

Town of Moraga

# Audit and Finance Committee

## ACTION MINUTES

Tuesday, February 2, 2021  
5:00 P.M.

TELECONFERENCED MEETING LOCATION ONLY

\*COVID-19 NOTICE\*

**THIS MEETING WILL BE CONDUCTED PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20, WHICH SUSPEND CERTAIN REQUIREMENTS OF THE BROWN ACT, AND PURSUANT TO THE ORDERS OF THE HEALTH OFFICER OF CONTRA COSTA COUNTY INCLUDING THE MOST RECENT ORDER DATED JANUARY 25, 2021, AND OTHER SUBSEQUENT ORDERS, WHICH PERMIT THE TOWN TO CONDUCT ESSENTIAL BUSINESS AND IS PERMITTED UNDER THE ORDERS AS AN ESSENTIAL GOVERNMENTAL FUNCTION**

Consistent with Executive Orders Nos. N-25-20 and N-29-20 from Governor Gavin Newsom and the Contra Costa County Health Officer Orders including the most recent dated January 25, 2021, the February 2, 2021 Audit and Finance meeting was not physically open to the public.

*All Audit and Finance Committee members and Town staff participated in this meeting via teleconference. (Zoom webinar)*

**1. CALL TO ORDER**

The meeting was called to order at **5:03 PM**.

**2. ROLL CALL**

Committee Members Present: Tim Freeman (AFC Member), Bob Kennedy (Town Treasurer), Stephen Huxley, (AFC Member), Mike McCluer, (Mayor), and Steve Woehleke (Vice Mayor)

Staff Present: Cynthia Battenberg (Town Manager), Marty McInturf, (Town Clerk), Norman Veloso (Administrative Services Director), Cecilia Nguyen (Accountant), Shawn Knapp (Public Works Director/Town Engineer), Breyana Brandt (Parks and Recreation Director), Afshan Hamid (Planning Director) and Jon King (Police Chief)

**3. PUBLIC COMMENTS**

No public comments received.

**4. APPROVAL OF ACTION MINUTES – AFC Meeting of Monday, November 2, 2020**

ACTION: It was M/S (Freeman/Huxley) to approve the meeting minutes.  
VOTE: 3-0-2

**5. REVIEW AND ACCEPT FISCAL YEAR 2020/21 MID-YEAR REVENUE AND EXPENDITURES REPORT AND REVIEW AND RECOMMEND MID-YEAR ADJUSTMENTS TO THE FISCAL YEAR 2020/21 BUDGET:**

The Town Council adopted the Fiscal Year (FY) 2020/21 Operating and Capital Improvement Budgets on June 24, 2020 per Resolution 41-2020. This report was an update on the financial condition of the Town at mid-point of the fiscal year and recommended budget adjustments to reflect projected resources and expenditures more accurately. The report was on a cash basis, meaning only revenues received and expenditures paid by December 31, 2020 was reported and included.

The adopted FY 2020/21 Operating and Capital Improvement Budget projected a General Fund surplus of \$2,196, and an Unassigned Fund Balance of \$4.87M as of June 30, 2021, which equates to a 51% General Fund Reserve, slighting higher than the Town's General Fund Reserve policy of 50%.

Norm Veloso, Administrative Services Director, presented a Mid-Year analysis of the beginning fund balance adjustments, including amending the beginning fund balance to reflect last year's surplus, a transfer of \$25,133 to Fund 100 – Palos Colorados to refund the overfunding of litigation expenses in FY 2019/20 and a transfer of \$97,000 remaining surplus to Fund 750 – Asset Replacement consistent with Town's policy that states any net surplus above the Town's 50% General Fund Reserve should be transferred to the Asset Replacement Fund (Resolution 5-2015). Additional proposed adjustments included an increase to the Real Property Transfer Tax (RPTT) revenue of \$40,000, a decrease of \$160,000 to Parks and Recreation revenue and a decrease in Police revenue of \$30,000.

Proposed general fund expenditure adjustments included a Police expenditure adjustment of \$25,000, a Parks and Recreation revenue and expenditure adjustment of a net decrease of \$29,000 and a Planning budget adjustment of \$8,550 to upgrade the 50% part-time Administrative Assistant position to a 70% part-time Senior Administrative Assistant position.

Fund proposal increases included Fund 212 Garbage Vehicle Impact Fees of \$14,319, Fund 213, Measure K of \$200,000, and three adjustments to Fund 711 – Pavement Management Program \$83,000, \$134,000 and \$515,00. Fund 750 proposed adjustments were \$8,250 decrease to the Technology Replacement expense, \$9,000 increase in the Flat Roofing Projects (CIP 20-104) expense and \$49,000 increase to the ADA Pathway at the Hacienda Project (CIP 19-104).

Also discussed was a new, unscheduled and unfunded project proposed for the Lamorinda Skatepark located in Commons Park. The request is in the amount of \$48,000.

The Committee unanimously accepted the Fiscal Year 2020-21 Mid-Year Revenue and Expenditure Report and the recommended Mid-Year Proposed Adjustments to the Fiscal Year 2020/21 Budget and directed staff to forward the report to the Town Council for their February 10, 2021 Town Council Meeting.

ACTION: It was M/S (Freeman/Huxley)

VOTE: 5-0

**6. ESTABLISH NEXT MEETING OF AFC**

The next committee meeting was tentatively scheduled for June 1, 2021.

**7. ADJOURN**

The meeting was adjourned at 5:43 PM.

ACTION: It was M/S (Woehleke/Huxley)

VOTE: 5-0