



AGENDA

Finance Administration and Police Subcommittee Meeting

Meeting Date: Thursday, August 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

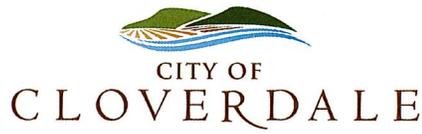
City Manager, Paul Cayler

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:** April 28, 2016, June 23, 2016
- 5. Current Items for Discussion:**
 - a) Reserve policy
 - b) Discussion of disposal of old police cars
- 6. Information Only Memos:**
- 7. Future Agenda Items (subject to change):**
- 8. Pending Items:**
- 9. Good of the Order:**
- 10. Adjournment:** Adjourn to Thursday, September 22, 2016, at 2:00 p.m., or alternate date as requested.

CERTIFICATION – Pursuant to Government Code § 54954.2, the agenda for this meeting was properly posted on 08/18/16.



DRAFT MINUTES

Finance Administration and Police Subcommittee Meeting

Meeting Date: Thursday, April 28, 2016

Meeting Time: 5:00 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, Mayor Brigham called the meeting to order at 5:00 p.m.
2. **Communications:** None
3. **Public Comment:** None
4. **Approval of Minutes:** The minutes for February 25, 2016, were approved.
5. **Current Items for Discussion:**
 - a) Review Council Members compensation
Discussion was held regarding increasing Council Member compensation. The subcommittee recommended that \$555 per month per Council Member be reviewed at the budget workshop.
 - b) Proposal for Investment Services from Exchange Bank
Discussion regarding using Exchange Bank's local agency investment management services was conducted and concluded with the subcommittee's recommendation to bring this item before the City Council.
 - c) Review Coastland contract amendment
Discussion was carried out regarding the need to amend the contract with Coastland. Direction was received from the subcommittee to bring this item to the City Council.
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 Brigham adjourned the meeting at 5:43 p.m. to a special meeting on Wednesday, May 25, 2016, 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, June 23, 2016

Meeting Time: 2:00 p.m.

Meeting Location: City Hall

124 N. Cloverdale Blvd., Cloverdale, CA

Subcommittee Members

Mayor Mary Ann Brigham, Chair

Vice Mayor Gus Wolter

City Manager, Paul Cayler

Police Chief, Stephen Cramer

Finance Manager, Joanne Cavallari

- 1. Call to Order:** Vice Mayor Wolter called the meeting to order at 2:00 p.m. Present: Vice Mayor Wolter, Paul Cayler, Chief Cramer, and Joanne Cavallari. Absent: Chair, Mayor Brigham.
- 2. Communications:** None
- 3. Public Comment:** None
- 4. Approval of Minutes:** The approval of the April 28, 2016, minutes was deferred to the next meeting.
- 5. Current Items for Discussion:**
 - a) Review agreement with County to collect and remit BIA assessment
The subcommittee reviewed this agreement and recommended it be brought before the Council for adoption.
 - b) Review adopted Reserves Policy and provide direction to staff
A brief discussion of this item was conducted and will be continued to the next meeting.
 - c) Review request to issue a purchase order in the amount of \$32,000 to WesTech Engineering for clarifier media for the Water Treatment Plant
Mr. Cayler presented this item, giving a brief background of the need for the clarifier media. The subcommittee recommended bringing this item to the next Council meeting on the consent calendar.
 - d) Review Master Fee Schedule for FY 16-17
Ms. Cavallari presented this item and went over some of the new fees. The committee recommended bringing this item before the Council with comparison to other local cities' fees.
- 6. Information Only Memos:** None
- 7. Future Agenda Items (subject to change):** Discussion of Council salary increase.
- 8. Pending Items:** None
- 9. Good of the Order:** None
- 10. Adjournment:** Vice Mayor Wolter adjourned the meeting at 2:25 p.m. to July 28, 2016, 2:00 p.m., at the City Hall Conference Room, or alternate date as requested.

**CITY OF CLOVERDALE
CITY COUNCIL
RESOLUTION NO. 7-2005**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVERDALE APPROVING
A REVISION OF THE RESERVE POLICY**

WHEREAS, the City Council approved a reserve policy in October 2000; and

WHEREAS, staff desired to have more comprehensive policy direction; and

WHEREAS, staff met with the City Council Finance Sub-Committee, discussed the current needs of the City and in October 2004, presented a revised reserve policy; and

WHEREAS, the City Council Finance Sub-Committee directed staff to present the revised reserve policy to the full City Council for consideration; and

NOW, THEREFORE BE IT RESOLVED THAT the City Council hereby approve the revised reserve policy as presented in Attachment 1.

It is hereby certified that the foregoing resolution No. 7-2005 of the City Council was duly introduced and duly adopted by the City Council of the City of Cloverdale at its regular meeting held on the 25th day of January 2005, by the following roll call vote: (4-0)

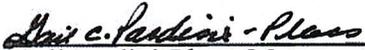
Ayes in favor: Councilmembers Raymond, Wolter, Jehn, and Mayor Pardini-Plass.

Noes: None

Absent: Councilmember Brigham

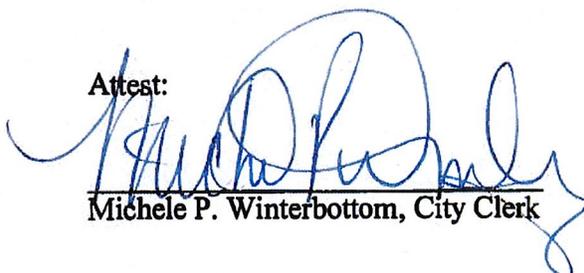
Abstain: None

Approved:



Gail Pardini-Plass, Mayor

Attest:



Michele P. Winterbottom, City Clerk



City of Cloverdale Reserve Policy

Contingency Reserve

The City of Cloverdale shall maintain unappropriated fund or working capital reserve balances equal to 25% of expenditures in the General, Water, and Sewer Funds. For purposes of this section, expenditures shall include transfers out but not anticipated litigation expenses, reimbursed developer expenses or routine capital outlays which are all discretionary. Reserves of 25% are considered by staff to be a good level at which to maintain the City's credit worthiness. To allow time to accumulate sufficient resources and manage the budget in these key funds, it is recommended that implementation of reserve levels be phased in as follows: 15% in fiscal years 2006 and 2007; 20% in fiscal years 2008 and 2009; and 25% thereafter.

The purpose of these reserves is to provide for:

- cash flow requirements
- economic uncertainties including downturns in the local or national economy
- legal requirements as part of debt financing
- unforeseen catastrophic costs

Reserves will be reviewed every year during the budget process. If reserves fall below implementation schedule targets, a plan will be presented to increase the reserves to the target level. This plan may be accomplished over a multiple year period.

Equipment Replacement Funds

The City of Cloverdale shall maintain a general fund equipment replacement reserve to provide for the replacement of vehicles, heavy equipment, computer equipment, and other capital equipment items costing greater than \$10,000. This replacement reserve will also be established in the water and sewer funds.

The annual contribution to these reserves will be equal to the annual depreciation expense plus five percent in order to provide sufficient replacement funding. The accumulated funds will be credited with interest earnings at the average annual Local Agency Investment Fund (LAIF) rate at the close of each year. Funding for this reserve will begin in fiscal year 2006-07. In order to accumulate resources in this reserve, expenditures will not be authorized until fiscal year 2009-10 without specific overriding needs as determined by the City Council. Reserves will be capped at 110% of accumulated depreciation of qualifying items.

Other Reserves and Designations

Beginning in fiscal year 2005-06, the City will maintain a designated balance in the general fund equal to 10% of the estimated non-current portion of employee compensated absences payable. Additional increments of 10% will be set aside each year until 50% of the non-current compensated balance is reached. This will set aside funding for a liability that is otherwise not accounted for in the General Fund.

AGENDA ITEM

TO: Jennifer Murray, City Manager
FROM: Barry Whitley, Finance Director
SUBJECT: Revising the City Financial Reserve Policy

January 25, 2005
APPROVED BY: [Signature]
DATE: 1/26/05
AGENDA ITEM #: E.1
FILE TITLE: _____

RECOMMENDATION:

The City Council, by resolution, approve the revised reserve policy

BACKGROUND:

In October 2000, the City Council appointed a Finance Advisory Committee to review current City policies and to recommend new financial policies to strengthen and improve the City's finances. The Committee consisted of three members of the general public and two members of the City Council. In March 2001, the Finance Advisory Committee provided their final report which consisted of nine areas which included the reserve policy. The report was subsequently approved by the City Council. The approved reserve policy was:

Establish Cash Reserve contingency fund equal to 5% of the annual operating budget

Staff reviewed this reserve policy with the City Council Finance Sub-Committee over several meetings in an effort to obtain more comprehensive policy direction. In October 2004, after further discussions with the Sub-Committee, staff presented a draft of a revised reserve policy (See Attachment 1) which included contingency reserves, equipment replacement fund reserves, and other reserves and designations. The Finance Sub-Committee reviewed the draft reserve policy, discussed it in detail, and agreed to its presentation at the City Council meeting in January for Council's consideration.

FINANCIAL CONSIDERATIONS:

This policy is designed to improve the financial condition of the City.

NOTIFICATION:

None

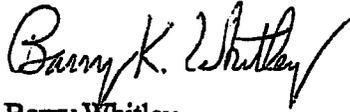
ALTERNATE ACTIONS:

1. Do not revise the reserve policy.
2. Change the draft policy reserve requirements.

RECOMMENDATION:

The City Council, by resolution, approve the revised reserve policy.

Respectfully submitted,



Barry Whitley
Finance Director

Attachments:

1. Reserve Policy
2. Resolution