

CITY OF BELMONT TREASURER'S REPORT November-02

Agency Summary

Agency	Pool Equity Balance
City of Belmont	\$ 18,393,357.93
Belmont Fire Protection District	(1,197,468.44)
Belmont Redevelopment Agency	<u>11,967,559.52</u>
Total	\$ 29,163,449.01

Receipts and Disbursements Summary

	Beginning Balance November 01, 2002	Receipts	Disbursements	Ending Balance November 30, 2002
City, Fire District and Redevelopment Agency Funds	\$ 29,457,991.77	\$ 1,870,179.04	\$ (2,164,721.80)	\$ 29,163,449.01

Balance Summary

	Deposit	Investments	Pool Total
City, Fire District and Redevelopment Agency Funds	\$ 4,316,445.60	\$ 24,847,003.41	\$ 29,163,449.01

The following abstract is from the City Council meeting minutes of September 25, 2001, "City Manager Kersnar stated he reviewed a report from the structural engineer...no modifications need to be made to 1070 Sixth Avenue, if it was used as an office building. He continued that the misconception was that 1070 Sixth Avenue was vulnerable in the case of an earthquake. The Essential Services Building Code was designed to ensure that a building is not only still standing, but is undamaged and is still useable after a significant seismic event. The analysis that City Manager Kersnar reviewed suggested that there might be damage to 1070 Sixth Avenue, even to the point where it was unusable for an amount of time. That renders it unusable for an essential services building, but it does not create jeopardy for the residents of the building. What the code says is that the building is not going to collapse, but it is going to be damaged in all likelihood in the event of a major seismic event. People will be able to walk out of the building.."

On May 14, 2002, the City Council proceeded with an option to remodel and seismically retrofit the existing building at 1070 Sixth Avenue to accommodate a Police Facility, i.e. "City Hall Project". On September 10, 2002, the City Treasurer and certain members of Finance Commission asked the City Council to refer the proposed City Hall Project to the Finance Commission, as a whole, for consideration and review. The City Council declined this request and authorized the expenditure of \$499,000 for additional architectural services to supplement in excess of \$750,000 in pre-construction costs previously spent as of that date. The actual construction costs for the City Hall Project are estimated to be several million dollars. Accordingly, the City Hall Project will use significant financial resources and reduce the City and/or Redevelopment Agency's ability to fund alternative projects.

At a regularly scheduled public meeting on October 10, 2002, the Finance Director reported that the City Council needed to provide direction to city staff on addressing a \$1.3 million, or approximately 10%, long term budget gap in the General Fund. During the public comment section of that report, certain members of the Finance Commission raised concern about the economy and City's long term fiscal health and the City Treasurer, again, asked the City Council to refer the multi-million dollar "City Hall Project" to the Finance Commission for review and a recommendation.

At a regular scheduled public meeting on December 10, 2002, the City Council approved a conceptual approach for the structural upgrade of the existing City Hall, 49,610 square feet, at a cost in excess of \$5,000,000 to accommodate police facility and other governmental services. The decision to upgrade the entire building exceeds the generally acknowledged requirement for a stand alone essential services building by a factor as much as 10 times. The City Treasurer is on record requesting that this project be referred to the Finance Commission for review and recommendation.

With the noted exception of the above, the current balances for the City of Belmont, the Belmont Fire Protection District and the Redevelopment Agency, along with the expected revenue generation, should meet the agencies' anticipated normal and recurring expenditure requirements for the next six months. This report is in compliance with the Investment Policy.

Respectfully Submitted,

Howard E. Mason, Jr.
City Treasurer