



**MINUTES  
REGULAR MEETING  
CAPITOLA FINANCE ADVISORY COMMITTEE  
Tuesday March 17, 2015  
6:00 PM  
Community Room  
420 Capitola Avenue, Capitola, CA**

**1. CALL TO ORDER/ROLL CALL (6:07 PM)**

Members Present: Chair Christine McBroom; Vice Chair Nathan Cross; and the following Committee members – Michael Termini, Will O’Sullivan, and Jacques Bertrand

Members Absent: Gary Snelson and Sondi Carcello

Staff Present: City Manager Jamie Goldstein; Interim Finance Director Tony Sandhu; and the following City Finance staff – Mark Sullivan and Linda Benko

**2. PUBLIC COMMUNICATIONS - None Provided**

**3. BUSINESS**

<p><b>A. Approval of Minutes – Meeting of January 28, 2015</b></p> <ul style="list-style-type: none"> <li>• <i>Approved unanimously</i></li> </ul>												
<p><b>B. Introduction of New Members, Committee Overview</b></p> <ul style="list-style-type: none"> <li>• <i>Sondi Carcello (absent)</i></li> <li>• <i>Interim Finance Director Sandhu (under contract through April 30 2015, can be extended if needed). Primary focus is budget preparation</i></li> <li>• <i>Mark Sullivan, new Senior Accountant in Finance</i></li> </ul>												
<p><b>C. Update on Finance Director Recruitment</b></p> <ul style="list-style-type: none"> <li>• <i>Interviews conducted last week; currently interviewing finalists</i></li> </ul>												
<p><b>D. Second Quarter Financial Summary and First Quarter Sales Tax Reports (available online)</b></p>												
<p><b>E. Mid-Year Budget Report and Review of Budget Calendar</b></p> <ul style="list-style-type: none"> <li>• <i>Review presentation made to Council at the February 25, 2015, City Council/Successor Agency Special Joint Budget Study Session.</i></li> <li>• <i>FAC budget review scheduled for the <b>May 19, 2015</b> FAC meeting; may need a second budget meeting between May 19, 2015, and June 3, 2015; decision regarding the meeting date will be made at May 19, 2015 meeting.</i></li> <li>• <i><b>June 9, 2015</b>, FAC recommendation to Council for disposition of \$649,000 year-end fund balance is due.</i></li> <li>• <i>Recommendation from Interim Finance Director Sandhu to consider third type of reserve fund: Economic Uncertainty or Stabilization Fund.</i></li> </ul>												
<p><b>F. Review PERS Rates and Discussion</b></p> <ul style="list-style-type: none"> <li>• <i>Presentation by City Manager Goldstein regarding future PERS liability and impact on recruitment and retention.</i></li> <li>• <i>Presented for purposes of awareness and dealing with unanticipated costs.</i></li> </ul>												
<p><b>G. Fee Study</b></p> <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 20px;">07/01/14</td> <td>• <i>Reviewed goal and estimated timing of fee study</i></td> </tr> <tr> <td style="padding-left: 20px;">07/15/14</td> <td>• <i>Provided update on fee study</i></td> </tr> <tr> <td style="padding-left: 20px;">09/16/14</td> <td>• <i>Provide update on fee study</i></td> </tr> <tr> <td style="padding-left: 20px;">11/18/14</td> <td>• <i>Provide update on fee study</i></td> </tr> <tr> <td style="padding-left: 20px;">01/28/15</td> <td>• <i>Provide update</i></td> </tr> <tr> <td style="padding-left: 20px;">03/17/15</td> <td>• <i>Provide update – on hold until Fiscal Year 2015/2016. Will investigate some new fees during budget cycle, for Recreation and Police Department.</i></td> </tr> </table>	07/01/14	• <i>Reviewed goal and estimated timing of fee study</i>	07/15/14	• <i>Provided update on fee study</i>	09/16/14	• <i>Provide update on fee study</i>	11/18/14	• <i>Provide update on fee study</i>	01/28/15	• <i>Provide update</i>	03/17/15	• <i>Provide update – on hold until Fiscal Year 2015/2016. Will investigate some new fees during budget cycle, for Recreation and Police Department.</i>
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<p><b>H. Discussion of Items for Next Agenda</b></p> <ul style="list-style-type: none"> <li>• <i><b>May 19, 2015</b>, FAC meeting will focus on Budget only; allow 1.5 hours</i></li> <li>• <i>Future meeting issues: (1) Cost model for PERS based on MOU negotiations; (2) Discuss Economic Stabilization Fund establishment.</i></li> </ul>												

**4. ADJOURNMENT:** Adjournment at 7:25 PM to the next FAC meeting to be held on Tuesday, May 19, 2015, at 6:00 PM, in the Community Room, 420 Capitola Avenue, Capitola, California.