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

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

June 13, 2018
7:00 p.m.

CALL TO ORDER & ROLL CALL

Chair Alexander called the meeting of the City of Culver City Finance Advisory Committee to order at 7:03 p.m. in the Dan Patacchia Meeting Room at City Hall.

Members Present: **CRYSTAL ALEXANDER**, Chair*
DAVID TROVATO, Vice Chair
SEAN KEARNEY, Member
ALEJANDRO LARA, Member
JANE LEONARD, Member
DARREL MENTHE, Member
STEVEN REITZFELD, Member
BRYAN SUA, Member

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*Chair Alexander left the meeting at 7:12 p.m.

Absent: **JOSE CASAREZ**, Member

Staff Present: **Erica McAdoo**, Senior Budget Management Analyst
Michelle Villongco, Secretary

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Pledge of Allegiance

Steve Reitzfeld led the Pledge of Allegiance.

Vice Chair Trovato reported that he had not applied for reappointment to the Finance Advisory Committee (FAC).

Chair Alexander congratulated Vice Chair Trovato on his impending fatherhood and thanked him for his six years of service; she discussed some of his contributions and accomplishments; consideration of short term rentals by the City Council; Voluntary Compliance Agreements; and the work of the FAC in generating revenue for the City.

Discussion ensued between staff and Committee Members regarding figures used by the City Council when discussing short term rentals; projected market revenue; information from Airbnb; other short term rental sites; new members on the Short Term Rentals subcommittee; whether to collect taxes before an ordinance is crafted and appreciation to Vice Chair Trovato for his service.

Chair Alexander exited the meeting at 7:12 p.m.

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Public Comment for Items NOT On the Agenda

None.

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Consent Calendar

Item C-1

Meeting Minutes

MOVED BY COMMITTEE MEMBER LEONARD AND SECONDED BY COMMITTEE MEMBER REITZFELD THAT THE FINANCE ADVISORY COMMITTEE APPROVE THE MINUTES FOR THE REGULAR FINANCE ADVISORY COMMITTEE MEETING OF MAY 9, 2018 (ABSENT CHAIR ALEXANDER AND MEMBER CASAREZ, WITH VICE CHAIR TROVATO ABSTAINING).

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Order of the Agenda

Action Items

Item A-1

Approval of Measure Y Sales Tax Status Report for Transmittal to City Council

Erica McAdoo, Senior Budget Management Analyst, provided a summary of the staff report and highlighted fluctuations in the report.

Discussion ensued between staff and Committee Members regarding budget revenue; sales tax budgeted for Measure Y; clarification to wording; the Amazon figures; fulfillment center information; tax computation based on the destination; confidential information regarding the top tax producer; and a request to change ampersands in the report to the word "and".

THE FAC PASSED A MOTION TO SUBMIT THE MEASURE Y SALES TAX STATUS REPORT TO THE CITY COUNCIL WITH THE CHANGES AS DISCUSSED (ABSENT CHAIR ALEXANDER AND MEMBER CASAREZ).

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Item A-2

Discussion Regarding Conducting a Review of Other Cities' Sugar-Sweetened Beverage Taxes to Provide Findings/Recommendations to the City Council

Erica McAdoo, Senior Budget Management Analyst, provided background on the item.

Discussion ensued between staff and Committee Members regarding methods of measuring usage; multiple layers of taxation; clarification that the burden of taxation and reporting is placed upon the business with taxes usually passed along to the consumer; an observation that cities that have the tax are large cities; departments involved in the process; instances where the taxes can be more expensive than the product; costs to run the program; lawsuits; experiences of Berkeley and Philadelphia; registered distributors; requirements to file monthly returns; the feeling that the process is too much to undertake for a city the size of Culver City; concern with creating a large bureaucratic burden; the fact that every small business would have to undergo a complicated and lengthy process to comply with the tax; the amount of paperwork for every business in the City that sells soda; studies that show increases and decreases to soda consumption as a result of the tax; increases to water sales; identification of funding for the studies; conducting a cost benefit analysis; defining consumption; revenue numbers for Berkeley; geography of Culver City; simplifying the taxation process; inadvertently increasing consumption depending on the taxation process; potential lost business; health benefits; whether an obesity problem exists in Culver City; and agreement to form a subcommittee populated once new members of the FAC are seated.

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Item A-3

Receive Reports from Subcommittees

Discussion ensued between staff and Committee Members regarding Public/Private Partnerships; staff agreement to distribute an article on a partnership between Domino's Pizza and the City of Burbank; Business Tax Review; clarification on what is reportable; LLCs; pass-through entities; branch offices vs. corporate headquarters; clarifying form format; examination of the code for potential update; renewal forms; new areas with internet related businesses; guidelines to clarify business taxes and licenses; inclusion in the Finance Department workplan; costs to locate a business in Culver City vs. in Los Angeles; Code Enforcement; Business License Inspection; the General Plan Review; ridesharing; Bird scooters; staff agreement to provide the portion of the City Council meeting where ridesharing was considered to Committee Members; a pilot program initiated in Santa Monica; the new dockless bikeshare program; the need to establish code and policy; staff support of subcommittees; taxicab revenue; whether a business tax can be levied on short term rentals; Transient Occupancy Taxes (TOT); health and fire inspections; the need to formulate regulations; and actions of other cities.

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Public Comment – Items NOT on the Agenda (Continued)

None.

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Receipt of Correspondence

None.

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Item S-1

Discussion of July Agenda

Member Reitzfeld announced that he had applied to the Landlord Tenant Mediation Board and would not be continuing on the FAC.

Discussion ensued between staff and Committee Members regarding appointments and reappointments; the Landlord Tenant Mediation Board; open positions on the FAC; length of terms; installation of Committee Members; selection of officers; review of the workplan; staff subcommittees; and the number of applications submitted.

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Items from Committee Members/Staff

Erica McAdoo, Senior Budget Management Analyst, reported that the City Council would discuss the budget on June 18 noting that she would provide Committee Members with a copy of that presentation; she thanked everyone for getting online with their email addresses; and she indicated that Culver City would only communicate with Committee Members via their City email addresses for fiscal year 2018-2019.

Discussion ensued between staff and Committee Members regarding the 2018-2019 contact list.

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Adjournment

There being no further business, at 8:14 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, July 11, 2018 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
CITY CLERK

12 JUL 18
Date