

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

October 16, 2019
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 7:01 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
KEITH JONES, Member*
SEAN KEARNEY, Member
ANDREW LACHMAN, Member**
BRYAN SUA, Member***

*Member Jones arrived at 7:08 p.m.

**Member Lachman arrived at 7:02 p.m.

***Member Sua arrived at 7:04 p.m.

Absent:

ALEJANDRO LARA, Member

Staff Present:

Erica McAdoo, Procurement & Financial Services Manager
Punit Chokshi, Senior Management Analyst
John Figueroa, Senior Account Clerk

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Pledge of Allegiance

Andrew Lachman 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.

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Consent Calendar

Item C-1

Approval of the Minutes for the Adjourned Regular Meeting of September 11, 2019

In response to inquiry, Erica McAdoo, Procurement & Financial Services Manager, clarified that the new members were not reflected in the roll call as they were not sworn in to their positions until after the start of the meeting.

Chair Leonard noted that page 1 should be corrected to indicate that Chair Leonard had requested that a moment of silence be observed; on page 2 it should be noted that she had requested the changes to the minutes; she suggested that for purposes of clarity, on page 4 under the Business Tax Review Subcommittee, it be added that new Members Jones and Lachman expressed interest in serving on the Business Tax Review Subcommittee and that Member Sua agreed to release his seat; she requested that the motion be moved into the section above rather than being in the order that it happened; she asked that a header added to indicate Discussion of Other Subcommittees before the discussion about rent stabilization; she asked that a header be added to indicate Discussion of Approved Work Plan; she asked that information presented by staff be included as attachments of record noting that things provided to Members in the public meeting should be made available to the public; and she indicated that she would provide her notes to staff.

Erica McAdoo, Procurement & Financial Services Manager, indicated that she would check with the City Clerk to see if presentations that are not included within the agenda item can be included as an attachment of record.

MOVED BY MEMBER KEARNEY, SECONDED BY MEMBER ALEXANDER AND UNANIMOUSLY CARRIED, THAT THE FINANCE ADVISORY COMMITTEE APPROVE MINUTES FOR THE MEETING OF SEPTEMBER 11, 2019 AS AMENDED (ABSENT MEMBER LARA).

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Order of the Agenda

No changes were made.

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Action Items

Item A-1

Receive Reports from Subcommittees

Business Tax Review Subcommittee

Vice Chair Menthe discussed communication with the City consultant.

Discussion ensued between staff and Committee Members regarding business classifications; amount of tax revenue received per classification; issues with email notification; issues of concern regarding the data; the need for a more detailed approach; the use of averages from other jurisdictions; taking into account the actual businesses in the City; the proposed rates; choosing the rates without particular policy goals; exemption for businesses earning less than \$100,000 per year; deductions; the number of businesses in each business license category; the number of smaller businesses in the City; the total number of businesses in the City; addressing the potential for discouraging businesses from growth by exempting those under \$100,000; the policy in the City of Los Angeles; being welcoming to small businesses; positive effects of bringing businesses out of the shadows; businesses that impose costs on the City; the gig economy; justification for the exemption; different models used in different cities; incentivizing retention of small businesses; balance; other benefits from retaining small business; educating the public; providing a tax holiday; new tools to identify businesses; truthful reporting of income; audits; recouping taxes from unregistered businesses; the estimate in the proposal; the All Other Businesses Category; the process; timing; outreach; creation of a timeline; allowing options for the City Council to place an item on a ballot; mechanisms to encourage registration; data; compliance; enforcement; outside contractors; deductions and exemptions; discretion; direction to staff to explore an incentive program for the next meeting; Subcommittee recommendations; outreach and engagement; City services; Economic Development; the successful amnesty program in 2010; businesses that lease space vs. those that use communal space; communication; public transit options for employees; the Transportation Demand Management (TDM) program; encouraging businesses to become part of the community; civic responsibility; penalties; working with companies that provide office space to gather information; the welcome packet from the City; the Downtown Business Association (DBA); the Chamber of Commerce; obtaining information from the Secretary of State; sole proprietorships; providing information for businesses like WeWork to distribute to

their customers; responsibilities of business owners in the City to pay their share for services provided; writing down recommendations from the Subcommittee to the Committee; education; startups; asking forgiveness rather than permission; things to work on; business structures; adding the business license into the process to set up a business; small businesses without actual office spaces; requirements of the law; people who work at home; those who are employees of a business but do work at home; determining percentages; categorical rather than gross value taxes; gross receipt taxes; and staff agreed to provide an update at the next meeting.

On Demand Transportation Services Subcommittee

No report was available.

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Public Comment – Items NOT on the Agenda (Continued)

Chair Leonard invited public comment.

No cards were received and no speakers come forward.

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Receipt of Correspondence

None.

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Items from Committee Members/Staff

Item S-1

Presentation of Internal Control Updates

Punit Chokshi, Senior Management Analyst, reported that the contract with Lighthouse had been finalized and he indicated that he was working on the webpage.

Discussion ensued between staff and Committee Members regarding the fraud waste and abuse hotline for employees and residents and current procedures.

Chair Leonard invited public comment.

The following member of the audience addressed the Committee:

Paulette Greenberg reported working to get a whistleblower hotline installed in Culver City and was pleased to hear that it would be up and running soon; she discussed the use of the whistleblower hotline to identify non-compliant businesses; and she thanked the Committee for their work to bring the hotline forward.

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Item S-2

Discussion of November Agenda

Discussion ensued between staff and Committee Members regarding items for the November agenda including: reports from subcommittees; an update on internal controls; the enterprise risk assessment; the report from Moss Adams; the Measure Y status report; quarterly reports; an upcoming presentation to the Committee regarding costs related to rent control; the short term rentals program; cannabis permits; outreach; City Council discretion; the process; and City Council appreciation for the updates.

Erica McAdoo, Procurement & Financial Services Manager, indicated that she would distribute the updated Committee contact list; discussed communication; reevaluating the way new members are assigned their email addresses; compliance with City procedures; the need to use Culver City email accounts; and, responding to inquiry, she discussed the timeline to complete Brown Act training.

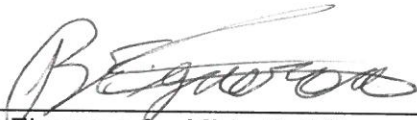
Member Sua reported that his email address was not listed on the FAC page on the City website.

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Adjournment

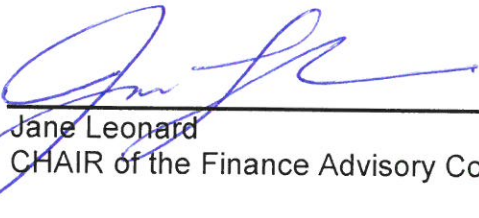
There being no further business, at 8:37 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, November 20, 2019 at 7:00 p.m. in the Dan Patacchia Meeting Room.

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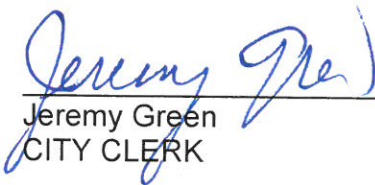
John Figueroa for Michelle Villongco
SECRETARY of the Culver City Finance Advisory Committee
Culver City, California

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 2020
Date