



SUMMARY

REGULAR MEETING OF THE FINANCIAL ADVISORY BOARD

Tuesday, March 10, 2009 7:00 p.m.
El Cerrito City Hall
Hillside Conference Room
10890 San Pablo Avenue

Roll Call

Members Present- Bartke, Caftel, Hill, Jackson
Council Liaison Lyman – Present
Staff Liaison Dodge - Present

1. Comments from the Public

No public were present.

2. Approval of Minutes

Approve the minutes of the last FAB meeting on October 14, 2009. Moved, seconded (Caftel Bartke), motion passed unanimously.

3. Council / Staff Liaison Report

Councilmember Lyman reported on Council activity relevant to the FAB since assuming office in January 2009.

4. Introduction of members and election of officers

Bartke was elected Chair and Hill was elected Vice Chair, both unanimously. Bartke expressed concern regarding the summary minutes being prepared by City staff. He noted that in past years they were more detailed and prepared by a Board Secretary. It was discussed that this is the current Council policy and Councilmember Lyman said the issue would be brought to the Council.

5. Review materials relating to loan from either LISC or Advance from General Fund to the Housing Fund

Hilde Myall, Housing Manager, presented materials relating to the loan required to continue the RCD Hatlen Project and the option to fund that loan to the developer by an Advance from Pooled Investment Funds held in the General Fund instead of through LISC. Caftel discussed his opinion on the need for the Economic Development Board to review development proposals. Dodge addressed the concern regarding liquidity of the Advance for needs of the General Fund stating that the average amount of Pooled Investments is \$10,000,000 and the

\$1,500,000 will not affect the ability of the General Fund to pay bills. Hill addressed the concern for locking in the rate at 4% for 10 years in case rates rise. Myall responded with the Agencies plan to issue bonds when the economy rebounds, hopefully within three years, with a portion of the Housing proceeds being pledged for repayment of this Advance.

Jackson requested clarification on funding for the entire project and what would happen if it was not completed. Myall discussed the process required to obtain the various levels of funding and our levels of risk throughout the process. Hill inquired if there were potentially other projects within the City that would request an Advance. Dodge commented on the potential Advance that had been discussed internally on funding the Recycling Center remodel in this manner and how that concept had been dismissed with the proposal of this usage of pooled funds.

Bartke expressed concerns the on the grant funding versus loan aspect of the project and Myall discussed the residual receipt loan agreement and how it is traditional in this type of development. Caftel discussed the low possibility of the City receiving funds and the need for the City to do this type of project, as well the competitive nature of cities in having a project like this done in their city. Concerns were also expressed on the liquidity of the General Fund but Bartke said he felt it was an acceptable level and a good interest rate. The utilization of the Housing Funds for this project was discussed as well as the Tradeway project.

The Board recommended the Council rescind their approval of the LISC loan and fund the RCD Hatlen Project from an Advance of pooled funds recorded in the General Fund.

6. Adjournment

Dodge said that preliminary budget information would be presented at the April 14, 2009 meeting and wanted to postpone the presentation of a draft Emergency Preparedness Policy until a later meeting. Caftel requested a review of the budget document overall for the next meeting for new members. Bartke expressed concern regarding the Board and Commission Administrative Policy to Lyman. Lyman said he would review the policy. Dodge told Bartke that his concerns had been brought to the attention of the City Clerk and the Assistant City Manager.

The meeting was adjourned at 9:15 p.m.