



## DRAFT MINUTES

### REGULAR MEETING OF THE FINANCIAL ADVISORY BOARD (FAB)

Tuesday, March 22, 2022 at 7:30 PM

Staff Liaison  
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#### 7:30 p.m. CONVENE REGULAR MEETING

1. **ROLL CALL** – Chair Patterson called the meeting to order at 7:36 PM.  
**Present:** Chair Dick Patterson; Vice-Chair Farhad Farahmand; Members Ruth Cazden, William Ktsanes, Kimberly White **Absent:** None
2. **ORAL COMMUNICATIONS FROM THE PUBLIC** (5 min.)  
*Remarks are typically limited to three minutes per person, and may be on anything within the subject matter jurisdiction of the body. Remarks on non-agenda items will be heard first, as well as introduction by individuals interested in serving on the advisory body. Remarks on agenda items will be heard at the time the item is discussed.*  
(Heard out of Order) Cordell Hindler – announced event at Richmond rotary club, requested meeting return to in-person.
3. **COUNCIL/STAFF LIAISONS ANNOUNCEMENTS AND REPORTS** (5 min.)  
Staff and/or Councilmembers may report Council policies, priorities and significant actions taken by the City Council, and/or on matters of general interest to the FAB.  
Councilmember Tessa Rudnick – shared efforts to raise funds for the Fourth of July event rather than using general funds.  
  
City Manager Karen Pinkos – update on Council Ad-Hoc work and recent update submitted to the State Auditor.
4. **APPROVAL OF MINUTES** (5 min.)  
Consider a motion adopting the minutes of the FAB meeting on February 22, 2022.  
**Motion/Second:** Vice-Chair Farahmand/Member Cazden **Action:** Approved minutes with the following revisions: modify item number 3 to add the word “and” following Dalida and modify item number 7 to read be “included” on the second line. **Ayes:** Chair Dick Patterson; Vice-Chair Farhad Farahmand; Member Ruth Cazden, William Ktsanas, Kimberly White **Noes:** None
5. **[ANNUAL COMPREHENSIVE FINANCIAL REPORT \(ACFR\)](#)** (15 min.)  
Review and discuss contents of the Fiscal Year 2020-2021 Annual Comprehensive Financial Report.  
No action taken.

6. **FAB WORKPLAN AND COUNCIL COMMUNICATION PLAN** (15 min.)  
Update from Ad-Hoc committee on status of draft FAB workplan for FY 2021-2022 and options for increasing communication with the City Council.  
Cazden reported progress in reviewing and drafting content for accomplishments section.

No action taken.

7. **COMPREHENSIVE FINANCIAL POLICY REPORTING SECTION** (15 min.)  
Discuss and possible action on inclusion of a reporting section and any other potential modifications requested by members to the policy.  
**Discussion:** Reporting by department and general funds, as well as level of effort to report information for all funds; staff shared first draft language of “The city will prepare and issue timely interim reports on the city’s fiscal status to the city council on at least a quarterly basis. This includes notification of revenue and expenditures and will at the minimum at mid-year and midterm budget review and status report during the budget review process. Reports will be broken out by department as well as by category.” Written draft language to be provided by city staff and included in the packet for the next meeting for further discussion.

No action taken.

8. **INVESTMENT POLICY REVIEW AND DISCUSSION** (15 min.)  
Discussion and possible action on modifications to the Investment Policy.  
**Discussion:** Members discussed process of delivering recommendation to City Council, holistic language for a socially responsible policy, concern regarding prohibiting investments and precluding firms that may significantly contribute to decarbonizing the economy, concern on conflict with state policies, and clarification of impact on Local Agency Investment Fund (LAIF) with proposed language.

**Public Comments:**

Cordell Hindler – welcomed the new Finance Director and spoke in favor of the proposed policy modifications.

Howdy Goudey – spoke in support of the item and recommended inclusion of climate related financial risk.

**Motion/Second:** Member William Ktsanes/Vice Chair Farhad Farahmand

**Action:** Passed a motion to recommend a new section (3.6) on Responsible Investing be added to the El Cerrito Investment Policy and rescind the Financial Advisory Board’s previous recommendation. Section 3.6 to read as follows:

**3.6 Responsible Investing:** The City of El Cerrito recognizes that it has a shared responsibility to protect the lives and livelihoods of its inhabitants from the catastrophic threat and societal costs of climate change. The City believes that its financial investments should support a future where all its residents can live healthy lives without the negative environmental, economic and/or health impacts of global warming.

- Investments are encouraged in entities that are involved in the production of renewable, sustainable energy and have demonstrated a commitment to transparent, accountable corporate governance.
- No direct investments are to be made in publicly-traded companies or private entities that engage in the direct exploration, drilling, production, refining, or marketing of fossil fuels.
- All investments in the State of California's Local Agency Investment Fund ("LAIF") are exempt from section 3.6.

**Ayes:** Vice-Chair Farhad Farahmand; Member Ruth Cazden, William Ktsanas, Kimberley White **Noes:** Chair Dick Patterson

**9. FUTURE AGENDA ITEMS** (5 min.)

- 5 Year Forecast (when available)
- Reporting Section for Comprehensive Financial Policy (April)
- ~~Any other policy revisions (general suggestions by members)~~
- Council Compensation Discussion
- Budget Update
- Long-term plans and allocation of surplus funds
- Fund for facilities maintenance
- Asset management plan

**10. ADJOURNMENT**

The meeting adjourned at 8:50PM

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Dick Patterson, Chair

This is to certify that the foregoing is a true and correct copy of the minutes of the regular Financial Advisory Board meeting of March 22, 2022 as approved by the Financial Advisory Board.

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Sandra Dalida, Staff Liaison