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

November 14, 2018
7:00 p.m.

CALL TO ORDER & ROLL CALL

Chair Leonard 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: JANE LEONARD, Chair
DARREL MENTHE, Vice Chair
CRYSTAL ALEXANDER, Member
NANCY BARBA, Member
JOSE CASAREZ, Member
BRYAN SUA, Member

Absent: SEAN KEARNEY, Member
ALEJANDRO LARA, Member

Staff Present: Erica McAdoo, Procurement & Financial Services Manager
Michelle Villongco, Secretary

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Pledge of Allegiance

Darrel Menthe led the Pledge of Allegiance.

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Public Comment for Items NOT On the Agenda

Chair Leonard invited public comment.

No cards were received and no speakers came forward.

It was noted that Randy Lentz was present as a public observer to the meeting.

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Consent Calendar

Item C-1

Meeting Minutes

Chair Leonard asked that clarification be added on page 5 regarding items for the November agenda to indicate a that a discussion on Measure C and D be placed on the agenda as well as adding in Measure CW into the Finance Advisory Committee's Quarterly Report to the City Council.

THE FAC PASSED A MOTION APPROVING THE MINUTES FOR THE REGULAR FINANCE ADVISORY COMMITTEE MEETING OF OCTOBER 10, 2018 AS AMENDED (ABSENT MEMBERS KEARNEY AND LARA).

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Order of the Agenda

Action Items

Item A-1

1) Discuss Proposed Measure CW Annual Report and (2) Provide a Recommendation for Transmittal to City Council

Erica McAdoo, Procurement & Financial Services Manager, noted previous discussion of the item; the Committee decision to add infographics to the report; she discussed actual financials and revenue; integration with Public Works and IT; formalizing the request to transmit to the City Council; final edits and reasoning for continuing the item.

Discussion ensued between staff and Committee Members regarding keeping the item in front of the Committee while it is being finished; transmitting the items as discussed to the City Council; whether to approve the item before it has been

seen by the Committee; incorporating the item into the December report; timing; holding the item to the January meeting for review before submittal; incorporation of comments by the City Council into the report; availability of the draft of the CW infographic on the website; staff agreement to furnish information to the Committee; the inability to make the information public until it is official; feedback from the Committee; continued work with IT and Public Works so everything can be launched together; the final trial balance; the Comprehensive Annual Financial Report (CAFR); final approved numbers by the auditors; Financial Investment Reports; incorporation of page markers; and agreement to agendize the matter for the January meeting when the audit has been finalized.

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Item A-2

(1) Receive Report on Veterans Memorial Building General Fund Activity; (2) Discuss Feasibility of Veterans Memorial Building Becoming an Enterprise Fund; and (3) Provide a Recommendation for Transmittal to City Council

Chair Leonard provided background on the item.

Discussion ensued between staff and Committee Members regarding whether Veterans Memorial is the appropriate structure for an Enterprise Fund; added value of the change; clarification on what an enterprise fund is; and self-supporting funds vs. intergovernmental and grant funding.

Erica McAdoo, Procurement & Financial Services Manager, provided a summary of the material of record.

Discussion ensued between staff and Committee Members regarding rentals when space is available; General Fund vs. enterprise funds; staffing; overlap between programming and facility rentals; separation necessary if the change to an enterprise fund would be made; contract services vs. staff; security services; expenses vs. revenue; rental volume; planned rehabilitation and upgrades; money necessary to justify an enterprise fund; the last fee modification; determining the level of subsidy; community benefit; ensuring an adequate level of reserve for continual capital improvements; rentals that support recreational programming; actions of other area communities; examination of fees and charges; conducting a market analysis; remaining competitive; impacts of changes on the community; meeting rooms for community based organizations; comments from staff; clarification that the Wende Museum and AMVets are not part of the City; commercial tenants; having a tenant of preference; other ways to create an enterprise fund; renovating the space into a convention center; involvement of the FAC in the next fees and charges study; frequency of the study; clarification on the amount of subsidy being given; increased costs; the

optimal amount; City Council awareness; fees and charges on the City website; government transparency; staff agreement to furnish information to the Committee regarding the schedule for 2013-2014, and the one previously adopted along with the percentage change of growth and expenditures; other items included in growth and expenses; staff costs and overhead costs; billable costs charged back to the enterprise fund; the cost allocation plan; depreciation; direct and indirect costs; ongoing reserves for repairs; the request that the FAC review the study before it goes to the City Council; staff agreement to put together information illustrating the subsidy percentages across several years; FAC consideration of the frequency of the fees and charges study; the fact that costs are increasing but revenue is not; and extra money planned for capital expenditures in 2019.

Chair Leonard invited public participation.

The following member of the audience addressed the Committee:

Randy Lentz suggested that a dollar for dollar comparison be made rather than a percentage comparison.

Additional discussion ensued between staff and Committee Members regarding work of the consultant; creation of the ratios; understanding basic revenue, cost components and additional considerations should it evolve to an enterprise fund which would change the structure; aligning with a business entity and activity of the City; rental facilities as being primarily a community benefit; ensuring that the space is reasonably priced based on the market so that the community can use it; examination of the way the space is being used; quantifying and qualifying the vacancy rate; and the kitchen and other improvements not being made.

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Item A-3

Receive Reports from Subcommittees

Member Barba reported that the On-Demand Transportation Services Subcommittee had been put on hold pending notification from Jesse Mays.

Erica McAdoo, Procurement & Financial Services Manager, reported that Jesse Mays had been busy working on the cannabis tax item but the On-Demand Transportation item would be coming forward soon.

Discussion ensued between staff and Committee Members ensued regarding the pilot program with Bird and Lime; data-based invoicing; verification; complaints; balancing; impacts to law enforcement and the fire department; and tracking of incidents and citations.

Erica McAdoo, Procurement & Financial Services Manager, reported that the consultant had finished their review, and better direction would be available for the FAC after a formal meeting with the City Manager, and she indicated that the report would be presented to the FAC, and in the meantime the list of cities that they would be providing information on is available for the subcommittee to look at in preparation for the presentation.

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Item A-4

(1) Discuss Finance Advisory Committee Bylaws; and if necessary (2) Recommend Proposed Amendments for Transmittal to the City Council

Chair Leonard discussed the Comprehensive City Council Policy on Boards, Committees and Commissions and she discussed the policy for absences of Committee Members.

Discussion ensued between staff and Committee Members regarding policy implementation; annual attendance reports; justifiable absences; current bylaws vs. the Council approved document; missing consecutive meetings; recommended removal or mandatory removal; whether other Committee bylaws conflict with the City Council directive; the overriding document; differences in bylaws between Committees; requirements for the business community member position; whether a sufficient number of applicants have applied; interpretation of what constitutes the primary operator of a business; difficulty filling certain seats; ensuring that the business has an active business license; lobbying; and the Conflict of Interest Form.

Chair Leonard invited public input.

The following member of the audience addressed the Committee:

Randy Lentz reported that applicants are asked whether they are a business owner and whether they have worked for the City.

Discussion ensued between staff and Committee Members regarding follow up questions on employment; Finance Department validation of information; policy issues and questions; the need to examine the bylaws; the application process; requiring that participants be a decisionmaker; concern that language in the application could be limiting; age requirements; clarification on how in-depth the examination of the bylaws should be; additional information; ensuring consistency throughout the document; modifying language in terms of business community members; meeting clauses; duties; adding Measure CW and C into the process; whether to create an ad hoc subcommittee to examine the

document; recrafting language to address issues discussed; bringing the item back in January for discussion; a suggestion to submit questions and ideas to Vice Chair Menthe; staff agreement to create a shared document where everyone can add questions and/or changes; frequency of review; policy consolidation; streamlining; and language used in the resident member requirements.

Erica McAdoo, Procurement & Financial Services Manager, agreed to create a Word Document with tracked changes to be disseminated to the group.

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Item A-5

(1) Discussion of Quarterly Committee Report of FAC Activities; (2) Authorization for Transmittal to City Council; and (3) Establishment of an Ongoing Schedule for Future FAC Quarterly Reporting to the City Council

Chair Leonard discussed quarterly reports to the City Council.

Discussion ensued between staff and Committee Members regarding the current policy; the actions of other bodies; formatting; previous discussion on providing a formal report to the City Council; providing a verbal presentation at a City Council meeting; itemizing a bullet point list of FAC accomplishments since the Committee's inception; ensuring that all Committee Members can attend the meeting; making a presentation at the second City Council meeting in January; presenting items by category rather than chronologically; filling the vacant FAC seat; the written report; time constraints for reporting; whether the item on the agenda would be part of public comment, items from staff or an agenda item; timing of follow up reports; splitting up the reports among different speakers; information included in commendations put forth; updates to the workplan; documentation; a suggestion for written reports every six months; continued work on the item; and encouragement to Committee Members to submit comments to staff but to ensure that other Members are not copied on correspondence.

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Public Comment – Items NOT on the Agenda (Continued)

Chair Leonard invited public participation.

No cards were received and no speakers came forward.

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Receipt of Correspondence

None.

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Items from Committee Members/Staff

Erica McAdoo, Procurement & Financial Services Manager, discussed the Measure Y Status Report for the January meeting and incorporating in Measure CW rather than creating a separate report.

Discussion ensued between staff and Committee Members regarding election results; turnout; and the Business Seat vacancy.

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Item S-1

Articles, Issues and Notes

Discussion ensued between staff and Committee Members regarding the City Council Strategic Plan draft; the Business Tax Review; Long-Term Financial Stability and New Sources of Revenue; items for the next meeting; Member availability for the December meeting; the Measure Y report; continued discussion of bylaws; holding Measure CW until January; subcommittee updates; whether working on a shared document violates the Brown Act; and editing tools within Word.

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Adjournment

There being no further business, at 9:09 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, December 12, 2018 at 7:00 p.m. in the Dan Patacchia Meeting Room.

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

APPROVED

Jane Leonard
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

10 JAN 2019
Date