Call to Order at 3:25 p.m.

Roll Call

Committee Members: Pete McCracken, Chair
Charles Webber, Member
Maria Bemis, Member
Julia Lew, Member
John Lollis, Member

ORAL COMMUNICATIONS
None

REPORTS
None

SCHEDULED MATTERS
1. APPROVAL OF MINUTES OF NOVEMBER 1, 2011

This item was removed.

Carryover Business
2. CONSIDERATION OF RECOMMENDING A DRAFT ORDINANCE CREATING A GENERAL FUND RESERVE POLICY; AUTHORIZING THE ESTABLISHMENT OF “BUDGET STABILIZATION”; CATASTROPHIC/EMERGENCY”, CAPITAL MAINTENANCE”, “CAPITAL CONSTRUCTION/IMPROVEMENT”, “INFRASTRUCTURE MAINTENANCE/IMPROVEMENT” AND “SPECIAL PURPOSES” DEDICATED AND RESERVE FUNDS.

Member Lollis provided a draft ordinance for the committee’s review. A flow chart was also provided, which illustrated the allocation of general fund reserves. City Manger Lollis briefly spoke of the differences between the proposed funds and provided various examples or scenarios which would apply to each. He then inquired of Member Bemis if the proposed minimum balance of 15% of General Fund annual budgeted operating expenditures was sufficient for the Budget Stabilization Fund, to which she replied that she did not think it was sufficient. Member Lew noted a voting issue within the ordinance, and the committee discussed Formal City Council Action requirements. City Attorney Lew referred to the City’s Charter and Municipal Code for verification regarding votes required for approval of resolutions, ordinances and appropriations.

Chair McCracken voiced concerns regarding Council use of the Budget Stabilization Fund to balance the City’s budget. The committee explored the use of voting requirements and requiring a determination of a finding by the Council as ways of addressing those concerns.
They also reviewed language and identified areas where language could be tightened up. Member Lollis indicated that the purpose of the Budget Stabilization Fund was to mitigate revenue shortfalls, not to balance a budget with excess expenditures; and noted that all of the proposed funds had specific uses. Use of the proposed funds via inter-fund loans was also discussed, and Member Lew recommended that an inter-fund loan policy be explored by the committee.

Following its discussion the committee concurred that the following revisions needed to be incorporated into the draft ordinance: a 4/5 of members present voting requirement to access Budget Stabilization and Catastrophic/Emergency Funds; the need for a determination of a finding by the Council to access said funds, and what constitutes a finding; and amending the language “changes in the economic environment”. The committee would review the revised draft ordinance at its next meeting, which was scheduled to take place on Tuesday, January 24, 2012, at 3:00 p.m. in City Hall.

New Business

3. FUTURE AGENDA ITEMS

No future items were discussed.

OTHER MATTERS

None

ADJOURNMENT

The Committee adjourned at 4:47 p.m.

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Patrice Hildreth, Committee Secretary
By: Luisa Herrera

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Pete V. McCracken, Chair