

KATE McKENNA, AICP
Executive Officer

MEETING NOTES
BUDGET AND FINANCE COMMITTEE MEETING
Adopted on February 23, 2009

Monday, February 9, 2009, 2:00 p.m.

LAFCO Office, 132 Gabilan St., Ste. 102, Salinas, CA 93901

1. CALL TO ORDER

The meeting was called to order at 2:00 p.m. by Committee Chair Rubio.

2. ROLL CALL

Present: Commissioners Perkins, Rubio and Salinas, Executive Officer Kate McKenna, Mike Briley, CPA, Hayashi and Wayland, and Rachelle Jones, LAFCO Clerk

Absent: None

3. PUBLIC COMMENT

There was no public comment.

4. CONSIDER DRAFT MID-YEAR FINANCIAL STATEMENTS FOR FISCAL YEAR 2008 -2009.

Mike Briley provided an overview of the draft financial statements for the period ending December 31, 2008.

Committee members discussed the draft financial statements with Executive Officer McKenna and Mike Briley.

The Committee unanimously accepted draft fiscal year 2008-09 mid-year financial statements dated December 31, 2008 and recommended bringing the statements to the full Commission for approval.

Committee unanimously moved item 6.a up to the next item on the agenda.

5. CONSIDER DRAFT FINANCIAL POLICIES

- a. Establish Reserve For Post-Retirement Healthcare Obligations

Executive Officer McKenna presented report. Committee members discussed the issue with Executive Officer McKenna and CPA Mike Briley.

Upon motion of Commissioner Salinas, seconded by Commissioner Perkins, the Committee unanimously agreed to bring this policy back to the Committee following further investigation into costs associated with an actuarial evaluation.

6. CONSIDER DRAFT BUDGET AMENDMENT NO. 3 FOR FISCAL YEAR 2008-2009

Executive Officer McKenna provided report.

Committee members discussed draft Budget Amendment No. 3 for fiscal year 2008-09 with Executive Officer McKenna.

Upon motion of Commissioner Salinas, seconded by Commissioner Perkins, the Committee unanimously accepted draft Budget Amendment No. 3 with changes to include exclusion of further costs associated with travel, and recommended bringing the amendment to the Commission for approval.

7. CONSIDER DRAFT FINANCIAL POLICIES

- a. Establish Reserve for Post-Retirement Healthcare Obligations (moved to Item 5 on this agenda.)
- b. Use of Project Fee Revenue
- c. Executive Officer Authority for Budget Expenditures
- d. Executive Officer Authority to Execute Contracts

Executive Officer McKenna provided report.

Committee members discussed draft financial policies regarding the use of project fee revenue, Executive Officer authority for budget expenditures, and Executive Officer authority to execute contracts.

Upon motion of Commissioner Salinas, seconded by Commissioner Perkins, the Committee unanimously accepted policy recommendations for use of project fees revenue and allowing Executive Officer authority to adjust up to \$2,000 in budget expenditures within the “Services and Supplies” line items with no net change to the overall budget, and recommended bringing both policies to the full Commission for approval.

The Committee did not recommend approval of a draft policy regarding Executive Officer authority to execute contracts.

8. CONSIDER DRAFT PROPOSED BUDGET FOR FISCAL YEAR 2009-2010

Executive Officer McKenna provided report

Committee discussed a draft proposed budget for fiscal year 2009-10 with Executive Officer McKenna. The Committee requested that no unreserved funds be used in the proposed budget in order to protect the unreserved fund balance. The Executive Officer will evaluate cost-sharing opportunities with other agencies. The Committee requested that a new meeting be set to consider a revised version of the budget.

The Committee agreed to meet again in two to three weeks to further discuss the draft proposed budget for fiscal year 2009-10.

9. REVIEW DRAFT PROPOSED WORK PROGRAM FOR FISCAL YEAR 2009-2010

Executive Officer McKenna provided report.

Committee discussed a draft proposed work program for fiscal year 2009-10 with Executive Officer McKenna.

Upon motion of Commissioner Salinas, seconded by Commissioner Perkins, the Committee unanimously accepted the draft work program for fiscal year 2009-10 with the addition of one anticipated task to Table 1 – the Seaside County Sanitation District Annexation. The draft work program will be presented to the full Commission along with the draft proposed budget for fiscal year 2009-10.

10. OTHER BUSINESS

No further business was reported.

ADJOURNMENT

The meeting was adjourned at 3:40 p.m.

Respectfully Submitted,

Rachelle Jones, LAFCO Clerk