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	April 9, 2014 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 **RICHARD HIBBS**, Member **SEAN KEARNEY**, Member **ALEJANDRO LARA,** Member **STEVEN REITZFELD**, Member **DAVID TROVATO**, Member
Member Absent:	**ALLAN AZRAN**, Member (Excused)
Staff Present:	**Jeff Muir**, Chief Financial Officer **Gracie Hasan**, Secretary **Erica McAdoo**, Sr. Budget Management Analyst

o0o

Pledge of Allegiance

The Pledge of Allegiance was led by Member Hibbs.

o0o

Public Comment for Items NOT On the Agenda

Chair Eriksson invited public comment.

No cards were received and no speakers came forward.

o0o

Consent Calendar

Item C-1

Meeting Minutes

THE FAC PASSED A MOTION APPROVING THE MINUTES FOR THE REGULAR MEETING OF MARCH 12, 2014 (ABSENT MEMBER AZRAN).

o0o

Action Items

Item A-1

Presentation from NBS on Special Financing Districts

Chair Eriksson reported that Jeff Muir, Chief Financial Officer, would be slightly late to the meeting.

Erica McAdoo, Sr. Management Analyst, introduced and presented Pablo Perez, Director from NBS to the Finance Advisory Committee Members.

Pablo Perez, NBS, discussed possible funding solutions; property tax based solutions; other sources of revenue to be considered; needed capital improvements; a previous analysis for a maintenance budget and capital improvements; special financing districts; different taxes; terminology; Proposition 218; assessments vs. taxes vs. fees; statutes; using the proper funding tools; approval thresholds; special taxes; special assessments; General Benefits; public parcels; Community Facilities Districts; the maintenance component; tax liens; method of apportionment; and Mello-Roos.

Discussion ensued between FAC Members and Mr. Perez regarding protest proceedings; water and sewer rate increases; who votes on increases; notification procedures; exemptions; storm water improvements; Proposition 13; capital improvements; General Obligation Bonds; commercial property owners; resident response; community outreach; ongoing maintenance; money spent to support the passage of measures; public education; community outreach firms; polling; street improvements and lighting; special benefits; covering funding shortfalls; safety and access; abstract benefits; studies; benefits to residents and non-residents; street improvements; notice of assessment; the use code; annual requirements; reporting; cost of living inflators; maintenance districts; collection; Federal storm water requirements; forming a storm water utility; funding challenges for California; clarification that storm water does not fall within water, sewer or trash; demographics; geography; property related fees vs. capital improvements; and the debt service.

Action Items (Continued)

Item A-1

Jeff Muir, Chief Financial Officer, jointed the meeting at 7:58 p.m.

Additional discussion ensued between staff, Members and Mr. Perez regarding the School Bond issue; the Downtown Business Association; the 2011 study; the average value of single family homes in the City; Federal money; SB98; unfunded mandates; unspent bond money; fines; maintenance; initial investment; standard factors; flow factors; fines; timing; bond ratings; GASBY 68; unfunded liabilities; annual reports; administration components; additional costs; polling; Chamber of Commerce support; the CC Bond; infrastructure; clarification that the City would be responsible for fines if storm water compliance is not met; the Ballona Creek watershed; participation in joint studies; the scope of work; whether to do a Joint Powers Agreement; proportionality; and working in incremental amounts.

o0o

Item A-2

Approval of Measure Y Status Report for Transmittal to City Council

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

Discussion ensued between staff and Members regarding sales fluctuations; people who didn't implement properly initially; typographical errors and minor wordsmithing; changes made last month; perspective; quarterly review; and adding an explanation to clarify any differences between budgeting and actuals.

THE FAC: PASSED A MOTION (1) APPROVING THE DRAFT MEASURE Y STATUS REPORT; AND (2) AUTHORIZING SUBMISSION TO THE CITY COUNCIL (ABSENT MEMBER AZRAN).

o0o

Item A-3

Discussion of Draft Financial Policies – Debt Management Policy and Investment Policy

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

Discussion ensued between Members and staff regarding acceptable uses for Redevelopment money and for debt; Historic Preservation; revenue anticipation notes; cash flow; variable rate debt; risk management; monitoring; outside assistance; use of derivatives; arbitrage payments; debt load reporting; conduit debt; the process; Capital

Item A-3

Discussion of Draft Financial Policies – Debt Management Policy and Investment Policy (Continued)

Appreciation Balance; cab bonds; debt service fall off; backloading; City debt; the investment policy; clarification regarding the Chief Financial Officer vs. the City Treasurer; how the advisory firm was selected and how often it is reviewed; the annual update of the policy; changes at the state level; government code changes; auditors vs. investment advisors; the Request for Proposal process; historical data on managed portfolios; comparable criteria; the Revenue Division Manager; the process for reinvestment; the custodian of purchased securities; a request for an organizational chart; the general audit; the investment consultant; fiscal agents and collateralizations; suggested changes and consistency with the Government Code; debt service reserve; bond documents; authority to invest; the City's portfolio; appreciation to the subcommittee for their work on the item; and notification when the item goes before City Council.

o0o

Item A-4

Invitation to Commissions, Committees, and Board to Provide Comment during the City's Fiscal Year 2014/2015 Budget Process

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

Discussion ensued between Members and staff regarding changes in the Police Department; the kickoff presentation; departmental presentations; special meetings; location of meetings; the Workplan meetings; clarification that the public is welcome to attend the presentations; and the schedule.

o0o

Items from Staff

Item S-1

Discussion of May Agenda

Jeff Muir, Chief Financial Officer, discussed upcoming agenda items.

Discussion ensued between staff and Members regarding further information from Public Works and additional information from other cities; the Work Plan item; other issues to consider after seeing the budget process; and a discussion of the May 12, 2014 City Council meeting.

o0o

Items from Committee Members

Vice Chair Alexander received clarification regarding the debt level of the City.

Discussion ensued between staff and Members regarding the School District; the rating agencies; debt load of the community; other financing mechanisms to get things done in the City; the rating of the City; General Obligation debt; and future trends.

o0o

Adjournment

There being no further business, at 9:13 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, May 14, 2014 at 7:00 p.m. in the Dan Patacchia Meeting Room.

o0o

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