



Minutes

**REGULAR MEETING
OF THE
FINANCIAL ADVISORY BOARD**
Tuesday, September 13, 2016 7:00 p.m.
El Cerrito City Hall
Hillside Conference Room
10890 San Pablo Avenue
El Cerrito, CA 94530

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

Roll Call: Present: Board members: Bartke, Crump, Kronenberg, Vranich and Patterson.
Staff member: Mark R Rasiah, Finance Director.

1. Reviewed and approved meeting minutes from July 12, 2016 meeting.
Meeting minutes approved.
2. Board/Staff Communications/Announcements.
No communications from Board members. Staff member Mark Rasiah introduced himself.
3. Council Liaison Announcements and Reports.
None.
4. Oral Communications from the Public on Items Not on the Agenda.
Cordell Hindler shared a postcard from Contra Costa Civic Theatre advertising the production of *My Fair Lady*. He urged Board members to show support for the theatre by attending a production of the show from Sept 9-Oct 9.

Nicholas Arzio noted that there was a discrepancy in the debt ratios presented by NHA Advisors at the July 12th meeting of the FAB. He referenced Section 8.4.1 of the City's debt management policy and stated that the calculation previously presented by NHA confirming that the requirement under the policy had been met (that total debt will not exceed 2% of total assessed value), did not include the proposed City Library G.O. Bond measure.

Mark Rasiah pointed out that 2% of assessed value was approximately \$80 million. He stated that even if all debt, including the maximum proposed under the Library measure was included, the total would be well under that limit and therefore the point was moot.

There was a brief discussion about reviewing the 2% limit at a future meeting and whether the City's unfunded pension liability should be included in that limit. Mark Rasiah pointed out that the unfunded pension liability changes every year and was not a debt.

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 Shannon Collins, Staff Liaison at 215-4323 (voice) at least FIVE (5) WORKING DAYS NOTICE PRIOR TO THE MEETING to ensure availability.

5. New Business Items

Refinancing Existing Debt

Mark Rasiah shared a draft debt refinance proposal from NHA Advisors. The draft outlines the savings that would accrue to the City in the long run, if existing long term debt is refinanced. He noted that according to the draft, if the 2006 Lease Revenue Bonds (for City Hall Financing) and the 2008 Sales Tax Revenue Bonds (for Street Improvements) were refinanced to a lower interest rate as proposed, it would save the City about \$80,000 annually for each of the obligations, for a total of about \$1.5 million each over the life of the debt.

The Board members were enthusiastic about going forward and although no vote was taken, the consensus of the Board was that the proposed refinance would be of great benefit to the City. Mark Rasiah will bring forward an action item at the next meeting of the Board on October 11th, which the FAB can act upon, to recommend that the City Council accept the proposal when it is brought to a Council meeting in October or November.

6. Discuss Agenda Items for the Next Meeting

- Next Meeting: Tuesday, October 11th, 2016
- Review Financial/Investment Policies
- Review Quarterly Investment Report (If available)
- Action on Refinancing Debt

Meeting adjourned at 8:30p.m.