



AGENDA

Finance Administration and Police Subcommittee Meeting

Meeting Date: Thursday, February 25, 2016

Meeting Time: 2:00 p.m.

Meeting Location: City Hall

124 N. Cloverdale Blvd., Cloverdale, CA

Subcommittee Members

Councilmember Mary Ann Brigham, Chair

Councilmember Gus Wolter

City Manager, Paul Cayler

Police Chief, Stephen Cramer

Finance Manager, Joanne Cavallari

1. **Call to Order:**
2. **Communications:** Committee may discuss written communications sent to Committee Members since the last Subcommittee meeting.
3. **Public Comment:** Members of the public may comment on any item not on this agenda. Please limit comments to three minutes. Members of the public may comment on items on the agenda when the subcommittee considers that item.
4. **Approval of Minutes:** November 19, 2015, January 28, 2016
5. **Current Items for Discussion:**
 - a) Review Council Members compensation
6. **Information Only Memos:**
7. **Future Agenda Items (subject to change):**
8. **Pending Items:**
9. **Good of the Order:**
10. **Adjournment:**



DRAFT MINUTES

Finance Administration and Police Subcommittee Meeting

Meeting Date: Thursday, November 19, 2015

Meeting Time: 2:00 p.m.

Meeting Location: City Hall

124 N. Cloverdale Blvd., Cloverdale, CA

Subcommittee Members

Councilmember Bob Cox, Chair

City Manager, Paul Cayler

Councilmember Mary Ann Brigham

Police Chief, Stephen Cramer

Finance Manager, Joanne Cavallari

1. **Call to Order:** Chair Mayor Cox called the meeting to order at 2:00 p.m. and noted for the record that he and Councilmember Brigham were present, as well as Staff.
2. **Communications:** None
3. **Public Comment:** None
4. **Approval of Minutes:** The minutes of October 22, 2015, were approved.
5. **Current Items for Discussion:**
 - a) Discussion of City Engineer/Public Works Director position
Mr. Cayler stated he has an interview scheduled with one qualified applicant. Discussion ensued regarding recruitment options and the possibility of hiring a Public Works Director if the City is unable to fill the position with a licensed professional engineer. Mr. Cayler added that Staff is developing a job description for a working foreman. Mr. Cayler further stated an open recruitment will be conducted for a Senior Water Treatment Operator.
6. **Information Only Memos:** None
7. **Future Agenda Items (subject to change):** None
8. **Pending Items:** None
9. **Good of the Order:** None
10. **Adjournment:** Chair Mayor Cox adjourned the meeting at 2:10 p.m. to December 24, 2015, 2:00 p.m., at the City Hall Conference Room, or alternate date as requested.



DRAFT MINUTES

Finance Administration and Police Subcommittee Meeting

Meeting Date: Thursday, January 28, 2016

Meeting Time: 2:00 p.m.

Meeting Location: City Hall

124 N. Cloverdale Blvd., Cloverdale, CA

Subcommittee Members

Councilmember Mary Ann Brigham, Chair

Councilmember Gus Wolter

City Manager, Paul Cayler

Police Chief, Stephen Cramer

Finance Manager, Joanne Cavallari

1. **Call to Order:** Chair Brigham called the meeting to order at 2:00 p.m. Councilmember Wolter was absent.
2. **Communications:** None
3. **Public Comment:** None
4. **Approval of Minutes:** November 19, 2015 – Deferred to next meeting
5. **Current Items for Discussion:**
 - a) Review draft Water and Sewer Rate Study – City Manager Cayler introduced Bob Reed to present his report to the committee and stated Darren Hernandez and Jay Robinson, from the Public Works Department, were present to answer any technical questions regarding the operating system. Mr. Cayler stated the City is moving toward doing incremental rate adjustments. Mr. Reed stated the main drivers to the study were reduced water sales and how demand will rebound. Mr. Reed further stated that a five-year financial plan was developed, which looked at capital improvements, debt service obligations, ongoing operations, reserve policies, the cost of service requirements of Proposition 218, as well as the San Juan Capistrano decision. Mr. Reed stated that a water rate increase is needed right away and recommended a 7% rate increase as soon as April and that an immediate increase is not needed for sewer. He further recommended a 3% increase for each utility at the beginning of each fiscal year for 2017, 2018, and 2019 and went over graphs and charts illustrating the components of the study. Mr. Reed also presented a financial analysis addressing mitigation of financial risk associated with reduced water sales with different stages of imposed water use restrictions in the event of a continued or future drought. Mr. Reed concluded his presentation with the procedures needed to implement the rate increase. Discussion ensued regarding Cloverdale's water reduction, rebound, and operational costs.
The subcommittee recommended this item to go before the City Council.
 - b) Review draft Investment Policy & potential increase in interest earnings – Finance Manager Cavallari presented this item stating the City has cash in reserves that are presently in the Local Agency Investment Fund (LAIF) earning about ¼ of 1% interest and there are places cities can put their money with higher interest rates but still offer the safety and security of the LAIF. Ms. Cavallari thanked City Treasurer Mike Nixon for his reference to our local Exchange Bank, who informed her that 2.5% is something that people are earning. She provided a chart to compare the City's present earnings, which are about \$18,000 per year, to what the City could be earning if the rate was at 2.5%, which would be about \$180,000. Ms. Cavallari stated most of the cash reserves are in the unspent bond proceeds fund. Exchange Bank is familiar with allowable investments for state and local governments and how these types of portfolios should be managed with a certain amount of long-term benefits but also liquid if

needed. Ms. Cavallari provided a draft policy based on State law and recommended bringing it to the City Council for approval.

The subcommittee recommended to go forward with the investment policy.

- c) **Review draft Massage Ordinance** – Chief Cramer stated the Executive Director of the California Massage Therapy Council reached out to him. He stated he has drafted the 2016 City of Cloverdale Police Department Massage Parlor policy to demonstrate the issues they currently have with their documentation process as it relates to our massage parlor, dated 1975. Chief Cramer stated there have been significant changes in the law and gave highlights of what is currently required. The subcommittee recommends bringing this item to the City Council.

6. Information Only Memos: Ms. Cavallari stated she received a phone call from the State Controller's office informing her that they would be at City Hall beginning February 22 for two weeks to audit Fiscal Year 2003-2004 through Fiscal Year 2014-2015 transportation funds.

7. Future Agenda Items (subject to change): None

8. Pending Items: None

9. Good of the Order: None

10. Adjournment: Chair Brigham adjourned the meeting at 3:30 p.m. to February 25, 2016, 2:00 p.m., at the City Hall Conference Room, or alternate date as requested.