



## FINANCE/AUDIT COMMITTEE

### Meeting Minutes

Tuesday, October 18, 2011

2:00 p.m. (PST)

Administrative Conference Room, Second Floor  
701 Laurel Street, Menlo Park, CA 94025

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#### CALL TO ORDER – 2:09 p.m.

#### ROLL CALL-

**Present-** Richard Cline, Peter Ohtaki, Jeff Child, Stu Soffer

**Absent-** Honor Huntington

**City Staff-** Glen Rojas, Starla Jerome-Robinson, Carol Augustine, Stephen Green

#### A. PUBLIC COMMENT (Limited to 15 minutes)

- No public comment

#### B. BUSINESS ITEMS

##### B2. Cities of San Mateo County response to Grand Jury Report, “Running on Empty?”

At the September 13 City Council meeting, Councilmember Ohtaki recommended that the Finance/Audit Committee discuss the Grand Jury’s recommendation of a countywide scorecard. The responses from the cities were unanimous for not implementing a scorecard due to the complexity of governmental accounting. C. Augustine informed the committee that Governmental Accounting Standards Board (GASB) rule #54 was implemented for fiscal year 2010-11 in order for cities to be consistent and improve financial reporting of fund reserves. Various educational tools were discussed and avenues suggested for providing clear and reliable financial information for the public. C. Augustine discussed the purpose and content of the Menlo Focus as an avenue to educate the community on the City’s finances. In addition, committee member Child suggested posting on the City’s website explanations of newsworthy topics that effect City’s finances, such as pension reform.

[City of Menlo Park response.pdf](#); [Other cities response.pdf](#)

##### C1. Committee to review Un-audited General Fund results for 2010-11

The committee received staff report dated October 18, 2011, *Un-audited Financial Review of General Fund Operations as of June 30, 2011*, along with the budget-to-actual report as of June 30, 2011. The committee discussed revenues and expenditures along with a few variances in Transient Occupancy Tax and Charges for Services. C. Augustine explained one-time events or accounting treatments that are listed below the line in the budgetary comparison schedule. Councilmember Ohtaki gave a suggestion on the format of the budgetary comparison schedule for the October 18<sup>th</sup> Council meeting. The committee considered the format of the budget-to-actual report to confirm that it continues to be clear and reliable for public understanding.

[2010-11 Budget-to-Actual as of June 30, 2011.pdf](#); [Staff Report](#)

##### B1. Committee to discuss redevelopment agency funds as part of a three-year forecast

C. Augustine supplied the committee with information pertaining to the history of Redevelopment Agency's (RDA) in California and RDA projects that have an effect on the City of Menlo Park. The committee was informed that this information is available for the community to access on the City's website. The committee discussed financial implications if the City of Menlo Park did not have the RDA. C. Augustine explained the future uncertainty of RDA's. Based on no changes to the RDA, Carol supplied the committee with an RDA five-year cash flow. The committee discussed future assumptions, bond payments, tax increments and recent adjustments to the assessed roll. In addition, C. Augustine explained the schedule of pass-through payments and the jurisdictions that receive payment. [Attachment](#)

## **C. REPORTS AND ANNOUNCEMENTS**

1. Committee to review Un-audited General Fund results for 2010-11

Taken out of order

## **D. INFORMATION ITEMS**

## **E. ADJOURNMENT – 3:54 p.m.**

Meeting minutes prepared by: Stephen Green, Financial Analyst