



MINUTES FINANCE COMMISSION MEETING

Wednesday, January 22, 2025 - 5:00 p.m.
City of Huntington Beach
Council Chambers
Huntington Beach, CA 92648

For the audio recording of the January 22, 2025, Finance Commission Special Meeting, please visit the City's website at: <https://huntingtonbeach.legistar.com/Calendar.aspx>

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

MEMBERS
PRESENT: Kelly Gates, Chair
Frank Lo Grasso, Vice-Chair
David Cicerone, Commissioner
Scott Dowds, Commissioner
Paul Geery, Commissioner
Billy Hamilton, Commissioner

MEMBERS
ABSENT: None
STAFF PRESENT Travis Hopkins, Acting City Manager
David Cain, Interim Chief Financial Officer
Serena Bubenheim, Assistant Chief Financial Officer
Thuy Vi, Management Aide, Finance
Shari Saraye, Buyer
Jessica Castro, Accounting Technician

PUBLIC COMMENTS

None

CONSENT ITEMS

Approval of Meeting Minutes

Motion: Moved by Commissioner Scott Dowds and seconded by Commissioner Billy Hamilton to approve the Finance Commission Meeting Minutes dated January 15, 2025, as presented

The motion carried by the following votes: 6-0

Ayes: Cicerone; Dowds; Gates; Geery; Hamilton; Lo Grasso

Noes: None

DISCUSSION ITEMS AND POTENTIAL RECOMMENDATIONS

D1. Brown Act Review by City Attorney Michael Gates

City Attorney Michael Gates provided an overview of the Brown Act, emphasizing that meeting agendas must be posted at least 72 hours in advance and that only agenda items may be deliberated or acted upon during the meeting. He clarified the guidelines for public comment procedures, ensuring that all discussion remains transparent and compliant with the law.

D2. HB Sustainable Budget Objectives - Cain

Interim Chief Financial Officer David Cain outlined the City's sustainable budget objectives, noting a projected structural deficit of approximately \$9 million for FY 25/26. He distinguished between balancing the budget with one-time revenues versus achieving long-term fiscal sustainability, discussing key revenue drivers and challenges such as unfunded pension liabilities.

D3. Review of Commission Purpose, Duties and 2025 Calendar - Cain

Cain reviewed the Finance Commission's advisory role, clarifying that while the Commission provides analysis and recommendations, policy decisions remain solely with the City Council. He also reviewed the proposed 2025 meeting calendar and recommended that agenda items be submitted two weeks in advance to allow for proper preparation and compliance with legal requirements.

D4. The Marisol Senior Living Project Financing - Cain

Cain presented the financing proposal for the Marisol Senior Living project, explaining that the developer plans to convert the project into a nonprofit entity to secure tax-exempt bond financing from the State, with an agreement to compensate the City for the resulting loss of property tax revenue: a Payment in Lieu of Taxes (PILOT) program. Commissioners raised questions regarding the financial structure and indemnification provisions.

D5. Meadowlark Golf Course Task Force - Cicerone

David Cicerone updated the Commission on the task force's initial meeting, which included representatives from the Southern California Golf Association (SCAG), to reexamine the current lease arrangement for the Meadowlark Golf Course. A facility tour is scheduled for February 6, 2025, and the task force will prepare a detailed report with recommendations to better maximize the asset's value and address concerns about revenue underreporting.

D6. City Leases - Gates

Chair Gates proposed the review of City-owned lease agreements by the City's lease officer at a future meeting, emphasizing the need for a comprehensive assessment to ensure favorable terms and timely revenue collection.

COMMISSIONER COMMENTS

Gates opened the comments by expressing her appreciation for the extensive amount of information provided by staff and thanking everyone involved for their hard work.

Dowds expressed support for the newly proposed initiatives, particularly highlighting his positive view of the Meadowlark Task Force.

LoGrasso thanked staff for the information provided.

Cicerone proposed forming two ad hoc committees: one to review the City's financial reporting and publications; and another to design a financial dashboard for improved transparency.

ADJOURNMENT

Motion: Moved by Chair Gates and seconded by Commissioner Hamilton to adjourn the meeting at 8:03 p.m.

The motion carried by the following votes: 6-0

Ayes: Cicerone; Dowds; Gates; Geery; Hamilton; Lo Grasso

Noes: None

Submitted by:

David Cain, Interim Chief Financial Officer

By: Jessica Castro, Accounting Technician