



## Minutes

**REGULAR MEETING  
OF THE  
FINANCIAL ADVISORY BOARD**  
Tuesday,  
January 9, 2018 7:00 p.m.  
El Cerrito City Hall  
Hillside Conference Room  
10890 San Pablo Avenue  
El Cerrito, CA 94530

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Chairman Patterson convened the Financial Advisory Board (FAB) meeting at 7:00 p.m.

Roll Call: Present: Board members: Patterson (Chair), Vranich (Vice-Chair), Keller, Crump and Farahmand  
Staff Liaison: Mark Rasiah, Finance Director.

1. Reviewed and approved meeting minutes from January 9, 2018 meeting.  
By motion made to approve (Vranich) and seconded (Keller) the meeting minutes were approved unanimously.
2. Board/Staff Communications/Announcements.  
Mark Rasiah said that the City, keeping in line with the Strategic Plan goal of providing greater transparency, had contracted with OpenGov to enable financial/performance information to be shared with the public on the City Website. He said he would demo it at the next FAB meeting. He also announced that Badawi and Associates, the City's external auditors, will begin their annual audit at the end of January.
3. Council Liaison Announcements and Reports.  
None.
4. Oral Communications from the Public on Items Not on the Agenda.  
None.
5. New Business Items
  - 1) Review City of El Cerrito Financial Policies

Mark Rasiah shared a draft of an Emergency and Disaster Recovery (EDR) Reserve Policy that he had put together from a survey of a few cities in the Bay Area. Dick Patterson wanted to know how a 3-month cash reserve fund would operate in relation to the City's general fund expenditure needs. Pete Vranich inquired if such a policy would influence the City's bond rating. Marlene Keller pointed out that the GFOA recommended a 2-month minimum fund balance be held. Mark Rasiah said that the EDR fund could potentially have its own bank account that would hold three months of cash. Dick Patterson inquired how such a fund would be funded. Pete Vranich said that his preference is to not link the funding to only new revenue because that could limit the creation of the fund, if there was no new revenue. Dick Patterson wanted to know what the overlap would be between the General Fund Balance and the EDR Fund. Marlene Keller wanted to know if it would help to state that the fund could be funded

with both existing and new revenues. Pete Vranich stated that we were not trying to put in place a policy to deal with the ultimate catastrophe, but that we should focus on achievable goals such as a 3-month reserve and a 15% General Fund Reserve. Marlene Keller said that she saw the need for a minimum of at least 3 months. Dick Patterson said that the FAB should determine the degree of risk tolerance that the City could tolerate and plan accordingly. He also stressed the need to state that the Fund would hold cash and that funding be budgeted each year. Pete Vranich suggested that the funding come from excess funds each year. Marlene Keller suggested that there be policy language that stated that a \$6 million cash balance goal be reached over time. Pete Vranich inquired about accounting controls and investment policy for the fund. Mark Rasiah stated that the EDR would be another City fund subject to the same accounting controls and investment policy as all other City funds. Farhad Farahmand suggested that the \$6 million goal be replaced with 3 months of cash, so that the balance could grow in line with the budget, instead of being limited by a fixed amount. He also inquired if the FAB would be reviewing the Financial Policy as a whole, in addition to the Reserve policy, and the Chair responded in the affirmative.

Thereafter, the FAB briefly reviewed the draft EDRF policy document, suggested edits, and requested that Mark email a soft copy of the document with the edits, in track changes mode, for the members to review and bring back suggestions with appropriate language. Mark Rasiah encouraged the members to do their own research by going to the websites of different cities, just to see what's out there.

## 6. Discuss Agenda Items for the Next Meeting

- Next Meeting: Tuesday, February 13th, 2018
- Review the City of El Cerrito Financial Policies
- Review Second Quarter Investment Report
- OpenGov Demo

## 7. Meeting adjourned at 8:50 p.m.

### **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.*