



Finance Department

## Minutes

**REGULAR MEETING  
OF THE  
FINANCIAL ADVISORY BOARD  
Tuesday April 8, 2014, 7:00 p.m.  
El Cerrito City Hall  
Hillside Conference Room  
10890 San Pablo Avenue  
El Cerrito, CA 94530**

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### Roll Call

Present: Boardmembers Vranich, Crump, Patterson, Bartke, Kronenberg and Mayor Abelson.

Absent: None

Chairperson Vranich convened Financial Advisory Board meeting at 7:00 p.m.

1. Council Liaison Report  
Council Liaison was not present at meeting.
2. Staff Report
  - A. March 18<sup>th</sup> budget report  
Staff Liaison provided a summary of the items discussed in the March 18<sup>th</sup> Council report. Items discussed included amendments and assumptions used to update year end projections for the current fiscal year 2013-14. Staff also provided an overview of steps and issues related to development of next year's budget for FY 2014-15 including sales tax sharing agreement with the City of Richmond, status of Utilities Users Tax and possible implementation of a 2 year budget to allow for more focus on long term planning.
  - B. Review budget development calendar  
Dates included in the March 18<sup>th</sup> report.
  - C. FAB recommended changes to the City's Investment Policy and Comprehensive Financial Policies moved to April 22.  
Discussed City Manager's concerns regarding FAB proposed language to include in financial policy stating the City should have as a goal to maintain 15 days of cash on hand without reliance on borrowed funds. While staff agrees with recommendation, hesitant to adopt a policy that we know can't be implemented anytime soon. Staff discussed City's cash flow issues and need to continue short term borrowing through Tax Anticipation Notes to ensure availability of funds to meet obligations until larger revenues are received in December. In order to implement recommendation, would need to reduce expenses and cut services by an additional \$1 million over and above balancing measure required to balance the FY 2014-15 budget.

### 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 Lisa Malek-Zadeh, Staff Liaison at 215-4312 (voice) at least FIVE (5) WORKING DAYS NOTICE PRIOR TO THE MEETING to ensure availability.*

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Since the recommendation is stated as a goal and while FAB recognizes the difficulty in implementing, FAB still felt that the language should be included in the recommended policy changes so Council could hear the FAB's concerns.

D. 2<sup>nd</sup> Quarter Investment report postponed. Will be presented at May FAB meeting.

3. Minutes for Approval

Approval of the March 11, 2014 FAB meeting minutes.

Action: Moved, seconded (Bartke/Patterson)

Voting: Ayes Vranich, Crump, Kronenberg, Bartke and Patterson.

4. Comments from the Public

*All persons wishing to speak to items on the agenda. Remarks are typically limited to 3 minutes per person*

*No members of the public present.*

5. Discussion Items

A. Review FAB resolution <http://www.el-cerrito.org/DocumentCenter/View/2350>

B. Discuss new requirement for commission workplan, reviews format and possible action to adopt format (attachment).

Item A & B discussed as one item. Intent to align workplan with authorizing FAB resolution.

Action: Move to adopt workplan as advanced by Chair Vranich and as amended by Boardmember Kronberg.

Moved, seconded (Patterson/Vranich)

Voting: Ayes Vranich, Crump, Kronenberg, Bartke and Patterson.

C. Review FY 2012-13 CAFR <http://www.el-cerrito.org/index.aspx?nid=232>

Information presented to FAB. Discussed intent of CAFR that focuses on look back, results of FY 2012-13 and staff's process for completion of CAFR. Some issues identified included a change in the City's bond rating.

D. Review 3/18/14 Mid-year budget report <http://www.el-cerrito.org/DocumentCenter/View/3421>

Discussed in item 2 under Staff report.

E. Review Quarterly Investment Report (*Postponed to May meeting*)

F. Review Cash Flow (*Postponed to May meeting*)

G. Schedule additional meetings for budget discussions

Discussed timeline for Council adoption of budget. Staff will provide draft budget (numbers only) for discussion at May 13<sup>th</sup> meeting.

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6. Discuss Agenda Items for the Next Meeting
  - A. Provide copy of the bond rating letter (Review only)
  - B. Provide 2<sup>nd</sup> Quarterly Investment

Meeting adjourned at 9:20 p.m.