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CITY OF CULVER CITY FINANCE ADVISORY COMMITTEE

REGULAR MEETING OF THE
CITY OF CULVER CITY
FINANCE ADVISORY COMMITTEE
CULVER CITY, CALIFORNIA

September 11, 2019
7:00 p.m.

CALL TO ORDER & ROLL CALL

Chair Leonard called the regular meeting of the City of Culver City Finance Advisory Committee to order at 7:00 p.m. in the Dan Patacchia Meeting Room at City Hall.

Members Present: JANE LEONARD, Chair
DARREL MENTHE, Vice Chair
CRYSTAL ALEXANDER, Member
NANCY BARBA, Member
SEAN KEARNEY, Member
BRYAN SUA, Member

Absent: ALEJANDRO LARA, Member

Staff Present: Onyx Jones, Chief Financial Officer
Punit Chokshi, Senior Management Analyst
John Figueroa, Senior Account Clerk

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Pledge of Allegiance

Chair Alexander asked that a moment of silence be observed for those who lost their lives on 9/11.

Bryan Sua led the Pledge of Allegiance.

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Public Comment for Items NOT On the Agenda

Chair Leonard invited public comment.

No cards were received and no speakers came forward.

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Consent Calendar

Item C-1

Approval of the Minutes for the Adjourned Regular Meeting of August 14, 2019

Member Alexander felt that Christopher Harris should have been included on the list of absent Committee Members and referred to as absent during the meeting as he was still a member at the start of the meeting; on page 3, under Item A-2, she asked that the first two paragraphs be moved to after the subcommittee reports for a cleaner read; on page 5, she asked that the word appeal be removed from the motion; under Item A-4 she wanted language added to indicate that the Committee wanted to have the both seats come forward at the same time to show that they are considerate of City Council time; and she pointed out a typographical error at the bottom of page 5 to change the word come to came.

MOVED BY MEMBER ALEXANDER, SECONDED BY MEMBER BARBA AND UNANIMOUSLY CARRIED, THAT THE FINANCE ADVISORY COMMITTEE APPROVE MINUTES FOR THE MEETING OF AUGUST 14, 2019 AS AMENDED (ABSENT MEMBER LARA AND WITH MEMBERS KEARNEY AND SUA ABSTAINING).

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Order of the Agenda

No changes were made.

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Action Items

Item A-1

Administration of the Oath of Office to Newly Appointed Committee Members

Members observed the administration of the Oath of Office to newly appointed Committee Members Keith Jones and Andrew Lachman.

Staff and Committee Members welcomed the new Members and provided background on themselves.

Keith Jones provided background on himself and indicated that he occupied Seat 4.

Andrew Lachman provided background on himself and indicated that he occupied Seat 6.

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Item A-2

(1) Discussion of Approved Work Plan; (2) Discussion of the Creation of Subcommittees; (3) (If Desired) Creation of Subcommittees; and (4) Receive Reports from Subcommittees

Business Tax Review Subcommittee

Vice Chair Menthe reported that he and Members Alexander and Sua serve on the Business Tax Review Subcommittee with the purpose of modernizing and redesigning the business license tax; he discussed the previous Subcommittee meeting; the consultant report; the need for additional data; and creation of a timeline for completion of recommendations.

Discussion ensued between staff and Committee Members regarding business classifications; the number of businesses in each category; exemptions vs. deductions; policy goals; privacy issues; new businesses coming in; Culver City rates vs. Los Angeles rates; the fact that other cities have not undertaken similar studies; plans by Los Angeles to lower their rates; cannabis taxes; commercial property rentals; flexibility with making adjustments; the split role for property tax under Prop 13; the November 2020 ballot; timing; the potential for a large increase on commercial property; City Council discretion to increase up to a capped rate; stepped increases; the goal to raise revenue; clarification that the majority of businesses would see no increase; timing for considering the extension of the Measure Y Tax Rate; the City's reform of all taxes; keeping rates

below the rate in Los Angeles; the proposed total increase; current rates; practices of other cities; number of employees; impacts to the City; gross revenue; variables that help determine how much of the revenue is related to Culver City; cost recovery; Transportation Demand Management (TDM); fees vs. taxes; programs in other cities; the goal to bring something forward before the end of the calendar year; proper vetting by the stakeholders; polling before ballot measures; maintaining confidentiality of the businesses; ensuring that the consultant factors in palatability and timing for the public with the ballot; temporary taxes; pop up businesses; enforcement; encouraging businesses to come out of the shadows; permits; collections; participation requirements for the Chamber of Commerce; concern with the large number of businesses not paying taxes in the City; concern with taxing businesses that make no impact on the City; processing; logistics; appreciation to staff and the Subcommittee for their expeditious work on the issue; the opportunity for an additional Member to serve on the Subcommittee; and other subcommittees being developed.

On Demand Transportation Services Subcommittee

Member Barba indicated that no report was available.

Member Alexander reported City Council direction that a Rent Stabilization Subcommittee is not necessary at present as a fiscal study related to the rent freeze is underway by staff and will be reviewed by the FAC when complete.

Discussion ensued between staff and Committee Members regarding costs to implement the program; legal ramifications; timing; special meetings; fact finding; clarification that Members can share articles with staff for distribution to Committee Members; training; Brown Act rules; and Member Sua indicated that he would be happy to release his seat on the Business Tax Review Subcommittee so that new Members Jones and Lachman can both serve.

MOVED BY VICE CHAIR MENTHE, SECONDED BY MEMBER KEARNEY AND UNANIMOUSLY CARRIED, THAT THE FINANCE ADVISORY COMMITTEE APPOINT MEMBERS JONES AND LACHMAN TO SERVE ON THE BUSINESS TAX REVIEW SUBCOMMITTEE (ABSENT MEMBER LARA).

Chair Leonard noted that the Subcommittee was populated by the Business Seat representatives; she stated that the City Council had approved the plan, appointed the vacancies, and approved the Measure Y status report; and she invited the two new Committee Members to become familiar with the workplan.

Discussion ensued between staff and Committee Members regarding accessibility of the workplan; the August 26, 2019 City Council meeting; accomplishments; and work of the ad hoc subcommittees.

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Public Comment – Items NOT on the Agenda (Continued)

Chair Leonard invited public comment.

No cards were received and no speakers come forward.

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Receipt of Correspondence

None.

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Items from Committee Members/Staff

Item S-1

Presentation of Internal Control Updates

Onyx Jones, Chief Financial Officer, discussed progress for the Internal Controls; the presentation to the City Council; work with Moss Adams; forthcoming results of the Overall City-Wide Risk Assessment; the Policy Development Update; and costs.

Discussion ensued between staff and Committee Members regarding increased costs with Moss Adams; the list of policies; actions that the City is already implementing; additional costs for additional studies; savings in other items; going back to the City Council for additional funds; the City Auditors; recommendations and observations; and the requirement that the City Auditor report findings in the audit for Fiscal Year 2019.

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Item S-2

Discussion of October Agenda

Discussion ensued between staff and Committee Members regarding items for the October agenda including: the status report on Internal Controls; Subcommittee reports; and the presentation from Moss Adams on the Enterprise Risk assessment in November.

Additional discussion ensued between staff and Committee Members regarding incentives for hardworking employees; the employee recognition policy; the

suggestion from a member of the public to encourage the City to institute a program for City employees who come up with good ideas; encouraging and documenting ideas that employees bring forward; ensuring that new Members activate their City email accounts; solar users and Utility Users Taxes (UUT); and the City's renewable energy program.

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Adjournment

There being no further business, at 8:44 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, October 16, 2019 at 7:00 p.m. in the Dan Patacchia Meeting Room.

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John Figueroa for Michelle Villongco
SECRETARY of the Culver City Finance Advisory Committee
Culver City, California

APPROVED

Jane Leonard
CHAIR of the Finance Advisory Committee, Culver City, California

I declare under penalty of perjury under the laws of the State of California that, on the date below written, these minutes were filed in the Office of the City Clerk, Culver City, California and constitute the Official Minutes of said meeting.

Jeremy Green
CITY CLERK

Date