework to changing conditions. The City Council policies define its control responsibilities, including appointment of independent auditors, and oversight of improvements in the internal support and governance functions.

4.0 DEFINITIONS

Term	Definition
Internal Control – Integrated Framework	A system of internal control designed to address three main categories of internal control objectives which are 1. Operations 2. Reporting and 3. Compliance
Risk Assessment	A systematic process of evaluating the potential risks that may

	be involved in a projected activity or undertaking at all levels.
Risk Tolerance	The maximum risk that an organization is willing to accept regarding each relevant risk.
Risk Exposure	The measure of potential future loss resulting from a specific activity or event.
Strategic Goals	Financial and non-financial objectives and desired results for a specific period of time.

5.0 ROLES AND RESPONSIBILITIES

Role	Responsibility
City Council	Exercise its oversight duties, working with the City Manager, City Attorney and other officials, to review the City's risk tolerance and philosophy on a regular basis.
Finance and Governance Committee (audit committee)	As defined in FPOL 1.03 Internal Control – Finance and Governance Committee Duties and Responsibilities as it relates to the Finance and Governance Committee's risk assessment responsibilities.

CITY OF OXNARD REFERENCES

FPOL 1.01 Adoption of Internal Control – Integrated Framework
FPOL 1.02 Adoption of Internal Control Oversight Responsibilities
FPOL 1.03 Internal Control – Finance and Governance Committee Duties and Responsibilities
FPOL 1.04 Assignment of Authority and Responsibility for Achieving Operational, Reporting and Compliance Objectives

6.0 DOCUMENT HISTORY

Version	Summary of Changes	Reason for Changes
1.0	New policy	New policy

Internal Control – Integrated Framework City Council's Risk Assessment Responsibilities

Presentation to Finance and Governance Committee

Christine Williams, Senior Manager, Internal Controls

December 15, 2020

CITY OF OXNARD CALIFORNIA

RECOMMENDATION

That the Finance and Governance Committee provide feedback on a proposed City Council Risk Assessment Policy and give authorization to staff to present the item to City Council for approval.

AGENDA

- Policies Associated with the Internal Control - Integrated Framework (ICIF)
- Adoption of a City Council Risk Assessment Policy
- Questions

POLICIES ASSOCIATED WITH THE INTERNAL CONTROL - INTEGRATED FRAMEWORK (ICIF)

COSO Category	City Council Policies
A. Control Environment Adopted 9/1/20 Previously in place	1. Adoption of Internal Control – Integrated Framework 2. Adoption of Internal Control Oversight Responsibilities 3. Finance and Governance Committee Duties and Responsibilities 4. Assignment of Authority and Responsibility for Achieving Operational, Reporting and Compliance Objectives 5. Performance Evaluations of City Manager and City Attorney
B. Risk Assessment	6. City Council's Risk Assessment Responsibilities
C. Control Activities	7. Development and Implementation of Internal Controls
D. Information and Communication	8. Commitment to Transparent and Complete Information and Communication
E. Monitoring Activities	9. Creation of a Monitoring System

FPOL 1.05 CITY COUNCIL’S RISK ASSESSMENT RESPONSIBILITIES

- Review City’s risk tolerance and philosophy regularly
- Ensure goals and decisions are aligned with risk tolerance
- Review City’s risk exposures, considering cumulative impact of identified risks
- Stay apprised of significant risks and management’s response
- Evaluate risk factors for fraud and oversee City Manager’s response

ICIF NEXT STEPS

Time Line	Task
January 5, 2021 City Council Meeting	Risk Assessment Component: City Council Policy
Spring 2021	RFP process to engage consulting firm to perform a comprehensive risk assessment
Remainder of 2021	Bring last 3 ICIF policies to F&GC and City Council (Control Activities, Information and Communication, and Monitoring Activities)

RECOMMENDATION

That the Finance and Governance Committee provide feedback on a proposed City Council Risk Assessment Policy and give authorization to staff to present the item to City Council for approval.

CITY OF
OXNARD
CALIFORNIA

QUESTIONS

CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.3

DATE: December 8, 2020

TO: Finance & Governance Committee

FROM: Alexander Hamilton, Interim Fire Chief, (805) 385-7708, alexander.hamilton@oxnard.org

SUBJECT: Fire Academy FY20/21. (10/10/5)

RECOMMENDATION

That the Finance and Governance Committee recommend that City Council:
1. Receive a report from the Interim Fire Chief discussing the current level of vacancies, the need to re-establish our recruit training academy, and adding additional recruit firefighters to the academy cadre; and
2. Approve a budget appropriation of $755,461 from Fund 104 Measure O (Half-cent Sales Tax).

BACKGROUND

The Fire Department received an allocation of $711,998 in Measure O funds to provide a basic recruit academy in the 19-20 fiscal year. The department started a recruit academy on March 9, 2020 for 14 recruits. Unfortunately, the COVID-19 pandemic created a range of significant issues for both the city and the fire department. In March, the world didn't know much about the novel virus and how to ensure a safe training environment for the recruits. Additionally, the projections from Finance regarding incoming tax revenues made it clear that we needed to furlough the recruit academy.

Ultimately, the academy was furloughed with 10 recruits, after 2 pay periods. The department had invested $212,852 in these recruits and an additional $92,769 in personnel costs for the training academy as well as payroll costs for the recruits.

DISCUSSION

The department now has 15 vacancies which represents 14% of the staff assigned to fire stations. The negative impact to quality of life and increasing stress on personnel is unsustainable, firefighter safety is now at risk. The unfilled positions require coverage resulting in triple the number of mandated overtime shifts compared to one year ago. Firefighters have worked up to 25 days in a single month to ensure that all fire stations have the staff required to operate. To make matters worse Covid-19 safety protocols prohibit families from visiting the fire stations.

The cost for station coverage of the 15 vacant positions is $2,322,334* annually. The cost to fill these positions with full time employees is $1,403,174**, providing a cost avoidance of $919,160 in one year. This significant investment is needed to ensure the department is adequately staffed to continue providing excellent service to our residents. These vacancies are primarily due to retirements; however, we also continue to lose employees to attrition to other agencies, including five in the last three years.

The department is always looking for ways to cut costs as we are acutely aware of the limited revenues the city receives. The department continues to work closely with our Operational Area partners on ways to coordinate. However there is simply no way to combine academies due to logistical issues, differences in operations and, most fundamentally, cost. The projected cost for this upcoming academy is $70,465 per recruit. The last academy costs from Ventura County Fire Protection, held in 2017, was $116,721 per recruit.

The Fire Department is not requesting an increase in full time employees (FTE), this is to simply fill vacant positions. It is important to note that the department will need an additional basic recruit training academy in the first quarter of 2022 based on anticipated retirements and an increase in our FTE count provided by the Sakioka development.

*Calculation based on FY21 CFAA reimbursable rate
** Calculation based on employee splits for 13 first year Firefighters, 1 Engineer, 1 Captain as shown on FY20/21 employee splits

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

FINANCIAL IMPACT

The cost to restart the FY19-20 academy and increase the number of Firefighter Trainees to fifteen (15) is $755,461. Funding will be provided from Fund 104 Measure O (Half-cent Sales Tax), which has sufficient fund balance as a result of recent unappropriations presented to City Council at its meeting of October 20, 2020.

Prepared by: Amy Van Atta, Management Analyst II

ATTACHMENTS

1. Academy FY20-21 Budget Appropriation
2. Academy PPT Finance and Gov Committee

REQUEST FOR BUDGET APPROPRIATION

Department: Fire **Date:** January 11, 2021
Project/Program Manager: Hamilton **Phone:** x7700

Reason for Appropriation:

Appropriate budget for a Fire Academy to start in January 2021.

Accounts and Descriptions		**AMOUNT**
Fund: 104 - MEASURE O		
Expenditures/Transfers Out		
FY20-21 FIRE ACADEMY (MO2214)		
104-2209-802.80-01	DIRECT LABOR-REGULAR	300,000
104-2209-802.80-03	PERSONNEL SERVICES / OVERTIME	5,000
104-2209-802.80-08	STATION COVERAGE	226,461
104-2209-802.80-41	EMPLOYEE BENEFITS	70,800
104-2209-802.80-43	PERS	22,000
104-2209-802.81-05	SUPPLIES - SAFETY	98,000
104-2209-802.82-09	SVCS - OTHER PROF/CONTRACT	33,200
	Sub-total Expenditures	755,461
	Net Change to Fund Balance	**(755,461)**
	Net Appropriation Change	**755,461**

Approvals

Department Director ______________________

Chief Financial Officer ______________________

City Manager ______________________

REQUIRES CITY COUNCIL AUTHORIZATION

BA# (Finance Use Only)______________
BA Doc# (Finance Use Only)___________
Revised : 2/23/2012

FIRE DEPARTMENT FY20/21 ACADEMY

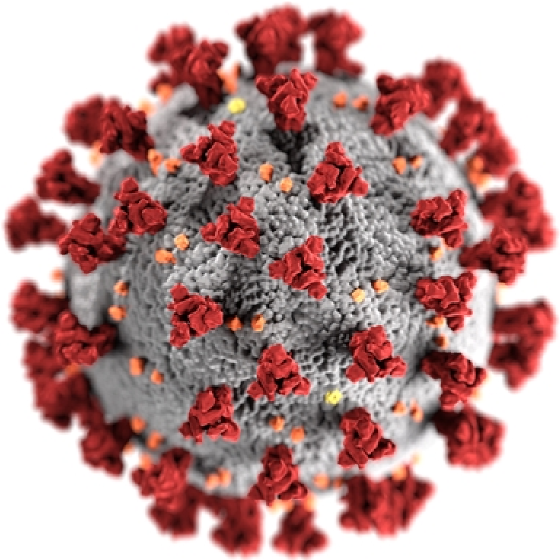
Alexander Hamilton, Interim Fire Chief

That the Finance and Governance Committee recommend that City Council approve a budget appropriation of $755,461 from fund 104 Measure O (Half-cent Sales Tax) to fund a Fire Academy for fifteen Firefighter Trainees.

BACKGROUND

FY19/20 ACADEMY CANCELED DUE TO COVID-19

- Allocated $711,998 in Measure O funds
- 14 recruits
- Started March 9, 2020
- Furloughed 10 recruits due to novel coronavirus after 4 weeks



BACKGROUND

FY19/20 FURLOUGHED ACADEMY COST $305,620

- $73,105 – Hiring Costs
- $97,873 – PPE
- $30,100 – Uniforms
- $11,733 – Supplies
- $92,769 – Payroll

THE TOLL OF 15 VACANCIES

- Represents 14% of station personnel
- Quality of life issues
- Increased stress at work and in personal life
- Firefighter safety is at risk
- Overtime mandates have tripled in one year
- Firefighters are working up to 25 days per month
- Covid-19 safety precautions prohibit families in the fire stations

THE FINANCIAL COST OF 15 VACANCIES

- $2,322,334 Cost of station coverage for one year
- $1,403,174 Cost to fill vacancies with full time employees

REGIONAL ACADEMY IS MORE EXPENSIVE

- $116,721 - Ventura County Fire Protection cost per recruit in 2017
- $70,465- Oxnard Fire Department cost per recruit for FY19/20 furloughed academy and FY20/21 continuation

CONTINUED NEED FOR RECRUITMENT

- 15 recruits fills current vacancies
- Vacancies will continue due to attrition and retirements
- Future development will require additional staff to protect the City

MEASURE O REQUEST

Budget appropriation of $755,461 from Fund 104 Measure O (Half-cent Sales Tax)

CITY OF OXNARD CALIFORNIA

QUESTIONS?