

MINUTES - CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE
SPECIAL MEETING - MARCH 8, 2016
VETERANS MEMORIAL HALL – 3:30 P.M.

MEMBERS PRESENT: Barbara Spagnola Chairperson
David Betonte Member
Roscoe Mathieu Member
Marlys McPherson Member

ABSENT: Betty Forsythe Member

STAFF PRESENT: Susan Slayton Administrative Services Director
Brooke Austin Deputy City Clerk

ESTABLISH QUORUM AND CALL TO ORDER

A quorum was established with all members, but Member Forsythe present, and the meeting was called to order at 3:33 p.m.

COMMITTEE MEMBERS ANNOUNCEMENT AND PRESENTATION -
WELCOME NEW MEMBERS

<https://youtu.be/IDWWVR62zTQ?t=2m45s>

Chairperson Spagnola opened the meeting and welcomed new members Mathieu and Betonte. She also provided an overview of the purpose of the Committee.

PUBLIC COMMENT

<https://youtu.be/IDWWVR62zTQ?t=6m50s>

The public comment period was opened. Seeing none, the public comment period was closed.

A. CONSENT CALENDAR

<https://youtu.be/IDWWVR62zTQ?t=7m1s>

A-1 APPROVAL OF MINUTES FOR THE DECEMBER 15, 2015 REGULAR CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING

MOTION: Committee Member McPherson moved to approve the minutes from the December 15, 2015 meeting with a typographical error correction for Item B-5 to remove the words “with of” from Motion 2. The motion was seconded by Chairperson Spagnola and carried 4-0.

A-2 APPROVAL OF MINUTES FOR THE JANUARY 19, 2016 REGULAR CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING

MOTION: Committee Member McPherson moved to approve the minutes from the January 19, 2016 meeting with a typographical error correction for Item B-3 to include the word “motion”. The motion was seconded by Chairperson Spagnola and carried 4-0.

B. BUSINESS ITEMS

B-1 REVIEW OF THE 2014/2015 DRAFT CITY AUDIT

<https://youtu.be/IDWWVR62zTQ?t=9m>

Administrative Service Director Slayton presented an overview of the audit process. She explained the difference in auditing practices based on Statement 68 of the Governmental Accounting Standards Board regarding pension liabilities. She highlighted differences between this audit and past year audits. Director Slayton stated that the Management Discussion and Analysis would make the document more understandable to the general public, but she was unable to complete one this year due to time constraints.

The Committee reviewed the Independent Auditor’s Report, and Administrative Services Director Slayton responded to Committee inquiries.

The Board requested a presentation from the auditor once the audit is complete as a future agenda item. The Board agreed the Management Letter/Report, with pension liability, is really what the public would like to see to make sense of the audit document. It was also recommended to include an explanation of modified accrual accounting in the introduction section of the audit.

B-2 DISCUSSION OF INVESTMENT PORTFOLIO

<https://youtu.be/IDWWVR62zTQ?t=1h8m28s>

The Board reviewed the Investment Portfolio, and Administrative Services Director Slayton responded to Committee inquiries. The Investment Policy is based on the possible need for gap funding within three years.

MOTION: Member McPherson made a motion to recommend amending the second paragraph of the general Strategy section of the Investment Policy to read “The City follows the passive investment strategy of holding investments to maturity”, by removing the words “as stated above in the Objectives section under Safety”. Chairperson Spagnola seconded the motion and it carried 4-0.

B-3 DISCUSSION ON CREATING A SUBCOMMITTEE TO CRAFT PUBLIC-FRIENDLY BUDGET DOCUMENTS

<https://youtu.be/IDWWVR62zTQ?t=1h27m22s>

Administrator Services Director Slayton presented how she envisioned the subcommittee would function. Director Slayton stated the subcommittee would make recommendations of things the City should do to make the budget process more transparent to the public and more public-

friendly. Member Mathieu recommended a survey to see what the public wants to know about the budget, and the use of more infographics that can be shared on social media. Member Betonte recommended a handout that focuses on the General Fund and shows what is funding the budget and where it is being spent, including pie chart graphics. The handout could be included as a utility bill insert, and as an easily-accessible direct link on the website, possibly on multiple pages. Administrative Services Director Slayton stated that some suggestions can be included in the 2016/17 Budget; however, it will continue with future budgets to continue to make improvements. Chairwoman Spagnola spoke about the examples of Walnut Creek, Riverside and Irvine, and that we should strive for that goal.

The Committee discussed subcommittees, ad hoc committees and workshops, if more than two members would like to participate. Members Mathieu and Betonte volunteered to serve if a subcommittee will be used. Administrative Services Director Slayton will work to schedule a workshop.

B-4 JOINT MEETING WITH CITY COUNCIL

<https://youtu.be/IDWWVR62zTQ?t=1h47m28s>

Council is interested in meeting with the Committee on either March 29th or April 12th based on availability. The City Clerk will notify the Committee of the selected date. The Joint Meeting will be to discuss the work plan, which is driven by Council priorities and developed by staff in conjunction with the Committee Chair.

B-5 FUTURE AGENDA ITEMS

<https://youtu.be/IDWWVR62zTQ?t=1h57m25s>

The audit and public-friendly budget documents were declared as future agenda items.

C. SCHEDULED NEXT MEETING

<https://youtu.be/IDWWVR62zTQ?t=1h58m14s>

The next Regular Meeting will be held Tuesday, April 19, 2016 at 3:30 p.m. at the Veterans Memorial Hall located at 209 Surf Street, Morro Bay, CA.

D. ADJOURNMENT

The meeting adjourned at 5:27 pm.

Recorded by:

Brooke Austin
Deputy City Clerk