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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.

<u>Discussion of Future Agenda Items (Continued)</u>

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