



SPECIAL MEETING AGENDA

Date: 7/30/2015

Time: 2:00 pm

City Hall/Administration Building

Administration Conference Room, 2nd Floor

701 Laurel St., Menlo Park, CA 94025

Call To Order

Roll Call – Carlton, Cline, Craib, Denend

A. Public Comment

Under “Public Comment,” the public may address the Committee on any subject not listed on the agenda. Each speaker may address the Committee once under Public Comment for a limit of three minutes. Please clearly state your name and address or political jurisdiction in which you live. The Committee cannot act on items not listed on the agenda and, therefore, the Committee cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

B. Regular Business

- B1. Update on the Government Accounting Standards Board Statement No. 68 and No. 75 ([Attachment](#))
- B2. Discuss accepting an assignment to study potential budget savings through alternative service delivery models ([Staff Report #15-123-CC](#))
- B3. Discuss development of a 2-year work plan
- B4. Update on the financial dashboard
- B5. Approve the minutes of the January 8, 2015, Finance & Audit Committee meeting ([Attachment](#))

C. Adjournment

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At every Regular Meeting of the Committee, in addition to the Public Comment period where the public shall have the right to address the Committee on any matters of public interest not listed on the agenda, members of the public have the right to directly address the Committee on any item listed on the agenda at a time designated by the Chair, either before or during the Committee's consideration of the item.

At every Special Meeting of the Committee, members of the public have the right to directly address the Committee on any item listed on the agenda at a time designated by the Chair, either before or during consideration of the item.

Any writing that is distributed to a majority of the Committee by any person in connection with an agenda item is a public record (subject to any exemption under the Public Records Act) and is available for inspection at the City Clerk's Office, 701 Laurel St., Menlo Park, CA 94025 during regular business hours.

Persons with disabilities, who require auxiliary aids or services in attending or participating in Commission meetings, may call the City Clerk's Office at 650-330-6620.

Pension and OPEB Update: Accounting Changes Finance and Audit Committee

July 30, 2015

Government Accounting Standards

Board Statement No. 68



- Accounting for pension liability
 - Net pension liability on balance sheet
 - As of June 30, 2014
 - Will impact unrestricted net position in financials
 - Miscellaneous = \$20 million
 - Safety: CalPERS still working on valuations
 - No direct impact to contribution rates
 - Significant disclosure requirements
 - Staff working on implementation
-

GASB Statement No. 75



- Change to accounting for OPEB liability
 - Net OPEB liability on balance sheet
 - Similar to changes being implemented now for pensions (GASB 68)
 - Effective for financial statements for year ending 6/30/18
 - Evaluating impact of early implementation
 - Implied subsidy considerations
 - Actual cost > medical premium for retirees
 - Estimated to create \$2.2 million unfunded liability
 - Will be in next valuation report regardless of GASB 75 implementation timing
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City Manager's Office

**STAFF REPORT****City Council****Meeting Date:****7/21/2015****Staff Report Number:****15-123-CC****Regular Business:**

**Ask the Finance and Audit Committee to Report
Back to the City Council On Opportunities to
Identify Potential Budget Savings Through
Alternative Service Delivery Models**

Recommendation

Ask the Finance and Audit Committee to identify potential operational savings through implementing alternate service delivery models.

Policy Issues

Through the adoption of the Fiscal Year 2015-16 budget, the City Council asked to have this matter agendized for City Council's action.

Background

At the June 23, 2015, Special City Council Meeting, through the budget deliberations, the City Council asked staff to agendize a discussion of the asking the Audit and Finance Committee be tasked with exploring alternative means of delivering City services.

Analysis

As a general management philosophy, staff constantly explores means of delivering City services in the most cost effective manner while maintaining the high quality of services expected by the public. To that end, the City partners with, outsources and in-sources various public services as *Attachment A* reflects.

If the City Council asks the Audit and Finance Committee to explore options, staff will work with the Committee to assure that they have the necessary information to return to City Council with a fully-informed recommendation which might include legal, operational, financial and quality metrics.

Impact on City Resources

Depending on the Committee's ultimate recommendation and any potential need for additional resources, future cost savings are unknown at this time.

Environmental Review

No environmental review is needed.

Public Notice

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

A. Partial listing of services delivered through alternate means

Report prepared by:

Starla Jerome-Robinson, Assistant City Manager

Partial listing of services delivered through alternate means:

- 78 contractors working in Community Services providing various recreation programs
- Aquatics
- Janitorial / Custodial
- Tree trimming
- Plan check
- Inspection
- Streetlight painting
- Street sweeping
- Tree planting
- Labor relations / legal support
- Water services
- Cable broadcasting City Council meetings
- Various web services: E-gov / Granicus / Comcate
- Recruiting for executive and specialty positions
- Food services for Belle Haven Child Development Center
- Information Technology supplemental support

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FINANCE & AUDIT COMMITTEE **DRAFT MINUTES**

Regular Meeting
Thursday, January 08, 2015 at 2:00 PM
2nd Floor Administration Conference Room
701 Laurel Ave, Menlo Park, CA 94025

CALL TO ORDER - Anne Craib, Chair called meeting to order at 2:07 p.m.

ROLL CALL –

Present: Carlton, Craib, Denend, and Phelps (Phelps left the meeting at 3:30 pm)

Absent: Cline

A. PUBLIC COMMENT (Limited to 30 minutes)

No Public Comment

B. REGULAR BUSINESS

B1. Present and discuss the 2013-14 Comprehensive Annual Financial Report (CAFR) and the 2013-14 Independent Auditor's Report with external auditors

B2. Review current status of the City's pension plan

ACTION: Motion and second (Carlton/Denend) to recommend to Council when irrevocable trust option is available.

B3. Update on the financial dashboard

NOTE: By consensus, committee agreed that the dashboard subcommittee meet with staff to test dashboard capability.

B4. Further discussion on developing a 2-year workplan

NOTE: By consensus, committee agreed to continue discussion on suggested items with the elimination of Parks and Recreation related items.

B5. Review and accept Finance/Audit Committee minutes for the meeting of October 23, 2014

ACTION: Motion and second (Denend/Carlton) to approve the minutes as stated passed 3-0-2 (Cline and Phelps absent)

B6. Select meetings for 2015 calendar year

NOTE: By consensus, committee agreed to the next meeting, April 16, 2015.

E. ADJOURNMENT - 4:40 p.m.

Prepared by: Stephen Green, Financial Analyst