



Finance Department

Minutes

**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.

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.

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.