

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

March 14, 2018
7:00 p.m.

CALL TO ORDER & ROLL CALL

Chair Alexander called the 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: **CRYSTAL ALEXANDER**, Chair
 DAVID TROVATO, Vice Chair*
 JOSE CASAREZ, Member**
 SEAN KEARNEY, Member
 ALEJANDRO LARA, Member
 JANE LEONARD, Member
 STEVEN REITZFELD, Member
 BRYAN SUA, Member

*Vice Chair Trovato arrived at 7:04 p.m.

**Member Casarez arrived at 7:05 p.m.

Staff Present: **Jeff Muir**, Chief Financial Officer
 Erica McAdoo, Senior Budget Management Analyst
 Michelle Villongco, Secretary

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Pledge of Allegiance

Darrel Menthe led the Pledge of Allegiance.

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Public Comment for Items NOT On the Agenda

Chair Alexander invited public comment.

No cards were received and no speakers came forward.

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Consent Calendar

Item C-1

Meeting Minutes

MOVED BY MEMBER KEARNEY, AND SECONDED BY MEMBER SUA THAT THE COMMITTEE APPROVE THE MINUTES FOR THE REGULAR FINANCE ADVISORY COMMITTEE MEETING OF FEBRUARY 14, 2018 (ABSENT MEMBERS CASAREZ AND TROVATO WITH MEMBER REITZFELD ABSTAINING).

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Action Items

Item A-1

Administration of the Oath of Office to Newly Appointed Committee Member

*Vice Chair Trovato joined the meeting.

**Member Casarez joined the meeting.

Committee Members provided background on themselves.

Darrel Menthe provided background on himself and discussed his interest in the Finance Advisory Committee (FAC).

Erica McAdoo, Senior Budget Management Analyst, administered the Oath of Office to Darrel Menthe.

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Item A-2

1) Discussion of Council Approved Work Plan of The Finance Advisory Committee; and (2) Receive Reports from Subcommittees

Chair Alexander introduced the item and noted that Member Menthe might be interested in joining a subcommittee that has less than four members or seek to replace someone on a subcommittee with four current members.

Discussion ensued between staff and Committee Members regarding the feasibility of enterprise funds; broad descriptions of items to provide for flexibility; the initial reason for creation of the FAC; Short Term Rentals; availability of data; implementation of the transparency tool; Socrata; OpenGov; non-financial system datasets; reductions to the amount spent on systems; whether the FAC needs to continue to monitor activity; recurring and accomplished items on the work plan; placeholders; monitoring best practices; items that are not hot topics; the disaster preparedness item; utilization of assessment districts; staff agreement to distribute materials from the previous consultant presentation on the assessment districts; revenue assessments; a future update from Public Works; updates to the Long Term Financial Forecast; the annual City Council Work Plan sessions; the City budget process; the mid-year update; the Oil Field; focusing on specific fees and taxes; rewording the item on comparisons with neighboring and other comparable cities; FAC involvement on the cannabis issue; examining other businesses in the City; looking toward comparing specific items with other cities; the uniqueness of Culver City compared to other cities; daytime population; allowing Commission review of the budget process; FAC review of the budget process and the addition of the item to ensure that City financial systems are prepared for disasters; Federal Emergency Management Agency reimbursements; pressures faced by Culver City in the future; analyzing the impacts of a moderate recession on the City; parcel tax review; enterprise funds; public/private partnerships; the need to address input on the feasibility of having the Veterans Memorial Building become an enterprise fund; prioritizing items requested by the City Council; the cost benefit analysis; completion of work by the Marijuana Task Force; continued work of the Short Term Rentals Task Force; actions of the City of Los Angeles; formulation of agreements with Airbnb; taxes whether the activity is legal or not; maintaining flexibility while deciding how to proceed; concern with unfair competition between Airbnb hosts and hotels in the City; Transient Occupancy Tax (TOT); the potential to make more money; zoning issues; opposition to Short Term Rentals; concern with sanctioning the practice; layers of revenue collection including: TOT, permitting, and health and fire department inspections; cost recovery; impacts to staff time; staff work programs coming forward; Measure A; and the previous FAC recommendation to examine the Los Angeles model and impose taxes while figuring out how to move forward.

MOVED BY MEMBER TROVATO AND SECONDED BY MEMBER REITZFELD, THAT THE COMMITTEE REMOVE THE MARIJUANA TASK FORCE SUBCOMMITTEE (MEMBERS CASAREZ, KEARNEY AND RENDON) AND ADDCHAIR ALEXANDER AND MEMBER REITZFELD TO THE SHORT TERM RENTALS TASK FORCE SUBCOMMITTEE ALONG WITH VICE CHAIR TROVATO.

Additional discussion ensued between staff and Committee Members regarding the Economic Development Initiatives Subcommittee; Transportation Demand Management; concern with dormant subcommittees; annual consideration of subcommittees; the ability to create subcommittees at any time; standing subcommittees; distribution of Members amongst the various subcommittees; and appreciation for the work of the members of the Financial Disaster Preparedness Subcommittee with agreement to remove it from the list of active subcommittees.

MOVED BY MEMBER LEONARD AND SECONDED BY MEMBER TROVATO THAT THE COMMITTEE REMOVE THE FINANCIAL DISASTER PREPAREDNESS SUBCOMMITTEE FROM THE ACTIVE SUBCOMMITTEE LIST.

Further discussion ensued between staff and Committee Members regarding the Public/Private Partnerships Subcommittee; listing available opportunities; the Community Development Department; transit and larger projects; the City Council Strategic Plan; Transit Oriented Development (TOD) projects; the Culver Steps project; Parcel B; development agreements; the standing subcommittee report item on each meeting agenda; the Inglewood Oil Field; tax structures; opposition to the existence of the Oil Field; money spent on the Oil Field process; the presentation on the Environmental Impact Report (EIR); money earned by the City on Oil Field fees and taxes; the Culver City portion of the Inglewood Oil Field; a suggestion to increase Oil Field fees to cover costs; discussions on distancing; costs vs. revenue generated; ensuring the appropriate level of taxation based upon impacts to the community; the inability to affect what happens in the Los Angeles portion of the Oil Field; certain kinds of business uses that have a large effect on the City; appropriate remuneration; concern with a conflict of interest with the Oil Field paying for the EIR; examination of the business tax structure; the outdated nature of the Culver City Municipal Code; other ways of doing business taxes in other cities; updates to the code that could facilitate implementation of the business tax; the disappearance of big box stores; whether an analysis has been done about new businesses expected to come into the City as a result of new developments; retail space in the Culver Steps project; restaurant taxes vs. retail taxes; the need for more hotels in the City; a suggestion to transition Westfield to a Convention Center; casino revenue; creating a separate subcommittee if business taxes are to be examined; fairness; ensuring that changes would not reduce revenue to the City; sunseting of the sales tax; legal issues; the need to put any tax increases on the ballot; increases

to the business tax; broadening who the business tax applies to; changes taking place in the City; the goal and composition of the Business Tax Subcommittee; source of revenue generated; and the goal of providing information to the FAC.

MOVED BY MEMBER LEONARD AND SECONDED BY MEMBER KEARNEY THAT THE COMMITTEE ESTABLISH A BUSINESS TAX REVIEW SUBCOMMITTEE WITH MEMBERS CASAREZ, LARA, MENTHE AND TROVATO SERVING.

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Public Comment – Items NOT on the Agenda (Continued)

None.

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Receipt of Correspondence

None.

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Item S-1

Discussion of April Agenda

Discussion ensued between staff and Committee Members regarding subcommittee updates; information on enterprise funds for the May meeting; the special events item; a suggestion to review the contact list and provide an updated copy to the new Commissioner; Brown Act training; Member use of City email; the FAC vote to go paperless at the February meeting; the deadline for receipt of Form 700; and clarification that items can be added to the agenda until the week before the meeting.

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Items from Committee Members/Staff

Discussion ensued between staff and Committee Members regarding the closing of the Toys R Us store; Pasta Sisters; the non-profit chair giveaway being done by the City on March 23; Meals on Wheels; the upcoming elections on April 3 and April 10; and a suggestion not to provide bottles of water at FAC meetings in the future.

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Adjournment

There being no further business, at 8:59 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, April 11, 2018 at 7:00 p.m. in the Dan Patacchia Meeting Room.

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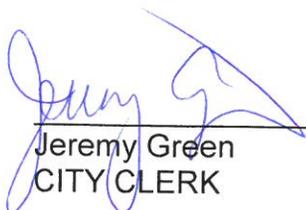
Michelle Villongco
SECRETARY of the Culver City Finance Advisory Committee
Culver City, California

APPROVED



Crystal Alexander
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

14 MAY 2018

Date