Culver CITY

DAN PATACCHIA MEETING ROOM
9770 CULVER BOULEVARD
CULVER CITY, CALIFORNIA 90232-0507
CITY HALL Tel. (310) 253-6000
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FINANCE ADVISORY COMMITTEE
Wednesday, June 12, 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, June 12, 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 May 8, 2013 Regular Meeting.

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

A-1. Discussion of Bylaws.

A-2. Discussion of Communications with the Public.

A-3. Presentation and discussion regarding Fiscal Year 2013/2014 Proposed Budget.

A-4. Discussion of Work Plan.

ITEMS FROM STAFF

ITEMS FROM COMMITTEE MEMBERS

ADJOURN

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

REGULAR MEETING OF THE	**May 8, 2013**
CULVER CITY FINANCE ADVISORY COMMITTEE	**7:00 p.m.**
CITY OF CULVER CITY, CALIFORNIA	

CALL TO ORDER & ROLL CALL

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

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INTRODUCTIONS AND OATH OF OFFICE ADMINISTERED TO FINANCE ADVISORY COMMITTEE MEMBERS

Jeff Muir, Chief Financial Officer, administered the Oath of Office to Finance Advisory Committee Members.

Present:	**CRYSTAL ALEXANDER**, Member **ALLAN AZRAN**, Member **DESMOND BURNS**, Member **GORAN ERIKSSON**, Member **RICHARD HIBBS**, Member **SEAN KEARNEY**, Member **ALEJANDRO LARA,** Member **STEVEN REITZFELD**, Member **DAVID TRAVATO**, Member
Staff Present:	**Jeff Muir**, Chief Financial Officer **Mary Noller**, Budget and Accounting Operations Manager **Gracie Hasan**, Secretary, Finance Advisory Committee **John Nachbar,** City Manager
City Official Present:	**Meghan Sahli-Wells**, Vice Mayor, City Council

Members introduced themselves, discussed their background and explained what seat they were occupying, and what drove them to participate in the Committee.

Jeff Muir introduced himself and his staff.

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Pledge of Allegiance

Steve Reitzfeld led the Pledge of Allegiance.

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Public Comment for Items NOT On the Agenda

Paul Ehrlich suggested that the FAC set up a blog to facilitate the passage of information between the public and employees of the City to the FAC, prevent redundancy and ensure that everything is on the record and available.

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Agenda Items

Election of Chair and Vice-Chair **Item A**

Richard Hibbs suggested appointing a liaison between the Committee and the City Council; and, FAC members discussed procedures to do so.

Desmond Burns nominated Crystal Alexander to serve as Chair. Richard Hibbs seconded the nomination.

Alejandro Lara nominated Goran Eriksson to serve as Chair and Crystal Alexander seconded the nomination.

Discussion ensued between Members regarding the structure of the Committee; a suggestion that the Chair and Vice Chair not both be residential, business, or labor; vetting of the Committee Members by the City Council; those with the most votes; acceptance of the nomination; and a suggestion that the candidates make a statement.

Crystal Alexander discussed her experience; possible duties of the Chair; and her availability.

Goran Eriksson discussed his experience, ability to make decisions and lead the Committee; the tasks of the Committee; his relationships with Councilmembers; and his experience with previous City budgets.

THE FAC PASSED A MOTION APPOINTING GORAN ERIKSSON TO SERVE AS CHAIR OF THE FINANCE ADVISORY COMMITTEE.

Election of Chair and Vice-Chair (Cont'd) **Item A**

Steve Reitzfeld nominated Crystal Alexander to serve as Vice Chair of the FAC. Alejandro Lara seconded the nomination.

THE FAC PASSED A MOTION APPOINTING CRYSTAL ALEXANDER TO SERVE AS VICE CHAIR OF THE FINANCE ADVISORY COMMITTEE.

Discussion of Regular Meetings **Item B**

Jeff Muir provided a summary of the material of record noting that the bylaws indicated that the meeting is generally held on the second Wednesday of each month at 7 p.m.

Discussion of Bylaws **Item C**

Chair Eriksson discussed the section entitled duties noting that within the first four months of creation the FAC was tasked with creating a proposed workplan for City Council approval.

Steve Reitzfeld suggested deferring consideration of the matter until the next meeting to allow time for Members to read the bylaws. Vice Chair Alexander asked about items the City Council wanted to see in the work plan. David Trovato questioned the goals of Councilmembers in the formulation of the work plan. Jeff Muir directed Members to sections in the bylaws regarding the work plan. Chair Eriksson clarified that the City Council creates the bylaws and the FAC can not change them. Steve Reitzfeld reported suggesting to the City Council that the work plan not be limited. Chair Eriksson pointed out that the decision to create the FAC was made on October 22, 2012 for anyone who wanted to reference that meeting for more information.

Alejandro Lara questioned how the FAC fit into the proposed budget for 2013-2014 and Jeff Muir reported that staff would present the budget to the City Council on May 13 and the FAC would work through understanding the budget.

Discussion of Duties **Item D**

Chair Erikkson suggested that the item return to the next meeting when everyone has had a chance to study the bylaws and study the October 22, 2012 City Council meeting.

Discussion of Duties (Cont'd) **Item D**

Discussion ensued between FAC Members and staff regarding Brown Act training; the purpose of the Brown Act; ensuring that the business of the public is done in public; making decisions; serial meetings; meeting notice; meeting minutes; restrictions on emails; and communicating with staff.

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ITEMS FROM STAFF AND INFORMATION

Item A

Information from Finance Staff Regarding Proposed FY 2013-14 Budget Presentation

Jeff Muir reported that staff would be making a special presentation on the budget at the Special May 13th City Council meeting at 4 pm with a presentation from an actuary on changes adopted by CALPERS that will significantly impact future costs for employee pensions and put pressure on future budgets beginning in 2015-2016. He indicated that he would be making a general presentation to the City Council on the overall City budget on May 13th with additional meetings in June where each department will make their individual presentation of their budget.

Discussion ensued between staff and Members regarding the availability of City Council meetings on cable; available copies of the budget for Members on Tuesday morning; consideration of the CALPERS issue; the difficulty for the FAC to formulate major conclusions on the budget so quickly; clarification that the FAC should have input for the mid-term budget in January; the effect of CALPERS on the actual budget and timing; a suggestion that the FAC analyze the budget, learn through this process and be ready for the 2014 budget; a suggestion that members attend all budget meetings and participate; the level of impact possible for this year's budget and impacts to future budgets; the timing of the formation of the committee; setting more concrete goals at the next meeting; and speaking to the City Council as an individual vs. representing the Committee.

Chair Eriksson invited public participation.

Paul Ehlich expressed concern with CALPERS and suggested creating reserves to begin addressing the issue; he discussed the scope of the FAC; and leftovers from Redevelopment.

Discussion ensued between Members regarding the scope of the FAC; interlocking issues; reserves; policies; contingencies; and the broad nature of the purpose of the FAC vs. the narrow nature of the duties of the FAC.

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FUTURE AGENDA ITEMS

Discussion of Future Agenda Items

John Nachbar discussed the nature of the workplan and suggested they come up with a draft proposal for the Council to review; he suggested the FAC consider raising revenue at some point; he reported that new requirements for the treatment of storm water in the City would have a major impact on the City; he discussed Ballona Creek; the Regional Water Quality Control Board; regulations to require that storm water is treated in the same way as sanitary sewer; new, stringent standards; new expenditures in the budget to confront the issue; huge fines for violating the regulations; and additional operating costs, capital investment and infrastructure.

Alejandro Lara questioned whether a treatment plant would have to be built.

John Nachbar discussed dry weather flow and wet weather flow; diverting dry weather flow into the sanitary sewer; pursuing a multi-faceted approach; a rigorous inspection program; stopping contamination at the source; reconfiguring how storm water is moved through the City; diverting dry weather flow to Hyperion; rain gardens; altering the street infrastructure; he noted that the issue was not something the City was prepared for financially; and he clarified that the regulations were in place and that the City was working to submit a request for a Temporary Stay Order.

Discussion ensued regarding regional solutions; fines for individual cities; capital expenditures from the sewer fund; the General Fund; clarification that there is no fund for storm water; the issue as a threat to the General Fund; other committees addressing the issue; the Sustainability Committee; unincorporated County land in the basin; County efforts toward a regional funding solution; clarification that Culver City is legally responsible and has to engage in best efforts to minimize the risk of exposure; jurisdictional issues; where measurements are being taken; and defending against regulatory action.

Meghan Sahli-Wells discussed upstream pollution; best practices; rain gardens; permeable surfaces; filtering; storm grates; taking a multi-pronged approach; showing best efforts and proving the City’s own case.

John Nachbar stated that no one expected that they would be able to come into compliance any time soon.

Jeff Muir agreed that it was time to revisit dated financial policies; felt additional clarity would be helpful and could be considered at a future meeting; and he indicated that the budget would be a future agenda item.

Discussion of Future Agenda Items (Continued)

Discussion ensued between staff and Members regarding clarification that if a majority of the Committee voted to get an item on the agenda it could be added; a request to add consideration of best practices with respect to all revenues to the agenda; flexibility with making adjustments to the City Council in terms of fees and charges; and agreement that the agenda for the next meeting would include the budget, a discussion of bylaws, a discussion of duties, and the workplan.

Jeff Muir suggested that policies with regard to the reserve not be discussed at the next meeting but would be considered further down the road.

Additional discussion ensued between Members and staff regarding resources available to support the committee.

Chair Eriksson invited public input.

Paul Ehrlich asserted that Measure Y went to reserves, and he wanted to see the City first focus on increasing and diversifying revenue and then focus on expenditures.

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ADJOURNMENT

There being no further business, at 8:27 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, June 12, 2013 at 7:00 p.m. in the Dan Patacchia Meeting Room.

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

APPROVED

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

City of Culver City, California

Finance Advisory Committee Agenda Item Report

Meeting Date: 06/12/2013	Item Number: A-1
AGENDA ITEM: Discussion of Bylaws.	
Contact Person/Dept.: Jeff S. Muir/Finance	Phone Number: 310/253-5865
Public Notification: (E-Mail) Meetings and Agendas – Finance Advisory Committee (06/06/13)	
Department Approval: Jeff Muir (06/06/13)	

RECOMMENDATION:

Staff recommends that the Finance Advisory Committee discuss the bylaws as adopted by City Council.

DISCUSSION:

At the Finance Advisory Committee (FAC) meeting of May 8, 2013, it was requested that a discussion of the bylaws be placed on the next agenda. The intended purpose of this item is to provide an opportunity for discussion of any questions or concerns related to the bylaws. Depending on the outcome of the discussion, follow up actions may or may not be required.

ATTACHMENTS:

1. City Council Resolution and Bylaws establishing the FAC.

MOTION:

That the FAC discuss the bylaws and provide any recommendations to staff.

RESOLUTION NO. 2012-R094

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CULVER CITY, CALIFORNIA, ESTABLISHING A FINANCE ADVISORY COMMITTEE.

WHEREAS, the City's budget is under increasing pressure to maintain current levels of service and meet regulatory requirements without additional revenues; and

WHEREAS, it is proper to ensure that tax dollars are raised and spent in a responsible and transparent manner; and

WHEREAS, many residents and business owners of Culver City work in varied and diverse professions, including the financial industry, and the City Council desires to gain additional insight on fiscal planning from their expertise; and

WHEREAS, the City Council has determined the establishment of a Finance Advisory Committee is in the best interests of Culver City; and

WHEREAS, it is the intent of the City Council that the Finance Advisory Committee shall replace the existing Treasurer's Investment Subcommittee; and

WHEREAS, Section 1105 of the City Charter provides the City Council with the authority to establish committees for a specified purpose.

NOW, THEREFORE, the City Council of the City of Culver City, California, DOES HEREBY RESOLVE as follows:

1. The Finance Advisory Committee is hereby established and shall consist of up to nine voting members to be appointed by the City Council.

2. The nine members shall include up to three residents of Culver City, up to three members of the Culver City business community, up to two

labor representatives and up to one representative of the Culver City Unified School District.

3. The Finance Advisory Committee's purpose, organization, duties, officers, meetings and staff support, and the qualifications of the Committee members shall be governed by the Finance Advisory Committee Bylaws.

4. The Finance Advisory Committee Bylaws, attached hereto as Exhibit A and incorporated herein by this reference, are hereby approved and may only be amended by resolution of the City Council.

5. The Treasurer's Investment Subcommittee is hereby dissolved.

6. The Audit, Financial Planning, and Budget Subcommittee is hereby renamed the Financial Planning and Budget Subcommittee.

APPROVED and ADOPTED this 22nd day of October, 2012.

ANDREW WEISSMAN, Mayor
City of Culver City, California

ATTEST:

Martin R. Cole

MARTIN R. COLE, City Clerk

APPROVED AS TO FORM:

Heather S. Baker

for CAROL A. SCHWAB, City Attorney

A12-00869

EXHIBIT 'A' TO RESOLUTION NO. 2012-R-094

FINANCE ADVISORY COMMITTEE

BYLAWS

I. PURPOSE

A. To advise and make recommendations to the City Council on finance-related policies and issues as defined in these Bylaws.

II. ORGANIZATION

A. Composition

1. The Finance Advisory Committee (hereinafter Committee) shall consist of up to nine (9) members appointed by the City Council, consisting of: up to three (3) Culver City residents, up to three (3) members of the Culver City business community, up to two (2) labor representatives, and up to one (1) representative of the Culver City Unified School District (CCUSD).

   a. The Resident Members shall be qualified electors of the City.

   b. The Business Community Members shall own or be the primary operator of a duly licensed business located within the City limits.

   c. The Labor Representatives shall consist of one member representing the three non-management bargaining groups and one member representing one of the three management bargaining groups, as described below.

      i. One (1) member may be appointed from either the Culver City Employees' Association, the Culver City Firefighters' Association Local 1927 AFL-CIO, or the Culver City Police

Officers' Association. The three groups shall reach a consensus and recommend for appointment by the City Council one individual belonging to any of the three groups mentioned in this Sub-Paragraph for the initial term. For the subsequent term, an individual shall be recommended from one of the two other groups. For the third term, an individual shall be recommended from the remaining group. Thereafter, the individual recommended for each subsequent term shall rotate amongst the three groups in the same order.

ii. One (1) member may be appointed from either the Culver City Management Group, the Culver City Police Management Group, or the Culver City Fire Management Group. The three groups shall reach a consensus and recommend for appointment by the City Council one individual belonging to any of the three groups mentioned in this Sub-Paragraph for the initial term. For the following term, an individual shall be recommended from one of the two other groups. For the third term, an individual shall be recommended from the remaining group. Thereafter, the individual recommended for each subsequent term shall rotate amongst the three groups in the same order.

iii. Labor representatives shall not be employees of either the Finance Department or City Manager's Office.

d. The representative of CCUSD shall be nominated by the CCUSD Board of Education. The nominee shall not be an elected member of the CCUSD Board. The CCUSD Board may delegate the nomination to the CCUSD Superintendent. The CCUSD representative nomination shall be subject to final approval and appointment of the City Council.

B. Terms of Office

1. Initially, one (1) Resident Member, one (1) Business Community Member, both labor representatives and the member appointed by CCUSD shall serve until June 30, 2014 with the remaining seats serving until June 30, 2016. Thereafter, the Resident Members, Business Community Members and CCUSD Member shall serve four year overlapping terms. The Labor Representatives shall serve two year terms.

2. 2. Other than the Labor Representatives, Members shall serve a maximum of two full terms. If a member serves a partial term in excess of two (2) years, it shall be considered a full term for the purpose of these Bylaws. Nothing in this provision shall act to bar service as a Committee Member after at least two years have elapsed from the Committee Member's last full term.

3. All members shall serve at the pleasure of the City Council.

C. <u>Qualifications</u>

1. The Resident Members and Business Community Members shall have education/experience in business, accounting, finance or related fields.

2. In recognition that government finance is a specialized area of knowledge, it is highly desirable that each of the members possess knowledge of governmental accounting or governmental financial operations.

3. With the exception of the two (2) labor representatives, none of the remaining members shall be an elected or appointed official of the City, a City employee, nor shall he or she have immediate family members who are elected or appointed officials or employees of the City.

D. <u>Absence of Committee Members</u>

1. Any member, who within a twelve month period has four absences, shall be referred to the City Council for consideration of replacement.

2. Any member of the Committee may be removed at any time and without cause by a majority vote of the City Council.

E. Appointments to Fill Vacancies

1. If a vacancy occurs, the City Council may, but shall not be required to, appoint a qualified replacement for the remainder of the term for that seat.

F. Compensation and Reporting

1. Members of the Committee shall serve without compensation for their service on the Committee.

2. Members may be required to file statements of economic interest in accordance with the California Government Code.

3. Members shall take any mandatory training prior to serving or, if deemed appropriate by the City Manager, within 180 days of being appointed by the City Council.

III. DUTIES

A. The Committee shall provide advice to the City Council based on the specific tasks or duties approved by the City Council, which may include, but shall not be limited to:

1. In the event of its approval by the voters, review of the revenues and expenditures of Measure Y funds consistent with the City Council Adopted Budget.

2. Methods through which the City can reduce expenditures.
3. Methods to increase or diversify City revenues.

B. Within the first four months of its creation, the Committee shall prepare a proposed work plan of specific tasks or duties for City Council approval. The work plan, as approved or amended by City Council, shall limit focus of the Committee, until such time as additional tasks or duties are approved or assigned by the City Council.

C. The operation of this Committee is subject to all applicable laws, including but not limited to, the City Charter, the Culver City Municipal Code, and other applicable Ordinances and Resolutions adopted by the City Council (including City Council Policies).

IV. OFFICERS

A. Designation of Officers

1. At the initial meeting and at the meeting in July of each year, the Committee shall elect a Chair and Vice-Chair from among its membership.

2. The Chair and Vice-Chair of the Committee shall serve at the pleasure of the Committee.

3. The Chair and Vice-Chair shall serve terms of one year commencing upon their appointment and concluding on the later of June 30 of the following year or the election of their successors.

B. Duty of Officers

1. The Chair shall preside over all Committee meetings.
2. The Vice-Chair shall act as the Chair in his/her absence.

V. MEETINGS

A. Annual Meeting: The Committee shall meet at least one time each year during the month of July during which Officers shall be selected. Other business may also be transacted during this meeting.

B. Regular Meetings: The Committee shall meet on a monthly basis. The Committee shall meet on the second Wednesday of each month at 7:00pm, or at another time and place agreed upon by the Committee, which will facilitate the attendance and input of the public. Regular meetings may be cancelled by the Chair in the event of a lack of sufficient agenda items.

C. Special Meetings: Special meetings may be called at any time by the Chair or a majority of appointed members.

D. All meetings shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with California Government Code Section 54950).

E. A majority of appointed members shall constitute a quorum. Each Committee member shall be entitled to one vote. Approval of any matter requires an affirmative vote from the majority of the members present.

F. The latest edition of *Robert's Rules of Order* shall constitute the parliamentary guidelines for transaction of the Committee's business. Where there is a conflict between Robert's Rules of Order and the Bylaws, the Bylaws shall have precedence. Failure to strictly follow Robert's Rules of Order shall not invalidate any action of the Committee.

G. Consensus among a majority of Committee members present must exist in order to place an item on a future agenda for discussion, or to request research by staff.

VI. STAFF SUPPORT

A. The Chief Financial Officer and Finance Department staff, as directed and determined by the Chief Financial Officer, shall provide staff support to the Committee to include:

1. Agenda Preparation and posting.
2. Respond to requests for information by the Committee.
3. Provide technical assistance and advice to the Committee.
4. Take minutes and coordinate preparation and dissemination of materials.
5. Perform follow-up activity as requested consistent with the duties of the Committee.

B. In the event the Chief Financial Officer determines that a request for research by the Committee is not within the approved tasks or duties of the Committee as stated in Section III of these Bylaws, or that the request requires a dedication of staff time that is not available within the requirements of day-to-day operations, the Chief Financial Officer shall confer with the City Manager. The City Manager shall decide whether the staff support shall be provided in that instance. The Committee may appeal the City Manager's decision to the City Council.

VII. AMENDMENT TO BYLAWS

These Bylaws may only be amended by resolution of the City Council.

City of Culver City, California

Finance Advisory Committee Agenda Item Report

Meeting Date: 06/12/2013	Item Number: A-2
AGENDA ITEM: Discussion of Communications with the Public.	
Contact Person/Dept.: Jeff S. Muir/Finance	Phone Number: 310/253-5865
Public Notification: (E-Mail) Meetings and Agendas – Finance Advisory Committee (06/06/13)	
Department Approval: Jeff Muir (06/06/13)	

RECOMMENDATION:

Staff recommends that the Finance Advisory Committee discuss potential means of communications with the public.

DISCUSSION:

At the Finance Advisory Committee (FAC) meeting of May 8, 2013, a member of the public made certain recommendations regarding a means for the FAC to have communications with the public. Staff is hoping the Committee can reach some level of consensus for avenues of communications it would like to pursue at this time. Items for potential discussion could include:

1. Adding functionality to the FAC webpage where the public can submit comments that would be delivered via e-mail.
2. Establishment of e-mail subscriptions lists.
3. Establishment of a voice mail box that the public could call and leave verbal messages on.
4. Consideration of meetings/workshops at other venues.
5. Other methods as may be suggested during the discussion.

Based on the recommendations received, staff will investigate the feasibility, implement where possible, and report back on any items that may be problematic.

ATTACHMENTS:

None

MOTION:

That the FAC discuss potential means of communications with the public and provide recommendations to staff.

City of Culver City, California

Finance Advisory Committee Agenda Item Report

Meeting Date: 06/12/2013	Item Number: A-3
AGENDA ITEM: Presentation and Discussion Regarding Fiscal Year 2013/2014 Proposed Budget.	
Contact Person/Dept.: Jeff S. Muir/Finance	Phone Number: 310/253-5865
Public Notification: (E-Mail) Meetings and Agendas – Finance Advisory Committee (06/06/13)	
Department Approval: Jeff Muir (06/06/13)	

RECOMMENDATION:

Receive a presentation on the Fiscal Year 2013/2014 Proposed Budget.

DISCUSSION:

The Chief Financial Officer will provide a presentation on the Fiscal Year 2013/2014 Proposed Budget.

ATTACHMENTS:

None

City of Culver City, California

Finance Advisory Committee Agenda Item Report

Meeting Date: 06/12/2013	Item Number: A-4
AGENDA ITEM: Discussion of Work Plan.	
Contact Person/Dept.: Jeff S. Muir/Finance	Phone Number: 310/253-5865
Public Notification: (E-Mail) Meetings and Agendas – Finance Advisory Committee (06/06/13)	
Department Approval: Jeff Muir (06/06/13)	

RECOMMENDATION:

Staff recommends that the Finance Advisory Committee discuss the work plan for ultimate consideration by the City Council.

DISCUSSION:

The Finance Advisory Committee (FAC) bylaws state that the FAC is supposed to develop a set of work plans of specific tasks or duties for City Council approval within the first four months of its creation. This is a unique requirement in comparison to the City's other Commissions and Committees, where the duties and responsibilities were provided by the City Council. In reviewing the files of the Public Finance Advisory Committee that previously existed, staff found a few documents that may be of some assistance for this discussion. The notes from a 'brainstorming session' and the final report created by that committee are included as attachments to this staff report.

Staff also recommends that the initial work plan be viewed similar to a budget, where it can be amended or changed over time. The FAC may choose to include a few items for the initial work plan, with the understanding that as items on the list are addressed, items can be added in the future for further City Council consideration.

A few items for potential consideration now, or in the future, are:

- Review and recommendations for the City's current financial policies.
- Review and recommendations for the long-term financial forecast.
- Review and recommendations for addressing storm water requirement compliance.
- Review and recommendations on the City's existing Business Tax ordinance.

ATTACHMENTS:

1. Notes from PFAC 'Brainstorming' Session in 1989.
2. Final PFAC report from 1991.

City of Culver City, California

Finance Advisory Committee Agenda Item Report

MOTION:

That the FAC discuss the work plan and provide any recommendations to staff.

PUBLIC FINANCE ADVISORY COMMITTEE
"BRAINSTORMING" SESSION
APRIL 25, 1989

1. Utilize bonds to fund long-term improvements

2. Address projected General Fund shortfall by:

   o Use of Fund Balance excess of $1.0M

     - Determine schedule
     - Determine priorities

   o Use of Business License Tax

   o Fees for services

3. Contracting out where feasible to reduce costs.

4. Establish sunset for City programs - explore whether existing programs are still needed.

5. Look at planning decisions as they relate to City income.

6. Establish a City owned/operated recycling center as opposed to rubbish collection service.

7. Put some City recreation programs on a self-supporting basis.

8. Control of medical and health insurance costs.

9. Are Culver City's accounting policies/practices in measuring/estimating revenues too conservative?

10. Evaluate existing business license assessment methods to determine if alternatives exist.

11. Identify services which are mandates and are not priorities within departments and costs of these services.

12. Charges to Redevelopment Agency and enterprise should be at market value - not cost - if cost exceeds market value, use outside contract.

13. Determine appropriate/effective use of benefit assessment districts.

14. User fees to finance services.

15. Maintenance costs associated with capital improvement projects.

16. 5-year budgeting plan.

17. Joint services and joint purchasing with school district - merge manpower and facilities.

18. Explore divestiture of assets and film libraries to see if appropriate sales tax has been paid.

19. Look at retirement costs.

20. Collection of past-due fees and taxes.

21. What are true reserves and are they too high?

22. Determine true replacement cost and life expectancy for capital improvements.

23. Develop cost/benefit model which identifies sources of funding and beneficiaries by department, including CRA.

24. Determine if City services are over staffed or under staffed.

25. Expand park and recreation facilities to meet increased population.

26. The portion of utility tax on residents is extremely regressive; given percentage of low income should burden be lightened?

27. Line item review of all department budgets, including CRA, to determine potential for combining like functions.

28. Communication with business community to determine method of attracting new businesses.

29. Evaluate business taxes and/or fees to determine impact on business competitiveness and ability to attract businesses in Culver City.

30. Determine feasibility of establishing enterprise zones.

31. Determine method of balancing revenues generated by and resources consumed by residential and business community.

32. Fees and fines related to code enforcement activities.

33. Does cost of Police Department exceed Culver City's ability to pay for it?

34. Good public relation to community about City activities, functions.

35. Grants and contracts - are we exploring them to the fullest?

36. Could Culver City service surrounding unincorporated jurisdictions (i.e., West L.A. College) for Police and Fire (etc.), more cost effectively than the County and to mutual benefit?

37. Benchmark all user fees with comparable public/private services available in the area.

38. Are there overlaps in Human Service area with West L.A. College, School District and private sector?

39. How do we measure and ultimately increase the productivity level of City employees?

CITY OF CULVER CITY

4095 OVERLAND AVENUE • CULVER CITY, CALIFORNIA 90232-0507

PUBLIC FINANCE ADVISORY COMMITTEE

February 26, 1991

The Honorable Mayor and Members of the City Council:

The Public Finance Advisory Committee is pleased to transmit its second and final report herewith culminating nearly two years of work. The Committee met 45 times for over 100 hours of deliberation plus substantial subcommittee work.

To a large degree, the Committee's work is a continuation of Direction 21 in the public finance area. The Committee was very cognizant of the Direction 21 activity, as some of the Committee members also participated in the Direction 21 effort.

The Committee established operating guidelines, which included wide distribution of agendas and minutes, a higher quorum requirement for approval of recommendations and a provision for minority reports. Meetings were frequently attended by various City staff. In addition, the Committee received numerous written staff comments to its draft recommendations.

The deliberations were lively and candid. Community values and professional backgrounds were integrated into the discussion that lead to the ultimate recommendations.

The interim report issued July 23, 1990 focused largely on operations and expenditures. This final report deals with economic development, revenue enhancement and City financial policies.

The objectives of the Committee were as follows:

1. Consider every possible way by which the need for new revenue sources can be minimized or avoided, short term or long term. The recommendations provided relative to this objective would be those directed towards increasing operating efficiencies and maximizing revenues from existing resources.

2. Provide a recommended revenue enhancement strategy to cover the costs of essential services required by factors either beyond the City's control or to meet community demands.

3. Provide a recommended financial strategy to meet the needs of infrastructure improvement and maintenance above and beyond that reasonably funded from current revenue resources.

4. Provide recommendations of revenue sources to be used if, with the real and complete implementation of all other recommendations, there remains a need for additional revenue to fund City operations.

5. Provide recommendations for a program to inform our citizens more fully about the financial needs of the City, present and future.

6. Provide recommendations regarding financial policies which will serve to maintain the City's financial health.

The citizens of Culver City want the quality services they now have. In the difficult economic times and tough fiscal environment that all cities now find themselves, it is only through careful planning that our municipality will be able to maintain our present standard of services.

Finally, the Committee would like to thank the Department Heads for their cooperation and contributions, to express its appreciation to Robert Norquist for his professionalism and skill in responding to the Committee's requests and to Mary Noller for keeping the massive flow of paper and information under control.

Respectively submitted,

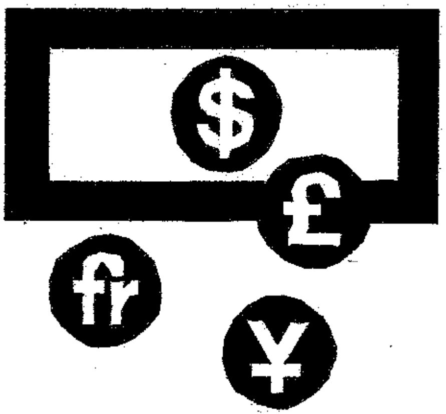
Howard Welinsky
Chair

Ed Little
Vice Chairman

CITY OF CULVER CITY
PUBLIC FINANCE ADVISORY COMMITTEE

FINAL REPORT TO THE CITY COUNCIL

FEBRUARY 1991



Submitted by
Howard Welinsky
Chairman of the PFAC

RECEIVED AND FILED BY THE CITY COUNCIL ON MARCH 11, 1991

CITY OF CULVER CITY
PUBLIC FINANCE ADVISORY COMMITTEE

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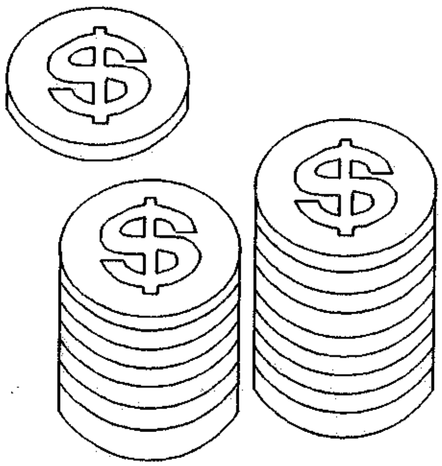

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Secretary:
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PUBLIC FINANCE ADVISORY COMMITTEE

FINAL REPORT

Simply because the recommendations of the Public Finance Advisory Committee can be documented, there is the risk that this written report will overshadow a process which was both challenging and groundbreaking for Culver City. Committee members drew inspiration from each other. Long-time residents shared their history and experiences with relative newcomers to the community, who responded in kind with enthusiasm, often providing valuable insights. Deeply felt beliefs and entrenched points of view on behalf of committee members and City staff were discussed openly, creating an increasing atmosphere of trust. It became apparent that, regardless of beliefs and preconceived notions, everyone cared about the financial well-being of the City. As some members of the PFAC were also participants in the Direction 21 process, the nexus between financial stability and achievement of long-range community goals was never so clear.

Issues of every stripe -- programmatic, procedural, and policy -- were identified, defined, analyzed and debated. Underlying the process was a rarely voiced but consistent search for positions which would yield consensus. It wasn't good enough merely to identify the ideal solution. The ultimate challenge was to agree upon solutions and an overall plan that could be implemented and work for Culver City. While it should be noted there was consensus on many of the major issues, not every debate resulted in a consensus, but a good faith effort was made nonetheless.

It is, then, the spirit of the Public Finance Advisory Committee -- a spirit of investigation, education, cooperation and community ambition -- and not merely the product of its efforts, that is its legacy to the City. It is this spirit that is key, for the future of Culver City will not succeed or fail on the validity of PFAC recommendations, for these may change over time, but by the caring and commitment of our citizens to this community.

Our interim report, issued July 23, 1990, focused largely on City operations and expenditures. This final report deals with our recommendations regarding economic development, revenue enhancement and City financial policies as follows:

1. <u>We recommend the identification of investment opportunities that will enhance the quality of life and the economic well being following the guidelines of "Direction 21". To accomplish this:</u>

   <u>We recommend the establishment of a municipal function, separate from existing regulatory functions, which bears the independent responsibility for economic development within the City.</u>

We recommend the establishment of a mission statement to specify responsibility of the City Staff to positively support economic development using guidelines issued by the Council.

Recommended guidelines would include (but not be limited to) the following:

a. Support with enthusiasm the efforts of all private sector groups and organizations whose objective is to encourage the location and enhancement of desirable business entities in the City. To date, however, the City has not developed an economic development plan to identify and attract those businesses that would provide attractive goods and services to the community and in turn increase business tax revenue.

b. Develop the philosophy that representatives of the City staff, particularly in the Community Development Department, should consider themselves the "Asset Managers" of all revenue producing assets in the City. The implied stewardship is that of doing everything possible to facilitate the development and maintenance of all revenue producing resources, consistent with the community standards for the quality of life.

c. Expedite the development of undeveloped properties under the jurisdiction of the City and Redevelopment Agency to enhance the City's economic and general City revenue base.

d. Make all planning decisions in accordance with the existing Code, not with proposed Code changes, and do so with a spirit of compassion and cooperation without adding unwarranted interpretations.

e. Revise department procedures to give more timely service, particularly for the many relatively simple requests submitted. One-visit completion should be the goal.

f. The spirit of cooperation and help should prevail. When minor accommodations to the code would support, enhance and facilitate the objectives of these recommendations, staff should make every effort to do so.

The objective of these recommendations are to create a greater awareness in the City staff and community as to the crucial role of maintaining and enhancing revenue for the City. Based on a significant amount of community input, the Committee believes that there is a real need for a rejuvenation of thinking and atmosphere. The City should always be an advocate for the revenue producers that have been identified by Council and should be aggressively helpful in the resolution of difficulties with code compliance. Citizens, businessmen and developers should look forward to their dealing with the City as a positive, cooperative experience. One suggestion would be for the City to provide funds for business enhancement seminars.

There is no intent in this recommendation to suggest that the Planning Division depart from its goals of maintaining the quality of life [development standards] in the City. It is the Committee's feeling that the Planning Division's primary function as a regulator need not conflict with the Division operating in a spirit of understanding and cooperation. Where decisions of significant magnitude are involved, the spirit of positive thinking should be maintained. The Council should be informed when a major project might be jeopardized by some code requirement that might be modified. The Council should be the source of major adverse determinations when the code is not specific and defined. A friendly route of appeal should be available for all projects.

2. <u>We recommend the continuing aggressive implementation of the program which is resulting in more reported taxable sales in Culver City by local offices of multi-location businesses.</u>

   Efforts in this direction have been successful in generating additional revenue for the City. The formalization of this program would require involvement of City staff and, from time to time, elected officials and willing local business persons.

3. <u>We recommend that the value and contribution of the business community be communicated to the residents of the City.</u>

   Many citizens, fearful of the increasing business and industrial development, cannot view the contribution of the business community in a positive way. A serious effort needs to be undertaken to help all residents recognize the importance of businesses and to support the Direction 21 recommendations. Suggested media would include:

   a. City newsletter.

   b. Presentations before civic groups.

   c. Presentations before homeowner's organizations.

   d. Press releases for local media coverage.

   e. Handouts at local businesses.

   Our citizens need to understand that without business-generated revenues, the City really could not function. City residents need to be encouraged as much as possible to "shop at home."

4. We recommend that a summit meeting of public and private sector leaders be initiated to establish more direct communication links. It is important that both sides understand what they offer the community, and why.

One major difference between government and business administration is in the process of identifying, attracting and capturing a "market". Business entrepreneurs speak of "market share" while government administrators speak of "service levels" for an already captured market. It is here where business and civic leaders need to seek a common ground by which economic health of the community, both residential and business, can be strengthened. The two are inexorably linked, most of the time accentuating the positive.

Each side needs to "walk in the other's shoes" a bit. For example, it would prove very enlightening for City staff to understand just how a small business operates, captures a market, and makes the profit the City can **then** tax to fund its own operations. Conversely, business leaders may be surprised to discover how City staff attempts to balance competing interests to meet the directives of the elected and appointed officials of the Council and Planning Commission.

5. We recommend that the City affirmatively recognize the need for businesses to advertise through the use of reasonable signage.

Government officials and staff need to understand the necessity and complexity of adequate advertising in today's competitive business environment. The committee acknowledges the very substantial work accomplished by SORAC. There is a general feeling that, in its present format, the proposed Sign Ordinance adequately addresses the aesthetic needs of the City. However, we are concerned that it should also adequately address the economic needs of business, especially those of small businesses, to promote their enterprises. The committee hopes that in its final form the Ordinance will adequately support this recommendation.

6. We recommend that a study be done reviewing the functions and procedures of Planning, Engineering, and Building/Safety to improve coordination to more effectively serve the public.

Having to deal with many different City staff members is a burden to any developer; for large projects, the burden is often compounded by involvement with possibly dozens of different governmental jurisdictions. Better coordination of development review, planning, engineering and building/safety so as to simplify the developer's procedures will encourage local development rather than discourage it. Cross-training and economies of scale might also arise from improved coordination,

7. <u>We recommend that the parking requirements be reviewed and adjusted particularly in existing strip commercial areas where it is impossible for a business to create more parking in order to meet current code.</u>

   Without an in-depth review of the current plan, the City faces a loss of investor interest, as existing buildings remain vacant due to burdens of upgrading parking. The parking code needs to be adjusted to provide more reasonable standards for existing buildings, particularly in strip commercial. New use or remodeling of these buildings where square footage is not increased might perhaps carry forward the existing parking requirements from current or prior use.

8. <u>We recommend that, if the City Council determines additional funds are necessary to maintain essential services, the first priority method for revenue generation should be a Street Light/Landscape Maintenance Benefit Assessment District. This recommendation is made in concert with the following caveats:</u>

   a. The City Council must give budget policy guidance to departments **<u>prior</u>** to budget preparation for FY 1991-92, so that both elected and appointed decision makers can work together to address short term budget deficits. This guidance should include the identification of primary, secondary and tertiary programs **<u>and</u>** levels of service. Ultimately, it is the City Council's responsibility to set service priorities and to allocate sufficient funds to meet community needs. Across the board percentage cuts should be avoided. It is incumbent on the City council to make the final call to the citizens for any new revenues that may be needed, bearing in mind that the individual family must often opt to cut costs when additional revenue (salary) is not forthcoming.

   b. Any upward adjustment to the Utility User Tax should be held as a last resort revenue option that should not be implemented until all other reasonable budget cuts and revenue options are explored. This revenue is seen as the City's "ace in the hole" in times of catastrophic financial conditions.

c. Projected cash flows for the next three years indicate that, **absent** any change from current spending patterns or proactive approaches to revenue generation, the City will experience continued budget deficits. This challenge should be addressed immediately before the compounded effects leave the City with fewer viable options for the future.

d. Projected cash flows after five years indicate a moderation of the budget deficit, primarily due to assumptions concerning the buildout of the Marina Place project. These projections indicate that any revenue options would be needed for a short and finite period of time.

e. The maintenance of street lighting, traffic signals, street trees and the landscaping in parks, street medians and parkways are an important aspect of the character and quality of life in our City. Given the projected budget deficit, the financial allocations to these services and facilities are more likely to be reduced than many of the vital services provided by the Police and Fire Departments to provide for the health, safety and protection of the community. Citizens are usually not inclined or equipped to provide the latter type of services for themselves.

f. Institution of a Street Light/Landscape Maintenance District allows the Council a mechanism to determine funding for services in the secondary and tertiary priority levels. In short, it provides an opportunity to re-confirm commitments to maintaining and/or expanding these services and facilities for our community. Benefits to each citizen are direct and measurable. Annually, the Council should reaffirm its intention to elect to use district funds as part of the decision-making process. Full assessment of annual fees must be weighed against budget reduction options throughout the entire budget.

9. The Culver City Public Finance Advisory Committee recommends that the City Council adopt a series of financial policies which are appended to the Committee's final report.

The policies reflect the general public finance philosophy developed by the PFAC and City staff over its two year tenure. We feel these policies will serve to guide the City in the years to come, and assure a sound financial future.

APPENDIX

PROPOSED CITY FINANCIAL POLICIES

CITY OF CULVER CITY

FINANCIAL POLICIES

LONG-TERM PLANNING

1. The City shall seek a better balance in the overall revenue structure between stable and economically sensitive revenues. When new revenue sources are proposed, they should be designed to achieve the desirable balance.

2. The City shall enhance the economic development of the community as a whole through prudent long-range financial planning to encourage desirable businesses to locate in the City of Culver City.

3. The City shall develop and maintain methods of forecasting future revenues and expenditures. These methods shall project the City's future revenues and expenditures through a variety of methods including but not limited to forecasts of the economy and future development of the City. Each year, the City will update revenue and expenditure projections for the next four fiscal years to include current information; a revised fiscal forecast will be submitted to City Council during the budget process.

4. The City shall develop and maintain a projection of capital improvement needs for the next five years based on the General Plan, Specific Plans, and on City Council approved projects consistent with projected revenue and expenditure constraints. Future planning should consider periods of revenue surplus and shortfall and adjust future programs accordingly. Planning for Capital Improvement Projects shall also consider operating and maintenance cost impacts.

5. The City shall develop and maintain methods for the evaluation of future development in the City and the related fiscal impacts on the City budget.

6. The Staff shall keep City Council apprised of financial opportunities available to the City and shall develop appropriate recommendations.

7. The City shall avoid using one time revenues to subsidize an ongoing imbalance between operating revenues and expenditures unless a five-year forecast shows no continuance of structural operating deficits.

8. The City shall develop and implement a financial plan to address its unfunded liabilities.

9. Cost analysis of salary increases shall be based on direct salary plus City share of fringe benefits and pay for time not worked; and be projected over at least a five-year period.

REVENUE POLICIES

1. The City will estimate annual General Fund revenues using an objective, analytical process; specific assumptions will be documented and maintained. In instances where there is uncertainty as to assumptions, conservative revenue projections shall be provided.

2. The City shall annually, project revenues for the current and following four years, re-evaluating each existing and potential revenue source. These revenue projections and their assumptions shall be included in a forecast submitted to the City Council during the annual budget process.

3. The City shall prepare quarterly reports which discuss revenue projections in light of actual receipts, and shall provide new projections, as appropriate.

4. The City shall identify basic tax-provided services and will establish user fees and charges for services provided in excess of basic services and/or to non-taxpaying users.

5. Where direct services to citizens can be measured, the City shall consider use of appropriate fees, charges or assessments rather than general tax funds.

6. User fees and charges for specialized services shall be established at a level related to the cost of providing such service except where the City Council has determined there is a public benefit to subsidize the service with tax based revenue.

7. Annually the City will review the cost of activities supported by user fees to identify the impact of inflation and other cost increases. Fees shall be adjusted where appropriate to reflect these increases.

8. Enterprise funds (refuse/sewer/transit) shall be fully supported from their own revenue sources. This support shall include covering indirect costs such as General Fund services and annual depreciation.

9. The City shall identify the costs associated with new development as a basis for establishing development impact fees. The long-term benefit of the development to the City should be considered in establishing such fees.

APPROPRIATION POLICIES

1. The City shall, to the extent possible, pay for current year expenditures with current year revenues. Where authorized activities/equipment remain incomplete and/or unpurchased, revenues and/or fund balance may be carried forward at the Chief Administrative Officer's direction to the next fiscal year to support such an activity/purchase.

2. The City shall avoid budgetary procedures that balance current expenditures at the expense of meeting future years' expenses.

3. The City shall develop and implement a five year infrastructure, facilities and equipment maintenance/replacement plan, which shall be updated annually. A further goal shall be the development of a maintenance plan for all infrastructure, facilities and equipment over their expected life.

4. The Chief Administrative Officer shall be held accountable for assuring that department expenditures stay within the department's budget appropriation, and will notify the City Council immediately of the necessity to overexpend any department appropriation, prior to such overexpenditure.

5. All requests for City Council action shall include an analysis of the immediate and future fiscal impact of such action. No appropriation for new or expanded programs or staffing levels shall be approved without identifying the amount and source of available funds.

6. All externally mandated services for which funding is available shall be fully costed out, including overhead, to allow for complete reimbursement of expenses.

CAPITAL IMPROVEMENTS

1. The Capital Improvement Program is budgeted on a multi-year basis. Monies shall be allocated to projects when they become available regardless of the fiscal year in which construction will actually take place. The annual expenditure increment for any Capital Improvement project shall be contained within the appropriate annual budget categories.

2. The budget shall contain an annual allocation and an additional four-year revenue projection and needs analysis which specifies the revenue sources and allocation schedule for individual projects. This five-year plan shall be updated annually.

3. Unexpended capital project budgets shall be carried forward to future fiscal years to complete the intent of the original budget, contingent upon reappropriation by the City Council.

4. The City shall actively pursue outside funding sources for all projects for the CIP funding. Outside funding sources, such as grants, shall be used to finance only those Capital Improvement Projects that are consistent with the Five Year CIP and local governmental priorities, and whose operating and maintenance costs have been included in future operating budget forecasts.

5. Use of Bonds and/or Certificates of Participation to fund capital improvements shall be considered when it is cost effective or necessary to do so to meet a public need. Long-term borrowing shall be restricted to projects too large to be financed from current revenues. Where possible, special assessment, revenue or other self-supporting bonds shall be used in lieu of general obligation bonds.

FUND BALANCE/RESERVE POLICIES

1. The City shall maintain a reserve in the General Fund for cash flow, emergencies and economic uncertainties at a minimum of 10% of projected General Fund expenditures for each fiscal year.

2. The City shall establish, at the beginning of each fiscal year, an "appropriated reserve" to provide funding for special projects which are approved after the annual budget is adopted, for unanticipated expenditures of a nonrecurring nature, or to meet unexpected increases in current service delivery costs. This reserve shall be established at a minimum of $200,000.

3. The uncommitted fund balance from any prior fiscal year should not be used to fund ongoing operations in an upcoming year. Such monies should be committed to capital improvement projects, other one-time programs or shall be placed in the Reserve for Economic Uncertainties.

4. One-time funds should not be used for ongoing City programs. Such monies should be committed to Capital Improvement Projects or other one-time programs.

5. The City shall maintain a fund with a sufficient balance for eventual replacement of vehicles, equipment and facilities.

INDEX