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CITY OF CULVER CITY FINANCE ADVISORY COMMITTEE

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

February 14, 2024
7:00 p.m.

CALL TO ORDER & ROLL CALL

Chair Lachman called the regular meeting of the City of Culver City Finance Advisory Committee to order at 7:05 p.m. in the Dan Patacchia Meeting Room at City Hall.

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

Absent: KEITH JONES, Member
 KEVIN LACHOFF, Member

Staff Present: Lisa Soghor, Chief Financial Officer
 Elizabeth Shavelson, Financial Systems and
 Purchasing Manager
 Michael Towler, Finance Manager
 Jonathan Villasana, Account Clerk

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The following item was considered out of sequence.

Action Items

Item A-1
(Out of Sequence)

FAC – Administration of the Oath of Office to Newly Appointment Members of the Finance Advisory Committee Leigh Austin and Vikram Thakur

Chair Lachman welcomed new Members Austin and Thakur noting that they had been sworn in prior to the meeting.

New Committee Members Austin and Thakur provided background on themselves.

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Pledge of Allegiance

Member Austin led the Pledge of Allegiance.

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Public Comment for Items NOT on the Agenda

Chair Lachman invited public comment.

Jonathan Villasana, Account Clerk, indicated that no public comment had been received.

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Receipt and Filing of Correspondence

Jonathan Villasana, Account Clerk, indicated that no correspondence had been received.

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Consent Calendar Items

Item C-1

Approval of the Minutes for the Finance Advisory Committee Meeting of January 10, 2024

THE FINANCE ADVISORY COMMITTEE APPROVED THE MINUTES FOR THE FINANCE ADVISORY COMMITTEE MEETING OF JANUARY 10, 2024 (ABSENT: MEMBERS JONES AND LACHOFF).

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Order of the Agenda

Item A-1 was considered before the Pledge of Allegiance.

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Action Items

Item A-2

FAC – Receive Reports for Discussion from the (1) Assets Ad Hoc Subcommittee, (2) Structural Revenue Review Ad Hoc Subcommittee, (3) City Council Engagement Ad Hoc Subcommittee, (4) Affordable Housing Ad Hoc Subcommittee, (5) 2024 Government Efficiency Ad Hoc Subcommittee, and (6) Provide Direction to Staff, if Deemed Appropriate

Chair Lachman received clarification that appointments were not agendaized and would have to wait until the next meeting; acknowledged the benefit of having all Members present; he discussed the work of the subcommittees; and he noted that the delay would allow new Members time to think about what opportunities are available.

Vice Chair Bauer discussed the purpose of the Assets Ad Hoc Subcommittee and current tasks.

Chair Lachman described the focus of the Structural Revenue Review Ad Hoc Subcommittee; noted that the Subcommittee had not met recently; indicated that there was an opening on the Subcommittee.

Chair Lachman discussed the Affordable Housing Subcommittee; an event held in the fall about the economics of affordable housing; discussions with the Assistant City Manager about a follow up panel about best practices of other cities to build affordable housing in their communities; the importance of educating the community; incentivizing the private sector; government support; the specialized area of development; and an available position on the Subcommittee; and he reported openness to ideas on additional hearings or programming.

Member Griffing discussed the focus of the 2024 Government Efficiency Ad Hoc Subcommittee; efforts to increase to the number of applications received; categories; outreach; evaluation of the applications; deadlines; trophies; gift cards; and the June 10, 2024 ceremony for the Third Annual Government Efficiency Innovation Awards.

Discussion ensued between staff and Committee Members regarding the defined process; appreciation for those working to save the City money and to reduce the carbon footprint through efficiencies; as City employees, Members Griffing and Di Vincente will recuse themselves from the judging process; milestones between April 20th and June 10th; communication with the City Manager's Office; questions posed to those making submissions; a suggestion for a brainstorming component; and the open Subcommittee position.

Member Griffing discussed the 10th Anniversary of the FAC; the commendation presented by Mayor Vera on December 11, 2023; and he proposed framing the commendation and hanging it in the Finance Department.

Discussion ensued between staff and Committee Members regarding filling Subcommittee vacancies; the Brown Act; the ability to serve on more than one subcommittee; the Advisory Committee on Housing and Homelessness; the focus of the Affordable Housing Subcommittee; and ensuring that the Committee is doing more than letting issues come to them.

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Item A-3

FAC – Receive an Update on the Culver City Economic Vitality Task Force

Chair Lachman noted that both members of the Culver City Economic Vitality Task Force were absent so the item would be deferred to the next meeting.

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Item A-4

(1) Approval of the Measure CC and Measure C Sales Tax Status Report (FY24, Q1) for Transmittal to City Council, and (2) Approval of the Real Property Transfer Tax Status Report (FY24, Q2) for Transmittal to City Council

Lisa Soghor, Chief Financial Officer, provided a presentation on Measure CC and Measure C sales taxes; she discussed the origin of the FAC; that the money comes from the state so there is a delay in reporting; timing of the reports; the ten year trend; differences in the rate of return between Bradley-Burns Uniform Local Sales Taxes (Measure BB) and transaction taxes; online sales; car sales; decreased sales tax trends; fluctuations in purchases and prices; City revenue as compared to the county; underperforming transaction taxes; the shift from tangible goods to experiences; decreases to restaurant activity; the impact of entertainment industry strikes in 2023; corrections; adjustments to numbers; changes to tax methods for

Amazon; the holiday quarter; statewide results; and changes from the same quarter in the prior year.

Discussion ensued between staff and Committee Members regarding data received by HdL Industries (HdL); the sunset for Measure CC in 2033; clarification that Measure C does not have a sunset; sales taxes vs. transaction taxes; base sales taxes; clarification that the reports are meant to be educational for the Committee; decreased gas tax revenue; reliance on money coming from the pools; decreased portions from the pools; attributions by online retailers to where their distribution centers are located; and efforts by the League of California Cities' Sales Tax Working Group to address these changing dynamics; practices in other states; and the role of the California Department of Tax and Fee Administration.

MOVED BY VICE CHAIR BAUER, SECONDED BY MEMBER THAKUR AND UNANIMOUSLY CARRIED, THAT THE FINANCE ADVISORY COMMITTEE: AUTHORIZE TRANSMITTAL OF THE QUARTERLY STATUS REPORTS FOR MEASURE C AND MEASURE CC TO THE CITY COUNCIL (ABSENT MEMBERS JONES AND LACHOFF).

Lisa Soghor, Chief Financial Officer, provided a report on Real Property Transfer Taxes; discussed Measure RE; agreed to correct a typographical error on the report; discussed timeliness of the report; the process; data within the period that Measure RE has been in effect; the 2021 Fiscal Year; irregularity of the revenue source; decreased property sales; residential sales; commercial sales; how the one-time money from the sale of one large commercial property in 2021 was used to fund pension costs; property tax analysis provided by Coren and Cone; and decreases to sales volume.

Discussion ensued between staff and Committee Members regarding agreement that 2021 was an anomaly, and property resales.

MOVED BY MEMBER THAKUR, SECONDED BY MEMBER DI VINCENTE AND UNANIMOUSLY CARRIED, THAT THE FINANCE ADVISORY COMMITTEE: AUTHORIZE TRANSMITTAL OF THE QUARTERLY STATUS REPORTS FOR THE REAL PROPERTY TRANSFER TAX TO THE CITY COUNCIL AS AMENDED (ABSENT MEMBERS JONES AND LACHOFF). .

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Item A-5

Discussion of March 13, 2024 Agenda

Discussion ensued between staff and Committee Members regarding upcoming agenda items; receipt of a report from the Assets Subcommittee; further discussion on housing; selection of members for subcommittees; dissolution of the City Council Engagement Ad Hoc Subcommittee; staff agreement to provide a report on the implementation of Measure BL; subcommittee reports; discussion of finance related statewide measures on the November ballot and the California Business Roundtable at the April meeting; a suggestion to have a discussion on the fact that Culver City has one of the lowest returns on property tax in Los Angeles county; and dates of the City budgeting cycle.

Committee consensus was achieved to agendize the following items for the next meeting: appointments to subcommittees, dissolution of the City Council Engagement Ad Hoc Subcommittee, staff update on Measure BL, and subcommittee reports.

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Public Comment – Items NOT on the Agenda (Continued)

Chair Lachman invited public comment.

Jonathan Villasana, Account Clerk, indicated that no public comment had been received.

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Items from Committee Members/Staff

Lisa Soghor, Chief Financial Officer, discussed work on the ACFR (Annual Comprehensive Financial Report) for submission to GFOA (Government Finance Officers Association); preparation of the second iteration of the Popular Financial Annual Report by the end of March; the upcoming user fee presentation in the spring; the poll being distributed about the Parks Bond; the retirement of former Chief Financial Officer and Assistant City Manager Onyx Jones in December; and the two current Assistant City Managers.

Chair Lachman requested that staff investigate the Parks Bond, and he congratulated the two new Members of the FAC.

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Adjournment

There being no further business, at 8:20 p.m., the City of Culver City Finance Advisory Committee adjourned their meeting to a regular meeting to be held on March 13, 2024.

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Jonathan Villasana, Account Clerk 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