

Moraga Audit and Finance Committee

ACTION MINUTES

May 1, 2007

8:30 to 11:00 am

The Preschool Room at the Hacienda de las Flores
2100 Donald Drive
Moraga

I. CALL TO ORDER

The meeting was called to order by Robert Kennedy at 8:30 a.m.

II. ROLL CALL

Kennedy, Metcalf, Bird, Buchman present. Comprelli absent.

III. ADOPTION OF MARCH 6, 2007, MEETING ACTION MINUTES

Adopted with one change of wording in the first sentence under Section IV. The end of the sentence should read "...with an overview of what are the auditors responsibilities."

IV. INVESTMENT POLICY

An extended discussion yielded the following general consensus:

- The objectives of an investment policy are fairly standardized, emphasizing safety and security.
- The list of investment vehicles in the Town's current investment policy should be broadened to provide greater investment opportunities as allowed by State code. Consideration should also be given to listing the type of unallowable investments.
- The maximum term of any investment should be five years.
- The AFC should find/interview/recommend an investment advisor to the Town Council for approval.
- The investment advisor should work closely with the Finance Director in determining funds available for investment, future needs, and investment terms.
- A quarterly report should be provided to the AFC, the Town Council and the State Controller's Office as required by code.

Robert Kennedy will work in conjunction with Wendy Buchman and Emily Boyd to draft an Investment Policy for the Town. The draft will be reviewed at the next AFC meeting.

V. REVIEW OF ACCOUNTING STRUCTURE PROBLEMS AND PROPOSED SOLUTIONS

The accounting code structure and the problems an unwieldy structure creates were reviewed by Emily Boyd. There was general consensus that a complete chart change was in order and general agreement to pay \$3,200 to the Springbrook programmers to process the chart change so that account history would carry forward to the new accounts.

VI. REVIEW OF PROPOSED FY08 OPERATING BUDGET DRAFT

Review and discussion of the line items for the proposed FY08 Operating Budget. Recommendations from the committee included:

- Adding the net effect of merging the balance sheets of Fund 300, 329 Rheem, with Fund 101, the General Fund, to the bottom line of the Revenue & Expenditure Statement so that it will be clear what impact Fund 300 will have on the General Fund Balance.
- Making a correction to the formula calculating the change between Proposed FY08 Budget from the Projected FY07 year end.
- Pulling out new expenditures from the Proposed FY08 Budget and providing this information to Council in the form of Supplemental Requests. For the 5/23 Town Council meeting, the budget will be presented with base line increases only (inflation and known wages changes) which will result in some amount of available funds. Council will be asked to review a list of supplemental requests from the staff, as well as a list of Council requests, and determine which items will be included in the budget. The approved supplemental requests will be included in the budget as presented to Council on June 13.

VII. ESTABLISHMENT OF NEXT MEETING DATE, TIME, AGENDA

The next meeting is scheduled for Tuesday, May 29, at 8:30 am in the Preschool Room at the Hacienda.

VIII. PUBLIC COMMENTS

This part of the agenda is to receive public comments on matters that are not on this agenda. Comments received will not be acted upon at this meeting and may be referred to a subcommittee for response. Comments should not exceed three minutes.

IX. ADJOURN

Notices of Audit and Finance Committee meetings are posted at the Hacienda (2100 Donald Drive), the Moraga Commons, and the Moraga Public Library. Copies of the agenda packets can be viewed prior to the meeting at the Town Clerk's Office, 2100 Donald Drive.

The Town of Moraga will provide special assistance for disabled citizens upon at least 24 hours advance notice to the Town Clerk (376-2590). If you need sign language assistance or written material printed in a larger font or taped, advance notice is necessary. All meeting rooms are accessible to disabled.