



Finance Department

Agenda

**REGULAR MEETING
OF THE
FINANCIAL ADVISORY BOARD**
Tuesday March 11, 2014, 7:00 p.m.
El Cerrito City Hall
Hillside Conference Room
10890 San Pablo Avenue
El Cerrito, CA 94530

Roll Call
Convene Meeting

1. Council Liaison Report
Mayor Abelson may report on matters of general interest, Council policies, priorities and significant actions taken by the City Council.
2. Staff Report
 - A. Welcome and Announcement of new FAB Members.
 - B. Reminder regarding April 1, 2014 Filing Deadline.
 - C. Next steps for changes FAB has recommended to the City's Investment Policy and Comprehensive Financial Policies
 - D. Update on FAB's request for cash flow analysis to accompany quarterly investment reports.
3. Comments from the Public
All persons wishing to speak to items on the agenda. Remarks are typically limited to 3 minutes per person.
4. Discussion Items
Introduction of new FAB Members
Discussion of format for action minutes.
5. Minutes for Approval
Approval of the November 12, 2013 and January 14, 2014 FAB meeting minutes.
6. Election of new Chair and Vice Chair
The FAB will select a new Chair and Vice-Chair for a one year term.
7. Discuss Agenda Items for the Next Meeting

COMMUNICATION ACCESS INFORMATION

To request a meeting agenda in large print, Braille, or on cassette, or to request a sign language interpreter for the meeting, call Lisa Malek-Zadeh, Staff Liaison at 215-4312 (voice) at least FIVE (5) WORKING DAYS NOTICE PRIOR TO THE MEETING to ensure availability.



Finance Department

Minutes- DRAFT

**REGULAR MEETING
OF THE
FINANCIAL ADVISORY BOARD**
Tuesday November 12, 2013, 7:00 p.m.
El Cerrito City Hall

Roll Call:

Present: Boardmembers Caftel, Vranich and Bartke present.

Absent: Boardmember Kronenberg

Chairperson Caftel convened the Financial Advisory Board meeting at 7:00 p.m.

1. Staff/ Council Liaison Report:

Ms. Malek-Zadeh informed the FAB that the City Manager will be submitting a report regarding Budget Update for the Council's consideration on November 19.

2. Comments from the Public:

Nick Arzio introduced himself, expressed his possible interest in becoming a member of FAB and discussed why his background would be a good fit for the FAB.

3. Approve October 8, 2013 meeting minutes

Action: FAB unanimously agreed (Absent: Boardmember Kronenberg) and carried to approve the minutes.

4. Discussion Items:

Investment/Liquidity Policy

Action: Action: FAB unanimously agreed (Absent: Boardmember Kronenberg) and carried to approve a motion approving the Investment/Liquidity Policy with changes to the report as recommended during the discussion to correct typos, numbering inconsistencies and add additional words to clarify intent.

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Comprehensive Financial Policies

Action: Action: FAB unanimously agreed (Absent: Boardmember Kronenberg) and carried to approve a motion recommending the following changes to the Comprehensive Financial Policies:

- 1) Section: 3.3 (NEW) City have as a goal to achieve a minimum cash balance equal to 15 days of authorized operating expenses in order to meet anticipated City obligations without reliance on borrowed funds. Should the cash balance fall below the minimum due to unanticipated circumstances, the minimum cash balance should be restored as soon as practical;
- 2) Section: 3.9 (NEW) The operating reserve shall be identified as cash or cash equivalents and be separately stated on the financial statements;
- 3) Section: 4.2.3 (REVISED) The City Manager shall establish an audit program to test compliance of those areas not included in the annual audit;
- 4) Section: 5.3 (REVISED) If the City participates in the two year service credit program, it will not augment total staffing levels for 5 years;
- 5) Section: 6.4.4 (NEW) The quarterly report shall include a statement denoting the ability of the City to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall or may not be available;
- 6) Section 8.2.1 (REVISED) The City will seek to maintain and, if possible, improve its current bond rating(s) in order to minimize costs and preserve access to credit. The City may pay the bond insurance which is considered as part of the rating, however, the rating agency will evaluate the structure of the bond to validate the bond rating. The factors that contribute to a high rating include the City's financial management practices, low debt levels, budgetary and fiscal controls, and accountability. To support this policy, the City will continue to maintain its position of full financial disclosure and proactive fiscal planning.

Other Sections are to be corrected for typos or numbering changes as needed.

5. Agenda Items Next Meeting

Boardmembers present, by unanimous agreement, recommended the following items for consideration at the January meeting:

Election of Officers
Budget Discussion
Quarterly Investment Report

Chairperson Caftel Adjourned Financial Advisory Board Meeting.



Finance Department

Minutes- DRAFT

REGULAR MEETING
OF THE
FINANCIAL ADVISORY BOARD
Tuesday January 14, 2014, 7:00 p.m.
El Cerrito City Hall

Roll Call:

Present: Boardmembers Kronenberg, Vranich and Bartke

Absent: None

Chairperson Peter Vranich convened the Financial Advisory Board meeting at 7:15 p.m.

1. Staff/ Council Liaison Report

Brief overview of budget update to Council on December 17, 2013.

Update on Council interview process of new commission members and new terms to begin March 1.

Boardmembers received an update from Ms. Malek-Zadeh on the current status of the budget, FAB recruitment efforts and implementation of rules regarding new commissioner terms.

2. Comments from the Public

Nick Arzio expressed his interest in becoming a member of the FAB and informed the commission that he was interviewed by the City Council on January 7.

3. Approve November 12, 2013 meeting minutes

The FAB discussed the minutes and expressed concerns that action minutes do not adequately reflect the discussion and only recorded action taken. This format does not work well for FAB as most of the meetings are discussion and not action based. Staff suggested a discussion with the City Clerk and Assistant City Manager on a format that might work better, but within the parameters of the City's adopted policy of recording action minutes only.

Action: Moved, seconded (Bartke / Kronenberg: Ayes – Boardmembers Bartke, Kronenberg and Vranich; Noes; None; Absent; None) and carried to approve a motion to postpone consideration of the minutes until the next meeting and in the meantime the board accepts staff's recommendation to explore options to include more detail in meeting notes.

4. Discussion Items:

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City of El Cerrito Financial Advisory Board

Meeting Minutes

Election of Officers

Action:

Nomination of Vranich as new Chair and nomination of Bartke on an interim basis until March 1, when new terms begin.

Review 1st Quarter Investment Report

Action:

Unanimous vote: Moved, seconded (Kronenberg/Vranich; Ayes – Boardmembers Bartke, Kronenberg and Vranich; Noes; None; Absent;None and carried to approve a motion acknowledging receipt and review of the 1st quarter investment report.

Budget Discussion

Discussed earlier in the meeting as part of Agenda Item No. 1, Staff Update,.

5. Agenda Items Next Meeting

Boardmembers present, by unanimous agreement, recommended the following items for consideration at the February meeting:

- 1) Review and discussion of format for expanded action minutes for meetings;
- 2) Review and possible action on approval of minutes from 11/12/13 and 1/14/14 meetings;
- 3) Update on next steps for FAB's review and possible recommendations regarding the Investment Policy and Comprehensive Financial Policies;and
- 4) Request for cash flow analysis to accompany quarterly investment reports.

Adjourned Financial Advisory Board Meeting at 8:45 p.m.