



AGENDA
FINANCE ADVISORY COMMITTEE
REGULAR MEETING
TUESDAY APRIL 18, 2023
6:00 PM
COMMUNITY ROOM
420 CAPITOLA AVENUE, CAPITOLA, CA 95010

CALL TO ORDER AND ROLL CALL

Committee Members: Vice Mayor Kristen Brown, Council member Alexander Pedersen, Laura Alioto, Michelle Coffman, Anthony Rovai

ORAL COMMUNICATIONS *(No action may be taken)*

The Chair may announce and set time limits at the beginning of each agenda item.

The Committee Members may not discuss Oral Communications to any significant degree but may request issues raised be placed on a future agenda.

OTHER BUSINESS *The Chair may announce and set time limits for speakers at the beginning of each agenda item.*

Topic	Who	Min.
A. Approval of Minutes – Feb 21, 2023	All	5
B. Appoint Committee Chairperson and Vice Chairperson	All	10
C. TOT audit update	Fin Dir	5
D. Discussion on annual update, if any, to City Investment Policy	Fin Dir	10
E. Discussion regarding Fiscal Year 2023-24 Budget Preparation including City Council Goals & Priorities	All	25
F. Discussion of Items for Next Agenda	All	5

ADJOURNMENT

Notice: The Finance Advisory Committee meets on the Tuesday every other month at 6:00 PM in the Community Room located at 420 Capitola Avenue, Capitola.

Agenda and Agenda Packet Materials: The Finance Advisory Committee Agenda is available on the City's website: www.cityofcapitola.org/ on Friday prior to the Tuesday meeting. If you need additional information, please contact the Finance Department at (831) 475-7300.

Americans with Disabilities Act: Disability-related aids or services are available to enable persons with a disability to participate in this meeting consistent with the Federal Americans with Disabilities Act of 1990. Assisted listening devices are available for individuals with hearing impairments at the meeting in the City Council Chambers. Should you require special accommodations to participate in the meeting due to a disability, please contact the City Clerk's office at least 24-hours in advance of the meeting at 831-475-7300. In an effort to accommodate individuals with environmental sensitivities, attendees are requested to refrain from wearing perfumes and other scented products.

Appeals: Any person who believes that a final action of this advisory body has been taken in error may appeal that decision to the City Council. Appeals must be in writing and delivered to the City Clerk's Office within ten (10) working days from the time of the boards' decision. The notice of appeal shall set forth appellant's name, phone number, address to which notices may be sent to the appellant, and the grounds upon which the appeal is made.



MINUTES
FINANCE ADVISORY COMMITTEE
REGULAR MEETING
TUESDAY FEBRUARY 21, 2023
6:00 PM
COMMUNITY ROOM
420 CAPITOLA AVENUE, CAPITOLA, CA 95010

CALL TO ORDER AND ROLL CALL

Committee Members present: Vice Mayor Kristen Brown, Councilmember Alexander Pedersen, Laura Alioto, Michelle Coffman, Anthony Rovai

Committee Members absent: None.

ORAL COMMUNICATIONS

Councilmember Pedersen requested that staff post Finance Advisory Committee (FAC) meeting minutes on the City's website to make them available to the public.

OTHER BUSINESS

None

Topic
<p>A. Approval of Minutes – Dec. 15, 2022 Minutes moved by Councilmember Pedersen, seconded by Vice Mayor Brown. Minutes unanimously approved with Committee Member Coffman abstaining.</p>
<p>B. TOT audit update Staff advised the committee that following a review of additional audit records provided by Beach House Rentals (BHR) a 15-day demand letter in the amount of \$147,761 was sent on Feb. 10, 2023. BHR has the right to appeal the amount due and staff is awaiting a response from the attorney's representing BHR.</p>
<p>C. Wharf project update Staff provided a summary of the project funding, expenses incurred to date, the project budget, and damages incurred during the Jan. 5th storm. Staff also discussed the City's insurance coverage and potential for FEMA and Cal OES funding for storm related damages.</p>
<p>D. Mid-year budget review The committee reviewed budget vs. actual performance through Dec. 31, 2022 and discussed staff requests for the use of additional one-time resources during the current fiscal year. The committee agreed with the use of \$220,000 of additional resources while maintaining a general fund balance of approximately \$5 million for Fiscal Year 2023-24 City Council Goals & Priorities.</p>
<p>E. Discussion of Items for Next Agenda FY 2023-24 Budget Preparation, Review City Council Goals & Priorities, Update on TOT Audit, Appointment of Committee Chairperson and Vice Chairperson</p>

ADJOURNMENT

Anthony Rovai moved to adjourn the meeting at 6:53 PM, seconded by Vice Mayor Brown.



ADMINISTRATIVE POLICY

Number: III-1

Issued: May 9, 1996

Revised: August 9, 2001

Jurisdiction: City Council

INVESTMENT POLICY

The policy for the investment of public funds shall at all times conform, by law, to Section 53601, et seq., of the California Government Code. In order of importance, the investment policy shall:

1. Provide for the safety of the funds
2. Assure the liquidity of the funds
3. Acquire earnings of the funds

This investment policy, or any modification thereof, shall be formulated by the City Treasurer and approved by the City Council and copies made available upon request.

The Treasurer's investment portfolio contains pooled investments of funds by both the City and of benefit assessment districts within the City. The earnings from pooled investments are shared proportionately with each investor.

City investment funds shall only be invested in the following permitted investments:

1. State of California Local Agency Investment Fund
2. U.S. Treasury Obligations
3. U.S. Agency Obligations
4. Negotiable Certificates of Deposit
5. Guaranteed Investment Contracts (GIC) of AAA quality, for a term not to exceed fifteen (15) months*

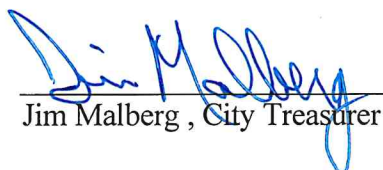
The following limitations shall apply to permitted investments:

T-Bills: Total dollar investment not to exceed 60% of total portfolio at time of investment.

Certificates of Deposit:

- A. Total dollar investment not to exceed 30% of total portfolio at time of investment.
- B. Maturity date of securities shall not be more than five years from date of purchase.
- C. Issuer must be FDIC insured and not more than \$250,000 may be invested into any one bank to ensure FDIC insurance on all invested funds.

City funds placed in a qualified Other Post Employment Benefit (OPEB) Trust Fund for retiree healthcare can be invested in accordance with Government Codes 53620-53622.



Jim Malberg, City Treasurer