

# Capitola City Council

## Agenda Report



**Meeting:** February 10, 2022  
**From:** Finance Department  
**Subject:** Finance Advisory Committee Membership

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**Recommended Action:** Adopt proposed resolution regarding membership of the Capitola Finance Advisory Committee.

**Background:** The Capitola City Council first established a Finance Advisory Committee (FAC) in August 1995. The purpose of the FAC is:

1. To provide financial and budget alternatives to the City Council
2. To provide financial and budget advice to the City Manager
3. To conduct financial studies at the request of the City Council or City Manager
4. To review the budget and financial reports of Capitola

Each December the FAC sets their meeting schedule for the following calendar year; generally FAC meetings are held at 6PM on the second Tuesday of every other month. The City Finance Director provides staff support to the FAC, which includes preparation of agendas and minutes, compilation of material for discussion at committee meetings, and follow-up as necessary.

**Discussion:** Since forming the FAC in 1995 the City Council has adopted several resolutions clarifying the membership and mandate of the FAC. Resolution No. 4105 was adopted on February 22, 2018, which removed the reference to the Redevelopment Agency Treasurer, increased committee member terms from one year to two years, and provided the committee the ability to recruit youth members. The current composition of the FAC is as follows:

- The Mayor and Vice Mayor or other Council Member if the Mayor or Vice Mayor do not want to serve
- The Capitola City Treasurer
- Four additional members, serving at the pleasure of the City Council, consisting of three Capitola residents plus one Capitola businessperson and/or Capitola resident representing the business community.
- The Committee may also recruit youth members pursuant to Administrative Policy I-38

In November 2018 the Capitola voters approved Measure K to amend the Municipal Code to provide that the City Treasurer is appointed by the City Manager, subject to the approval of the City Council, instead of being an elected position. In January 2019, the City Manager appointed the Capitola Finance Director as City Treasurer, which was approved by the City Council. Since the Finance Director provides staff support to the FAC and is not a voting member of the committee, staff recommends removing the Capitola City Treasurer as a voting member of the FAC. Removing the City Treasurer reduces the number of voting members to six (the youth member is considered non-voting and does not count towards a quorum).

At the January 27 City Council meeting, Council directed staff to research FAC membership requirements, and if necessary, amend those requirements to allow up to two representatives

from the business community. Resolution 4105 currently indicates that one Capitola businessperson will sit on the FAC.

Therefore, staff is recommending the attached resolution, which modifies the composition of the FAC as follows:

- The Mayor and Vice Mayor or other Council Member if the Mayor or Vice Mayor do not want to serve
- Four or five additional members, serving at the pleasure of the City Council for a term of two years ending in December of each even-numbered year, as follows:
  - Three Capitola Residents, each appointed by the remaining Capitola City Council Members not on the committee at the time of appointment
  - One or two Capitola Businesspersons or Capitola Residents representing the business community appointed by the Capitola City Council with consideration given to a recommendation from the Capitola Soquel Chamber of Commerce
- The Committee may also recruit youth members pursuant to Administrative Policy I-38.

Fiscal Impact: None

Attachments:

1. Proposed Resolution

Report Prepared By: Report Prepared By: Jim Malberg, Finance Director

Reviewed By: Chloé Woodmansee, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager