



Minutes

**REGULAR MEETING
OF THE
FINANCIAL ADVISORY BOARD**
Tuesday, April 11, 2017 7:00 p.m.
El Cerrito City Hall
Hillside Conference Room
10890 San Pablo Avenue
El Cerrito, CA 94530

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

Roll Call: Present: Board members: Patterson (Chair), Crump, Vranich (Vice-Chair), Keller.
Council Liaison: Rochelle Pardue-Okimoto, Council Member
Staff member: Mark R Rasiah, Finance Director.
Public: Cordell Hindler (Richmond), Paul Taybi (El Cerrito).

1. Reviewed and approved meeting minutes from January 10, 2017 meeting.
Meeting minutes approved unanimously.
2. Board/Staff Communications/Announcements.
Members of the FAB introduced themselves. The continuing members welcomed Marlene Keller, one of two new members appointed to the FAB this year.
3. Council Liaison Announcements and Reports.
Rochelle Pardue-Okimoto stated that City Council had adopted the Massage Ordinance and the Sanctuary City Ordinance earlier this year. She announced that staff will be seeking direction from Council on the Marijuana Ordinance at the forthcoming council meeting. She also stated that while she was opposed to the West County Jail expansion, she fully supported the Nurses Association moving forward with an initiative for a single payer health care system in California. Cordell Hindler stated that he fully supported such a measure. Marlene Keller volunteered to find if a study had been done at UC Berkeley to determine the cost savings and benefits to Cities from a single payer health plan. Paul Tayabi opined that potential sales tax receipts from Pot sales would be minimal. Dick Patterson, Pete Vranich and Greg Crump inquired about the implementation of the measure within the City limits.
4. Oral Communications from the Public on Items Not on the Agenda.
Paul Tayabi, a resident of El Cerrito introduced himself and said he was a first time attendee. Cordell Hindler from Richmond shared a flyer on a production of the Contra Costa County Civic Theater group titled "The Lost Years". He encouraged members to attend a performance.
5. New Business Items
 - Review mid-year General Fund Forecast.

Mark Rasiah reviewed the mid-year General Fund estimates for revenues, expenditures and fund balance. He also made a PowerPoint presentation of the General Fund five year forecast.

He noted that as of the end of December 2016, revenues were trending very much in line with the budget, with the exception of Business Licenses and Fines which were under budget. He said he expected a shortfall of about \$132k. On the expenditure side, he anticipated savings of about \$342k, mainly due to savings in Personnel costs and reduction in debt service payments.

Marlene Keller inquired if there was a risk to property taxes, the timing of receipts from the County and the repayment of the TRAN. She also noted that with the adoption of the Sanctuary City ordinance the City could lose future federal funding. Dick Patterson said that the chances of that happening were minimal.

There was a general discussion on the nature of property tax receipts from the County. Pete Vranich inquired about the property tax reduction that occurred due to the reduction in assessments right after the 2008-09 recession. Mark Rasiah said that these had reverted to their previous levels and that the budget included the normal assessments. He also mentioned that property tax and sales tax estimates were prepared by HdL a consultant to the City for many years. In response to a question from Marlene Keller, Mark Rasiah confirmed that the repayment of Sales Taxes to Richmond from Home Depot tax receipts would end by 2018.

This was followed by a discussion of the FY 2018-23 five year General Fund forecast and the underlying assumptions. Mark Rasiah noted that the impact on the general fund of the \$6 million increase in CalPERS retirement plan contributions over the five years would leave the fund balance reserve ratio at around 11% for the foreseeable future. He pointed out that this would not meet the stated fund balance policy goal of 15%. In response to a question from Pete Vranich, Mark Rasiah stated that the next steps would be to test the forecast for sensitivity to changes in Revenues and that at the present time, there were no plans to absorb any unforeseen shocks other than to dip into fund balance as was done after the 2008-09 recession. He stated that the forecast will be reviewed annually for accuracy and brought back to the FAB. Cordell Hindler said he was glad that the City was looking ahead into the future through this forecast.

6. Discuss Agenda Items for the Next Meeting

- Next Meeting: Tuesday, May 9th, 2017
- Approve meeting minutes from April 11, 2017
- Receive the third Quarter Investment Report
- FAB Work Plan for the year
- Receive an update on the FY 2017-18 Budget (If available).

7. Meeting adjourned at 9:00 p.m.

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 Shannon Collins, Staff Liaison at 215-4323 (voice) at least FIVE (5) WORKING DAYS NOTICE PRIOR TO THE MEETING to ensure availability.