

Town of Moraga
Audit and Finance Committee

ACTION MINUTES

Tuesday, July 8, 2014

5:30 – 7:30 p.m.

**Hacienda de las Flores
Garden Conference Room**

2100 Donald Drive, Moraga, California

1. CALL TO ORDER

Bradley Ward, Town Treasurer, called the meeting to order at 5:33 p.m.

2. ROLL CALL

Committee members present: Bradley Ward (Town Treasurer), Phil Arth (Councilmember), Tim Freeman, and Robert Kennedy. Committee members absent: Ken Chew (Mayor).

Staff members present: Stephanie Hom (Administrative Services Director) and Jill Keimach (Town Manager).

3. 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.

No public comment.

4. APPROVAL OF ACTION MINUTES – AFC Meeting of May 12, 2014

ACTION: It was M/S (Arth/Freeman) to approve the May 12, 2014 Audit and Finance Committee meeting minutes. Vote 4/0/0/1 (4 For/0 Against/0 Abstain/1 Absent).

5. DISCUSSION AND INPUT REGARDING INDEPENDENT AUDIT PLANNING PROCESS FOR FISCAL YEAR ENDED JUNE 30, 2014

Stephanie Hom announced that the Town's Comprehensive Annual Financial Report for the year ended June 30, 2013 received the GFOA (Government Finance Officers Association) Certificate of Excellence in Financial Reporting Award.

Katherine Yuen of Maze & Associates presented the audit plan for fiscal year ended June 30, 2014, and answered questions and received feedback from AFC members.

6. DISCUSSION AND POTENTIAL ACTION ON BEST PRACTICES POLICY ON BUDGETING IN REFERENCE TO USE OF ONE-TIME, NON-RECURRING REVENUES (Discussion Continued from May 12, 2014 Meeting)

ACTION: The item was continued to the September 30, 2014 meeting for further discussion. The AFC members discussed replacing the second resolved statement in the resolution with an alternate statement to accommodate the use of fund balance for emergency situations such as natural disasters.

7. DISCUSSION AND POTENTIAL ACTION ON ASSET REPLACEMENT PROGRAM AND FUNDING (AFC Subcommittee Presentation and Discussion Continued from April 22, 2014 Meeting)

ACTION: The item was continued to the September 30, 2014 meeting for further discussion with the intent of refining an AFC recommendation to the Town Council in October. The AFC members discussed a variety of potential funding mechanisms for asset replacement including investment of existing and/or future one-time funds using a ladder approach and placing the interest in the Asset Replacement Fund; placing unbudgeted surplus funds as they arise into the Asset Replacement Fund; and placing annual surplus funds into the Asset Replacement Fund instead of the IPI (Infrastructure Preservation and Improvement) Fund.

8. ADJOURN

ACTION: It was M/S (Arth/Kennedy) to adjourn the meeting at 7:33 p.m. Vote 4/0/0/1.