Culver CITY

DAN PATACCHIA MEETING ROOM
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CULVER CITY, CALIFORNIA 90232-0507
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FINANCE ADVISORY COMMITTEE
Wednesday, October 9, 2013

GORAN ERIKSSON, Chair
CRYSTAL ALEXANDER, Vice-Chair
ALLAN AZRAN, Member
DESMOND BURNS, Member
RICHARD HIBBS, Member
SEAN KEARNEY, Member
ALEJANDRO LARA, Member
STEVEN REITZFELD, Member
DAVID TROVATO, Member

PUBLIC COMMENT

The Finance Advisory Committee will listen to the public on any item on the agenda or item of interest that is not on the agenda. The Finance Advisory Committee cannot take action on any item not scheduled on the agenda. Such items may be referred for administrative action or scheduled on a future agenda.

If you wish to speak to the Committee, please complete a Speaker's Card and present it to the staff liaison before the agenda item is called. You will be called by name when it is your turn to speak to the Committee.

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

Persons wishing to speak on agenda items will be called at the time the agenda item is brought forward. Comments will generally be limited to five minutes per speaker; however, a three-minute limit may be declared by the Chair for agenda items for which many Speaker Cards have been submitted.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

A total of twenty minutes shall be devoted to audience participation at the beginning of the agenda. Speakers will be called on in the order cards were received by City staff. If additional time is needed, the committee chair will allow for same at the end of the agenda.

When your name is called, please stand and state your name and city of residence. Speakers must limit their comments to five minutes. A three-minute limit may be declared by the Chair if there are a large number of individuals desiring to address the Council.

AUTHORITY OF PRESIDING OFFICER

Section 611 of the City Charter provides that during any public meeting, all persons shall have the right to address the City Council, and any City commission, board or committee, subject to reasonable rules of decorum and time limits established by ordinance or the presiding officer. Therefore the presiding officer may, from time to time, establish different time limits than those listed in this Agenda in order to effectively conduct Committee business.

CELL PHONES AND OTHER DISTRACTIONS

Use of cell phones, pagers, and other communication devices is prohibited while the Committee meeting is in session. Please turn all devices off or place on silent alert and leave the meeting area to use. During the meeting, please refrain from applause or other actions that may be disruptive to the speakers or the conduct of City business.

MEETING INFORMATION

Finance Advisory Committee Meetings are regularly scheduled for the second Wednesday of every month. Committee Agenda information is available at least 72 hours before each meeting via posting at City Hall, and on the City website. Information may also be accessed by calling the Finance Department at (310) 253-5865.

Agendas are
Available on the web at
www.culvercity.org

Finance Advisory Committee
REGULAR MEETING AGENDA

Wednesday, October 9, 2013
7:00 PM
Dan Patacchia Meeting Room

CALL TO ORDER & ROLL CALL:

Goran Eriksson, Chair
Crystal Alexander, Vice-Chair
Allan Azran, Member
Desmond Burns, Member
Richard Hibbs, Member
Sean Kearney, Member
Alejandro Lara, Member
Steven Reitzfeld, Member
David Trovato, Member

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT – Items Not on the Agenda

CONSENT CALENDAR *(Consent Calendar items are considered to be routine in nature and may be approved by one motion. Public requests to discuss Consent Calendar items must be filed with the Secretary before the Consent Calendar is called.)*

C-1. Minutes of the August 14, 2013 and September 11, 2013 Regular Meetings.

ACTION ITEMS *(Public requests to discuss Action Items must be filed with the Secretary before the item is called)*

A-1. (1) Discussion of Approved Work Plan and City Council Comments; (2) Discussion of the Creation of Subcommittees; (3) (If Desired) Creation of Subcommittees; and (4) (If Desired) Appointment of Members to Such Subcommittees.

ITEMS FROM STAFF

S-1. Presentation on Fiscal Year 2012-13 General Fund Expenditures and Revenues (pre-audit).

S-2. Discussion of November Agenda.

ITEMS FROM COMMITTEE MEMBERS

ADJOURN

THESE MINUTES ARE NOT OFFICIAL UNTIL APPROVED BY THE CULVER CITY FINANCE ADVISORY COMMITTEE

REGULAR MEETING OF THE **CULVER CITY FINANCE** **ADVISORY COMMITTEE** **CULVER CITY, CALIFORNIA**	**August 14, 2013** **7:00 p.m.**

CALL TO ORDER & ROLL CALL

Chair Eriksson called the meeting of the Finance Advisory Committee to order at 7:00 p.m. in the Dan Patacchia Meeting Room.

Members Present:	**GORAN ERIKSSON**, Chair **CRYSTAL ALEXANDER**, Vice Chair **DESMOND BURNS**, Member **SEAN KEARNEY**, Member **ALEJANDRO LARA,** Member **STEVEN REITZFELD**, Member **DAVID TROVATO**, Member
Member(s) Excused Absence:	**ALLAN AZRAN**, Member **RICHARD HIBBS**, Member
Staff Present:	**Jeff Muir**, Chief Financial Officer **Gracie Hasan**, Secretary,

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Pledge of Allegiance

The Pledge of Allegiance was led by Member David Trovato.

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Public Comment for Items NOT On the Agenda

None.

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<u>Consent Calendar</u> <u>Item C-1</u>

Meeting Minutes

Vice Chair Alexander asked that it be noted that she had an excused absence for the June 12, 2013 meeting.

MOVED BY MEMBER REITZFELD AND SECONDED BY MEMBER LARA THAT THE FAC APPROVE MINUTES FOR THE REGULAR MEETING OF JUNE 12, 2013 AS AMENDED.

THE MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: MEMBERS ALEXANDER, BURNS, ERIKSSON, KEARNEY, LARA, REITZFELD, TROVATO

NOES: NONE

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<u>Action Items</u>

<u>Item A-1</u>

<u>Discussion Of Work Plan:</u>

Jeff Muir, Chief Financial Officer, provided a summary of the material of record for the Work Plan.

Chair Eriksson invited public comment.

No speakers came forward and no cards were received.

Discussion ensued between Committee Members and staff regarding health care plans; the upcoming “cadillac plan” tax; effects to the City’s finances; taxes; impacts to the City; transportation grants; online communication in Culver City; hyperlinks in online documents; reporting on Measure Y proceeds; long and short terms goals; continuing changes to the document; keeping the mission of the committee broad; scope of the Work Plan; addressing issues as they arise; reserve funds; clarification that unlike other City committees, the FAC is able to self-define their mission; working to fine-tune existing policies; addressing things that did not work; utilizing institutional memory; format of the Work Plan; best business practices; City Council input; Councilmember Clarke’s request for a City-wide parking plan review; comparable cities; the salary and benefit comparison; the business tax; policies and legal issues; assessment areas;

Item A-1
(Continued)

storm water requirements; assessment districts; street lights; review of current and potential utilization of assessment districts; maintenance issues in Mar Vista; recurring costs; the loss of redevelopment funds; department Work Plans; the upcoming budget; communication; websites; weighing in on the proposed new budget process; examining salaries; benefits; long term financial forecasts; changes to bargaining unit packages; five year forecasts; the finite lifespan of Measure Y; the statewide PERS reform; workforce turnover; modified benefits; costs of running the City and how to pay for it; examining scenarios such as what would happen if Los Angeles County took over the Fire Department; experiences of other cities; evaluating services by department; costs of running each department; proposed budgets vs. actuals; use of a consultant; the role of the Committee; the salary review benefit study; input from the Civil Service Commission; service delivery and staffing levels; and the initial reason for the creation of the committee.

Jeff Muir, Chief Financial Officer, summarized potential additional bullet points; including reviewing potential utilization of assessment districts; reviewing and commenting on modifications to the budget process; and benchmarking.

Additional discussion ensued between staff and Committee Members regarding clarification that the bullet points are examples; and, items to be considered would not be limited to those items discussed; review of the Work Plan before submission to the City Council; formal group approval of the document at the next meeting; revenue enhancement options and cost reduction options; actions taken over the past five years; increases to the Transient Occupancy Tax and the sales tax; what has been effective and what has not; the benchmark assessment; and staff agreement to provide background on Culver City’s reaction to the financial crisis at the next meeting.

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Items from Staff

Jeff Muir, Chief Financial Officer, announced establishment of a link on the Finance Advisory Committee page that can be used to submit comments or suggestions to the Committee.

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Items from Committee Members

Chair Eriksson suggested creating a decision list to reflect motions made with dates included for any deadlines and including the document with each agenda packet to ensure that the Committee moves forward and keeps track of what has been agreed upon.

Discussion ensued between staff and Committee Members regarding accountability; focusing efforts; creating an action list based upon Committee decisions; assisting staff; the level of staff resources; and the ability to create subcommittees.

MOVED BY MEMBER LARA AND SECONDED BY VICE CHAIR ALEXANDER THAT THE FINANCIAL ADVISORY COMMITTEE DESIGNATE THE CHAIR AS KEEPER OF THE ACTION LIST.

THE MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: ALEXANDER, BURNS, ERIKSSON, HIBBS, KEARNEY, LARA, REITZFELD, TROVATO

NOES: NONE

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Adjournment

There being no further business, at 8:19 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, September 11, 2013 at 7:00 p.m. in the Dan Patacchia Meeting Room.

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Gracie Hasan
SECRETARY of the Culver City Finance Advisory Committee
Culver City, California

APPROVED

Goran Eriksson
CHAIR of the Finance Advisory Committee, Culver City, California

THESE MINUTES ARE NOT OFFICIAL UNTIL APPROVED BY THE CULVER CITY FINANCE ADVISORY COMMITTEE

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

September 11, 2013
7:00 p.m.

CALL TO ORDER & ROLL CALL

Chair Eriksson called the meeting of the Finance Advisory Committee to order at 7:00 p.m. in the Dan Patacchia Meeting Room.

Present:
GORAN ERIKSSON, Chair
CRYSTAL ALEXANDER, Vice Chair
ALLAN AZRAN, Member
DESMOND BURNS, Member
RICHARD HIBBS, Member
SEAN KEARNEY, Member
STEVEN REITZFELD, Member
DAVID TROVATO, Member

Absent:
ALEJANDRO LARA, Member

Staff Present:
Jeff Muir, Chief Financial Officer
Gracie Hasan, Secretary

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Pledge of Allegiance

Desmond Burns led the Pledge of Allegiance.

Chair Eriksson asked that the Committee observe a moment of silence to honor the victims of 9/11.

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Public Comment for Items NOT On the Agenda

None.

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Action Items

Item A-1

Approval Of Work Plan

Jeff Muir, Chief Financial Officer, provided a summary of the material of record.

Chair Eriksson invited public comment.

No speakers came forward and no cards were received.

Discussion ensued between Committee Members and staff regarding typos and wordsmithing of the proposed document; a suggestion to make a note that the Work Plan is a living document; a suggestion to note that additional information and recommendations from the City Council are welcome; the General Fund and the loss of redevelopment money; revenue and expenditures; a suggestion to change wording for Item Number 2; the timing of sales tax distributions from the State Board of Equalization; measuring how Measure Y money comes in; clarification that the Measure Y money is reported separately as a Transactions and Use Tax; clarification that $1.2 million dollars has been received from April to June 2013; clarification that the money goes into the General Fund because it is a general tax; the original approval of the tax; clarification that there was no specification on how the proceeds were to be used; establishing a priority list; whether there is an expectation from the public on how the money is being spent; the purpose of the tax to supplement the General Fund; whether money is coming in as expected; and clarification that Measure Y funds would show up in the budget as a line-item.

MOVED BY CHAIR ERIKSSON AND SECOND BY VICE-CHAIR ALEXANDER THAT THE FAC PASS A MOTION TO ADD THE FOLLOWING WORDING TO ITEM NUMBER #2 IN THE WORK PLAN: "DEVELOP A METHODOLOGY TO ANALYZE MEASURE Y PROCEEDS AND REPORT THE RESULTS TO THE PUBLIC."

THE MOTION CARRIED BY THE FOLLOWING VOTE:

AYES ALEXANDER, AZRAN, BURNS, ERIKSSON, HIBBS, KEARNEY, REITZFELD, TROVATO

NOES: NONE

Item A-1

Approval Of Work Plan (Continued)

Additional discussion ensued between Committee Members and staff regarding long term items vs. short term items.

Chair Eriksson summarized changes discussed including a suggestion to add the word **"make"** in Item Numbers: 5, 6, 7, and 9; adding a sentence clarifying that the document is a living document; and, adding encouragement of input from the City Council.

Vice Chair Alexander moved to approve the changes summarized by Chair Eriksson.

Further discussion ensued between staff and Committee Members regarding the process to add something to the Work Plan; priorities; a suggestion to have an annual review of the Work Plan; providing current financial advice; items referred to the Committee by the City Council; project issues; sponsorship issues; school district issues vs. City issues; establishing subcommittees for different issues; Brown Act issues; agendizing additional items; and the sewer system.

Member Reitzfeld moved to add language indicating that the FAC would have the ability "to analyze current financial items that affect the City." The motion died for lack of a second.

THE FAC PASSED A MOTION APPROVING THE WORK PLAN FOR SIGNATURE BY THE CHAIR AND SUBMISSION TO THE CITY COUNCIL WITH THE FOLLOWING AMENDMENTS:

1) ADD THE WORD "MAKE" TO ITEM #5, #6, #7, AND #9 IN THE WORK PLAN LIST; AND,

2) ADD A SENTENCE CLARIFYING THAT THE DOCUMENT IS A LIVING DOCUMENT; AND,

3) ADD ENCOURAGEMENT OF INPUT FROM THE CITY COUNCIL.

MOVED BY VICE-CHAIR ALEXANDER; SECOND BY MEMBER HIBBS

<u>THE MOTION CARRIED BY THE FOLLOWING VOTE</u>:

AYES ALEXANDER, AZRAN, BURNS, ERIKSSON, HIBBS, KEARNEY, REITZFELD, TROVATO

NOES: NONE

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Item A-2

Discussion of Ad-Hoc Committees

Jeff Muir, Chief Financial Officer, reported that the Committee could discuss what kind of subcommittees they would like to form and formally create them at the next meeting.

Additional discussion ensued between staff and Committee Members regarding ad-hoc committees; the number of people on each committee; creating committees with a limited, specific mission; standing committees vs. ad-hoc committees; who can serve on ad-hoc committees; splitting up into smaller groups to advance specific topics; which tasks to address first; short-term vs. long-term goals; a suggestion to add Skype names to the contact list; working out logistics of meetings; and clarification that it would be premature to form the committees and appoint members until the City Council approves the Work Plan.

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Items from Staff

Item S-1

Presentation on Sales Tax Information

Jeff Muir, Chief Financial Officer, provided a summary of the material of record.

Discussion ensued between staff and Committee Members regarding the State Board of Equalization; sales tax allocations; Measure Y money received to date; the target for Fiscal Year 2013-2014; sales tax consultants; improper business reporting; education; confidential data; quarter one data; the top 25 sales tax producers; comparisons between categories of sales taxes; the quarterly non-confidential Measure Y reports; variations between counties; state-wide totals; cities in Los Angeles County; the mall renovation; the percentage of sales tax from residents vs. non-residents; efforts to equalize sales tax; and comparisons between malls in the area.

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Item S-2

Presentation on Budget Balancing and Actions Taken

Jeff Muir, Chief Financial Officer, discussed the increase in the Transient Occupancy Tax; actual revenues exceeding the tax rate increases; increased occupancy and room rates; Measure Y; expenditures; eliminated positions from the General Fund; budget reductions; reductions to salaries and benefits; negotiations; employee pension costs; the cap in City costs; increased budgetary certainty; reductions to retiree medical benefits; the grandfather clause; the 4% annual growth cap on active and retiree medical benefits; reductions to long-term liability; CalPERS; implementation of a two-tier pension plan; the forecast for a balanced budget; increased PERS costs; new development; changes in the organization; subsidies; retirement incentives; consolidations and eliminations in non-sworn positions; and meeting the service demands of citizens.

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Items From Committee Members

Member Reitzfeld discussed the proposal to repair the Natatorium, and reported that Culver City was named the Number 3 City in Los Angeles County in a recent Civil Grand Jury report, noting also that the City had more people with annual salaries over $200,000 than the other cities at the top of the list.

Discussion ensued between Committee Members and staff regarding the context of the figures provided.

Vice Chair Alexander discussed AB1248 regarding improved financial reporting.

Member Hibbs received clarification on the timing and process for receipt of the meeting minutes.

Chair Eriksson encouraged members to attend the City Council meeting of September 23rd when the Work Plan would be presented.

MOVED BY MEMBER REITZFELD, SECONDED BY MEMBER BURNS TO ADJOURN THE FAC MEETING OF SEPTEMBER 11, 2013. MOTION CARRIED.

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Adjournment

There being no further business, at 8:31 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, October 9, 2013 at 7:00 p.m. in the Dan Patacchia Meeting Room.

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Gracie Hasan
SECRETARY of the Culver City Finance Advisory Committee
Culver City, California

APPROVED

Goran Eriksson
CHAIR of the Finance Advisory Committee, Culver City, California

City of Culver City, California

Finance Advisory Committee Agenda Item Report

Meeting Date: 10/09/2013	Item Number: A-1
AGENDA ITEM: (1) Discussion of Approved Work Plan and City Council Comments; (2) Discussion of the Creation of Subcommittees; (3) (If Desired) Creation of Subcommittees; and (4) (If Desired) Appointment of Members to Such Subcommittees.	
Contact Person/Dept.: Jeff S. Muir/Finance	Phone Number: 310/253-5865
Public Notification: (E-Mail) Meetings and Agendas – Finance Advisory Committee (10/03/13)	
Department Approval: Jeff Muir (10/03/13)	

RECOMMENDATION:

Staff recommends that the Finance Advisory Committee (FAC) (1) discuss the approved Work Plan and City Council comments from September 26, 2013; (2) discuss the creation of Subcommittees, (3) (if desired) create subcommittees, and (4) (if desired) appoint members to such subcommittees.

DISCUSSION:

The City Council approved the Work Plan document as recommended by the FAC with one added item at their September 26, 2013 meeting. The item added was to review the current Rental Assistance Program that was formerly funded by the Redevelopment Agency, possible funding options to continue the program, and at what cost to other programs or functions continuing the program might come.

Now that the Work Plan has been approved the Committee needs to have a discussion on which items it will pursue first. The Committee may also want to consider utilizing subcommittees to assign smaller groups of members to certain Work Plan items. This item has been placed on the agenda in a manner where after discussion and through a motion the Committee may form one or more subcommittees, and assign members as it sees fit.

As it considers the appointments to the FAC subcommittees, the Committee should keep in mind the requirements of the Ralph M. Brown Act (Brown Act) and the important differences between a “Standing Subcommittee” and an “Ad-Hoc Subcommittee.” In summary, Standing Committees are required to comply with the provisions of the Brown Act (including public notification and public participation). Ad-Hoc Subcommittees are not subject to those requirements. As provided for in the Brown Act, a standing committee has a continuing subject matter jurisdiction or a meeting schedule fixed by charter, ordinance, resolution, or formal action of a legislative body. Whereas, in general, an “ad hoc” subcommittee serves only a limited or single purpose, they are not perpetual and they are dissolved when their specific task is completed.

Because of the additional administrative burden associated with the creation of standing subcommittees, should the Committee determine to create subcommittees, staff recommends the Committee establish ad hoc subcommittees whenever possible (and legally permitted). In addition to the requirements in the above paragraph, ad hoc subcommittees must be comprised of less than a quorum of the membership of the full Committee (in this case, no more than four members).

Should the Committee determine to create subcommittees, it is also important to keep in mind the need to not involve a quorum of the Committee in the discussion of any particular subject matter outside of a duly agendized, publicly accessible meeting. Therefore, depending on the subject matter jurisdicsion of any subcommittees created, the Committee may determine to appoint fewer than the four member maximum to such subcommittee(s).

ATTACHMENTS:

None.

MOTION:

That the FAC

(1) Discuss the approved Work Plan and City Council comments; and

(2) Discuss the potential creation of subcommittees; and,

(3) (if desired) Create such subcommittees; and,

(4) (if desired) Appointment members to such subcommittees.