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CULVER CITY FINANCE ADVISORY COMMITTEE**

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

**June 12, 2013
7:00 P.M.**

CALL TO ORDER & ROLL CALL

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

Members Present: **GORAN ERIKSSON**, Chair
 ALLAN AZRAN, Member
 DESMOND BURNS, Member
 RICHARD HIBBS, Member
 SEAN KEARNEY, Member
 ALEJANDRO LARA, Member
 STEVEN REITZFELD, Member
 DAVID TRAVATO, Member

Member Absent: **CRYSTAL ALEXANDER**, Vice-Chair

Staff Present: **Jeff Muir**, Chief Financial Officer
 Gracie Hasan, Secretary, Finance Advisory Committee

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Pledge of Allegiance

The Pledge of Allegiance was led by Steve Reitzfeld.

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Public Comment for Items NOT On the Agenda

None.

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Consent Calendar

Item C-1

Meeting Minutes

**THE FAC PASSED A MOTION APPROVING MINUTES FOR THE REGULAR
MEETING OF MAY 8, 2013 WITH THE FOLLOWING CORRECTION:**

Consent Calendar

Item C-1
(Continued)

Correction:

Agenda Item A: Minutes of May 8, 2013 - Moved by Member Burns, seconded by Member Reitzfeld to nominate Member Alexander to serve as Chair of the FAC.

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Action Items

Item A-1

Discussion of Bylaws

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

Discussion ensued between Committee Members and staff regarding the FAC Bylaws.

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Item A-2

Discussion of Communications with the Public

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

Discussion ensued between staff and Committee Members regarding interim solutions; contact information for Committee Members; the Brown Act; appropriate communication; contacting Committee Members from the City website; public record; addressing questions from the public; statements by individuals vs. statements by the group; confidential issues; and notification groups on the website.

MOVED BY MEMBER BURNS, SECONED BY MEMBER LARA AND UNANIMOUSLY CARRIED, THAT STAFF CREATE AN E-MAIL LINK ON FAC WEBPAGE WITH A "FILLABLE FORM" FOR THE PUBLIC TO SUBMIT QUESTIONS OR COMMENTS THAT WILL BE SENT TO COMMITTEE MEMBERS VIA JEFF MUIR, CFO. THE PUBLIC WILL BE NOTIFIED THAT THE QUESTION(S) WILL BE PLACED ON THE NEXT AGENDA FOR DISCUSSION OR ACTION BY THE COMMITTEE.

Upon further discussion between staff and Committee Members, this item will be placed on the Agenda for the next meeting scheduled for July 10, 2013.

MOVED BY MEMBER REITZFELD, SECONDED BY MEMBER HIBBS THAT THIS ITEM WOULD BE DISCUSSED AT THE MEETING OF JULY 10, 2013.

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Item A-3

Presentation and Discussion Regarding Fiscal Year 2013/2014 Proposed Budget

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

Open discussion ensued between staff and Committee Members regarding the total budget; property taxes; the sewer fund; storm water requirements; landfill costs; transportation funding; fund balances; the Self Insurance Fund; the Housing Authority; property tax increment; the dissolution of the Redevelopment Agency; the Successor Agency; housing assets; Section 8 Housing; the Oversight Board; CALPERS; City owned properties; the Utility Users Tax; Transient Occupancy Tax; filming revenue; sales tax; salary initiative ordinance; pending Redevelopment projects; the disposition plan; and the new financial system.

Jeff Muir, Chief Financial Officer, presented a pictorial presentation of the approved City budget for FY 2013-2014.

Additional discussion ensued between staff and Committee Members regarding reserves; financial policies; the General Fund; enterprise funds; clarification that ongoing revenues are expected to meet ongoing expenses and that the 2013-2014 budget is balanced for the first time in 4-5 years; and the availability of the budget is online for the general public to view.

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Item A-4

Discussion of Work Plan

Chair Eriksson introduced the item noting that requested examples of work plans were not available.

Jeff Muir, Chief Financial Officer, discussed possible items to include in the work plan; the financial policy; the long term forecast; assumptions; storm water compliance; the existing business tax ordinance; and he discussed the original Public Finance Advisory Committee established in the late 1980s.

Discussion ensued between staff and Committee Members regarding when the work plan is due to the City Council; the ability to make changes to the work plan after it is finished; items to include; salaries and pensions; expenditures; assessment districts; Community Development Block Grants; costs of a full-funded City; looking at line items department by department; identifying what other contractual services are; clarifying revenue; looking at the plan and moving forward before bullet points are considered; looking at ways to increase revenue and decrease expenses; City Council direction;

Item A-4
(Continued)

considering details once the work plan is established; what to accomplish by the end of the year; the budget process; looking at the big picture; goal setting; development of the 2014-2015 budget; short term goals; examining the current budget to look for opportunities for revenue enhancement and cost reductions; work by individual departments to streamline processes; policy review; areas of flexibility; the General Fund; Enterprise Funds; fee recovery; clarification that all taxes have to be approved by the voters; the fees and charges study; business taxes; the Proposition Y funds; the storm drain issue; existing General Fund expenditures; parks maintenance; street maintenance; parcel taxes; funding services; expiring taxes; incentives for businesses; sales tax rebates; waiving business tax costs for non-Culver City based production companies; the Westfield incentive; a suggestion to create subcommittees to accomplish additional work; miscellaneous revenue accounts; the PXP settlement; the Teen Center rental; and the long term analysis.

Jeff Muir, Chief Financial Officer, questioned whether the consensus was to conduct a detailed line item review of the General Budget focusing on different departments.

Additional discussion ensued between Committee Members and staff regarding whether the expertise exists in the Committee to really delve deeply into having an impact on the amount that is being spent or brought in by department; agreement to discuss policy to address any outdated components; examining the policies of other area cities; discussing policies with each department; working to make things easier for staff; internal controls; issues with changing from a City Council run form of government to a City Manager run form of government; the level of detail that the City Council gets into; autonomy in the departments; cost structures for other cities; appropriate cities to compare with; and other cities that have been successful identifying cutting costs and raising revenue.

Jeff Muir, Chief Financial Officer, noted that the City had been struggling with the budget for several years with much work done by staff on ways to increase revenue and decrease costs; and he agreed to provide background material to Committee Members to enable a continuation of the discussion with Committee Members armed with some of the things previously done by the City.

Further discussion ensued between Committee Members and staff regarding meeting dates; homework for Committee Members; a review of documents and policies; and agreement to cancel the July meeting and meet in August as necessary to provide information to the City Council at the Council meeting in September 2013.

MEMBERS OF THE FAC CONSENTUALLY MOVED A MOTION TO CANCEL THE NEXT MEETING OF JULY 10, 2013. NEXT MEETING SCHEDULED TO CONVENE ON AUGUST 14, 2013 - SECONED BY MEMBER LARA - MOTION CARRIED.

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Items from Staff

None.

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Items from Committee Members

None.

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Adjournment

There being no further business, at 9:35 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, August 14, 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