



MINUTES FINANCE COMMISSION MEETING

Wednesday, August 27, 2025 - 5:00 p.m.
City of Huntington Beach
Council Chambers
Huntington Beach, CA 92648

For the audio recording of the August 27, 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
Frank Lo Grasso, Vice-Chair
David Cicerone, Commissioner
Austin Edsell, Commissioner
Paul Geery, Commissioner
Billy Hamilton, Commissioner

MEMBERS
ABSENT: Scott Dowds, Commissioner

STAFF PRESENT Robert Torrez, Interim Chief Financial Officer
Zack Zithisakthanankul, Assistant Chief Financial Officer
Skyler Barthold, Management Aide, Finance

PUBLIC COMMENTS

Ken Inouye was thankful the Assistant Chief Financial Officer (ACFO) met regarding the City's reserves. He reviewed the reserves based on his meeting with the ACFO.

John Redalli reviewed his supplemental communication related to increasing Sales Tax. Improve City contracting was also a topic John reviewed to ensure long-term reliability.

CONSENT ITEMS

Approval of Meeting Minutes

Motion: Moved by Chair Gates and seconded by Commissioner Geery to approve the Finance Commission Meeting Minutes dated July 23, 2025, as presented

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

Ayes: Gates; Geery; Cicerone; Edsell

Noes: None

Absent: Dowds

Abstain: Lo Grasso; Hamilton

DISCUSSION ITEMS AND POTENTIAL RECOMMENDATIONS

D1. Proposal to Move Finance Commission Meeting Days – Interim Chief Financial Officer, Robert Torres

The Interim Chief Financial Officer (CFO) proposed moving Finance Commission meetings to Thursdays to allow staff more time to post agendas closer to the meeting date, giving Commissioners additional time to request agenda items. Commissioners opposed changing the meeting day and suggested that if City staff are unavailable on Fridays, the Commission's Chair should have access to post or adjust the agenda. The Interim CFO responded, stating it would be preferable for staff to retain responsibility for agenda building and posting. One Commissioner proposed that Commissioners submit their requested agenda items by Thursday prior to the meeting. Another Commissioner reiterated that the Chair should have the ability to make necessary adjustments to the agenda if needed. Ultimately, Commissioners agreed to make their best effort to submit agenda items by the Thursday before the meeting, or by Friday at the latest in the event of an emergency.

D2. Updating Sports Complex Financials - Commissioner Cicerone

The Finance Commission has requested a review of the Sports Complex's operations and financial performance, citing concerns over potential lost revenue and underutilization. Commissioners noted the batting cages have been non-operational for over a year, raising questions about missed income and future plans for the facility. Concerns were also raised about whether the City is receiving a fair share of parking revenue, along with inquiries about who is responsible for managing the parking lot. The Commission expressed concern that despite the City investing a large amount to build the Sports Complex, including environmental remediation costs, the facility is primarily used by non-residents. A Commissioner noted the original intent of the Sports Complex was to relocate adult sports activities from neighborhood parks to preserve those spaces for children in the area. The Commission is seeking a detailed financial review, including revenue, expenditures, lease terms, and maintenance responsibilities. Commissioners expressed concern that the current lease agreement may not be financially favorable to the City or generating sufficient revenue. The Commission has requested that relevant City staff attend the next Finance Commission meeting on September 24, 2025, to respond to questions. They are also seeking assurances that the lease is being properly managed and recommend that the City explore alternative arrangements as the lease nears expiration to improve overall financial returns. Additionally, the formation of a task force is being considered to evaluate ongoing operations, modeled after the approach used for Meadowlark Golf Course. The Commission is also interested in comparing the Sports Complex with similar facilities to assess performance and management practices.

D3. Review Cashflow Statement - Commissioner Cicerone

A Commissioner provided the City Treasurer's June 2025 Statement of Cash Receipts and Disbursements and a Summary of Cash by Fund Report, to help clarify the question of how much the City truly has in reserves across both the General Fund and other funds. While the City's investments are performing well, the Commissioner emphasized the need for a formal cash flow statement from the Finance Department. In the meantime, the Treasurer's report offers a helpful view of current cash balances. A Commissioner explained how to interpret the report to better understand the City's financial operations. The Commissioners concluded the discussion by introducing and welcoming the new Treasurer to the City.

D4. Review of Utilized Land by the Equestrian Center Not Included in Their Current Lease - Commissioner Cicerone

A Commissioner presented a Google Earth image suggesting that the Equestrian Center may be operating outside its official property lines, potentially using land for which the City is not receiving payment. If this is accurate, the Commissioners request that the City be compensated retroactively. Another Commissioner asked whether City staff has confirmed the accuracy of the information presented by the fellow Commissioner. The Commissioner noted he has been told an agreement exists but neither he nor his staff have seen it. He requested that the City provide the Commission with any agreement related to the Equestrian Center's use of land outside its property lines. The Commissioners expressed concern about the risks and liabilities associated with people using the Equestrian Center beyond its property boundaries without a proper agreement in place. They want to ensure the Equestrian Center carries adequate insurance to protect the City if it is operating outside its jurisdiction. Some Commissioners noted that one of the locations in question appears to fall within the City's operating footprint. The Interim Chief Financial Officer stated he would follow up with Community & Library Services to gain a clearer understanding of the Equestrian Center's operating footprint. Additionally, a Commissioner inquired whether the City has other properties being used privately without leases or agreements and asked what steps City staff are taking to identify and address such issues. Another Commissioner pointed out missed revenue-generating opportunities and emphasized the need to better understand and properly manage City assets. They noted that significant revenue sources are being overlooked, and that the City has focused more on charging residents rather than organizing City assets to maximize funds going back into the General Fund.

D5. Review of the Finance Commission Follow Up - June 25, 2025 - Commissioner Hamilton

A Commissioner requested that the Interim Chief Financial Officer (CFO) review the responses to previous questions from the Finance Commission. The Interim CFO verbally summarized the City Departments' submitted responses: The CFO stated that he is continuously looking for opportunities to pay down City debt, noting that he has reached out to a few investment banking firms regarding bond refinancing. He added that tax-exempt rates are about two percentage points lower than taxable rates and clarified that the City does not carry a significant amount of outstanding debt directly attributable to the General Fund. The Finance Department will reach out to the Community Development Department to determine if staff is available to present information related to City leases at the next Finance Commission Meeting. The CFO requested that when Finance Commissioners create presentations, they include a cover page identifying the author and submit the materials with lead time for staff review. A Commissioner noted that the City Council has been made aware of the Friends of the Library MOU issue and that the Finance Commission has fulfilled its role by forwarding the matter to the City Council. The Interim CFO provided clarification regarding the spreadsheets used to address the Finance Commission's questions. The Commission expressed a desire to see progress on the Meadowlark Golf Course lease, including the development of a financial report with a recommendation to the City Council. Commissioners would like the Meadowlark Task Force to present an item that the Finance Commission can vote on and forward to the City Council. Commissioners expressed frustration with the repeated update that the Arcis matter remains under legal review.

D6. Vacancy Report - Commissioner Cicerone

A Commissioner requested the year-end vacancy report, including the financial exposure—both positive and negative. The Commissioner suggested that the City consider eliminating certain unspecified vacant positions, particularly those that have remained unfilled for several months. In response, the Interim Chief Financial Officer (CFO) explained that compiling the vacancy report is currently a fully manual process that requires approximately 30 hours of staff time to complete. The Interim CFO noted that he is actively working to implement new software that will improve efficiency and enhance the City's ability to conduct financial analysis. The CFO also reported that the Finance Dept is currently operating with multiple vacant positions.

COMMISSIONER COMMENTS

Chair Gates wishes everyone a happy Labor Day.

ADJOURNMENT

Motion: Moved by Commissioner Lo Grasso and seconded by Chair Gates to adjourn the meeting at 6:39 p.m.

The motion carried by the following votes: 6-0-1

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

Noes: None

Absent: Dowds

Submitted by:

Robert Torrez, Interim Chief Financial Officer

By: Skyler Barthold, Management Aide