



City of Emeryville

C A L I F O R N I A

MEMORANDUM

DATE: May 19, 2020

TO: Christine Daniel, City Manager

FROM: Susan Hsieh, Budget Advisory Committee

SUBJECT: **Budget Advisory Committee's Annual Report On Committee Goals, Principles And Accomplishments For Calendar Year 2019; And Proposed Committee Priorities For Calendar Year 2020**

COMMITTEE GOALS AND PRINCIPLES

The Budget Advisory Committee is established by the City Council to provide input and recommendations regarding City policies, priorities, and feedback related to the City's budget.

ACCOMPLISHMENTS FOR CALENDAR YEAR 2019

The Budget Advisory Committee's major accomplishments are presented below. The Committee continued to review and monitor revenues, expenditures, and reserve funds to ensure prudent spending. The Committee also continued to monitor the City's pension and OPEB (other post-employment benefits) liabilities and evaluate funding strategies; funding these unfunded liabilities will help the City to stabilize costs and sustain services and programs in the long run.

- Reviewed General Fund quarterly financial reports
- Reviewed the City's FY 18-19 Comprehensive Annual Financial Report/audited financial statements and other annual audit reports
- Reviewed quarterly fire service expenditures
- Reviewed quarterly long-term debt reports
- Reviewed Section 115 Pension Trust quarterly investment reports and monitored investment portfolio
- Continued discussion on funding strategies for Pension and OPEB (other post-employment benefits) liabilities
- Reviewed FY 18-19 Mid-year Budget Amendments
- Reviewed FY 19-21 Operating Budget including updated financial policies and Long-Term Financial Projection
- Reviewed Five-year Capital Improvement Program
- Reviewed FY 19-20 Master Fee Schedule
- Reviewed FY 19-20 Investment Policy

- Continued discussion on revenue opportunities and assessment of revenue opportunities recently put into effect

TOP PRIORITIES FOR CALENDAR YEAR 2020

The Committee's key goals for 2020 are presented below. The top three priorities focus on reserve balances, new sources of revenues, and paying down the City's unfunded liabilities. Other priorities include review/monitoring of investment portfolio, budget documents, financial policies, and funding strategies. The Committee will also continue to monitor City revenues and expenditures to ensure prudent spending and long-term fiscal sustainability. These priorities are grouped into First Highlighted Priority and Second Highlighted Priority in the sections below.

- Ensure adequate reserve balances
- Identify new sources of revenues
- Pay down the City's unfunded liabilities
- Continue to monitor the investment portfolio for the City's Section 115 Pension Trust
- Continue to assess impacts of new revenue measures (e.g., cannabis tax)
- Review FY 19-21 Mid-cycle Budget Amendments
- Review and update FY 20-21 Master Fee Schedule
- Review and update FY 20-21 Investment Policy
- Review budget/financial policies to ensure sound financial management
- Continue to monitor Pension and OPEB liabilities
- Review OPEB funding strategies
- Continue to monitor City revenues, expenditures, and reserve funds to ensure prudent spending and long-term fiscal sustainability

First Highlighted Priority

- Ensure adequate reserve balances
- Identify new sources of revenues
- Pay down the City's unfunded liabilities

Second Highlighted Priority

- Continue to monitor the investment portfolio for the City's Section 115 Pension Trust
- Continue to assess impacts of new revenue measures (e.g., cannabis tax)
- Review FY 19-21 Mid-cycle Budget Amendments
- Review and update FY 20-21 Master Fee Schedule
- Review and update FY 20-21 Investment Policy

- Review budget/financial policies to ensure sound financial management
- Continue to monitor Pension and OPEB liabilities
- Review OPEB funding strategies
- Continue to monitor City revenues, expenditures, and reserve funds to ensure prudent spending and long-term fiscal sustainability

CONCLUSION

Participation in the Budget Advisory Committee is an opportunity to advise the City on revenues, expenditures, and best practices. The Committee is committed to ensuring the City's fiscal health through sound financial policies and procedures. The goal is to provide financial data to the public in a timely and transparent manner.

PREPARED BY: Susan Hsieh, Finance Director

**APPROVED AND FORWARDED TO THE
CITY COUNCIL OF THE CITY OF EMERYVILLE:**



Christine Daniel, City Manager