



Finance Committee

Presented by: Olivia Nashed, City Clerk



TYPES OF COMMITTEES – LESS THAN A QUORUM OF COUNCIL

- Standing Committee – Permanent committee (subject to Ralph M. Brown Act)
- Ad Hoc Committee – Temporary committee created address one time or short term projects (not subject to Ralph M. Brown Act)

RALPH M. BROWN ACT (BROWN ACT)

Committees subject to the Brown Act require that the public's business be conducted in open and noticed meetings. Therefore committees that are subject to the Brown Act must:

1. Publish agendas for every meeting where at least a quorum of the members will be present.
2. Noticing requirements for Agendas – 72 hours in advance of a Regularly scheduled meeting and 24 hours in advance for Special meetings.
3. Allow members of the public to participate in meetings by streaming meetings, accessible open sessions, and ability to provide public comment.

FINANCE COMMITTEES IN OTHER MUNICIPALITIES:

- Town of Hillsborough
- Town of San Anselmo
- City of Costa Mesa
- City of Menlo Park
- City of Solvang
- City of Santa Monica
- City of Tracy

TOWN OF HILLSBOROUGH

The Town of Hillsborough has a Financial Advisory Committee:

- **Type:** Standing Committee
- **Members:** Voting - 7 residents, **Non-voting** - 1 Advisor, 1 Council Member, and the Finance Director
- **Meeting Frequency:** meets on as-needed basis, at least four (4) times a year
- **Objective:**

“...advise the City Council and the city staff on the fiscal operations of the town. Representing a broad spectrum of expertise from the fields of accountancy, investment management and fiscal control, the members of the committee assist the City Council and city staff in preparation of the annual town budget; conduct quarterly and semi-annual budget reviews, monitor the town's investment program, assist in the development of capital expenditure projects, and monitor the enterprise funds. The Financial Advisory Committee assists in assuring conformity to laws regarding state spending limits, revenue and taxation, and audits.”

TOWN OF SAN ANSELMO

The Town of San Anselmo has a Infrastructure and Fiscal Monitoring Committee:

- **Type:** Standing Committee
- **Members:** Voting - 7 residents; **Non Voting** – 2 Town Council Members, 3 Town Staff liaisons (Town Manager, Public Works Director, and Finance & Administrative Services Director)
- **Term length:** 3 years
- **Meeting Frequency:** Quarterly
- **Objective:**
“...to review and report on the use of the general purpose revenues generated by local tax measures, review the Town’s capital improvement plan and current budget, identify the Town’s primary unmet needs, and make recommendations to the Town Council regarding how best to accomplish and fund the Town’s priority needs.”

CITY OF COSTA MESA:

The City of Costa Mesa has a Finance & Pension Advisory Committee:

- **Type:** Standing Committee
- **Members:** 9 Residents
- **Term length:** 4 members serving 2-year terms and 5 members serving 1-year term
- **Meeting Frequency:** Monthly
- **Objective:** review short and long range financial planning and funding, make recommendations to the City Council regarding amendments to financial and budgetary policies and processes, review the City's investment portfolio, evaluate annual and long-term pension and financial impacts from changes in CalPERS contribution rates and/or actuarial schedule changes, review existing and tentative labor contracts as they relate to pension and compensation packages, including any impact to the Unfunded Pension Liability, and review alternative financing methods potentially available to the City for the Unfunded Pension Liability.

CITY OF MENLO PARK

The City of Menlo Park has a Finance & Audit Commission:

- **Type:** Standing Committee
- **Members:** 7 Residents
- **Meeting Frequency:** Quarterly
- **Objective:** The Finance and Audit Commission is charged primarily to support delivery of timely, clear and comprehensive reporting of the City's fiscal status to the community at large.

CITY OF SANTA MONICA:

The City of Santa Monica has an Audit Committee:

- **Type:** Subcommittee of City Council/Standing Committee
- **Members:** 3 Council Members and 2 Residents
- **Term length:** 4 years
- **Meeting Frequency:** Quarterly
- **Objective:** review all City audit reports, determining corrective actions to be recommended to City Council, reporting on outcome of all audits, ensuring timely and effective action on City Council directions relating to audit reports, considering the effectiveness of the internal controls processes, receive confidential reports regarding suspected illegal, improper, wasteful or fraudulent activity, oversight of the periodic review and selection of external and internal auditors.

CITY OF SOLVANG:

The City of Solvang has a Budget Ad Hoc Committee:

- **Type:** Ad Hoc
- **Members:** 2 Council Members, City Manager, Administrative Services Director, and the Accounting Supervisor
- **Term length:** N/A
- **Meeting Frequency:** meets between the months of March and May, then disbanded
- **Objective:** prepare the draft budget to present to Council for approval

CITY OF TRACY:

The City of Tracy has a Finance Committee:

- **Type:** Subcommittee of City Council
- **Members:** 2 Council Members
- **Term length:** 1 year
- **Meeting Frequency:** Quarterly
- **Objective:** review and facilitate the preparation of City's financial statements, monitor City finances, develop and present to the City Council an annual work plan, review and update financial policies, periodically review the organization's annual budget to ensure that the financial elements of the City are in accord with the City Council's Strategic Priorities, and set long-range financial goals along with financial strategies.

Next Steps:

1. Should Council desire, it can advise staff on whether it is interested in the formation of a type of finance committee.
2. If so, Council can provide direction to City staff to bring back an agenda item with specifics on the committee regarding:
 - Type of committee (standing or ad hoc)
 - Make-up of the committee (residents, Council Members, staff liaisons)
 - Duties and responsibilities of the committee