



Minutes

**SPECIAL MEETING
OF THE
FINANCIAL ADVISORY BOARD**
Thursday, November 3, 2016 7:00 p.m.
El Cerrito City Hall
Hillside Conference Room
10890 San Pablo Avenue
El Cerrito, CA 94530

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

Roll Call: Present: Board members: Bartke, Kronenberg and Patterson.

Staff members: Mark R Rasiah, Finance Director, Shannon Collins, Staff Liaison.

1. Reviewed and approved meeting minutes from September 13, 2016 meeting.
Meeting minutes approved.
2. Board/Staff Communications/Announcements.
No communications from Board members. Staff member Mark Rasiah introduced Shannon Collins, Staff Liaison.
3. Council Liaison Announcements and Reports.
None.
4. Oral Communications from the Public on Items Not on the Agenda.
None.
5. New Business Items
 - i. Mark Rasiah presented the First Quarter Investment Report for the Quarter Ending September 30, 2016. He stated that the Quarterly Investment Report for July 1, 2016 to September 30, 2016 shows that the City's investments had a par value of \$3,553,464.49 as of September 30, 2016. The City continues to have minimal investments that are not required for debt service reserves and to have limited, if any, interest earnings on restricted funds. Of the total amount invested, \$2,012,723 is invested in the pooled funds with the State Treasurer's Local Agency Investment Funds (LAIF) and \$1,540,741 is held in money market funds. Cash with Mechanics Bank was \$1,099,974. Total cash and investments were \$4,653,438. Of this amount, \$3,112,697 was available to meet operating expenses for the next six months.

Action: The Board unanimously recommended that City Council receive and file the report.

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.

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- ii. Mark Rasiah stated that savings could accrue to the City in the long run, if existing long term debt is refinanced. He noted that according to the draft prepared by NHA advisors and presented to FAB at the meeting in September, if the 2006 Lease Revenue Bonds (for City Hall Financing) and the 2008 Sales Tax Revenue Bonds (for Street Improvements) were refinanced to a lower interest rate as proposed, it would save the City about \$80,000 annually for each of the obligations, for a total of about \$1.5 million each over the life of the debt.

Action: The Board unanimously recommended that City Council authorize staff to take necessary action to refinance (i) the 2008 Sales Tax Revenue Bonds and (ii) the 2006 City Hall Lease Revenue Bonds, based on the information presented to FAB at the last meeting on September 13th.

- iii. Mark Rasiah shared a copy of the current investment policy and mentioned that there was very little available for discretionary investment by the treasurer and that most of the funds were held in reserve to meet the requirements of various debt covenants. He indicated that staff was not proposing any changes to the existing policy that was last adopted by Council in November 2015.

Action: The Board unanimously approved the policy without any changes.

- iv. Mark Rasiah shared a draft of the City's Comprehensive Financial Policy with proposed changes to the Debt section of the policy.

Action: The Board agreed to review the policy at a special meeting of the Board on November 10, 2016.

6. Discuss Agenda Items for the Next Meeting

- Next Meeting: November 10th, 2016
- Review changes proposed by staff to the City of El Cerrito Comprehensive Financial Policy and recommend adoption by City Council.

7. Meeting adjourned at 8:30p.m.