



MINUTES FINANCE COMMISSION MEETING

Wednesday, February 25, 2026 - 5:00 p.m.
City of Huntington Beach
Council Chambers
Huntington Beach, CA 92648

For the audio recording of the February 25, 2026, Finance Commission Meeting, please visit the City's website at: <https://huntingtonbeach.legistar.com/Calendar.aspx>

Chair Lo Grasso called the meeting to order at 4:55 p.m. and Commissioner Pellman led the Pledge of Allegiance.

MEMBERS
PRESENT: Frank Lo Grasso, Chair
David Cicerone, Vice-Chair
Austin Edsell, Commissioner
Dave Chennault, Commissioner
Paul Geery, Commissioner
Jon Boomgarden, Commissioner
Tracey Pellman, Commissioner

MEMBERS
ABSENT: None

STAFF PRESENT Zack Zithisakthanakul, Acting Chief Financial Officer
Robert Szilagyi, Finance Manager
Shelby Walker, Finance, Management Aide

PUBLIC COMMENTS

Pat Goodman noted that the audio from the previous meeting was not available on the website but stated it had been corrected. The resident also requested that the Commission consider recording meetings by video in addition to audio, noting that video would make it easier to identify speakers and follow the discussion.

CONSENT ITEMS

1. Approval of Meeting Minutes

Motion: Moved by Commissioner Geery and seconded by Chair Lo Grasso to approve the Finance Commission Meeting Minutes dated November 19, 2025, as presented

The motion carried by the following votes: 4-0-3
Ayes: Lo Grasso; Cicerone; Geery; Hamilton;
Noes: None
Abstain: Chennault; Boomgarden; Pellman

2. Approval of Meeting Minutes

Motion: Moved by Chair Lo Grasso and seconded by Commissioner Edsell to approve the Finance Commission Meeting Minutes dated January 28, 2026, as presented

The motion carried by the following votes: 4-0-3

Ayes: Lo Grasso; Cicerone; Geery; Hamilton;

Noes: None

Abstain: Chennault; Boomgarden; Pellman

DISCUSSION ITEMS AND POTENTIAL RECOMMENDATIONS

3. Recommendation Letter to City Council on “Efficiency & Effectiveness – Process, Procedures & Technology” – Commissioner Cicerone

The Commission discussed revisions to the proposed recommendation letter and agreed to delete the entire background section. The Commission also agreed to revise the proposed task force composition by replacing references to City Council members with City Council appointees. It was noted that task force composition requirements should be reviewed with the City Attorney prior to transmitting the letter. A motion was made and approved to forward the revised letter, subject to review by the City Attorney’s Office before submission to City Council.

Motion: Moved by Commissioner Geery and seconded by Chair LoGrasso to Send Recommendation Letter to City Council with minor revisions.

The motion carried by the following votes: 7-0-0

Ayes: Lo Grasso; Cicerone; Geery; Hamilton; Chennault; Boomgarden; Pellman

Noes: None

Abstain: None

4. Discussion & Review of Latest City Financials, Cash Flow, Investment Report, and Reserve Status

A Commissioner provided an overview of the City’s audited, government-wide financial information across all funds to give a general snapshot of the City’s overall financial condition. The presentation highlighted trends in cash and investments, long-term obligations, and overall financial results, and noted that while revenues have remained relatively flat, operating expenses continue to increase. It was also noted that public safety represents the largest share of City expenditures and that expense growth is outpacing revenue growth. A Commissioner also reviewed a high-level cash flow summary and indicated that the city continues to generate positive operating cash flow. The Commission discussed the value of developing a simplified annual financial summary or dashboard for public use, including the possibility of presenting multi-year trend information, subject to reporting and reconciliation limitations.

5. Status/Example of new budget vs. Actual reporting software – Commissioner Cicerone

The Commission discussed the status and capabilities of the City's financial reporting systems. It was clarified that the current system does not produce budget-to-actual reports or forecasting in the way previously expected. Actual financial data is compiled from existing financial systems, which require significant manual filtering to prepare reports. Staff indicated they are developing an internal forecasting and reporting tool, beginning with the General Fund, to improve financial monitoring and produce more regular reporting. Work is ongoing to refine the tool and expand its use across departments. Staff also agreed to return at a future meeting with an overview of the reporting approach and provide a brief explanation of the reporting structure to help the Commission better understand the information presented.

6. Annual Budget review & formulation status update – Commissioner Cicerone

The Commission discussed involvement in the annual budget development process and expressed interest in reviewing the draft budget earlier in the process rather than after it is presented to City Council. Staff explained that departments are currently preparing their budget requests, which will then be reviewed internally before being presented through public budget workshops. The Commission discussed attending the public workshops to review departmental presentations and potentially holding a meeting afterward to discuss questions or feedback prior to City Council's final consideration. Staff indicated the workshop schedule will be confirmed and shared with the Commission. Commissioners also discussed interest in exploring alternative budgeting approaches during the process.

7. Initiate review/discussion of procurement processes & procedure – Commissioner Cicerone

The Commission discussed the City's procurement process and expressed interest in reviewing the details of how professional and non-professional service contracts are awarded, extended, and monitored. Concerns were raised about contract extensions and the need for greater oversight and transparency in procurement activities. Staff indicated that the procurement policy is managed within the finance department and that a comprehensive update to the policy is planned following completion of the current budget cycle. Staff stated they would welcome Commission input and suggested bringing the topic back for further discussion once workload related to the budget process has been completed.

8. Initiate review/discussion of Non-professional and Professional Services contracts and extensions process & procedures – Commissioner Cicerone

The Commission discussed the procurement process and requested greater clarity on how contracts are initiated, approved, and managed, including the use of purchase orders, bidding practices, and departmental budget line items used for services and maintenance. Commissioners expressed interest in establishing a clear baseline understanding of the process in order to identify potential improvements. Discussion also focused on whether a monetary threshold should require certain non-professional service contracts to be approved by the City Council. Staff noted that other cities have established thresholds for council approval, while the City currently does not have a similar policy for non-professional services. Commissioners indicated interest in reviewing a proposed policy that could establish such thresholds and improve oversight. Additional considerations included reviewing how contract renewals are handled and whether limits should be placed on the number of extensions without additional review. Staff indicated that contract extensions are often built into agreements and

may be used when vendors perform satisfactorily. The Commission requested that staff develop and present a policy proposal, including comparisons with other cities and potential thresholds, so the Commission may review it and provide recommendations to the City Council. Staff indicated the item could be brought back for further discussion at a future meeting.

9. Referral to management/legal of unanswered/incomplete answers submitted by Director of Community & Library Services – Commissioner Cicerone

The Commission discussed concerns regarding unanswered or incomplete responses previously submitted by a department. It was noted that several outstanding questions had been raised and that additional materials had been provided for the Commission to review. Discussion indicated the item would be deferred until Commissioners have an opportunity to review the information and determine whether the responses adequately address the questions raised. Concerns were expressed regarding the completeness of the responses, and it was requested that the matter be brought back for further discussion at a future meeting if necessary. Commissioners also noted that upcoming agenda items may require significant discussion and suggested limiting additional items on future agendas to allow adequate time for review.

10. Subcommittee Update – Meadowlark – Commissioner Cicerone

An update was provided on the Meadowlark Golf Course subcommittee. A final report has been completed outlining key findings and recommendations regarding the future management and optimization of the golf course as a city asset. The report includes suggested steps for how the city may proceed. Discussion noted uncertainty about whether the report had been formally presented to the City Council and it was confirmed that the report had been distributed. The subcommittee will continue providing periodic updates to ensure the report and its recommendations remain under consideration and do not lose visibility. Commissioners discussed elements of the report, including considerations for future management approaches such as renewing a lease, issuing a new bid, or transitioning to a management agreement where the City retains ownership while a professional operator manages the facility. It was noted that such agreements typically include operational responsibilities, expense allocations, and revenue-sharing components. Additional discussion referenced observations from other golf course operations in the region, including the potential to enhance amenities and hospitality components to increase revenue opportunities. These examples were cited as potential models for maximizing the value of the facility as a city asset.

11. Subcommittee Update – Sports Complex – Commissioner Cicerone

The Commission discussed ongoing concerns regarding the Sports Complex and concession operations, including resident access, historical bond financing, facility usage data, and the status of the Talbert concession location. Staff clarified that the apparent growth in bond amounts reflects consolidation and refinancing of multiple bonds, not an increase in the original Sports Complex debt. It was noted that usage data shows most users are not City residents. The Talbert concession facility remains unopened due to changes by the operator, from the original non-cooking proposal to a cooking operation, which required additional permits and improvements. The operator responsible for upgrades has recently received approval from the Orange County Health Department to begin work and is currently not meeting the minimum operating days required under the agreement. Commissioners expressed concern about the pace of progress, the accuracy and completeness of

prior information provided, and the need to move from discussion to action. A subcommittee of three Commissioners was formed to work on Sports Complex and concession issues, coordinate with staff where possible, review best practices from other cities, and report progress monthly. The subcommittee is expected to develop recommendations and guidance for City Council regarding future contract and operational decisions.

12. Presentation and Discussion – Relating to Cities Facilities, Operations, and Concession Agreements – Commissioner Chennault

The item was deferred to a future meeting to allow Commissioners time to review a detailed written package containing prior questions, staff responses, and follow-up commentary. Commissioners were advised that the materials are included in the agenda as a large PDF and should be reviewed in advance, with discussion to resume at the next meeting.

COMMISSIONER COMMENTS

Commissioner Pellman stated she was very honored to be on the finance commission. It's having 24 years as a school board trustee and overseeing the budget every year.

Commissioner Boomgarden – Honored to be here, has been a resident for about 40 years and thinks this is a good way to spend some time to help the city.

Commissioner Chennault noted that the City Attorney was here at the beginning and has been very helpful. Surprised how much support is available. If there are things that need legal advice, no one should hesitate to reach out to the City Attorney and his staff.

Chair Lo Grasso – Thanked everyone for making this commission effective and stated that's the best thing you can say about a commission in the city of Huntington Beach.

ADJOURNMENT

Motion: Moved by Chair Lo Grasso and seconded by Commissioner Edsell to adjourn the meeting at 6:43 p.m.

The motion carried by the following votes: 7-0-0

Ayes: Lo Grasso; Cicerone; Edsell; Chennault; Geery; Boomgarden, Pellman

Noes: None

Absent: None

Submitted by:

Zack Zithisakthanakul, Acting Chief Financial Officer

By: Shelby Walker, Management Aide