



## MINUTES FINANCE COMMISSION MEETING

Wednesday, July 23, 2025 - 5:00 p.m.  
City of Huntington Beach  
Council Chambers  
Huntington Beach, CA 92648

For the audio recording of the July 23, 2025, Finance Commission Meeting, please visit the City's website at: <https://huntingtonbeach.legistar.com/Calendar.aspx>

Chair Gates called the meeting to order at 5:00 p.m. and Chair Gates led the Pledge of Allegiance.

MEMBERS  
PRESENT: Kelly Gates, Chair  
David Cicerone, Commissioner  
Austin Edsell, Commissioner  
Paul Geery, Commissioner  
Scott Dowds, Commissioner

MEMBERS  
ABSENT: Frank Lo Grasso, Vice-Chair  
Billy Hamilton, Commissioner

STAFF PRESENT  
Travis Hopkins, City Manager  
Robert Torrez, Interim Chief Financial Officer  
Zack Zithisakthanankul, Finance Manager, Finance  
Skyler Barthold, Management Aide, Finance  
Shari Saraye, Senior Buyer, Finance  
Michele Jordan, Principal Finance Analyst, Finance

### **PUBLIC COMMENTS**

Ken Inouye stated the FY2025/26 budget narrative needs to be more informative than the numbers themselves. Recommended the FY2025/26 budget be adjusted and a presentation with updated information and descriptions be included of each infrastructure project, the cost of each project, the impact on public safety of residents and how the project will be paid for.

### **CONSENT ITEMS**

Approval of Meeting Minutes

**Motion: Moved by Commissioner Paul Geery and seconded by Commissioner Scott Dowds to approve the Finance Commission Meeting Minutes dated June 25, 2025, as presented**

The motion carried by the following votes: 5-0-2-0

Ayes: Gates; Geery; Dowds; Cicerone; Edsell

Noes: None

Absent: Lo Grasso; Hamilton

Abstain: None

## **DISCUSSION ITEMS AND POTENTIAL RECOMMENDATIONS**

### **D1. Finance Commission Letter to City Council**

The Finance Commission discussed the ad hoc committee's draft letter to the City Council, which highlights concerns about the City's underutilized capital assets, urging better management and cost reduction through improved leasing operations, including hiring an external property manager to review and negotiate leases. Additionally, the Commissioners addressed the City's unfunded pension liability, proposing a shift from a Defined Benefit plan to a Defined Contribution plan to reduce long-term obligations and expenses. It was noted by staff that attracting applicants for public safety jobs could be challenging if the City adopts a Defined Contribution plan. The Commissioners discussed various obstacles to implementing this change and emphasized exploring options that could lead to sustainable pension contributions and reduced costs over time. Commissioners stated they believe in the long-term, the change would lower the City's obligations, encourage employees to work longer careers, and result in lower retirement benefits. A commissioner highlighted the importance of first determining what is sustainable for the City and then working backward from that point.

**Motion: Moved by Commissioner David Cicerone and seconded by Chair Gates to move the item and present the letter, with its attachments to the City Council as presented**

The motion carried by the following votes: 4-0-2-1

Ayes: Gates; Geery; Dowds; Cicerone

Noes: None

Absent: Lo Grasso; Hamilton

Abstain: Edsell

### **D2. Updated Sports Complex Financials**

The Commissioners made the decision to move the item to the following agenda.

### **D3. Updated Discussion on Yacht Club Lease Terms and Missing Financials**

The Commissioners discussed ongoing concerns regarding the Huntington Beach Harbor Yacht Club's parking operations and lease compliance. A Commissioner noted that Yacht Club members have been restricting public access to both parking spaces and the public dock. The Commissioners expressed that the current lease terms are not favorable to the City. The Commission further expressed concern that the City is facing financial losses due to reduced parking revenue and the lease terms, compounded by the lack of enforcement of a revenue-sharing agreement that requires the Yacht Club to provide financial reports. The lease requires the Yacht Club to submit financial statements covering all areas of its operations, including food and beverage sales, events, memberships, and other income sources; however, these reports have not been submitted. With lease oversight now under the Community Development Department, the Commissioners expect improved enforcement and are requesting a clear timeline for when the required financial documentation will be received. They remain concerned about the accuracy and completeness of future reporting and are also seeking clarification on the use of 30 designated parking spaces, with plans to further investigate the Yacht Club's parking operations.

#### D4. Final Disposition of Meadowlark Delinquent Payments

The City Attorney's Office is currently reviewing the matter of delinquent payments from Meadowlark Golf Course. Commissioners have requested updates, including a timeline for the resolution of the issue. While the City Attorney has initiated communication with Meadowlark, no definitive timeline or detailed status update has been provided to the Commissioners. Additionally, the Commissioners have requested to review the correspondence sent to Meadowlark regarding the outstanding payments.

#### D5. Staff Review of Newland House Lease Terms

The Finance Commission requested that staff provide detailed information regarding the operations and financials of the Newland House, which is currently operated by the Historical Society. It was discussed that the Newland House itself does not generate revenue for the City, however, the Newland Barn behind it serves as a revenue source. The Commissioners seek clarification on who is responsible for the maintenance of the facility. Additionally, the Commissioners requested a presentation by City staff to explain how the facility operates, review its financials, and answer any further questions.

#### D6. Adopted Budget Review

The Interim Chief Financial Officer presented a review of the adopted budget to the Finance Commission. During the review, the Finance Commission requested that future presentations include corresponding dollar amounts alongside percentage figures on pie charts. The Finance Department reported ongoing collaboration with the Treasury Department and noted discussions with a consultant regarding franchise fee audits. Commissioners also inquired about utility transactions involving City infrastructure. Additionally, the Finance Department provided an overview of revenues and expenditures and discussed a strategy to hold vacant positions longer, requiring departments to justify each vacancy with the goal of generating cost savings. The Commission further discussed the status of non-spendable, restricted, restitution, 115 Trust, and other reserves.

### **COMMISSIONER COMMENTS**

Commissioner Dowds appreciated the report but expressed concern over the high reserve levels. He recommended using some reserves to reduce liabilities and called for a more strategic approach to asset management and leasing, aiming for market rents and rates for the City's assets. Additionally, he emphasized the importance of positioning the City to identify additional income opportunities to support the 115 Trust fund while effectively managing both sides of the balance sheet.

Commissioner Geery noted that while there has been discussion about a projected budget shortfall, clearer language would better describe the situation. The Commissioner further stated the City currently does not have enough revenue to cover its expenses, but with the significant reserves available, there appears to be no immediate budget shortfall. The Commissioner emphasized that the primary challenge lies in the forecasted revenue shortfall and what is needed to cover next year's expenditures.

Chair Gates expressed gratitude to the Commissioners and thanked Commissioner Cicerone for his dedicated work and thorough research. Chair Gates also extended thanks to Bob and Travis, acknowledging everyone's efforts and commitment to the City's financial state of the City.

Commissioner Edsell thanked the staff, Commissioners, Bob, and the team for their efforts in addressing the unfunded liability and expressed appreciation that this topic was included in the meeting discussion.

Commissioner Cicerone expressed his appreciation for Finance staff, commending their efforts to prepare responses to the Commissioners' inquiries. He stressed the importance of the Commissioners fulfilling their duty to represent and protect the interests of Huntington Beach residents. The Commissioner stated the Finance Commission's goal is to thoroughly analyze and challenge City operations with the intent of improving outcomes for the community. Additionally, he proposed the implementation of a financial dashboard for the City and offered his support in facilitating this effort.

### **ADJOURNMENT**

**Motion: Moved by Chair Gates and seconded by Commissioner Edsell to adjourn the meeting at 7:03 p.m.**

The motion carried by the following votes: 5-0-2

Ayes: Gates; Geery; Dowds; Cicerone; Edsell

Noes: None

Absent: Lo Grasso; Hamilton

Submitted by:

Robert Torrez, Interim Chief Financial Officer

By: Skyler Barthold, Management Aide