

**MINUTES – CITIZENS OVERSIGHT/ FINANCE
ADVISORY COMMITTEE
REGULAR MEETING – SEPTEMBER 17, 2019
VETERANS MEMORIAL HALL – 3:30 P.M.**

MEMBERS PRESENT:	Barbara Spagnola	Chair
	John Martin	Vice-Chair
	Homer Alexander	Member
	Bart Beckman	Member
	Bill Bowes	Member
	Lois Johnson	Member
NOT PRESENT:	David Betonte	Member
STAFF PRESENT:	Jennifer Callaway	Finance Director
	Scott Collins	City Manager
	Tracy McConnell	Account Clerk III

ESTABLISH A QUORUM AND CALL TO ORDER

Chair Spagnola called the meeting to order at 3:30 p.m., with 6 members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

COMMITTEE MEMBERS ANNOUNCEMENTS & PRESENTATIONS

https://youtu.be/jDJC_3j7VbM?t=109

Member Alexander announced Community Foundation of Morro Bay is having annual fundraising event on October 12, 2019 at the Community Center. Stated that the event will have dinner, entertainment and a live and silent auction.

STAFF ANNOUNCEMENTS

No staff announcements were made

PUBLIC COMMENT PERIOD

No public comments were made

A. CONSENT CALENDAR

1. APPROVAL OF MINUTES FOR THE AUGUST 20, 2019 CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING.

https://youtu.be/jDJC_3j7VbM?t=3m23s

Chair Spagnola suggested the following corrections to the August 20, 2019 Meeting Minutes.

- 1) Page 4 of the packet for Item B-3 of the motion for the second should read “the motion was seconded” not the “member was seconded”; and
- 2) Page 5 under for Item D, the start time should be 3:30 pm not 3:00 pm.

MOTION: Member Bowes moved to approve A-1, as amended. Member Alexander seconded. Motion carried 6-0-1 with Member Betonte absent.

B. BUSINESS ITEMS

1. BRIEF FINANCE UPDATE; (FINANCE DIRECTOR)

https://youtu.be/jDJC_3j7VbM?t=5m10s

Finance Director Callaway made a brief presentation and answered committee member questions.

2. RECEIVE FOURTH QUARTER INVESTMENT REPORT; (FINANCE DIRECTOR)

https://youtu.be/jDJC_3j7VbM?t=6m32s

Finance Director Callaway made a brief presentation and answered committee member questions.

Public Comment:

Barry Brannen, Morro Bay Resident thanked the Finance Director for the report and asked for a more detailed breakdown of the financial report and amounts allocated for the enterprise fund.

Chair Spagnola closed public comment.

Finance Director Callaway responded to public comment inquires.

3. RECEIVE PRELIMINARY BUDGET PERFORMANCE REPORT FOR PERIOD ENDING JUNE 30, 2019 AS OF SEPTEMBER 10, 2019; (FINANCE DIRECTOR)

https://youtu.be/jDJC_3j7VbM?t=15m38s

Finance Director Callaway made a presentation and answered committee member questions.

Public Comment:

None

Chair Spagnola closed public comment.

4. DISCUSSION OF ROLE OF CFAC IN REVIEWING CITY BUDGET, MEASURE Q SPENDING AND THE WATER RECLAMATION FACILITY FINANCES, WITH RECOMMENDATION TO THE COUNCIL AD-HOC COMMITTEE FOR CONSIDERATION; (CHAIR)

https://youtu.be/jDJC_3j7VbM?t=27m27s

Finance Director Callaway began the discussion. Both Finance Director Callaway and City Manager Collins answered questions and took committee suggestions and recommendations.

Public Comment:

Kathy Quigley, Morro Bay Resident, addressed the minutes and the public being able to easily and timely find actions taken and approvals and recommendations made by the advisory board.

Chair Spagnola closed public comment.

Finance Director Callaway responded to public comment inquires.

MOTION: Member Bowes moved to recommend the following changes on page 39 of the Advisory Body Handbook for the CFAC. 1) Strike items 2, 4, 8 and 10; and 2) Item 3, strike the words "existing budget" and replace with "10-year Forecast"; and 3) Item 5, revise to say "Review annual and mid-year budget prior to presentation to the City Council, and make recommendations, as appropriate." Member Martin seconded. Motion carried 6-0-1 with Member Betonte absent.

MOTION: Member Bowes moved that upon receipt of each WRF quarterly the CFAC will include any recommendations for improvements to the report in the future. Chair Spagnola seconded for further discussion.

By consensus, the committee agreed to withdraw the motion on the table.

MOTION: Member Alexander moved that CFAC discontinue receiving the quarterly WRF reports and transfer that responsibility back to the WRF Citizens Advisory Committee immediately. Chair Spagnola seconded. Motion failed 1-4-2, with Member Alexander in favor; Members Bowes, Johnson, Martin and Beckman opposed; Chair Spagnola abstaining and Member Betonte absent.

MOTION: Member Bowes moved to 1) Recommend to the Ad Hoc Committee that the responsibility of CFAC regarding the WRF include review of large contracts (\$1 million or more) or any large contract amendments to contracts before they go to council when possible; and 2) Add a joint meeting of the WRFAC and CFAC committees. Member Beckman seconded. Motion carried 5-1-1 with Member Martin opposed and Member Betonte absent.

- C. FUTURE AGENDA ITEMS
https://youtu.be/jDJC_3j7VbM?t=8530
Updated budget report
Preliminary Measure Q report
WRF Quarterly Update

D. SCHEDULE NEXT MEETING

The next Regular Meeting of the Citizens Finance Advisory Committee is scheduled for October 15, 2019 at 3:30 pm.

E. ADJOURNMENT

The meeting adjourned at 5:54 pm

Recorded by:
Tracy McConnell