

MINUTES

MISSION BAY PARK IMPROVEMENT FUND OVERSIGHT COMMITTEE

July 3, 2012

Meeting Location:

Santa Clara Point Recreation Center
1008 Santa Clara Place
San Diego, CA 92109

Mailing address is:

Park and Recreation Department
Developed Regional Parks
2125 Park Blvd.
Attn: Mission Bay Park Manager
San Diego, CA 92101

Members Present

Rick Bussell
James Greene
Kevin Konopasek
David Potter
Paul Robinson
Cynthia Hedgecock
Lani Lutar
Willie Gardner

Members Absent

Judy Swink
Patrick Owen
Gary Rotto

Staff Present

Stacy McKenzie

CALL TO ORDER

Chairperson Paul Robinson called the meeting to order at 6:22 PM

APPROVAL OF THE MINUTES

MSC IT WAS MOVED/SECONDED (POTTER / KONOPASEK) AND CARRIED TO APPROVE THE MINUTES OF THE FEBRUARY 7, 2012 MEETING. (7-0-1)

REQUEST FOR CONTINUANCE

None

NON-AGENDA PUBLIC COMMENT / COMMUNICATIONS

None

CHAIRPERSONS REPORT

Chairperson Paul Robinson had no report at this time.

ACTION ITEMS

Consent (These items are adopted without discussion; they can be moved to adoption by any committee member.)

101. None

Adoption (Each adoption item requires individual action; they can be moved to consent by action of the committee.)

201. None

INFORMATION ITEMS

301. Performance Audit of the Mission Bay Park Improvement Fund – Danielle Knighten, Performance Auditor

Ms. Knighten gave a brief background about the fund. In 2002, the City council ordinance established two special funds, Mission Bay Improvement Fund and Regional Park Improvement Fund. These funds received revenue from the Mission Bay leases in excess of \$20 million. Proposition C passed in 2008. The new City Charter requirements replaced a previous City Council Ordinance. Major changes included an increase to the threshold amount to \$23 million, different allocation percentages, formation of oversight committees for each of the funds, the prioritization of projects and a mandatory distribution of lease revenue above threshold amounts.

Audit objectives include the verification of the fiscal year 2010 (FY10) collection, allocation and that the use of Mission Bay Park lease revenues are in compliance with City Charter requirements. The City Charter requires an annual audit to contain a complete accounting of all revenues received, the amount and nature of expenditures and whether expenditures were consistent and compliant with City Charter requirements.

The audit produced three (3) findings:

Finding 1 – The adjusted Mission Bay lease revenue totaled \$23,984,104.00. San Diego Regional Park fund received a total distribution of \$984,104.00. The Mission Bay Improvement fund did not receive a distribution. The San Diego Regional Park fund should have \$1,623,777.00 available to the new Oversight Committee. The FY10 distribution was reduced by \$639,673.00 as a result of an overestimated FY09 accrual. There were no expenditures for FY10.

Finding 2 – Due to inaccurate budgeting estimates, both funds have overcommitted projects in excess of \$2 million. As of June 30, 2010, the San Diego Regional Park fund and the Mission Bay Improvement fund have overcommitted projects \$2,080,923.00 and \$2,420,604.00 respectively. Funds will remain overcommitted until Financial Management releases the unfunded or abandoned projects. A method has yet to be established to separately account for the financial activities after the City Charter change. Financial activities that occurred before and after the City Charter change should be accounted for separately.

Finding 3 – The City lacks documented financial internal controls specific to the Mission Bay revenue fund. Accrual methodology used by the City Comptroller is not clearly documented. There were no procedures to reconcile the lease revenue amounts recorded by Real Estate Assets Department in RePortfolio and by City Comptroller in SAP.

The audit produced three (3) recommendations:

Recommendation 1 – Park and Recreation, Development Services Facilities Finance Division and the Financial Management Department should continue to de-appropriate the unfunded and abandoned projects to eliminate negative balances.

Recommendation 2 – The City Comptroller should establish a methodology to separate accounts for financial transactions within the two funds.

Recommendation 3 – The City Comptroller should establish comprehensive process narrative procedures, process flow diagrams and departmental guidelines to properly document the processes specific to the unique nature of Mission Bay Park lease revenues.

302. 3RD Quarter Mission Bay Park Lease Revenue Report - Mr. Ken Whitfield, Comptroller, Office of the City Comptroller

Revenue is up \$2.5 million above where it was this time last year. Currently the FY2012 Actual is \$19,939,155.00.

ADJOURNMENT - Chairperson Robinson adjourned the meeting at 6:33 P.M., reconvened at 6:44 P.M. for item # 301, then adjourned again at 7:07 P.M.

Notice of Next Regular Meeting: TBA
Santa Clara Recreation Center
1008 Santa Clara Place
San Diego, CA 92109

Respectfully submitted,

Stacy McKenzie
District Manager, Mission Bay Park

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