



**MINUTES  
REGULAR MEETING  
OF THE  
FINANCIAL ADVISORY BOARD**

**March 13, 2012 7:00 p.m.  
El Cerrito City Hall  
Hillside Conference Room  
10890 San Pablo Avenue**

**Roll Call**

**Members Present- Bartke, Caftel, Kronenberg, Murphy**

**Council Liaison Present - Cheng**

**Staff Liaison Present - Dodge**

**1. Council / Staff Liaison Report**

Dodge reported on the potential refinancing of the capital leases for the fire equipment and recycling trucks as well as potential restructuring of the Swim Center and Storm Drain bond issues. When proposals are received they will be brought to the FAB, hopefully the next meeting.

Councilmember Cheng introduced herself to the FAB and discussed recent Council items such as the vote for the Clean Water Program and the Regional I-80 Improvement Program.

**2. Comments from the Public**

None present.

**3. Review of Minutes from February 13, 2012**

The minutes were approved unanimously. M/S Bartke/Caftel

**4. Quarterly Investment Report**

The Board reviewed the December 31, 2011 Quarterly Investment Report and Draft Report to City Council. Dodge discussed the low balance in the LAIF account due to the receipt of property tax funds late in December and the transfer to LAIF happening in early January 2012.

Bartke asked about the Redevelopment Agency funds and Dodge said the only reason there was money in the accounts is because the debt payments were due in January and as of December 31, 2011 funds had been transferred to the Trustee to make those payments. Murphy asked for clarification of the other accounts and Dodge said that all of the other accounts were debt service reserves that are required to be held to pay the final year of debt service except for the IWM item that was to be used for the Recycling Center Construction. Bartke asked if we refinanced the bonds would they have the same requirements and Dodge said the restricted use of the funds would never change.

Murphy expressed concern that the reserve funds were being underutilized and Dodge said with

the limited options for investments of the reserves they have been kept in Treasury funds which are not earning much interest.

## **5. Dissolution of Redevelopment Agency**

Dodge began discussing the Redevelopment Agency dissolution report that was previously presented to Council and had been distributed in the FAB packet while they waited for Development Manager Lori Trevino. Dodge discussed the timing of the passage of ABx1 26 and not ABx1 27 which ended the Redevelopment Agency as of February 1, 2012 and the contracts with the Municipal Services Corporation that should be a help in maintaining redevelopment activity.

Dodge discussed the transfer of parcels to either the MSC or the City and projects such as the Tradeway project for Senior Housing. Caftel commented on the problems that could arise without any gap funds to facilitate a project of that type. Dodge discussed the transfer of the Cerrito Theater and Valente property to the MSC and that it was thought that the Theater was protected because it was not a property that could be easily liquidated.

Development Manager Trevino arrived and took over the discussion starting with the housing component of the dissolution. Trevino discussed the decision that was made to assume the housing function instead of having it revert to the County Housing Authority due in part to the recent purchase of the Tradeway property and the emerging project on that site. Trevino stated the concern is the dissolution act recognized the need for housing activity, and allowed for keeping property for those types of projects, but did not provide any funds for it. Also discussed was the ability of the new Housing Authority Fund to collect on the repayment of the loans from the original Housing Fund of the Agency for prior years SERAF payments.

Other issues discussed were development of the new Oversight Board, cash flow concerns, timing of our bond debt obligations, timing of the audit of the Recognized Obligation Payment Schedule and the overall concern for the unintended consequences of the Dissolution Act.

## **6. Adjournment**

Caftel asked Dodge whether the Investment policy with the requested changes was adopted by the Council and Dodge said that it had been and that she should have reported that during her report out period.

The next meeting is scheduled for April 10 and we hope to have the refinancing proposals for the meeting and will also review the Memorandum on Internal Control (MOIC) issued by our auditors, Maze & Associates, for the year ended June 30, 2011.