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CITY OF CULVER CITY FINANCE ADVISORY COMMITTEE

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

September 25, 2024
7:00 p.m.

CALL TO ORDER & ROLL CALL

Chair Lachman called the special meeting of the City of Culver City Finance Advisory Committee to order at 7:11 p.m. in the Dan Patacchia Room at City Hall.

Members Present: ANDREW LACHMAN, Chair
 MARC BAUER, Vice Chair
 LEIGH AUSTIN, Member
 JOHNNIE GRIFFING, Member
 VIKRAM THAKUR, Member

Absent : ANISSA DI VINCENTE, Member
 KEITH JONES, Member
 KEVIN LACHOFF, Member

Staff Present: Lisa Soghor, Chief Financial Officer
 Elizabeth Shavelson, Assistant Chief Financial Officer
 Michael Towler, Finance Manager
 John Figueroa, Senior Account Clerk
 James Lambert, Associate Analyst

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Pledge of Allegiance

Chair Lachman led the Pledge of Allegiance.

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Public Comment – Items NOT On The Agenda

John Figueroa, Senior Account Clerk, indicated that no requests to speak had been received.

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Receipt and Filing of Correspondence

John Figueroa, Senior Account Clerk, indicated that no correspondence had been received.

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Consent Calendar Items

Lisa Soghor, Chief Financial Officer, indicated that due to the special meeting, no minutes were available.

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Action Items

Item A-1

Receive a Report and Presentation on City's User Fee Study and Provide Feedback

Lisa Soghor, Chief Financial Officer, provided background on the City's User Fee Study process; expressed appreciation to staff for their efforts; discussed the involvement of most Culver City departments in the process; cost recovery levels; compliance; Code Enforcement; Sidewalk Vending Permits; Parks, Recreation and Community Services (PRCS); and development of a policy on which fees should be subsidized.

Nicole Kissam, NBS, provided a presentation on the User Fee Study; discussed industry standards; aspects of the fee study; routine goals and scope of the project; the approach to calculating fees; results; full cost recovery; length of the study process; fee for services; Proposition 26; clarification that fees cannot exceed cost for services or the estimated reasonable cost of providing services; cost for use of government buildings; cost of providing services; fees for development services; the process to set fees; fees that are not studied; data collected; new practices and types of fees; staff recommendations; fee comparisons; policy setting; other sources of income to cover shortfalls; and next steps.

Discussion ensued between Ms. Kissam, staff, and Committee Members regarding best practices; City Council consideration of an updated fee schedule

for adoption each spring; allowing departments to make changes more often than a full fee study is done; the wide range of PRCS fees; the new PRCS Director; engaging in a process to create policy for fees; free Senior Center events; facility rentals; the need for further analysis; constituents and stakeholders; invested residents and users who will want to have a say; City Council direction regarding cost recovery goals; allowing PRCS time; placing the focus on regulatory fees and moving forward to a current standard; length of time since rates have been adjusted; CPI (Consumer Price Index) adjustments; precedent; the shift of filming fees from the Police Department to other departments; involvement of FilmLA; charges for staff recovery time; stagnant fees; development; concerns expressed about costs to build housing as compared to neighboring cities; reasons comparisons with other jurisdictions are difficult including different service approaches of different cities, the different revenue bases of different cities, maintaining the atmosphere of different cities, information sources and the policy statements of different cities; understanding who the consumer is who the cost is passed along to; fees set by state law; Code Enforcement; compliance - the intent to get people to follow the rules rather than to generate revenue; disincentives to building an ADU due to costs; ensuring that CPI increases to fees occur in years after study; looking at what activity is being incentivized by fee subsidies; Building and Safety vs. Current Planning; subsidies for affordable housing; feedback from other departments; fees cannot exceed actual cost so there cannot be recovery greater than 100%; improved efficiencies in certain processes resulting in less staff time spent; use of vendor for business license tax collection and issuing of the business license tax certificates; and outsourcing.

Additional discussion ensued between presenters, staff, and Committee Members regarding legislative actions; due diligence in setting and recalibrating fees; lack of anything in the code indicating that refunds are required; compliance with guidelines of the constitution; lack of a required timeframe for reexamination of fees; burden of proof on the City that the charge does not exceed the cost of providing services; variances in fees; new programs; City Council consideration of fees; recovery rate; best practices; the importance of more frequent studies; adoption of fees by legislative action; cost recovery; challenges; previous lawsuits regarding fees; fees recommended at less than 100% recovery; impacts to homeowners or the small business community; feasibility; economic development; providing a recommendation from the FAC; setting a time frame for the PRCS to address their fees; the Parks Master Plan; the deficit; common practices; standard rates and recovery outcome; improving the recovery rate; subsidies; the role of government to provide services; articulating reasons for not recovering 100% of costs; setting policy; annual estimated revenue of PRCS; different user groups and kinds of subsidized fees; providing a methodology to set fees for all kinds of programs in PRCS; consideration by the PRCS Commission; higher subsidies for beginner programs; promoting water safety; charging closer to cost recovery rates for more advanced programs; facility maintenance; a suggestion for a joint meeting; additional meetings to help PRCS set rates; and the recent financial certification of a PRCS staff member.

Further discussion ensued between staff and Committee Members regarding support of the report with a caveat that freezing costs with respect to CPI increases should not be done in the future; policy decisions and impact; taking into account the beneficiaries and behaviors to incentivize; allowing affordable housing and affordable access to parks; recovering costs for private organizations that want to use parks for profit; providing reasoning for the City Council; and ensuring that a clear rationale is provided for every proposal that is less than 100% cost recovery.

MOVED BY VICE CHAIR BAUER AND SECONDED BY MEMBER AUSTIN THAT THE FINANCE ADVISORY COMMITTEE RECOMMENDS: 1) MOVING FORWARD THE CITY SHOULD ADOPT AN UPDATED FEE SCHEDULE ANNUALLY WITH APPROPRIATE INCREASES FOR CPI; 2) AGREES THAT PRCS POLICY SETTING NEEDS A MORE ROBUST PROCESS; AND 3) STAFF ENSURES THAT A CLEAR RATIONALE IS PROVIDED FOR EVERY RECOMMENDED FEE THAT IS LESS THAN 100% COST RECOVERY.

THE MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: AUSTIN, BAUER, GRIFFING, LACHMAN, THAKUR

NOES: NONE

ABSENT: DI VINCENTE, JONES, LACHOFF

Additional discussion ensued between staff and Committee Members regarding cost for the fee study.

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Item A-2

(1) Approval of the Measure CC and Measure C Sales Tax Status Report (FY24, Q3) for Transmittal to City Council, and (2) Approval of the Real Property Transfer Tax Status Report (FY24, Q4) for Transmittal to City Council

Lisa Soghor, Chief Financial Officer, provided a summary of the material of record for the Measure CC and Measure C sales tax status report.

Discussion ensued between staff and Committee Members regarding transaction taxes; Howard Industries; and the statewide consensus forecast.

Lisa Soghor, Chief Financial Officer, provided a summary of record for the Real Estate Transfer Tax status report.

Discussion ensued between staff and Committee Members regarding interest rates; commercial sales; windfall vs. structural revenue; improvement over the

previous year; and similar taxes in surrounding cities.

MOVED BY MEMBER THAKUR AND SECONDED BY MEMBER GRIFFING THAT THE FINANCE ADVISORY COMMITTEE AUTHORIZE TRANSMITTAL OF THE QUARTERLY STATUS REPORTS (MEASURE C AND MEASURE CC, AND REAL PROPERTY TRANSFER TAX) TO THE CITY COUNCIL.

THE MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: AUSTIN, BAUER, GRIFFING, LACHMAN, THAKUR

NOES: NONE

ABSENT: DI VINCENTE, JONES, LACHOFF

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Item A-3

Receive Reports for Discussion from the (1) Assets Ad Hoc Subcommittee, (2) Structural Revenue Review Ad Hoc Subcommittee, (3) Affordable Housing Ad Hoc Subcommittee, (4) 2025 Government Efficiency Ad Hoc Subcommittee; and (5) Provide Direction to Staff, if Deemed Appropriate

Vice Chair Bauer reported on the Assets Ad Hoc Subcommittee noting that they were working with staff on certain properties owned by Culver City and would have an update for the next meeting.

Chair Lachman indicated nothing to report regarding the Structural Revenue Review Ad Hoc Subcommittee.

Discussion ensued between staff and Committee Members regarding the Affordable Housing Ad Hoc Subcommittee and the successful event held on September 11; appreciation to staff for their efforts and to the presenters for their assistance; the process and status of questions submitted to staff; and the public process for the gun store property.

Member Thakur indicated nothing to report on the 2025 Government Efficiency Ad Hoc Subcommittee.

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Item A-4

Discussion of October 9, 2024 Agenda

Discussion ensued between staff and Committee Members regarding affordable housing; next steps; information received from the educational event; feedback from specific communities; maintaining neighborhood quality while supporting

affordable housing; City goals for building affordable housing within the City limits; addressing misconceptions; potential agenda items; and agreement that an October meeting would not be necessary.

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Public Comment – Items NOT on the Agenda (Continued)

Chair Lachman invited public comment.

John Figueroa, Senior Account Clerk, indicated that no public comment had been received.

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Items from Committee Members/Staff

Lisa Soghor, Chief Financial Officer, reported that Mary Noller had officially retired as Assistant Chief Financial Officer on September 9 and Elizabeth Shavelson had been promoted to the Assistant Chief Financial Officer; she introduced new Associate Analyst James Lambert; discussed staffing changes; “year-end” mode; and a new audit firm, Lance, Soll, Lunghard, LLP, had started the City’s annual audit for Fiscal Year 2023-2024.

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Adjournment

There being no further business, at 8:48 p.m., the City of Culver City Finance Advisory Committee adjourned their meeting to a regular meeting to be held on November 13, 2024.

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John Figueroa
SECRETARY of the Culver City Finance Advisory Committee
Culver City, California

APPROVED

Andrew Lachman
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 Bocchino
CITY CLERK

Date