

THESE MINUTES ARE OFFICIAL & APPROVED BY THE
CULVER CITY FINANCE ADVISORY COMMITTEE

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

October 12, 2016
7:00 p.m.

CALL TO ORDER & ROLL CALL

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

Members Present: ✓ **CRYSTAL ALEXANDER**, Chair
 ✓ **DAVID TROVATO**, Vice Chair
 JOSE CASAREZ, Member
 – **SEAN KEARNEY**, Member
 ✓ **ALEJANDRO LARA**, Member
 ✓ **JANE LEONARD**, Member
 ✓ **GUSTAVO RENDON**, Member
 – **BRYAN SUA**, Member

Members Absent: **STEVEN REITZFELD**, Member

Staff Present: **Jeff Muir**, Chief Financial Officer
 Erica McAdoo, Senior Budget Management Analyst
 Michelle Villongco, Secretary

Also Present: **Council Member Eriksson**

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Pledge of Allegiance

The Finance Advisory Committee recited the Pledge of Allegiance.

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Public Comment for Items NOT On the Agenda

Chair Alexander invited public comment.

No speakers came forward and no cards were received.

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Consent Calendar

Item C-1

Meeting Minutes

THE FAC PASSED A MOTION (ABSENT MEMBER REITZFELD) APPROVING THE MINUTES FOR THE REGULAR FINANCE ADVISORY COMMITTEE MEETING OF SEPTEMBER 14, 2016.

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Action Items

Item A-2
(Out of Sequence)

(1) Discussion of Approved Work Plan; (2) Discussion of the Creation of Subcommittees; (3) (If Desired) Creation of Subcommittees; and (4) (If Desired) Appointment of Members to Such Subcommittees

Chair Alexander discussed the October 10, 2016 City Council meeting; the strategies and objectives meeting; consideration of whether dispensaries would be permitted in the City; review of revenue possibilities; increasing civic engagement; setting up a regulatory framework for dispensaries in the City; and creation of a citizen task force.

Discussion ensued between Council Member Eriksson and Committee Members regarding gauging interest in a citizen's task force; appointments; consideration of a tax at the next municipal election; business licenses; monitoring the actions of other cities; and the timeframe.

Chair Alexander reported that the City Council had instructed the FAC to consider whether to apply a Transient Occupancy Tax (TOT) to short term rentals such as Airbnb and provide recommendations to the City Council before the end of 2016 for City Council consideration of a recommendation by January 2017; discussed the actions of Los Angeles and the beach cities; Planning Commission consideration; and consideration by the revenue subcommittee while waiting for Community Development to provide information to the City Council.

Additional discussion ensued between staff and Committee Members regarding the basis for estimates and clarification on language used.

Chair Alexander reported that the City Council also suggested that the FAC review and recommend revenue opportunities and conduct a survey of revenue opportunities being undertaken by other cities; she noted that the revised work program had been adopted by the City Council with two modifications; the City Council requested a review and recommendation of public/private partnership opportunities in the City and oversight of funds of the Measure CW tax if it passes; she discussed differences with the way the Measure Y tax is handled; tracking spending and revenue; the suggestion by Paul Ehrlich to defer approval of the workplan and bylaws; and specific kinds of reviews for the revenue source that differ from the way Measure Y was handled.

Council Member Eriksson discussed state law that regulates the way funds are overseen and the type of representation on the Board noting that there was no criticism with the way the Committee handles oversight of Measure Y.

Further discussion ensued between staff, Committee Members and Council Member Eriksson regarding clarification that Measure CW would be a parcel tax; bonds; project approval; research on viability, cost worthiness, grants; permits; establishing several subcommittees to address new tasks; the partnership with Costco; clarification regarding public/private partnerships; upgrading opportunities with private investors; the fiber infrastructure in the City; the capital investment; communication with the Chamber of Commerce; the red light camera partnership; timing for levying the property tax if it passes; programming the money through the budget process; spending oversight; previous capital outlay and whether funds would pay back the General Fund; creation of subcommittees and their operations; allowable number of people serving on subcommittees; taxation of Netflix; Utilities User Tax ordinances; the labor intensive nature of collecting taxes; holding off on creation of a marijuana subcommittee to a future date; the contribution of non-residents to the City through taxes; starting with Airbnb; research with the City Manager before moving forward with the public Private/Partnership subcommittee; organization of the subcommittees; next steps in the process; and agreement to create a TOT/Airbnb subcommittee, Public/Private Partnerships subcommittee, Financial Services Disaster Prep subcommittee, and Economic Development subcommittee to survey other cities.

THE FAC PASSED A MOTION (ABSENT MEMBER REITZFELD) TO CREATE THE FOLLOWING SUBCOMMITTEES WITH ASSIGNMENTS AS FOLLOWS:

1. AIRBNB/TRANSIENT OCCUPANCY TAX SUBCOMMITTEE:
MEMBERS CASAREZ, KEARNEY, RENDON, AND TROVATO;
2. ECONOMIC DEVELOPMENT SUBCOMMITTEE:
MEMBERS LARA AND REITZFELD;
3. PUBLIC/PRIVATE PARTNERSHIP SUBCOMMITTEE:
CHAIR ALEXANDER AND MEMBER CASAREZ;

4. FINANCIAL SERVICES DISASTER PREP SUBCOMMITTEE:
CHAIR ALEXANDER AND MEMBERS LEONARD AND SUA.

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Item A-1

PRESENTATION AND DISCUSSION ON THE 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 OPEB prefunding; the decrease in liability reserve; the insurance pool; the Safety PERS employer rate; achieving the rate of investment return; the 30-year amortization of unfunded liability; the percentage of Police and Fire in the overall budget; agreement to bring back a historical look at CalPERS rates; different components of the General Fund budget; the forecast summary; operating revenue; Measure Y; development assumptions; one-time revenues associated with permits; the expenditure budget; the current service budget; current personnel levels; cost of living increases; inflation; separation of one-time costs; requests for additional monies; employee turnover; savings in expenditures; pension increases; infrastructure investments; gross surplus deficit; the contingency reserve requirement; the Facilities Planning Reserve; the percentage of Parks and Recreation fees for recreation facilities; Unassigned Fund Balance; the ending balance; the spend down of reserves on infrastructure; General Fund revenues; increased services with new development; increased personnel costs; property tax revenue; high level revenue categories; inflation estimates; history; the LAEDC Annual Report; the percentage of commercial vs. residential property tax in Culver City; the mid-year forecast; and the long-term trend.

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This item was taken out of sequence.

Items from Committee Members

Chair Alexander discussed FAC items on the October 10 City Council agenda including the Special Events policy and forms connected with the policy; the time frame for implementation; outreach to groups that have applied for special event funding in the past; City Council adoption of the bylaws; and Statements of Economic Interest.

Discussion ensued between staff, Committee Members and Council Member Eriksson regarding City email addresses; preferred email contacts; the Fleet Utilization Policy; and Brown Act certification.

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Item S-1

Discussion of November Agenda

Discussion ensued between staff and Committee Members regarding items for the November agenda including subcommittee reports; continuation of the forecast discussion; and a report on Measure Y.

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Items from Staff

None.

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Adjournment

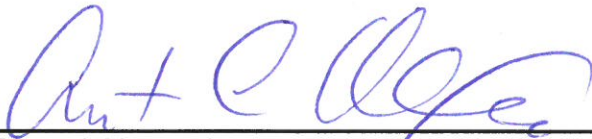
There being no further business, at 8:36 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, November 9, 2016 at 7:00 p.m. in the Dan Patacchia Meeting Room.

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Michelle Villongco
SECRETARY of the Culver City Finance Advisory Committee
Culver City, California

APPROVED



Crystal Alexander
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 Green
DEPUTY CITY CLERK

Date