



SPECIAL MEETING MINUTES

Date: 2/6/2019
Time: 6:30 p.m.
City Hall – “Downtown” Conference Room, 1st Fl
701 Laurel St., Menlo Park, CA 94025

A. Call to Order

Chair Shepherd called the meeting to order at 6:45 p.m.

B. Roll Call

Present: Combs, Mueller (Departed 7:50 p.m.), Shepherd, Tronson,
Absent: Royse
Staff: Lenka Diaz, Administrative Services Director
Dan Jacobson, Finance and Budget Manager
Kristen Middleton, Management Analyst II
Brandon Cortez, Management Analyst I

C. Public Comment

- Cecilia Taylor, speaking as a private citizen, supports the work of the Finance and Audit Committee and agrees with the recommendations outlined in the memo for item D2.
- Jim Lewis spoke in support of the City exploring the software and staff time necessary to create a finance dashboard.

D. Regular Business

- D1. Approve the September 10, 2018, Finance and Audit Committee special meeting minutes

Committee member Tronson proposed an amendment to the minutes to include the handout provided by the subcommittee at the September 10, 2018 meeting.

ACTION: Motion and second (Tronson/Combs) to approve the minutes as amended for the September 10, 2018 special meeting, passed 4-0-1 (Royse absent).

- D2. Review and approve recommendations to the City Council regarding the Finance and Audit Committee charter

Committee members discussed and voted on items proposed in the memo for recommendation to City Council for consideration.

Mayor Mueller asked that the language in the memo be changed from “we” to “Committee members” as not all members had been involved in the creation of this item.

Committee structure

No action taken on this item

Mayor Mueller left the meeting at 7.50 p.m.

Committee meeting schedule

ACTION: Recommendation to Council that the meeting schedule be changed to meet on a Wednesday following a council meeting in February, May, August and November, passed 3-0-2 (Mueller and Royse absent)

Financial statement review

ACTION: Recommendation to Council that the committee members have access to audit documents at least two weeks before the item goes to council, passed 3-0-2 (Mueller and Royse absent)

Investment guideline review

ACTION: Recommendation to Council that the City explore using more than one advisor to maximize investments and to make investment holdings more transparent by being posted in an easier to access place on the City's website, passed 2-1-2 (Combs opposed, Mueller and Royse absent)

Capital expenditure reporting protocol and communications

ACTION: Recommendation that Council approve the recommendations outlined in the September 10, 2018 memo to the Finance and Audit Committee, passed 2-1-2 (Combs opposed, Mueller and Royse absent)

Information Technology recommendations

ACTION: Recommendation that Council increase the priority of the financial systems software replacement portion of the IT Master Plan, passed 2-1-2 (Combs opposed, Mueller and Royse absent)

Outsourcing service delivery and disposition of unneeded assets

ACTION: Recommendation that Council investigate the outsourcing and sale of the Water Department, passed 2-1-2 (Combs opposed, Mueller and Royse absent)

Pension Costs

ACTION: Recommendation that Council direct the City's actuarial consultant to prepare estimates of the City's unfunded pension liability using discount rates listed in the memo, passed 2-1-2 (Combs opposed, Mueller and Royse absent)

Budget Presentation

ACTION: Recommendation that Council direct the City's budget document be condensed and have content focused on financial information, passed 2-1-2 (Combs opposed, Mueller and Royse absent)

Purchasing policies

No action taken on this item

Consultant/contractor policies

ACTION: Recommendation that Council direct staff to post a public report on the City website detailing payments to consultants and contractors that exceed \$50,000.00 each fiscal year, passed 3-0-2 (Mueller and Royse absent)

D3. Discuss the comprehensive annual financial report

There was no action on this item

D4. Review of the Finance and Audit Committee rolling agenda item listing

Committee member Tronson suggests that the rolling agenda item listing be added to the minutes after the Regular Business section

No action was taken on this item

E. Rolling Agenda Items

No items have been added to the rolling agenda from this meeting. The current list of items includes:

- Sale of Assets
- Review of Utility User's Tax Cap
- Listing of parcels exempt from property taxes
- Library financing
- Developer Agreements
- Community Amenities Fund

F. Director's Report

Administrative Services Director Lenka Diaz updated the Finance and Audit Committee on recent happenings in Finance

- The City's first annual Budget in Brief was created by staff and mailed to residents to better inform them of the City's current fiscal year budget.
- Staff recommendations to City Council budget policies were presented at the public goal setting meeting on Saturday, February 2, 2019. They included documenting that the City pursues strategies to reduce pension cost as opportunity arise and clarifying changes. Council also asked that "equity" be incorporated in the budget principles.
- A RFP to select an auditor this year is in development. Staff recommend a subcommittee be formed to review the RFP before its release. By acclamation, Ron Shepherd was selected to represent the Committee as the RFP reviewer. All responses to the RFP will be brought to the full Committee for review and recommendation. City Council will authorize the final selection.

G. Adjournment

Chair Shepherd adjourned the meeting at 9:13 p.m.

These minutes were approved at the July 17, 2019 Commission meeting.