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
September 14, 2021

Regular Meeting - 5:00 to 6:30 PM
(TEMPORARY MEETING TIME CHANGE)

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.

As a precautionary measure to help slow the spread of COVID-19, the City Council facilities 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. *Please see the link for the Measure M pre-recorded presentation video for each agenda item below.

The public may provide comments to the City Council via email at cityclerk@oxnard.org no later than 2:00 p.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. Requests to speak must be submitted no later than 2:00 p.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.

*The City has filed pre-election and post-election lawsuits regarding the validity of Measure M. The judge has not yet ruled on the legal sufficiency of Measure M.

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 thirty 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. Speakers are limited to three minutes. If the allotted 30 minute time period expires before all speakers have had the opportunity to speak, the remaining speakers will be given an opportunity to speak prior to adjournment of the meeting. 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/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing.

C. CONSENT AGENDA

1. City Clerk Department
   SUBJECT: Approval of Minutes.
   RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the June 22, 2021 and July 13, 2021 regular meetings as presented.

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.
Agenda Item time estimates: (Presentation / Committee Discussion / Public Comment)

Contact: Rose Chaparro, (805) 385-7805

D. REPORTS

1. Finance Department

SUBJECT: Audit Committee Training by Eadie + Payne. (40/15/5)

RECOMMENDATION: That the Finance and Governance Committee receive a training presentation from Eadie + Payne on the roles and responsibilities of the Audit Committee. (Presentation will be live upon consultant's request).

Contact: Betsy George, 805-385-5400

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

CONSENT AGENDA
AGENDA ITEM NO. C.1

DATE: September 14, 2021

TO: Finance and Governance Committee

FROM: Rose Chaparro, City Clerk, (805) 385-7805, rose.chaparro@oxnard.org

SUBJECT: Approval of Minutes.

RECOMMENDATION

That the Finance and Governance Committee approve the minutes of the June 22, 2021 and July 13, 2021 regular meetings as presented.

BACKGROUND

That the Finance & Governance Committee approve the meeting minutes as presented.

STRATEGIC PRIORITIES

This agenda item is a routine operational item.

FINANCIAL IMPACT

There is no financial impact.

COMMITTEE OUTCOME

Prepared by: Rose Chaparro, City Clerk

ATTACHMENTS

1. MINUTES 06 22 2021 Finance & Governance Committee
2. MINUTES 07 13 2021 Finance & Governance Committee

MINUTES
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Regular Meeting
JUNE 22, 2021

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 5:05 p.m., Chair John C. Zaragoza 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. Chair Zaragoza was present in person. Member Gabriel (Gabe) Teran participated via videoconference. Member Gabriela Basua was absent.

Staff members present in person were Stephen M. Fischer, City Attorney; and Rose Chaparro, City Clerk.

Staff members that participated via videoconference were Alexander Nguyen, City Manager; Ashley Golden, Assistant City Manager; Shiri Klima, Deputy City Manager; Kevin Riper, Chief Financial Officer; and Mike More, Human Resources Risk Manager.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA (None received.)

C. CONSENT AGENDA

1. City Clerk Department
SUBJECT: Approval of Minutes.
RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the March 23, 2021 regular meeting as presented.

It was moved by Member Teran, seconded by Chair Zaragoza, to approve the Information/Consent item as presented. VOTE: Teran and Zaragoza voted in favor; the motion carried 2-0. Member Basua was absent.

D. REPORTS

1. Human Resources Department

SUBJECT: Termination of City of Oxnard City Corps Social Security Replacement Plan.

RECOMMENDATION: That the Finance and Governance Committee recommend that the City Council adopt a resolution terminating the already-frozen City of Oxnard City Corps Social Security Replacement Plan, authorizing distribution of all benefits under the plan following such termination, and delegating authority to take all necessary and appropriate actions to effectuate the plan's termination.

Mike More, Human Resources Risk Manager answered the Committee's questions. No public comments were received. Discussion ensued among the Committee and staff.

It was moved by Member Teran, seconded by Chair Zaragoza, to approve the recommended action as presented. VOTE: Teran and Zaragoza voted in favor; the motion carried 2-0. Member Basua was absent.

F. <u>ADJOURNMENT</u>

There being no further business on the agenda, and without objection, Chair Zaragoza adjourned the meeting at 5:12 p.m.

ROSE CHAPARRO City Clerk	JOHN C. ZARAGOZA Chair

MINUTES

OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Regular Meeting
JULY 13, 2021

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 5:02 p.m., Chair John C. Zaragoza 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. Chair Zaragoza was present in person. Members Gabriela Basua and Gabriel (Gabe) Teran participated via videoconference.

Staff members present in person were Shiri Klima, Deputy City Manager; Stephen M. Fischer, City Attorney; Terrel Harrison, Cultural & Community Services Director; and Rose Chaparro, City Clerk.

Staff members that participated via videoconference were Ashley Golden, Assistant City Manager; Adam Smith, Project Manager; Jason Benites, Police Chief; Alexander Hamilton, Fire Chief; Kevin Riper, Chief Financial Officer; Eden Alomeri, Billing & Licensing Director; Vyto Adomaitis, Community Development Director; Jan Hauser, Wastewater Division Manager; Brian Yanez, Acting Public Works Director; Steve Howlett, Assistant Public Works Director; Tatiana Arnaout, Senior Civil Engineer; Steve Naveau, Human Resources Director; and Raja Bamrungpong, Interim IT Director.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from Douglas Partello.

C. CONSENT AGENDA

1. City Clerk Department
   SUBJECT: Approval of Minutes
   RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the April 13, 2021 regular meetings as presented.

   It was moved by Member Teran, seconded by Member Basua, to approve the Information/Consent item as presented. VOTE: Teran, Basua, and Zaragoza voted in favor; the motion carried 3-0.

D. REPORTS

1. Billing and Licensing Department

SUBJECT: Discontinuing the Approximately $500,000 Subsidy for Convenience Fee Costs Associated with Accepting Credit Cards, Debit Cards and Electronic Checks as

Payment Methods for Certain City Services and Fees.

RECOMMENDATION: That the Finance and Governance Committee recommends that the City Council:

1. Conduct a public hearing to consider the establishment of fees to cover the costs of banking convenience fees for the use of credit card, debit card and electronic check transactions for certain City services, and for certain fees, charges or taxes due to the City; and

2. Following the public hearing, adopt a resolution establishing fees to cover the costs of banking convenience fees for the use of credit card, debit card and electronic check transactions for certain City services, and for certain fees, charges or taxes due to the City.

Eden Alomeri, Billing & Licensing Director, answered the Committee's questions. No public comments were received. Discussion ensued among the Committee and staff.

It was moved by Member Teran, seconded by Member Basua, to approve the recommended action as presented. VOTE: Basua, Zaragoza, and Teran voted in favor; the motion carried 3-0.

2. City Manager Department

SUBJECT: Preliminary American Rescue Plan Act Investment Ideas.

RECOMMENDATION: That the Finance and Governance Committee begins the discussion about American Rescue Plan Act (ARPA) preliminary investment ideas and forward discussion outcomes to the City Council for further deliberations.

Shiri Klima, Deputy City Manager, answered the committee's questions. Public comments were received from Ray Blattel, Douglas Partello, Stephanie Hagiwara, and Alicia Percell. Discussion ensued among the Committee and staff. No formal action was taken.

E. ITEMS FOR FUTURE AGENDAS

No requests were made.

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Zaragoza adjourned the meeting at 6:10 p.m.

ROSE CHAPARRO City Clerk	JOHN C. ZARAGOZA Chair

CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.1

DATE: September 14, 2021

TO: Finance & Governance Committee

FROM: Betsy George, Chief Financial Officer, 805-385-5400, betsy.george@oxnard.org

SUBJECT: Audit Committee Training by Eadie + Payne. (40/15/5)

RECOMMENDATION

That the Finance and Governance Committee receive a training presentation from Eadie + Payne on the roles and responsibilities of the Audit Committee.
(Presentation will be live upon consultant's request).

BACKGROUND

The City's contract with independent financial auditor Eadie + Payne (E+P) includes professional training by E+P audit partners.

At its meeting of July 14, 2020, the Finance and Governance Committee reviewed and recommended forwarding to City Council for approval the Internal Control Integrated Framework, or ICIF, along with the first four implementing policies.

In addition to emphasizing the need for internal control training of City staff, the Committee was interested in training for its own members on how to be successful as an audit committee, as recommended in the ICIF. The purpose of this one-hour session led by E+P (the third of four) is to provide that training to the Committee. One additional one-hour session is scheduled for the Committee meeting on November 9, 2021.

Attached is E+P's PowerPoint presentation for this meeting's live training session.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Betsy George, Chief Financial Officer

ATTACHMENTS

1. Audit Committee Training - IC & Compliance

Session 3: Internal Control & Compliance

September 14, 2021

AGENDA

WHAT IS INTERNAL CONTROL?

RESPONSIBILITY OF AUDIT COMMITTEE

FIVE COMPONENTS OF INTERNAL CONTROL

LIMITATIONS

COMPLIANCE

AUDIT FINDINGS

QUESTIONS

WHAT IS INTERNAL CONTROL?

"A process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance."

– COSO Definition

CITY OF OXNARD CALIFORNIA

EADIE + PAYNE

Types of Internal Control

- Preventative control
  - Put in place to prevent errors/ irregularities.

- Detective control
  - Designed to find errors after they have occurred.

- Corrective control
  - Correct errors that found by the detective internal controls.

RESPONSIBILITY OF THE AUDIT COMMITTEE

- Primary responsibility relates to two areas:
  - System of internal control over financial reporting
  - System of internal control over compliance with laws, regulations, contracts, grant agreements, abuse and operations

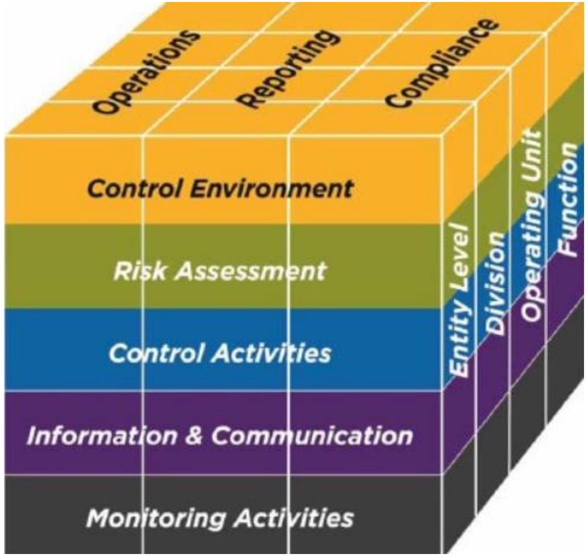
- Oversee the government entity's internal control environment

- Oversee ethics and compliance program

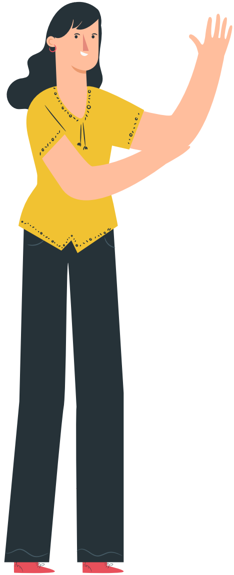
- Apply skepticism in validating information received

FIVE COMPONENTS OF INTERNAL CONTROL

- Control Environment
  - Risk Assessment
    - Control Activities
      - Information and Communication
        - Monitoring Activities



CONTROL ENVIRONMENT



Demonstrate commitment to integrity and ethical values

- Tone at the top
- Mission statement
- Standards of conduct

Exercise oversight responsibility

- Relevant expertise
- Operates independently

Establish structure, authority, and responsibility

- Reporting lines established
- Delegation of authority
- Demonstrate commitment to competence

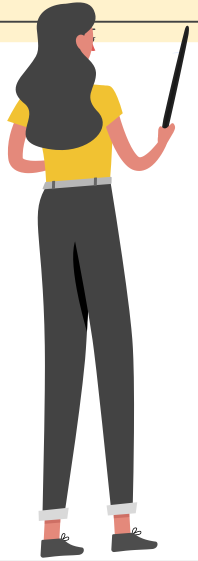
Addresses competence gaps

- Employee retention
- Succession planning

Enforces accountability

- Establishes & evaluates performance measures
- Aware of outside pressures

RISK ASSESSMENT



- Specifies suitable objectives
- Identifies and analyzes risk
- Assesses fraud risk
- Identifies and analyzes significant change

CONTROL ACTIVITIES

Select and develop control activities

Manual	Automatic

Select and develop general controls over technology

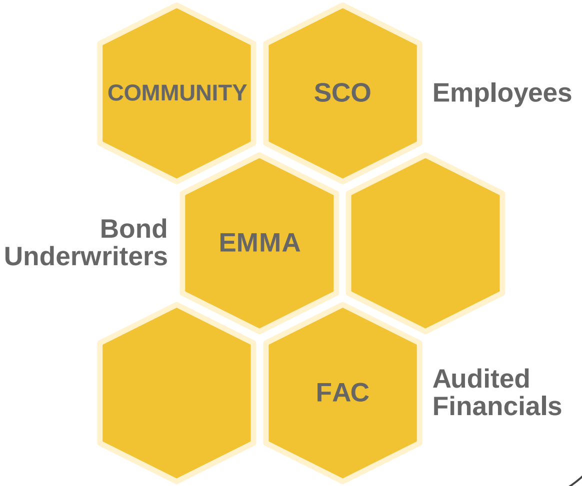
Manual	Automatic

Deploy through policies and procedures

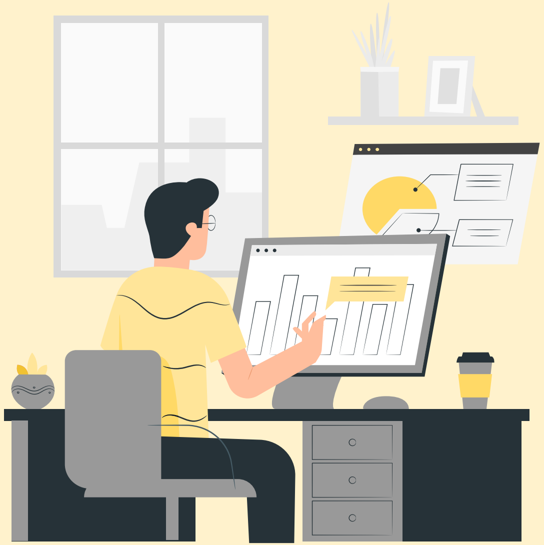
Resolutions & Ordinances

INFORMATION AND COMMUNICATION

- Uses relevant information
- Communicates internally
- Communicates externally



MONITORING ACTIVITIES



- Conduct ongoing and / or separate evaluations
- Evaluates and communicates deficiencies

LIMITATIONS

- Controls are not an absolute assurance that the organization can or has achieved its objectives
- Lack of well-designed internal controls in place
- Rigidly designed controls
  - Lead to relaxation and not monitoring for fraud and errors
  - Exposes the opportunity portion of fraud triangle

COMPLIANCE

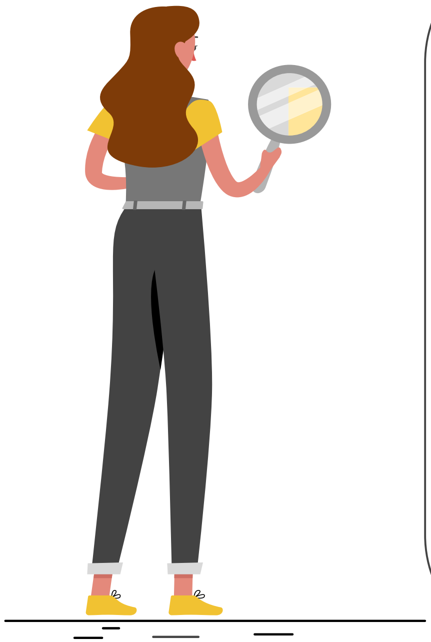
- Government programs are subject to provisions of many laws, regulations, contracts, and grant agreements.

- Government Auditing Standards focus on compliance with laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.

COMPLIANCE (CONT'D)

- Audit Committee's Role:
  - Ensure that appropriate policies and processes are in place to achieve compliance
  - Be informed of ongoing investigations
  - Review audit findings
  - Engage legal counsel as necessary
  - Bring before the City Council matters that warrant their attention

AUDIT FINDINGS



- The responsibility of the audit committee is to have a strong understanding of types of findings, and how they impact the goal of financial reporting and/or compliance.

Types of Findings

- Material Weakness
- Significant Deficiency
- Noncompliance
- Best Practice

QUESTIONS?

TRAINING PROGRESS

- ☑ **Session # 1:** Responsibilities of the Audit Committee 2/09/21
- ☑ **Session # 2:** Fundamentals of Municipal Finance with a Guided Analysis of the City's CAFR and Single Audit Reports – 2/23/21
- ☑ **Session # 3:** Internal Control and Compliance – 9/14/21
- ☐ **Session # 4:** Risk Assessment – 11/9/21

Thank You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Years
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