



SUMMARY MINUTES

SPECIAL MEETING OF THE FINANCIAL ADVISORY BOARD

Tuesday, May 19, 2009 7:00 p.m.
El Cerrito City Hall
Hillside Conference Room
10890 San Pablo Avenue

Roll Call:

Members Present- Bartke, Caftel, Jackson, Kronenberg, Hill

Council Liaison Present - Lyman

Staff Liaison Present - Dodge

1. Council / Staff Liaison Report

Councilmember Lyman reported on Council actions since our last meeting including the Council direction to replace the operator of the Cerrito Theater, the LLAD tax roll initiation, the status of the Hatlyn project, Target site, award of various contracts and grant acceptance and adoption of the master fee schedule. Dodge mentioned the upcoming Board and Commission dinner and Jackson and Lyman were going to be unable to attend.

2. Comments from the Public None

3. Review of Two Years Additional CalPERS Service Credit

Dodge provided explanation of the program and the schedule supporting the estimated savings that was prepared by the City Manager using the format from PERS. The FAB discussed the calculation and program and Dodge identified the Capital Improvement Manager as the position that is being eliminated. Hill requested information on the cost of furloughs for comparison. Jackson expressed concern with the format of the schedule. Caftel expressed concern with the potential message that experienced staff are not appreciated. Caftel discussed the concern that the amount of savings could be found elsewhere or taken from reserves. Kronenberg said the program appeared to be a win-win situation for staff and the City. Jackson said the program is something that should be considered since it is such a bad year.

Moved by Caftel that the FAB's review showed the calculation is reasonable, but that other alternatives are available for saving \$150,000, such as utilizing reserves, increased furlough days, reducing salaries, or laying off one position. Jackson seconded, and the motion passed unanimously.

4. Review draft FY2009-10 Operational Budget

The Board reviewed draft budget materials distributed by Dodge that were in a format close to what would be presented to the Council on June 1, 2009. Caftel suggested that format corrections be emailed to Dodge so the FAB could focus this time on overall content. Dodge commented that recommendations from the FAB would be reviewed and incorporated into the proposed budget prior to preparation of the document to be submitted to Council. Bartke commented that the placement of the Boards and Commission definitions were in a place that was not easy to find and Caftel commented on the inclusion of it because of the funding in conjunction with the City Clerk.

Caftel commented on the ongoing problems with numbering the charts and tables separately instead of have one set of sequential numbers. Bartke commented on the confusion created by having to record bond proceeds as revenue and Dodge commented on the treatment being required by governmental accounting standards. Lyman asked about the treatment of transfers on the charts and for more information on what the transfer are for. Dodge discussed the use of transfers for indirect cost recovery between funds and for debt service. A discussion was held on the revenue assumptions relating to sales tax in the General Fund and property tax Redevelopment Agency with concerns raised by Bartke and Caftel on the proposed rates of increase.

Jackson asked about the potential increase in the PERS rates due to their substantial investment losses and Dodge commented on the new rate smoothing program that was being proposed by PERS to spread out the loss and prevent spiking rates. Caftel questioned the reorganization that transferred the Redevelopment Agency to the City Management and Hill asked for clarification on how it was shown in the organization chart. Lyman referred to the organization chart in Chapter 3 as being more explanatory than the overall chart in Chapter 1.

Bartke questioned whether the comment stating that layoffs are not anticipated allowed the Council to certify the election of the two-year service credits. Lyman read the legal wording stating that 1% of job classifications and the elimination of one position are required for certification and Dodge referred to the schedule showing vacant positions equaling 2.2% and the elimination of the CIP Manager as enabling certification. Concerns were raised that the wording in regards to no layoffs should be reviewed because it could be misunderstood.

Caftel questioned the increase in Community Development administration and Dodge explained the inclusion of the Economic Development Manager funded by RDA in that program was done on a reporting responsibility basis. The new structure calls for the main RDA activities reporting to the City Manager and the Economic Development Manager reporting to the Community Development Director.

Caftel commented on the Planning Divisions wording stating funding for some projects were not included in the budget. He felt they should either be included in the budget or identified as deferred projects. Caftel requested more information for the FAB regarding the Finance Divisions goal of migrating to the new finance system and that there was no goal regarding disaster planning.

Jackson discovered an addition error on page 108 and 119 after spot checking tables and Dodge commented that the excel tables had not been hand calculated and this error would require review of all the tables.

Caftel mentioned the Fire Departments omission of a response time chart in their departmental presentation and Lyman mentioned their pride in that area. Caftel also mentioned the inconsistency in the naming of the Aquatics/Swim Center program. Bartke questioned whether there were any placeholders for the Historic Resources Study and whether the General Plan has a deadline requirement. Caftel questioned the definition of CD insurance as \$100K when it is currently at \$250K and shown as that elsewhere in the document. Dodge said it would be revised to show the date that the increase is guaranteed. Caftel referred to the benefit schedule which shows the next COLA increase due in July 2008. Dodge stated that the schedule was not the most current and needed to be updated.

Jackson questioned the presentation of teachers shown in the Recreation department listing and felt it was confusing. Hill discussed the incorrect wording regarding increase vs. decrease in the PERS discussion on page 22 and whether the wording that discussed the reason to offer the service credit being the anticipated increase in PERS rates was appropriate.

Jackson questioned the validity of the “raging storm” wording and Hill mentioned that there were inconsistencies in the document overall regarding the economic situation. Bartke questioned the increases in the Library and Senior Center and Dodge explained it was interest earnings on previous contributions to the funds. Caftel noted that some of the Board and Commissions noted whether there were vacancies and they should be consistent.

All members identified various typographical and formatting issues that need to be addressed in the document, which will be emailed to Dodge. Bartke said he felt they had sufficiently reviewed the proposed budget.

Caftel requested a review of the PERS plan, to be included in the FAB budget recommendation. Hill requested it be a separate agenda item. Caftel discussed the process on how to determine what alternatives there are to the PERS program and present that to Council. Bartke was concerned with telling the Council how to do its job, and whether to allocate significant staff time to a project. Dodge questioned whether this should be discussed at this meeting without it being on the agenda and Bartke agreed that it should not be heard until it was on the agenda.

5. Adjournment

Bartke said he felt FAB had sufficiently reviewed the budget and made its comments, and it would be determined by the Council if it will request further input on the budget. The next meeting date would be set, based on future FAB assignments.