

Chairwoman Barbara Spagnola called the meeting to order at 5:00 p.m.

MEMBERS PRESENT:      Barbara Spagnola      Chairwoman  
                                 Greg Head              Member  
                                 Betty Forsythe        Member  
                                 Susan Schneider      Member

MEMBERS ABSENT:      Marlys McPherson    Member

STAFF PRESENT:        Susan Slayton        Administrative Services Director

**PUBLIC COMMENT**

Chairwoman Spagnola opened the meeting for public comment. Seeing none, public comment was closed.

**PREPARATION OF WORK PLAN**

Ms. Slayton provided the Committee Members with, and read into the record, the following work plan as suggested by City Manager Dave Buckingham, and refined with appropriate dates:

“At the August 21<sup>st</sup> meeting of the Citizens Finance Committee, City Manager Dave Buckingham laid out a proposed work plan for the committee. Here are the details of his proposed plan:

1.      October 20<sup>th</sup> – meet and review the 1<sup>st</sup> quarter financial status reports
2.      December 15<sup>th</sup> – meet and review the District Transaction Tax (Measure Q) financials
3.      January 19<sup>th</sup> – meet and review the 2<sup>nd</sup> quarter financial status reports, mid-year budget requests, and 2014/15 audit
4.      February 16<sup>th</sup> – meet and review the 10 year budget forecast
5.      Late April/Early May – meet and review the 2016/17 preliminary budget, and attend the budget workshop (date TBA)

All meetings are scheduled to be held from 3 – 5pm, prior to the Planning Commission meetings; the location of those meetings will be announced.”

Additionally, Mr. Buckingham advised the committee on August 21<sup>st</sup> to consider funding streets repairs. The City Council will likely expect a response on that issue at the Joint Meeting set for Tuesday, September 29<sup>th</sup> at 5:00 pm.

Today, the Committee needs to:

1.      Formalize a work plan to present to the City Council on Tuesday, September 29<sup>th</sup>, at 5pm.
2.      Create a budget sub-committee that will attend City Staff quarterly budget presentations to the City Manager. These meetings are held in City Hall on Thursdays from 1:30 – 3:00 pm., the week prior to the Committee’s meetings.

MINUTES – CITIZENS FINANCE ADVISORY COMMITTEE  
SEPTEMBER 24, 2015  
CITY HALL CONFERENCE ROOM

Thank you, Chairwoman Spagnola and Committee Members. I am here to assist and answer any questions you might have.”

Chairwoman Spagnola asked the Committee if the schedule worked for them; all members were fine with the schedule, as presented. Ms. Spagnola told all to provide questions to Ms. Slayton, but not to send them to all members. Ms. Slayton will compile questions and answers, and provide them to all Committee members. Ms. Spagnola also indicated all materials for each meeting should be provided to the members at least a week before the meeting, if possible. Ms. Slayton stated the materials would be available by the 10<sup>th</sup> of each month.

Member Schneider asked if a work product was expected from each meeting, and if it was to be provided to the City Council. Ms. Slayton responded that at each meeting, the Committee was expected to review material and express an opinion, which might be City staff was doing a good job, or the Committee found issues of which City staff needs to be aware, similar to the Citizens Oversight Committee’s issue with transparency and credit card use. Ms. Schneider asked if the opinion was written or an oral presentation; Chairwoman Spagnola stated the Citizens Oversight Committee had done both. Ms. Slayton said either method was acceptable.

Ms. Slayton mentioned that she would speak with the City Manager to ensure the Committee was presenting its report during public comment (with extra time allowed). Member Forsythe asked if the recommendation would be a separate agenda item; both Chairwoman Spagnola and Ms. Slayton commented that it would depend on the recommendation, which might be a review and file or a separate agenda item, based on the content.

Member Forsythe wondered if the Committee could recommend a change of process or direction; Chairwoman Spagnola reminded the Committee that it was advisory, and could definitely make recommendations. It was the City Council’s choice to follow those recommendations.

Member Head asked about the budget, and whether or not departments had a monthly allocation, and how the Committee would know if the percentage used was appropriate. Ms. Slayton said the City provides an annual budget with a percentage used as of the point-in-time the report is run. If a line item is overspent, the Committee should flag that and ask. Member Head asked if the financial software would stop spending once the budget was used up on a line item. Ms. Slayton stated that the City is “bottom line,” so overspending on a line item is allowed as long as the bottom line of the department is not overspent.

Committee Members Forsythe and Head asked about moving budget within a fund and between funds. Ms. Slayton said the City Manager may move funds between departments within a fund, but City Council would have to approve moving money from one fund to another.

Chairwoman Spagnola continued through the meeting dates established with the work plan. With the January meeting, to discuss the 2<sup>nd</sup> quarter financial status report and 2014/15 audit, Members discussed the basic financial statements versus the comprehensive annual financial report (CAFR).

MINUTES – CITIZENS FINANCE ADVISORY COMMITTEE  
SEPTEMBER 24, 2015  
CITY HALL CONFERENCE ROOM

Ms. Slayton said the CAFR is the desired goal that will likely not be attained until the 2016/17 report. She explained the major difference between the basic financial statements and CAFR is the CAFR has a letter of transmittal and a statistical section. The statistical section will require a great amount of staff work to collect, which is why a CAFR will likely not be possible until 2016/17.

For the February meeting, the 10 year financial forecast will be reviewed. Member Forsythe asked about the group preparing this; Ms. Slayton responded that Management Partners would be revisiting its 2015 report sometime in November, updating the forecast to allow for changes that were made at the beginning of 2015 that were not included in the original forecast. Member Head asked when the report would be available, and Ms. Slayton responded that November was the target date for review, with a product available late December/early January.

Members had no questions about the April 15<sup>th</sup> 3<sup>rd</sup> quarter financial review.

Regarding the late April/early May budget review, Chairwoman Spagnola asked if the workshop would be attended by both City Council and City staff. Ms. Slayton confirmed. Member Forsythe asked if the City had a date for the budget workshop; Ms. Slayton stated no dates had been set. Ms. Spagnola asked if the City Manager was responsible for ensuring the budget was established to match the City's goals; Ms. Slayton confirmed that statement.

The Committee agreed the work plan was acceptable, as long as the reports and information were provided in advance.

Chairwoman Spagnola addressed the sub-committee to attend the City's staff meeting presentation of the quarterly budget to the City Manager. The 1<sup>st</sup> quarter is scheduled to be presented on October 15<sup>th</sup> at 1:30pm in the City Hall Conference Room. Ms. Spagnola agreed to attend, as did Member Forsythe. It was agreed by all Members that the attendees would be different with each quarterly presentation, to give all members the chance to experience the process. Member Schneider asked about the dates of the staff meetings for the 2<sup>nd</sup> and 3<sup>rd</sup> quarter presentations (no 4<sup>th</sup> quarter – this is annual audit). Ms. Slayton did not have a calendar with those dates, but stated they were the Thursday prior to the Committee meeting. Ms. Schneider asked when they would be required to present the Committee's recommendations to the City Council. Ms. Slayton stated in most cases, the Committee met on the 3<sup>rd</sup> Tuesday, and the next Council meeting was the 4<sup>th</sup> Tuesday. She would make every effort to ensure the Committee's place on that agenda or the first one for the following month.

Ms. Slayton mentioned the issue of financing street repairs with Measure Q funds. The Committee decided it did not have sufficient information to make a recommendation at this time.

Ms. Slayton will prepare the work plan for the Committee to submit to the City Council at the joint meeting on September 29<sup>th</sup>.

The meeting adjourned at 6:05 pm.