

AGENDA NO: V

MEETING DATE: December 14, 2016

MINUTES - CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE
SPECIAL MEETING – AUGUST 30, 2016
VETERANS MEMORIAL HALL – 5:30 P.M.

MEMBERS PRESENT: Barbara Spagnola Chairperson
 Marlys McPherson Member
 David Betonte Member
 Betty Forsythe Member
 Bart Beckman Member

STAFF PRESENT: Susan Slayton Administrative Services Director

ESTABLISH QUORUM AND CALL TO ORDER

A quorum was established with all members present, and the special meeting was called to order at 5:30 p.m. Chairwoman Spagnola announced this was a workshop to take public input on creating a public-friendly budget document.

COMMITTEE MEMBERS ANNOUNCEMENTS AND PRESENTATIONS

Chairperson Spagnola asked all members to introduce themselves.
<https://youtu.be/5VjMCyfWS-A?t=2m18s>

PUBLIC COMMENT PERIOD

The public comment period was opened.

Richard Sadowski brought forward information on contract expenditures on the WRF.
<https://youtu.be/5VjMCyfWS-A?t=7m45s>

John Erwin wanted to know if the WRF costs included a breakdown on direct and indirect, and who was reviewing the costs.

Betty Winholtz would love to see the Committee look at the City Attorney costs.

A. CONSENT CALENDAR – none, as there was no quorum for the July 19th meeting.
<https://youtu.be/5VjMCyfWS-A?t=24m30s>

B. BUSINESS ITEMS

1. PUBLIC WORKSHOP ON CREATING A PUBLIC-FRIENDLY BUDGET DOCUMENT

<https://youtu.be/5VjMCyfWS-A?t=24m50s>

Chairwoman Spagnola explained the purpose of the Citizens Oversight/Finance Advisory Committee or CFAC. The Citizens Oversight Committee is established in the Municipal Code by Ordinance to review the expenditures related to the ½ cent sales tax. The Committee's role was expanded in 2015 to provide advice on other financial matters.

Chairwoman Spagnola continued on the public-friendly budget document, explaining a sub-committee had been formed to research what other cities were doing to create a budget document that was easy for the public to understand. She asked Member Betonte to explain the first page of the three-page document.

Member Betonte stated other public agencies use pie charts to explain expenditures and revenues on a high-level look. The first two charts merge all funds to include General Fund, Enterprises Funds and others.

Chairwoman Spagnola asked for comments on the first set of charts. John Erwin asked if there was a reasonable check on PERS retirement contribution and is PERS fully-funded. Ms. Slayton commented that the City pays whatever CalPERS asks us to pay. The City does have side funds: the miscellaneous side fund is paid off, and Police and Fire will be paid off in four years. All CalPERS costs are in contained in the budget.

Mr. Erwin asked about further clarification on water fees, property taxes on Dynegy; Member Beckman broke in and drew the conversation back to the point of the meeting, which is the public-friendly budget document. Member Beckman did suggest Mr. Erwin send his questions to staff.

Dawn Beatty complimented the Committee on pie chart presentation, and asked that political views be left out of this document.

Chairwoman Spagnola asked Member McPherson to present the General Fund charts.

<https://youtu.be/5VjMCyfWS-A?t=43m05s>

Chairwoman Spagnola discussed the third page of the document, which has information on the Enterprise Funds and the ½ cent sales tax (Measure Q).

<https://youtu.be/5VjMCyfWS-A?t=59m15s>

Chairwoman Spagnola asked the audience for questions or comments.

Homer Alexander presented another document with two charts he prepared to be reviewed by the committee. Mr. Alexander prepared his document to be more similar to what the average citizen is used to with personal finances.

<https://youtu.be/5VjMCyfWS-A?t=1h15m20s>

Chairwoman Spagnola asked Ms. Slayton if the information in Mr. Alexander's charts could be extracted from the City's financial software. She stated that the savings information would have to be picked out, but the rest of the information is very easy to gather.

<https://youtu.be/5VjMCyfWS-A?t=1h20m11s>

Member McPherson asked if anyone had any comments on Mr. Alexander's charts. Member Beckman thought these charts would not be clear to the public. He asked if it was possible to sit down outside of this meeting to discuss this.

Mr. Alexander commented on the lack of clarity with the City Attorney's costs. He also wondered why the Public Works departments couldn't be consolidated into Public Works Administration and Consolidated Maintenance.

Additionally, Mr. Alexander commented that Measure Q money was spent heavily on the Fire Department, in its early years.

Ms Slayton stated it would be difficult to consolidate all of the Public Works departments because of the State Controller's Streets and Roads report.

Chairwoman Spagnola asked if there were any other questions.

<https://youtu.be/5VjMCyfWS-A?t=1h29m18s>

Glenn Silloway thanked the Committee and Mr. Alexander for their efforts. He said we need to tie the document back to the budget.

John Erwin suggested layering the pie charts budgets. He would also like to see the Committee's Charter, risks and opportunities (such as the Wind Farm), and internal controls. He likes Mr. Alexander's presentation.

Glenn Silloway thought the documents should be more comprehensive and tied into the budget.

John Headding thought Mr. Alexander's information should be presented like a small business. Mr. Headding thought it could be both governmental and business-like. Mr. Headding was very appreciative of the work that was done.

Chairwoman Spagnola asked if the Committee members had any closing comments.

<https://youtu.be/5VjMCyfWS-A?t=1h40m08s>

Member Beckman asked to have the Cloisters property, dedicated to Fire, be added to the agenda.

Members McPherson, Forsythe and Betonte appreciated the process and citizen comments.

C. ADJOURNMENT

The meeting adjourned at 6:45 pm. The next Regular Meeting will be held Tuesday, September 20, 2016 at 3:30 p.m. at the Veterans Memorial Hall located at 209 Surf Street, Morro Bay, CA.

