

STAFF REPORT

Date: August 26, 2019

To: Mayor and City Council

Thru: Sabra Newby, City Manager

Subject: **D.2. Staff Report (For Possible Action): Presentation, discussion, potential approval and potential direction to staff regarding the annual report of the Financial Advisory Board.**

From: Deborah Lauchner, Director of Finance

Summary: The Financial Advisory Board (FAB) Chair is required to file and submit an annual report for Council's approval. The FAB recommends Council approve the Fiscal Year (FY) 18/19 report, as submitted, including approval (with or without modifications) of the Board's proposed work plan for FY19/20.

Discussion: The FAB, as required by RMC 2.08.380 to 2.08.476, serves in an advisory capacity to Council and City administration. The FAB reviews current policies and procedures relating to City finances and makes recommendations for improving the City's financial condition. It consists of up to 11 members who are appointed by Council to carry out the following duties:

- Based upon financial considerations, review and evaluate any program or proposal for long and short-term financial consequences that Council requests. The Board is expected to assess alternatives to make appropriate recommendations to Council.
- Review and evaluate the City's investment policy, debt management policy, and any other fiscal policies, and recommend changes to Council.
- Analyze the City's financial condition through review of the comprehensive annual financial report, budget document and revenue estimating procedures, and make recommendations for improvement.
- As the need arises, provide expertise and assist in the internal audits of city departments, including review of audit work plans and final audit reports.
- Review sale of bonds.
- Perform other such duties as may be assigned to the Board by Council.

The FAB is also required to submit an annual report to Council that includes: (1) a work plan and schedule for undertaking and completing tasks or projects which Council has assigned the Board; (2) a list of specific projects, studies or initiatives the Board proposes to undertake during the coming fiscal year and which may require staff assistance to undertake and complete, with a justification for each; and (3) a summary of the work of the Board during the past fiscal year.

The previous report submitted by the FAB covered the Board's activities from July 2017 through June 2018. The attached report reflects the Board's activities from July 2018 through June 2019, and includes projects the FAB proposes to undertake in FY19/20. A member of the FAB will present this agenda item to Council.

Financial Implications: None at this time.

Legal Implications: Pursuant to RMC 2.08.472, the chair of the FAB shall file an annual report for Council's review and approval.

Recommendation: The Financial Advisory Board recommends Council accept and approve this report or modify, as necessary, to assign other projects to the Board.

Proposed Motion: I move to approve the Financial Advisory Board's FY18/19 Annual Report and FY19/20 Work Plan.

Attachments:

- Annual FAB Update to Council of FY 18-19 Activity (PDF)
- FAB Work Plan FY 2019 FINAL (PDF)
- FAB Work Plan FY 2020 Draft (PDF)