

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

**May 13, 2020
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 7:00 p.m. via teleconference.

Members Present: JANE LEONARD, Chair
DARREL MENTHE, Vice Chair
CRYSTAL ALEXANDER, Member
NANCY BARBA, Member
KEITH JONES, Member
SEAN KEARNEY, Member
ANDREW LACHMAN, Member
ALEJANDRO LARA, Member
BRYAN SUA, Member

Staff Present: Onyx Jones, Chief Finance Officer
Erica McAdoo, Procurement & Financial Services Manager
Michelle Villongco, Associate Analyst

Erica McAdoo, Procurement & Financial Services Manager, explained procedures for making public comment.

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Pledge of Allegiance

Chair Leonard chose to forego the Pledge of Allegiance and recognized those on the frontlines during the crisis.

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Public comment for items not on the agenda

Chair Leonard invited public comment .

Michelle Villongco, Associate Analyst, read public comment submitted by:

Rich Kissel, Culver City Coalition for Fiscal Responsibility: asked City leaders to re-evaluate funding priorities and cut back non-essential programs and services; discussed the declaration of a Fiscal Emergency; suggested redirecting resources to programs that serve those in greatest need; expanding the safety net to those who are most harmed by COVID-19; suspending the Interim Rent Control Ordinance (IRCO) immediately; noted the original intent of the IRCO to deter rent increases; state-wide rent protection; AB1482; decreased rental prices; the rent registry; AB2406; self-regulation; expansion of Landlord Tenant Mediation Board (LTMB) duties; and he provided a letter from Gary Duboff signed by 120 people.

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Consent Calendar

Item C-1

Approval of Minutes for the Adjourned Regular Meeting of February 12, 2020

MOVED BY MEMBER ALEXANDER, SECONDED BY MEMBER BARBA AND UNANIMOUSLY CARRIED, THAT THE FINANCE ADVISORY COMMITTEE APPROVE MINUTES FOR THE ADJOURNED REGULAR MEETING OF FEBRUARY 12, 2020.

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Order of the Agenda

No changes were made.

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Action Items

Item A-1

Presentation and Discussion of the City Manager's/Executive Director's Proposed Budget for Fiscal Year 2020/2021

Onyx Jones, Chief Financial Officer, reported that the City had received the Distinguished Budget Presentation Award from the Government Finance Officers Association for 2019, and the 2019-2020 California Society of Municipal Finance Officers Award; discussed challenges related to COVID-19; core principles to guide the City and minimize impacts of COVID-19; the Citywide operating budget; enhancements; the General Fund overview; fiscal challenges; decreased revenue; innovation; expense containment; revenue enhancement; essential services; support of local business; the Culver City Economic Recovery Task Force; unfunded liability; impacts of COVID-19 on CalPERS; the General Fund overview; growth still occurring in the City; changes in other funds; Capital Improvement Projects (CIPs); and conservative projections looking ahead.

Char Leonard invited public comment.

Michelle Villongco, Associate Analyst, read public comment submitted by:

Paul Ehrlich: requested written response to his questions regarding refinancing City debt; changes to the City's credit rating; Bill Botts Field; budget reflection of the Los Angeles county recommendation of Stay at Home orders through July; frequency of budget projection updates; status of the City's Rainy Day Fund; proposed cut-backs and time frame; changes to the CalPERS discount rate; the time frame for restoring the practice of reflecting the financial impact of each item on the City Council agenda; frequency of updating the dynamic budget on the City website; the amount of capital spending cancelled, reduced or deferred to next year's budget; the number of employees reduced since the beginning of the year; and the amount of money being paid by the City in overtime.

Discussion ensued between staff and Committee Members regarding protocol for responding to public comment; appreciation to staff for their diligent work on the budget and position of the City; large savings in Other Post-Employment Benefits (OPEB) pre-funding; amounts budgeted for the General Plan Update and other projects; not purchasing vehicles; departmental identification of cuts; vacant positions; elimination of training and travel; impacts of cuts to departments; keeping central services intact; long term effects of putting pre-funding off; improved efficiencies; pushing long term goals out further; department-wide cuts of 10%; Information Technology; City-wide expenses; new spending on the COVID response; Federal Emergency Management Agency (FEMA) reimbursement; budget appropriations to address expenses; refunding efforts; resources through Police and Fire; FEMA requests from every state; strict reimbursement requirements; impacts to service levels; flexibility with restoring positions and impacted services; addressing losses; best business practices; reserve funds; Transportation and Refuse Funds; the need to secure additional revenue in order

to put best practices back; a suggestion to have a Finance Advisory Committee Member serve on the Economic Recovery Task Force (ERTF) ; and pros and cons of different revenue sources.

Additional discussion ensued between staff and Committee Members regarding thorough review of annual contracts and purchasing orders; carryover; improved practices moving forward; cannabis revenue; industry changes; conservative projections; delays to permitting; lost revenue; CalPERS investment returns; the rent control program; additional responsibility for employees; salary costs; outsourcing; availability of additional information and questions for staff; startup costs; the emergency rescue vehicle; cost saving measures to buy time and avoid layoffs; the uncertainty of long-term impacts of COVID-19; taking a phased approach; reserves; unforeseen circumstances; the forecast model; continuing services; one time projects; recreation; revenues and expenditures; Workers Compensation and Other Benefits; assumptions; recovery time; the Successor Agency balance; deadline for funding repayment; Housing Authority funding; recovery policies in place; program implementation; money going back into the budget; best business practices; triggers that allow items to be put back in the budget; guidance; challenges with the dynamic situation; support for making a request that a member of the FAC serve on the ERTF; the City rent control program vs. the state program; the rent control initiative in November; protocol for responding to the petition; whether a response is warranted; concern with spending General Fund monies on a program that may not come to fruition; and acknowledgement of the letter signed by 120 people.

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Item A-2

Discussion of Upcoming Finance Advisory Committee Seat Vacancies and Status of Recruitment

Chair Leonard introduced the item.

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

Chair Leonard indicated that she would be stepping down from the Management Group seat; she hoped the new Member would serve for at least a year; noted that the transition would take place in July; and she received clarification regarding commendations for outgoing Members.

Member Alexander suggested that Kevin Lachoff, who is terming out of the Planning Commission, apply to serve.

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Item A-3

Discussion of June Agenda

Discussion ensued regarding items for the June agenda including the Measure Y Status Update; Measure C; Measure CW; discussion of the letter signed by 120 people; research on costs related to rent control; continued discussion of the budget in June; purview of the Committee; additional information from the upcoming City Council presentation; scheduling; and providing feedback to the City Council for their June budget meeting.

Chair Leonard indicated the need to go back to Item A-2 to discuss placing a Member of the FAC on the Economic Recovery Task Force (ERTF).

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Item A-2
(Continued)

Discussion of Upcoming Finance Advisory Committee Seat Vacancies and Status of Recruitment

Member Alexander stated that because of the role of the FAC in reviewing the financial health of Culver City, it would be appropriate to have at least one FAC Member serve on the ERTF.

Discussion ensued between staff and Members regarding justification for requesting that a Member of the FAC serve on the ERTF; whether a motion is allowed or necessary; the role of the FAC in reviewing the financial health of the City; and Committee consensus was achieved to communicate the desire for an FAC Member to serve on the ERTF to the City Manager.

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Public Comment – Items NOT on the Agenda (Continued)

Chair Leonard invited public comment.

Michelle Villongco, Associate Analyst, read public comment submitted by:

Meg Sullivan: stated that the IRCO and Rental Registry were a waste of money; discussed declining rental rates; strain on the City budget; she asked that the FAC urge the City Council to let the IRCO lapse and not implement the proposed rental registry; and she suggested directing funding to those in true need.

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Receipt of Correspondence

Michelle Villongco, Associate Analyst, indicated that no additional correspondence have been received.

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Items from Committee Members/Staff

None.

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Adjournment

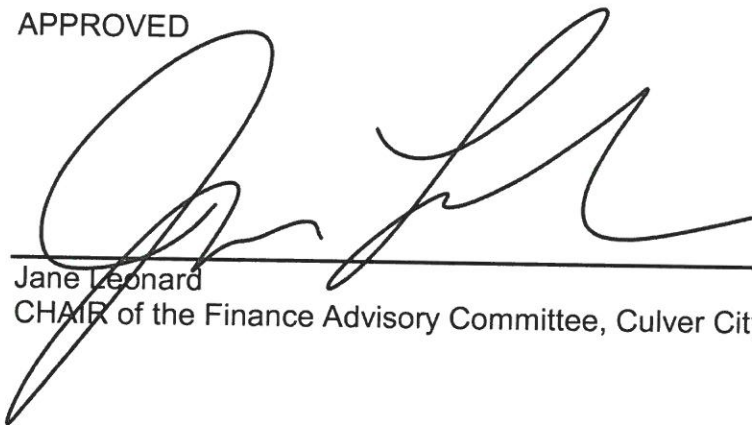
There being no further business, at 9:43 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, June 10, 2020 at 7:00 p.m.

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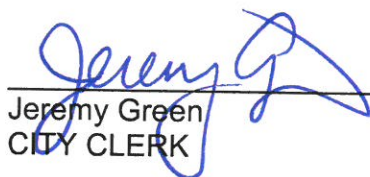
Michelle Villongco
SECRETARY of the Culver City Finance Advisory Committee
Culver City, California

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

26 APR 2021
Date