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 Lyman 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.