

MINUTES –CITIZENS OVERSIGHT/FINANCE
ADVISORY COMMITTEE
REGULAR MEETING – DECEMBER 21, 2021
TELECONFERENCE – 3:00 p.m.

CFAC conducted this meeting in accordance with California Governor Newsom’s Executive Order N-08-21 issued on June 11, 2021 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.

MEMBERS PRESENT: John Martin Chair
 Barbara Spagnola Vice-Chairperson
 Bart Beckman Committee Member
 Homer Alexander Committee Member
 Tina Wener Committee Member
 Stephen Peck Committee Member
 Lois Johnson Committee Member

STAFF PRESENT: Scott Collins City Manager
 Sarah Johnson-Rios Assistant City Manager/Admin Services Dir.
 Dana Swanson City Clerk
 Emily Conrad Finance Manager
 Laurie Goforth Human Resources Analyst II
 Greg Kwolek Public Works Director
 Daniel McCrain Fire Chief
 Jody Cox Police Chief

ESTABLISH QUORUM AND CALL TO ORDER

https://youtu.be/LnBva_YK-P0?t=13

Chair John Martin called the meeting to order at 3:02 p.m. with all members present.

COMMITTEE ANNOUNCEMENTS & PRESENTATIONS - None

PUBLIC COMMENT

https://youtu.be/LnBva_YK-P0?t=25

Mayor Headding addressed the Citizens Finance Advisory Committee to wish everyone a happy holiday season, expressed appreciation for all the hard work CFAC has done this year and looks forward to working with them in the next year.

Chair Martin closed public comment.

A. CONSENT CALENDAR

https://youtu.be/LnBva_YK-P0?t=138

A-1 APPROVAL OF MINUTES FOR NOVEMBER 16, 2021 CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING

MOTION: Member Spagnola moved to approve minutes as submitted from the November 16, 2021 Citizens Oversight/Finance Advisory Committee meeting. The motion was seconded by Member Peck and carried 6-0-1 by roll call vote with Member Johnson abstaining due to being absent for the November meeting.

B. BUSINESS ITEMS

B-1 BRIEF ASSISTANT CITY MANAGER / DIRECTOR UPDATE

https://youtu.be/LnBva_YK-P0?t=243

Assistant City Manager/Admin Services Director Johnson-Rios provided a brief report mentioning the City received the GFOA Award for FY 19/20 Annual Comprehensive Financial Report and reminded the committee that applications are now open for the four positions that will be open for the CFAC committee next year.

Public Comment:

None

Chair Martin closed public comment.

No formal action taken.

B-2 PENSION AND OTHER POST EMPLOYMENT-BENEFIT (OPEB) UNFUNDED LIABILITIES (ADMINISTRATIVE SERVICES)

https://youtu.be/LnBva_YK-P0?t=412

Assistant City Manager/Admin Services Director Johnson-Rios introduced Craig Hill, Mike Myer and Roy Kim of NHA Advisors to present the report and answer Board Member questions.

Public Comment:

None

Chair Martin closed public comment.

MOTION: Member Spagnola moved to 1) Receive and file the informational presentation on CalPERS and the City's unfunded liability and options to address and provide input and feedback; 2) Recommend that Council set aside a one-time lump sum from FY 2020-21 operating surplus to contribute to a Pension Reserve, and budget annual contributions to it going forward; 3) Recommend that Council direct staff to create a Section 115 Trust as the vehicle for the Pension Reserve; 4) Recommend that Council direct staff to evaluate establishing a Section 115 Trust for OPEB liabilities and transferring the approximate \$2.1M balance to that Trust. The motion was seconded by Member Peck and carried 4-3 by roll call vote with Members Martin, Alexander and Beckman voting No.

B-3 REVIEW OF THE FISCAL YEAR (FY) 2020-21 UNAUDITED TRANSACTIONS FROM THE COLLECTION OF THE GENERAL-PURPOSE LOCAL SALES TAXES, COMMONLY KNOWN AS "MEASURE Q" AND "MEASURE E" (ADMINISTRATIVE SERVICES)

https://youtu.be/LnBva_YK-P0?t=6954

Assistant City Manager/Admin Services Director Johnson-Rios and Morro Bay City Staff answered Board Member questions.

Public comment:

None

Chair Martin closed public comment.

MOTION: Member Alexander motioned to approve the presentation of FY 2020-21 transactions from the collection of the general-purpose local sales taxes, commonly known as Measure Q and Measure E, and prepare a presentation to be delivered to the City Council by a representative of CFAC in January 2022. The motion was seconded by Member Spagnola and carried 7-0 by roll call vote.

B-4 CONTINUED DISCUSSION AND RECOMMENDATION ON COUNCILMEMBER COMPENSATION (CITY MANAGER/ADMIN SERVICES/CITY CLERK/CITY ATTORNEY)

https://youtu.be/LnBva_YK-P0?t=7514

Assistant City Manager/Admin Services Director Johnson-Rios and City Clerk Swanson made a brief presentation and answered Board Member questions.

Public comment:

None

Chair Martin closed public comment.

MOTION: Member Peck moved to recommend that 1) Council adjust compensation by ordinance within the limits of state law, by \$500/month per Councilmember and an additional \$200/month for the Mayor and 2) Recommend that Council maintain current health benefits. The motion was seconded by Member Wener and carried 6-1 by roll call vote with Member Alexander voting No.

C. FUTURE AGENDA ITEMS

https://youtu.be/LnBva_YK-P0?t=8341

1. Chair Martin's presentation on Measures Q & E
2. Draft ACFR for review
3. Discussion on OPEB Actuarial

D. SCHEDULE NEXT MEETING

The next regularly scheduled Citizen's Oversight/Finance Committee meeting will be January 18, 2022 at 3:00 pm via teleconference.

E. ADJOURNMENT

The meeting adjourned at 5:26 p.m.

Recorded by:

Tracy McConnell
Account Clerk III