THESE MINUTES ARE OFFICIAL & APPROVED BY THE
CULVER CITY FINANCE ADVISORY COMMITTEE

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

May 13, 2015
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 Patio Meeting Room.

Members Present:

GORAN ERIKSSON, Chair
CRYSTAL ALEXANDER, Vice Chair
MAURICIO BLANCO, Member
RICHARD HIBBS, Member
SEAN KEARNEY, Member
ALEJANDRO LARA, Member
STEVEN REITZFELD, Member
JOE SUSCA, Member
DAVID TROVATO, Member

Staff Present:

Jeff Muir, Chief Financial Officer
Angelina Garcia, Assistant Chief Financial Officer
Erica McAdoo, Senior Budget Management Analyst
Michelle Villongco, Secretary

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Pledge of Allegiance

Member Trovato led the Pledge of Allegiance.

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Public Comment for Items NOT On the Agenda

Chair Eriksson invited public comment.

No cards were received and no speakers came forward.

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Consent Calendar

Item C-1

Meeting Minutes

The FAC discussed the forecast for the mid-year budget vs. the forecast for the current budget.

THE FAC PASSED A MOTION APPROVING THE MINUTES FOR THE REGULAR MEETING OF APRIL 8, 2015.

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Action Items

Item A-1

Receive Presentation from CFO on 2015-16 Proposed Budget

Jeff Muir, Chief Financial Officer, reported that he had not been able to present the budget at the May 11, 2015 City Council meeting due to the meeting running late so the FAC would be seeing the first version of it; he provided a presentation on the 2015-2016 budget noting that a copy was available online; he indicated that the Budget Message provided a good overview, backed by extensive detail; he discussed the Proposed Reductions and Enhancements listing; and the differences between last year's budget and the current budget.

Discussion ensued between staff and Committee Members regarding the current economy; Urban Runoff Compliance; estimated costs; effects of the decision from the City Council regarding the Rental Assistance Program (RAP); clarification that the Parking Authority is not in the Enterprise Fund; costs to convert positions in the Police Department; the number of sworn Police Department vacancies; contract classes; staffing level of the Housing Division; money managed by the programs vs. administrative costs; clarification regarding Other Taxes; Property Taxes; the Five Year Forecast; the sunsetting of Measure Y; the Homeless Services Contracts; the Increased Prefunding of Long-Term Housing Liability; and gradual reductions to RAP costs and staffing.

Jeff Muir, Chief Financial Officer indicated that departmental presentations for the Budget hearings would take place on May 18-19, 2015 in Council Chambers and he discussed the process and time frame for budget approval.

Additional discussion ensued between staff and Committee Members regarding the Urban Runoff Program; the Federal Clean Water Act; the Regional Water Quality Control Board; and the status of current litigation.

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Item A-2

Receive Report from the Special Event Sponsorship Policy Review Ad Hoc Subcommittee

Member Trovato reported on the meeting of the Special Event Sponsorship Ad Hoc Subcommittee noting that they had reviewed the new Special Events application and criteria; consulted Newport Beach on their application, criteria and process; and he questioned whether staff could help the subcommittee make changes to the Newport Beach process to adapt it to work for Culver City, and with getting something ready for City Council consideration.

Discussion ensued between staff and Committee Members regarding the submission period for community events; application criteria; the benchmarking model; the application form; the grant agreement; and the discussion was continued to the June 10, 2015 Finance Advisory Committee meeting.

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Item A-3

Receive Update on Transient Occupancy Tax (TOT) Revenues as Related to Short-Term Rentals and, if Desired, Provide a Recommendation to the City Council

Jeff Muir, Chief Financial Officer, reported emailing the report to Committee Members.

Discussion ensued between staff and Committee Members regarding tightening up the code as it relates to short term rentals; the need to amend the zoning code; cities that have allowed or banned the practice; whether to discuss the matter as a body to make a recommendation to the City Council; the actions of Santa Monica; enforcement; competition; leveling the playing field; preserving City revenue; over 30 day rentals; raising rental rates in the area; vacation rental companies; converting rentals to Air BnB units; pushing up rents; lost revenue; enforcement; public perception; whether revenue derived from taxing Air BnBs would offset expenses to regulate it; whether to tax and license Air BnBs; the reason for establishing laws and regulations; following zoning laws; licensing requirements; proof of insurance; invalidation of insurance if you operate an Air BnB; whether a license is needed to rent out your home; business tax certificates; triggers for7 licensing requirements; leasing; what body has purview over the matter; additional revenue being generated by people staying in the City; practices of other cities; and making a recommendation that the City Council to direct the Planning Commission to look at the issue.

THE FAC PASSED A MOTION THAT THE FINANCE ADVISORY COMMITTEE RECOMMEND THAT THE CITY COUNCIL DIRECT THE PLANNING COMMISSION TO REVIEW THE CITY'S ZONING CODE AS IT RELATES TO SHORT-TERM RENTALS IN RESIDENTIAL AREAS, PRIOR TO ANY FURTHER CONSIDERATION OF THE APPLICATION OF TRANSIENT OCCUPANCY TAXES TO SUCH RENTALS.

Additional discussion ensued between staff and Committee Members regarding fees for rental property licenses.

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Item A-4

Discussion of Benchmarking Study

Erica McAdoo, Senior Budget Management Analyst, discussed the use of box.com; sharing information; examination of subcommittee data; and she agreed to send instructions in an email with the specific links to make changes.

Discussion ensued between staff and Committee Members regarding the process for sharing; making changes to the documents; merging changes; links for specific subcommittees; the report outline; the analysis draft; and the discussion was continued to June 10, 2015.

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Items from Staff

Item S-1

Discussion of June Agenda

Jeff Muir, Chief Financial Officer, discussed upcoming agenda items for the June meeting including a presentation from Public Works regarding the Urban Runoff issue, the Benchmarking Study, and Measure Y.

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Items from Committee Members

Chair Eriksson discussed making presentations to the public about the budget and Measure Y at meetings of City groups like the Rotary Club, the Exchange Club, the Chamber of Commerce, etc.

Discussion ensued between Committee Members and staff regarding public outreach; City Council support; staff involvement; additional comments and questions; and suggestions for groups that might be appropriate for the presentation.

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Adjournment

There being no further business, at 8:51 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, June 10, 2015 at 7:00 p.m. in the Dan Patacchia Meeting Room.

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

APPROVED

for

Goran Eriksson
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.

Martin R. Cole CITY CLERK	20 AUG 2015 Date