Agenda

REGULAR MEETING
OF THE
FINANCIAL ADVISORY BOARD
Tuesday September 8, 2015 7:00 p.m.
El Cerrito City Hall
Hillside Conference Room
10890 San Pablo Avenue
El Cerrito, CA  94530

Roll Call
Convene Meeting

1. Comments from the Public
   All persons wishing to speak to items on the agenda. Remarks are typically limited to 3 minutes per person.

2. New Discussion Items
   Overview of City’s Affordable Housing projects by Melanie Mintz, Community Development Director

3. Council Liaison Update
   General comments and or updates on relevant items discussed by City Council.

4. Staff Update
   Provide FAB with the Quarterly Investment Report for the period ending June 30, 2015 presented to City council on August 18, 2015. (See attachment and available at http://www.el-cerrito.org/DocumentCenter/View/4993)

   Provide an overview on new GASB rules for pension reporting

   Provide FAB with a the list of City positions remain unfilled in FY 2015-16 (See attachment)

5. Review and approve meeting minutes from April 14, 2015.

6. Discuss Agenda Items for the Next Meeting
   Approve meeting minutes from June 9, 2015 and September 8, 2015 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.

10890 San Pablo Avenue, El Cerrito, CA  94530    Tel: 510.215.4300
E-mail: lmalek-zadeh@ci.el-cerrito.ca.us
Date: August 18, 2015
To: El Cerrito City Council
From: Lisa Malek-Zadeh, Finance Director/City Treasurer
Subject: Quarterly Investment Report for Period Ending June 30, 2015

ACTION REQUESTED
Receive and file the City’s Quarterly Investment Report for the period ending June 30, 2015.

QUARTERLY INVESTMENT REPORT REVIEW
The Quarterly Investment Report for April 2015 – June 2015 shows that the City’s investments had a par value of $1,524,405 as of June 30, 2015. During the quarter interest of approximately $40 was earned and debt service payments for the Recycle Center, Street Improvement Fund, City Hall and the Solar Lease Project were made totaling $826,426.

The City continues to have minimal investments that are not required for debt service reserves and to have limited, if any, interest earnings on restricted funds. Of the total amount invested, $2,706 is invested in the pooled funds with the State Treasurer’s Local Agency Investment Funds (LAIF) and $1,521,699 is held in money market funds.

FINANCIAL CONSIDERATIONS
The purpose of the City’s Investment Policy is to provide guidelines for prudent investment of the City’s idle funds and maximum efficiency of the City’s cash management system. The ultimate goal is to enhance the City’s economic condition while protecting the funds at all times. The City’s investments comply with the “Authorized Investments” section of the Investment Policy.

Reviewed by:

Scott Hanin
City Manager

Attachment:

For the Period Ending June 30, 2015
Quarterly Investment Report
City of El Cerrito

<table>
<thead>
<tr>
<th>FUND</th>
<th>INVESTMENT TYPE</th>
<th>INVESTMENT</th>
<th>TRUSTEE/</th>
<th>INTEREST</th>
<th>MARKET</th>
<th>MATURITY</th>
<th>COST</th>
<th>PAR VALUE</th>
<th>YEAR DATE</th>
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</thead>
<tbody>
<tr>
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</tbody>
</table>

- **Street Improvement Fund**
- **City Hall Debt Fund**
- **Swim Center Fund**
- **Solar Project Financing**
- **Pooled Investments**

<p>| | | | | | | | | | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Investment</strong></td>
<td><strong>Trustee</strong></td>
<td><strong>Interest</strong></td>
<td><strong>Market</strong></td>
<td><strong>Maturity</strong></td>
<td><strong>Cost</strong></td>
<td><strong>Par Value</strong></td>
<td><strong>Year</strong></td>
<td><strong>Date</strong></td>
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<tr>
<td><strong>Union Bank/Electrode Liquiditi</strong></td>
<td><strong>N/A</strong></td>
<td><strong>0.01%</strong></td>
<td><strong>0.01%</strong></td>
<td><strong>0.01%</strong></td>
<td><strong>0.01%</strong></td>
<td><strong>0.01%</strong></td>
<td><strong>0.01%</strong></td>
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<td><strong>0.01%</strong></td>
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</tbody>
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Total:

- **Total Value**
- **Total Cost**
- **Total Par Value**

**Signature**: [Signature]

**City of El Cerrito**

**Agenda Item No. 5(j)**

**Code 3566**

Certificate that this report is in compliance with the City of El Cerrito Investment Policy and that there are adequate funds available to meet the next six months of estimated expenditures as required by the California Government Code.
<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Dept</th>
<th>FTE</th>
<th>Position</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Genereal Fund</td>
<td>Finance</td>
<td>1.00</td>
<td>Admin Analyst II</td>
<td>Position funded for 6 months</td>
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<tr>
<td>Genereal Fund</td>
<td>Public Works- Engineering</td>
<td>1.00</td>
<td>Assoc Engineer</td>
<td>Position won’t be filled</td>
</tr>
<tr>
<td>Streets</td>
<td>Public Works- Engineering</td>
<td>1.00</td>
<td>Assoc Engineer</td>
<td>Position won’t be filled</td>
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<tr>
<td>Genereal Fund</td>
<td>Recreation- childcare</td>
<td>1.00</td>
<td>Child Teach 100%</td>
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<td>Genereal Fund</td>
<td>Fire</td>
<td>1.00</td>
<td>Fire Secretary</td>
<td>Position filled/cost shared with Kensington.</td>
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<tr>
<td>Genereal Fund</td>
<td>Fire</td>
<td>1.00</td>
<td>Firefighter</td>
<td>Offset by increased funding for overtime.</td>
</tr>
<tr>
<td>Genereal Fund</td>
<td>Fire</td>
<td>1.00</td>
<td>Firefighter</td>
<td>Offset by increased funding for overtime.</td>
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<tr>
<td>Genereal Fund</td>
<td>Fire</td>
<td>1.00</td>
<td>Firefighter</td>
<td>Offset by increased funding for overtime.</td>
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<tr>
<td>Genereal Fund</td>
<td>Human Resources</td>
<td>1.00</td>
<td>Human Resources Manager</td>
<td>Position funded for 9-10 months</td>
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<td>LLAD</td>
<td>Public Works- Maintenance</td>
<td>1.00</td>
<td>Mntc/Recy Wkr</td>
<td>Position won’t be filled</td>
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<tr>
<td>Genereal Fund</td>
<td>Police</td>
<td>1.00</td>
<td>Police Officer-Detective/Motor Assign</td>
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<tr>
<td>Genereal Fund</td>
<td>Police</td>
<td>1.00</td>
<td>Recruit 2mos/Office 10</td>
<td>Position won’t be filled</td>
</tr>
<tr>
<td>Genereal Fund</td>
<td>Police</td>
<td>1.00</td>
<td>Recruit 2mos/Office 10</td>
<td>Position won’t be filled</td>
</tr>
<tr>
<td>Genereal Fund</td>
<td>Comm Dev- Economic Development</td>
<td>1.00</td>
<td>Senior Program Manager</td>
<td>Position won’t be filled</td>
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<tr>
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<td>Comm Dev Housing</td>
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<td>Senior Program Manager</td>
<td>Position won’t be filled</td>
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<td>Housing</td>
<td>Comm Dev Housing</td>
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<td>Senior Program Manager</td>
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<td>16.00</td>
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Chairperson Vranich convened the Financial Advisory Board meeting at 7:00 p.m.

Roll Call: Present: Boardmembers Vranich, Kronenberg, Bartke, Patterson and Crump present. Absent: None.

Staff Liaison Present: Lisa Malek-Zadeh

1. Comments from the Public
   No members of the public present.

2. Council Liaison Update
   Councilmember provided an update on Council items since last report that included a workshop on Tobacco Retailer regulation, approval of a contract with Godbe Research to survey voters on a Library measure, enacted short-term moratorium on new massage establishments and the mid-year budget presentation.

3. Staff update
   Ms. Malek-Zadeh gave an update on purchasing policy and that we are unable to provide comments back to FAB for several months. Finance is down 3 staff and are struggling to just complete tasks currently in progress. Finance has proposed a Financial Analyst in the budget and if approved the Purchasing Policy will be one of the projects the position will work on.
   On March 17, staff gave Council a mid-year budget update. Provided an updated on FY 2013-2014 year end results; met approved budget, but not as well as originally thought. Revenues for UUT were less than anticipated and not as much savings as anticipated due to end of year expenses not originally planned. Special funds met target projections. For the FY 2014-15 budget, staff reported that the General Fund is on target; however, we revised the UUT projection by $487K revenue based on last year’s performance. New Measure R beginning in April will help offset the UUT decline in addition to additional salary savings. Special funds are tracking with projections.
   Issues that will need to be addressed in the FY 2015-16 budget include structural deficits in the LLAD and NPDES funds, the $92K deficit in the General Fund, no
increase reserves included at this time and not all of the MOU changes were included. New Measure R funds were not budgeted so this will help offset some of these issues as well as the ability to funding positions that haven’t been funded in several years. The UUT projection for FY 2015-16 will also need to be revised down.

In addition to budget update, discussed pro and cons of keeping payroll processing in house and that this will be reviewed again in FY 2015-16. Ms. Malek-Zadeh also communicated that the City Manager plans to add funding to his proposed budget for technology improvements that haven’t been funded for many years.

FAB’s next step will be to review the City Manager’s recommendations for FY 2015-16, which should be ready in May.

4. Minutes for Approval
   FAB approved meeting minutes with changes from January 13, 2015
   (Ayes: Bartke/Patterson/Kronenberg/Vranich/ Abstain: Crump)

5. Update from Chair on City Council Workplan presentation
   Chairperson Vranich gave an update on presentation and discussed it is hard to provide Council with feedback/suggestions because of the timing of receipt of information. Might be easier with 2-year budget.
   Finished presentation to Council with a recommendation that for commissions like FAB, Council shouldn’t require the workplan.

   Provided FAB with report and explained that most of the investments are restricted as reserve funds for the repayment of debt.

7. Elect New Officers
   Motion: Move that Boardmember Vranich be elected Chair for another year. Moved/Bartke Ayes: Kronenberg, Patterson and Crump
   Motion: Boardmember Bartke continue as Vicechair
   Moved/Kronenberg  Ayes: Vranich, Patterson and Crump

8. Discuss Agenda Items for the Next Meeting
   Review CAFR if available
   Provide information on any technology initiatives
   Provide budget calendar
   Approve meeting minutes from April 14, 2015

Meeting adjourned at 8:35 p.m.