

MINUTES - CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE
REGULAR MEETING – OCTOBER 18, 2016
VETERANS MEMORIAL HALL – 3:30 P.M.

MEMBERS PRESENT: Barbara Spagnola Chairperson
 Bart Beckman Member
 David Betonte Member
 Betty Forsythe Member (arrived at 3:42 p.m.)
 Marlys McPherson Member

ABSENT: None

STAFF PRESENT: Susan Slayton Administrative Services Director
 Craig Schmollinger Finance Director
 Lori Kudzma Deputy City Clerk

ESTABLISH QUORUM AND CALL TO ORDER

<https://youtu.be/rm464ucfegU?t=30s>

A quorum was established with four members present and the meeting was called to order at 3:30 p.m. Committee Member Forsythe arrived at 3:42 p.m.

COMMITTEE MEMBERS ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/rm464ucfegU?t=58s>

Chairperson Spagnola announced the recruitment for additional committee members is still active.

PUBLIC COMMENT PERIOD

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

A. CONSENT CALENDAR - None

B. BUSINESS ITEMS

B-1 PRESENTATION OF THE FIRST QUARTER 2016 FINANCIAL REPORTS

<https://youtu.be/rm464ucfegU?t=2m7s>

Public Comment: None

The Committee asked questions regarding the report. Director Slayton stated that accrual reversal journal entries have not yet been posted and are not reflected in the report. The Committee expressed they would like to see reports that have a beginning number that ties to the adopted budget document.

The Committee would also like to see department level reporting – comparing budget to actual. There was discussion about Committee Members sitting in on budget meetings between the City Manager and Department Heads or at a minimum to receive the same financial report and analysis that is given to the City Manager.

There was Committee consensus they would like to see an analysis submitted with the report in the form of a staff report pointing out any key areas of concern.

The Committee asked when the journal entries will be posted. Director Slayton explained that several new employees are currently being trained on the process. The mid-year report in January will have those entries included.

There was a discussion regarding the work plan established for this Committee and the possibility that it may need to be amended.

There was discussion regarding specific expenditures on the report and Director Slayton addressed the questions.

There was a brief discussion on the Accumulated Transactions Listing that reflects all active contracts within the City. There was Committee consensus that they would like to continue to see this report.

Director Schmollinger asked for clarification of the role of the Committee and how it relates to the City Council. A discussion followed regarding the role of the Committee.

B-2 PROGRESS UPDATE: PUBLIC-FRIENDLY BUDGET

<https://youtu.be/rm464ucfegU?t=53m25s>

Public Comment: None

Chairperson Spagnola introduced the item to be discussed and asked for feedback from the Committee and staff. Director Slayton asked for clarification and then suggested that a category be labeled differently. There was further discussion on the label and it was agreed that it would be changed.

There was a brief discussion about how to distribute this document. There was Committee consensus that initially this document will be placed on the City's website with the label change and page references to the adopted City Budget. Any further distribution will be determined at a later time.

B-3 CONTINUED DISCUSSION ON BENCHMARKING MORRO BAY'S BUDGET TO SIMILAR CITIES

<https://youtu.be/rm464ucfegU?t=1h9m27s>

Public Comment: None

Committee Member McPherson went over the handout that was provided at the beginning of the meeting and how she reached the conclusion that this project is more than this committee can undertake. Ms. McPherson is willing to collect some additional information from comparable cities that have their budgets posted online.

There was a discussion regarding the task Ms. McPherson is willing to undertake and that the approach to be used should include a look at services provided not just budgeted numbers.

This item will come back to the meeting in December.

B-4 CANCELLATION OF NOVEMBER 15, 2016 MEETING
<https://youtu.be/rm464ucfegU?t=1h25m45s>

Director Slayton shared there will be no meeting on November 15th.

C. SCHEDULE NEXT MEETING
<https://youtu.be/rm464ucfegU?t=1h26m5s>

There was Committee discussion about choosing the next meeting date for the Citizens Oversight Committee. The next meeting will be Tuesday, December 13, 2016, at 3:30 p.m.

B-5 FUTURE AGENDA ITEMS
<https://youtu.be/rm464ucfegU?t=1h28m43s>

Citizens Oversight Committee review of Measure Q expenditures will take place at the December meeting.

Citizens Finance Advisory Committee will cover the Benchmarking item in December.

Additional items the Committee would like to discuss sometime in the future include: IT system and the CalPERS unfunded pension liability that was brought up at a previous Council meeting.

There was a brief discussion regarding the CalPERS unfunded pension liability.

D. ADJOURNMENT
<https://youtu.be/rm464ucfegU?t=1h38m22s>

The meeting adjourned at 5:09 pm. The next Regular Meeting will be held Tuesday, December 13, 2016 at 3:30 p.m. at the Veterans Memorial Hall located at 209 Surf Street, Morro Bay, CA.

Recorded by:



Lori M. Kudzma
Deputy City Clerk

