



Culver CITY

PATIO MEETING ROOM
9770 CULVER BOULEVARD
CULVER CITY, CALIFORNIA 90232-0507
CITY HALL Tel. (310) 253-6000
FAX (310) 253-6010

GORAN ERIKSSON, Chair
CRYSTAL ALEXANDER, Vice-Chair
MAURICIO BLANCO, Member
RICHARD HIBBS, Member
SEAN KEARNEY, Member
ALEJANDRO LARA, Member
STEVEN REITZFELD, Member
JOE SUSCA, Member
DAVID TROVATO, Member

FINANCE ADVISORY COMMITTEE Wednesday, March 11, 2015

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, March 11, 2015
7:00 PM

Patio Meeting Room

CALL TO ORDER & ROLL CALL:

Goran Eriksson, Chair
Mauricio Blanco, Member
Sean Kearney, Member
Steven Reitzfeld, Member
David Trovato, Member

Crystal Alexander, Vice-Chair
Richard Hibbs, Member
Alejandro Lara, Member
Joe Susca, 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 February 11, 2015 Regular Meeting.

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

A-1. Approval of Measure-Y Report for Transmittal to City Council

A-2. Invitation to Commissions, Committees and Boards to Provide Comment during the City's Fiscal Year 2015/2016 Budget Process

A-3. Receive Report from the Special Event Sponsorship Policy Review Ad Hoc Subcommittee

A-4. Discussion of Benchmarking Study & Project Timeline

ITEMS FROM STAFF

S-1. Discussion of April Agenda

ITEMS FROM COMMITTEE MEMBERS

ADJOURN

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

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

February 11, 2015
7:00 p.m.

CALL TO ORDER & ROLL CALL

Chair Eriksson called the meeting of the Finance Advisory Committee to order at 7:00 p.m. in the Patio Meeting Room.

Members Present:

GORAN ERIKSSON, Chair
CRYSTAL ALEXANDER, Vice Chair
MAURICIO BLANCO, Member
RICHARD HIBBS, Member
SEAN KEARNEY, Member
ALEJANDRO LARA, Member
STEVEN REITZFELD, Member
JOE SUSCA, Member
DAVID TROVATO, Member

Staff Present:

Jeff Muir, Chief Financial Officer
Gracie Hasan, Secretary
Erica McAdoo, Senior Budget Management Analyst

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Pledge of Allegiance

Joe Susca led the Pledge of Allegiance.

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Public Comment for Items NOT On the Agenda

Chair Eriksson invited public comment.

No cards were received and no speakers came forward.

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Consent Calendar

Item C-1

Meeting Minutes

**THE FAC PASSED A MOTION APPROVING THE MINUTES FOR THE
REGULAR MEETING OF JANUARY 14, 2015.**

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Action Items

Item A-1

Presentation and Discussion of General Fund Financial Forecast

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

Discussion ensued between staff and Committee Members regarding permit related revenue from developers; income from property sales; one-time revenue sources; Pacific Theaters; the dissolution of Redevelopment; General Fund properties vs. Successor Agency properties; property tax revenue; operating costs; capital projects; revenue base; PERS rates; Measure Y; the importance of holding the line on operating costs and services; caution regarding expenditure additions beyond current service levels; concern with reliance on retail sales; creating a ten-year projection; agreement by the Committee to recommend extending the forecast to Fiscal Year 2023-24 to illustrate the impact of the Measure-Y sunset provision; the contingency reserve; investments to approach fully funded liabilities; reserve requirements; a suggestion to include the reserve balance; infrastructure funding; incorporating cost increases; the recommendation to the City Council to put more money towards capital; the baseline; real property transfer tax; reasonable assumptions; the General Forecast; the CPI; and presentation of the General Fund Financial Forecast at the February 23, 2015 City Council meeting.

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Item A-2

Receive Report from the Special Event Sponsorship Policy Review Ad Hoc Subcommittee

The Special Event Sponsorship Policy Review Ad Hoc Subcommittee indicated that they would provide a presentation for the March 11, 2015 meeting.

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Item A-3

Discussion of Benchmarking Study & Project Timeline

Erica McAdoo, Senior Budget Management Analyst, discussed data collection; data analysis; the final drafting of the report; progress to date; concern with outdated data; editing the list of cities for inclusion in the study; the varying amounts of data available from different cities; different classifications in different cities; the benchmark study template; and using other, easier to extract data points.

Discussion ensued between staff and Committee Members regarding the number of cities completed; the project timelines; accessible, extractable, available data; cities with zero data; the status of data gathering; missing data; non-correlating data; data collection; time required to do each city; verification of information; the number of cities in the final report; incorporating General Fund information; the number of dispatched calls for service; editing the data points for consistency; eliminating cities; contract cities; completing data collection; a plan for moving forward; goals for the next meeting; firming up cities; the budget process; transit; analyzing data; improving methodology for obtaining data; the data set; criteria; population; findings from Benchmark Study research; and the Committee agreed to continue the discussion to the March 11, 2015 meeting.

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Items from Staff

Item S-1

Discussion of March Agenda

Jeff Muir, Chief Financial Officer, discussed upcoming agenda items for the March meeting noting that their goal was to have a transparency presentation for the February 23, 2015 City Council meeting.

Erica McAdoo, Senior Budget Management Analyst, provided a presentation on upcoming upgrades to transparency initiative sites (Socrata Open Budget & Open Expenditures).

Discussion ensued between staff and Committee Members regarding the budget process; dates for the workplan discussions; the Capital budget and the General Fund contribution; availability of salary information; payroll information; and expenditure and revenue information.

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Items from Committee Members

Member Kearney received clarification from Staff regarding the status of storm drain issue.

Chair Eriksson reported being asked to speak at the recent City Council meeting on the Measure Y report; he indicated that Council Members had expressed appreciation for the work of the Committee; he discussed AirBnB; a new law in Los Angeles to reduce the gross business tax; taxes in other area cities; exemptions; and changes to the tax structure.

Discussion ensued between staff and Committee Members regarding meeting location and renovations.

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Adjournment

There being no further business, at 8:24 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, March 11, 2015 at 7:00 p.m. in the Patio 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

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.

Martin R. Cole
CITY CLERK

Date

City of Culver City, California
Finance Advisory Committee Agenda Item Report

Meeting Date: 03/11/2015		Item Number: <u>A-1</u>
AGENDA ITEM: Approval of Measure Y Sales Tax Status Report for Transmittal to City Council.		
Contact Person/Dept.: Jeff S. Muir/Finance	Phone Number: 310/253-5865	
Public Notification: (E-Mail) Meetings and Agendas – Finance Advisory Committee (03/04/15)		
Department Approval: Jeff Muir (03/04/15)		

RECOMMENDATION:

Staff recommends that the Finance Advisory Committee (FAC) approve the Measure Y Sales Tax Status Report and authorize transmittal to City Council.

DISCUSSION:

Item 2 on the FAC Work Plan is to 'Develop a methodology to analyze Measure Y proceeds and report the results to the public.' The attached Measure Y Status Report is a simple, one-page report that provides some background information on Measure Y, and shows budget versus actual results by fiscal year, top 25 Measure Y sales tax producers and the cumulative total received.

With approval of the FAC, and incorporating any changes requested by the FAC, staff will transmit this report to the City Council.

ATTACHMENTS:

- Measure Y Sales Tax Status Report IV - Draft

MOTION:

That the FAC:

- (1) Discuss the Measure Y Status Report;
- (2) Make recommendations to Staff; and
- (3) Authorize transmittal to City Council.

MEETING DATE: 03/11/2015

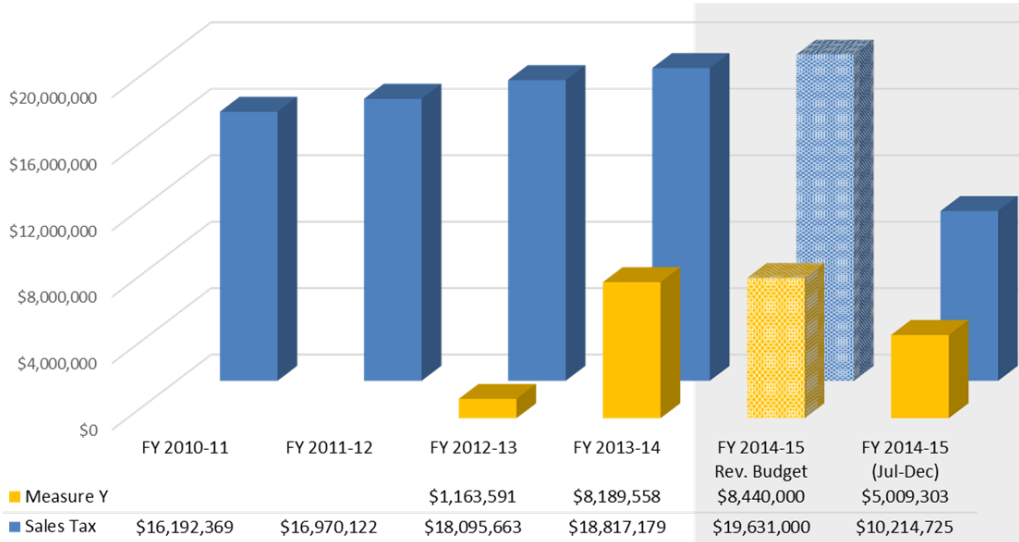
AGENDA ITEM: A-1 – Approval of Measure Y Sales Tax Status Report for Transmittal to City Council

ATTACHMENTS

	<u>Pages</u>
1. Measure Y Sales Tax Status Report IV - DRAFT	10

The purpose of this report is to provide the Council and residents a status update on Measure Y revenue activity that occurred in the City. This report captures Measure Y sales tax collections through the second quarter of the 2015 Fiscal Year.

CULVER CITY SALES TAX REVENUES



FISCAL YEAR 2015: QUARTER 2 MEASURE Y REVENUES

Through the second quarter of Fiscal Year 2015, Measure Y sales tax collections total \$5.0 million, or 59.4 percent of budgeted revenues. Note that as a result of strong 1st and 2nd Quarter results, Measure-Y Sales Tax year-end revenue projections were increased from \$8.3 to \$8.4 million during the Mid-Year Budget review. Year-to-date Measure Y revenues surpassed 2014 receipts through December by \$0.9 million (21.1 percent). Consumer goods and restaurants & hotels continue to drive Measure Y sales tax revenues through the second quarter. Cumulatively, a total of \$14.4 million in revenues has been raised since the measure's implementation.

Measure Y funds are budgeted as part of the annual budget approval process by the City Council. Funds received are deposited into the City's General Fund and allocated to sustain general municipal functions.

TOP 25 MEASURE Y SALES TAX PRODUCERS

(in alphabetical order)

Amazon Com	Jins Shell
Arco AMPM	Macys
Best Buy	Nordstrom Rack
Best Buy Gov Llc	Old Navy
Centinela Chevron	Ross
Costco w/Gas	Samys Camera
Culver City Chevron	Target
Foot Locker	Tesoro
Forever XXI	TJ Maxx
Howard Industries	Toys R Us
Illumina Inc	Verizon Wireless
JC Penney	Vons
	Westside Arco

Source: HdL Companies, Culver City
Measure Y Sales Tax Update

Measure Y Sales Tax Status Report IV:

Measure Y is a voter-approved one-half percent transaction and use tax adopted to maintain City of Culver City critical services. With limited exceptions, the transactions and use tax is imposed on the same goods and merchandise as the local sales and use tax. The 10-year measure gained overwhelming voter approval in November 2012 and went into effect April 2013 to provide necessary resources to resolve the City's structural deficit issues and continue services at existing levels. Measure Y contains a sunset provision, which will result in the expiration of the measure on March 31, 2023 if not reauthorized by voters.

City of Culver City, California
Finance Advisory Committee Agenda Item Report

Meeting Date: 03/11/2015		Item Number: <u>A-2</u>
AGENDA ITEM: Invitation to Commissions, Committees, and Board to Provide Comment during the City's Fiscal Year 2015/2016 Budget Process.		
Contact Person/Dept.: Jeff S. Muir/Finance	Phone Number: 310/253-5865	
Public Notification: (E-Mail) Meetings and Agendas – Finance Advisory Committee (03/04/15)		
Department Approval: Jeff Muir (03/04/15)		

RECOMMENDATION:

Staff recommends that the Finance Advisory Committee (FAC) receive the invitation from the City Council to provide comments during the City's Fiscal Year 2015/2016 Budget Process.

BACKGROUND AND DISCUSSION:

As of the 2014/2015 Fiscal Year, the City Council has created an enhanced budget process. This process provides additional opportunities for the public to provide input into the budget document. Continuing this process into the upcoming budget cycle, the City Council has specifically invited members of the City's Commissions, Committees, and Boards to provide comments during the City's Fiscal Year 2015/2016 Budget Process.

Attached is the Budget Calendar for this fiscal year. Members of the City's Commissions, Committees and Board are welcome to attend any and all of the public meetings of the City Council at which the budget will be reviewed and ultimately considered for adoption by the City Council.

As the City Manager's Proposed Budget for Fiscal Year 2015/2016 is created, Members of the City's Commissions, Committees, and Board are welcome to provide comments on the proposals. As the process moves forward, you may transmit any comments on the budget to the staff supporting your body.

ATTACHMENTS:

Budget Calendar – Fiscal Year 2015/2016

MOTIONS:

That the Finance Advisory Committee:

Acknowledge the invitation from the City Council to provide comments during the City's Fiscal Year 2015/2016 Budget Process and receive and file this report.

MEETING DATE: 03/11/2015

AGENDA ITEM: A-2 – Invitation to Commissions, Committees and Boards to Provide
Comment during the City's Fiscal Year 2015/2016 Budget Process

ATTACHMENTS

	<u>Pages</u>
1. Fiscal Year 2015/2016 Budget Calendar	13 - 14

Culver CITY
Budget Calendar
Fiscal Year 2015 - 16

OB=Operating Budget

CIP=Capital Improvement Program

BUDGET	DUE DATE	PARTICIPANTS	TASK/ACTIVITY
OB/CIP	11/24/2014	Budget & Finance	Preliminary General Fund Year-End Report on FY13-14
OB/CIP/SA	Week of 1/19/2015	Budget & Finance	Mid-Year Budget Review Process Kick-Off
OB/CIP	2/9/2015	Budget & Finance	Print Public Notice (for 2/23/2015)
OB/CIP/SA	Week of 2/9/2015	City Manager/ Executive Management/ Budget & Finance	Mid-Year Review Departmental Meetings with City Manager (if needed)
OB/CIP/SA	2/23/2015	City Council/ City Manager / Budget & Finance / Executive Management	City Council Presentation - Presentation of Mid-Year Results - Projection for year-end and Updated 5-Year Forecast - Pre-Proposed Budget Public Comment Period
OB/CIP/SA	2/2 - 4/8/2015	Commissions / Boards / Committees	Commissions, Boards & Committee Discussion on Budget/Work Plan Recommendations
OB/CIP	3/9/2015, 3/10/2015, 3/23/2015	City Council/ City Manager / Budget & Finance / Executive Management	- Department Presentations & Discussions of FY14-15 Work Plan Status Updates & Proposed FY15-16 Work Plans - Department Presentations & Discussions of Grant Funding Utilization and Opportunities - City Council Input on Work Plans & Priorities and Grant Funds
OB/CIP/SA	3/9/2015	Budget & Finance	Public Notification of Budget Input Box
OB/CIP/SA	3/24/2015	Budget & Finance / Executive Management	Budget Kickoff - Distribute work packets/guidelines, and other materials - Distribute Capital Project Forms - Presentation on Budget Preparation
OB/CIP/SA	4/8/2015	Commissions / Boards / Committees	Commission, Boards & Committees Recommendations Due to Applicable Department Director and City Manager
OB/CIP	4/13/2015	Executive Management	Budget Materials Due from Departments - Departments Submit Proposed Budget - Departments Submit Proposed Capital Improvement Projects

Culver CITY
Budget Calendar
Fiscal Year 2015 - 16

OB=Operating Budget

CIP=Capital Improvement Program

BUDGET	DUE DATE	PARTICIPANTS	TASK/ACTIVITY
OB/CIP/SA	4/14 - 4/24/2015	City Manager/ Executive Management/ Budget & Finance	Departments meet with City Manager (as necessary)
OB/CIP	4/27/2015	Budget & Finance	Print Public Notice (for 5/11/2015)
OB/CIP/SA	4/27- 5/6/2015	Budget & Finance	Prepare and assemble 2015-16 Proposed Budget and Related Documents / Prepare Gann Limit / Prepare "Budget at a Glance"
OB/CIP/SA	Week of 5/4/2015	Information Technology Dept. - Graphic Services	Print Proposed Budget Documents
OB/CIP/SA	5/11/2015	City Council/City Manager/Budget & Finance	Presentation of Proposed Budget / Public Comment
OB/CIP/SA	5/26/2015 & 6/8/2015 (Tentative)	City Council/City Manager/Budget & Finance/Executive Management	Departmental Presentations to City Council
OB/CIP	5/26/2015	Budget & Finance	Print Public Notice (for 6/8/2015)
OB/CIP	6/8/2015	City Council	2nd Public Comment Period on Proposed Budget
OB/CIP	6/8/2015	Budget & Finance	Print Public Notice (for 6/22/2015)
OB/CIP/SA	6/22/2015	City Council/City Manager/Budget & Finance	Final budget Public Hearing / Budget Adoption - Adopt 15-16 Budget and Prop 4 Gann Limit - Adopt 15-16 Capital Budget
OB/CIP/SA	7/1/2015	Budget & Finance	Implement Adopted 2015-16 Budget
OB/CIP/SA	July / August 2015	Budget & Finance	Update budget book to reflect City Council decisions and update final 2014-15 accomplishments
OB/CIP/SA	July / August 2015	IT/Graphic Services	Print Adopted Budget Document
OB/CIP/SA	July / August 2015	Budget & Finance	Post Adopted Budget on City Website

City of Culver City, California
Finance Advisory Committee Agenda Item Report

Meeting Date: 03/11/2015		Item Number: <u>A-3</u>
AGENDA ITEM: Discussion of Budget Benchmarking Study.		
Contact Person/Dept.: Jeff S. Muir/Finance	Phone Number: 310/253-5865	
Public Notification: (E-Mail) Meetings and Agendas – Finance Advisory Committee (03/04/15)		
Department Approval: Jeff Muir (03/04/15)		

RECOMMENDATION:

Staff recommends that the FAC continue its discussion and recommendation on the Budget Benchmarking Study.

DISCUSSION:

Item 3 of the FAC Work Plan is to ‘Undertake a Budget Benchmarking Project to compare where and how Culver City spends and receives money to selected similar communities. Analyze possibilities for alternative service delivery methods.’

Discussion of this Work Plan Item is being continued from the December 10th FAC Meeting. The FAC has reviewed municipalities throughout the State of California and has narrowed the scope of cities for comparative analysis from 478 to 23 cities. During the December meeting, the FAC divided research between its three ad hoc Benchmark Review Subcommittees and staff.

The FAC will continue its review of data points and statistics from each city’s budgets, State Controller’s Office Reports and other Benchmarking surveys. Subcommittees will present findings from research and aggregate with data compiled by staff. The FAC will further review and update the Benchmarking Study Project Plan to determine next steps for project.

ATTACHMENTS:

- Budget Benchmark Project Study Plan - DRAFT

MEETING DATE: 03/11/2015

AGENDA ITEM: A-4 – Discussion of Budget Benchmarking Study.

ATTACHMENTS

	<u>Pages</u>
1. Budget Benchmark Project Study Plan - DRAFT	17

**Finance Advisory Committee
Draft Budget Benchmarking Study Project Plan**

	8/13/2014	9/10/2014	10/8/2014	11/12/2014	12/10/2014	1/14/2015	2/11/2015	3/11/2015	4/8/2015	5/13/2015	6/10/2015	7/8/2015	8/12/2015
I. PLANNING													
Initial Meeting													
Establish Benchmarking Subcommittees													
Research Benchmarking Templates/Best Practices													
II. DATA COLLECTION													
Develop List of Comparative Cities and Parameters for Study													
Identify Datapoints to be Collected for Study													
Research City Data, Compile and Review Data Collected													
Review Comparative Cities for Outliers & Edit List of Cities for Inclusion in Study													
III. ANALYSIS													
Prepare Illustrations, Tables & Figures from Data													
Analyze Variances between Cities													
Conduct Additional Research (if needed)													
IV. REPORT FINDINGS/RECOMMENDATIONS													
Draft Final Report													
Proof/Revise Final Report													
Present Benchmarking Study Report to City Council													