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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

THE MOTION CARRIED BY THE FOLLOWING VOTE:

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