



SUMMARY

**SPECIAL MEETING
OF THE
FINANCIAL ADVISORY BOARD**

Tuesday, May 5, 2009 7:00 p.m.
El Cerrito City Hall
Hillside Conference Room
10890 San Pablo Avenue

Roll Call:

Members Present- Bartke, Caftel, Jackson, Kronenberg

Members Absent- Hill

Council Liaison Lyman – Present

Staff Liaison Dodge - Present

1. Council / Staff Liaison Report

Councilmember Lyman reported on Council actions since our last meeting including the postponement of the Hatlyn Center approval due to concerns regarding the final tenant, the postponement of the adoption of the financial policies due to requests for revisions and the ongoing closed sessions related to the Cerrito Theater and the Target site.

Dodge commented on the postponement of the presentation to the Council to June 1st from the May 18th meeting due to the complexity of issues in this year's budget.

2. Comments from the Public

No members of the public were in attendance at this time. Bartke informed the FAB of Denise Sangster's intention to attend the meeting to comment on item number 5 of this agenda.

3. Approval of Minutes from April 14, 2009

Caftel requested inclusion of the comments made by Dodge regarding the status of the FY2008-09 operating budget during the Council/Staff Liaison report portion of the April 14, 2009 meeting. Moved, seconded (Caftel, Jackson), motion passed unanimously with Kronenberg abstaining because he was not in attendance at that meeting.

4. Annual review of changes to Investment Policy

The Board reviewed the redlined version of the Investment Policy that was discussed at the April 14, 2009 meeting. Caftel requested the inclusion of Credit Unions in sections 8.5 and 8.9 and it was approved for submittal to the Council. Moved, seconded (Caftel, Jackson) motion passed unanimously.

5. Review preliminary draft FY2009-10 Operational Budget

The Board reviewed the draft budget materials that were presented in excel format by line item. The FAB asked questions and discussed the structure of the accounts and funds of the City financial system overall with Dodge providing clarification. Caftel expressed concern with the amount spent in benefits paid to employees and the cost of the City's participation in the PERS

defined benefit plan. The budget will be reviewed further by the FAB when the draft budget document is presented at the next meeting.

6. Review of Two Years Additional CalPERS Service Credit

The Board reviewed the supporting materials to the proposed CalPERS program including the instructions from PERS regarding the calculation of potential savings and the schedule prepared by Employee Services using the guidelines. Questions were made by Jackson and Caftel regarding the level of need for this program and Jackson expressed concern regarding the layout of the schedule. Caftel expressed concern that over time it might not be cost effective.

Denise Sangster, resident, expressed concern that implementation of this program gave a conflicting message to residents because there has not been public communication that the City is in a dire enough financial condition to implement this program. Dodge commented on the mid-year reductions of \$998 thousand and the nine positions left unfilled with this budget have been or will be presented to Council and depicts dire financial conditions. Caftel said for only a \$150,000 savings it may not be necessary to implement. Dodge said it is one of many tools needed to present a balanced budget. This item will be discussed again at the next meeting.

7. Adjournment

The meeting was adjourned at 9:15 p.m. The next meeting will be on May 19, 2009.