

**MINUTES – CITIZENS OVERSIGHT/FINANCE  
ADVISORY COMMITTEE  
SPECIAL MEETING – May 17, 2017  
VETERANS MEMORIAL HALL – 3:30 P.M.**

MEMBERS PRESENT:	Barbara Spagnola	Chairperson
	Bart Beckman	Member
	David Betonte	Member
	John Erwin	Member
	Walter Heath	Member
	Dawn Addis	Member
	John Martin	Member
STAFF PRESENT:	Craig Schmollinger	Finance Director
	Monique Lomeli	Account Clerk

**ESTABLISH A QUORUM AND CALL TO ORDER**

<https://youtu.be/XO9Gzq5LgHI?t=59s>

A quorum was established with 7 members present and the meeting was called to order at 3:15 p.m.

**PUBLIC COMMENT PERIOD**

<https://youtu.be/XO9Gzq5LgHI?t=2m6s>

Jeff Heller requested the removal of budget line items related to the Water Reclamation Facility project while the project is on hold and pending community support.

Carol Truesdale, Morro Bay, stated agreement with Mr. Heller’s statements.

Kerrigan Mahan, Morro Bay, voiced concerns regarding the use of City funds.

Barbara Doerr, Morro Bay, read from written correspondence and submitted a copy for the record.

There being no others, Chair Spagnola closed the public comment period.

Chairperson Spagnola stated the Committee’s intent to be more involved in the City’s budgetary process.

**A. CONSENT CALENDAR**

[https://youtu.be/pHx\\_Cd\\_4Jo0?t=11m39s](https://youtu.be/pHx_Cd_4Jo0?t=11m39s)

1. APPROVAL OF MINUTE FOR THE APRIL 18, 2017 REGULAR CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING

MOTION: Member Beckman moved to approve the CFAC meeting minutes of April 18, 2017 as amended. Member Heath seconded and motion carried 7-0.

Page 1, Establish a Quorum and Call to Order:

*“A quorum was established with 6-7 members present...”*

B. BUSINESS ITEMS

1. DISCUSSION ON IMPLEMENTATION OF THE CITY’S PURCHASE ORDER SOFTWARE SYSTEM – CONTINUE FROM APRIL 18 MEETING  
<https://youtu.be/XO9Gzq5LgHI?t=15m36s>

Finance Director Craig Schmollinger presented the staff report.

There was a brief discussion regarding the establishment of purchase order software system policies and procedures. Member Betonte suggested forming a CFAC subcommittee to support staff through the implementation process.

2. BROAD LEVEL UPDATE ON THE THIRD QUARTER FY2016/17 BUDGET  
<https://youtu.be/XO9Gzq5LgHI?t=40m59s>

No public comment.

Finance Director Schmollinger provided the update and responded to Committee inquiries.

There was a discussion regarding the capabilities of the finance department’s software resources.

3. REVIEW OF CFAC FY2017/18 WORK PLAN AS AMENDED BY CITY COUNCIL  
<https://youtu.be/XO9Gzq5LgHI?t=50m47s>

The Committee discussed the amended work plan and provided direction to staff as follows:

1. Provide a status on the quarterly City Treasurer’s reporting process.
2. Revise Goal 1b to include contract analysis.
3. Revise Goal 1d to strike all language following “General Fund Budget”  
Revise Goal 1e to include review of the Comprehensive Annual Financial Report (CAFR).

Committee discussion continued and Members Martin, Erwin, and Spagnola volunteered to form a CAFR review subcommittee.

Committee Members Heath, Addis, and Betonte volunteered to form a subcommittee to assist with CFAC goal number 2.

4. REVIEW OF CFAC MEMBER COMMENTS RECEIVED ON BWA SEWER/WATER RATE STUDY

<https://youtu.be/XO9Gzq5LgHI?t=1h42m5s>

By consensus, the Committee decided to continue Item B4 to a date uncertain.

5. DISCUSSION AND INPUT ON THE FISCAL YEAR 2017/18 MEASURE Q PROPOSED BUDGET

<https://youtu.be/XO9Gzq5LgHI?t=1h42m54s>

Finance Director Schmollinger provided a brief update regarding a slight increase in the proposed budget.

There was an in-depth discussion regarding the School Resource Officer (SRO) allocation.

No public comment.

MOTION: Member Martin moved to remove the SRO from the requested Measure Q Expenditures and reallocate the funds to streets. Chairperson Spagnola seconded and the motion carried 5-2. Members Erwin and Addis voted no and spoke in favor of funding the SRO for 6 months.

6. FUTURE AGENDA ITEMS

Finance Director Schmollinger agreed to reschedule agenda item B4.

Chairperson Spagnola requested a CAP Review agenda item.

Member Martin requested staff provide an Elected Officials Guide. Finance Director Schmollinger will request approval for funding.

C. ADJOURNMENT

The meeting adjourned at 5:20 p.m.

Recorded by:  
Monique Lomeli