

Town of Moraga
Audit and Finance Committee

ACTION MINUTES

Tuesday, September 30, 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 5:32 p.m.

2. ROLL CALL

Committee members present: Bradley Ward (Town Treasurer), Phil Arth (Councilmember), Tim Freeman, and Robert Kennedy. Ken Chew (Mayor) arrived at 5:42 p.m.

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 July 8, 2014

ACTION: It was M/S (Arth/Kennedy) to approve the July 8, 2014 Audit and Finance Committee meeting minutes. Vote 4/0/0/1 (4 For/0 Against/0 Abstain/1 Absent).

5. REVIEW OF FISCAL YEAR 2013-14 YEAR-END UNAUDITED REVENUE AND EXPENDITURE REPORT

(Mayor Ken Chew present at meeting at 5:42 p.m.)

No action was taken. Stephanie Hom presented the report. The AFC asked questions and reviewed the report and recommended that it be forwarded to the Town Council unchanged.

6. REVIEW OF ACCOUNTING ISSUES MEMORANDUM FROM MAZE & ASSOCIATES RELATED TO INDEPENDENT AUDIT FOR YEAR ENDED JUNE 30, 2014

No action was taken. Stephanie Hom presented the report. The AFC asked questions and reviewed the report.

7. DISCUSSION AND POTENTIAL ACTION ON BEST PRACTICES POLICY ON BUDGETING IN REFERENCE TO USE OF ONE-TIME, NON-RECURRING REVENUES (Discussion Continued from July 8, 2014 Meeting)

ACTION: It was M/S (Kennedy/Freeman) to approve the draft resolution and recommend to the Town Council to adopt the resolution establishing a balanced budget policy, using on-going revenues to support on-going expenditures with specific exceptions as stated in the resolution. Vote 5/0/0/0 (5 For/0 Against/0 Abstain/0 Absent).

8. DISCUSSION AND POTENTIAL ACTION ON ASSET REPLACEMENT PROGRAM AND FUNDING (AFC Subcommittee Presentation and Discussion Continued from July 8, 2014 Meeting)

Tim Freeman and Bob Kennedy presented the report.

ACTION: It was M/S (Chew/Ward) that the Asset Replacement Program and funding recommendation be presented to the Town Council for consideration and approval. The funding recommendation consists of three components as follows:

- (1) Merge the existing Infrastructure Preservation Improvement (IPI) and Asset Replacement funds into one fund, and modify the Town's reserve policy such that when the General Purpose Fund balance exceeds 50% of annual expenditures, any excess is transferred to the merged fund;
- (2) Address a portion of the Town's \$5,127,000 unfunded liability with a one-time transfer of \$1,000,000 from the Palos Colorados Developer Fee Fund to the (merged) Asset Replacement Fund; and
- (3) Should additional deposits be made by the Palos Colorados Development, an amount of 50% of each deposit be transferred to the (merged) Asset Replacement Fund.

In addition, the recommendation should include a statement that monies in the Asset Replacement Fund will be used consistent with the Asset Replacement Schedule.

Vote 5/0/0/0 (5 For/0 Against/0 Abstain/0 Absent).

9. ADJOURN

ACTION: It was M/S (Freeman/Arth) to adjourn the meeting at 7:08 p.m. Vote 5/0/0/0.