MINUTES
FINANCE COMMISSION MEETING

Wednesday, September 24, 2025 - 5:00 p.m.
City of Huntington Beach
Council Chambers
Huntington Beach, CA 92648

For the audio recording of the September 24, 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
MEMBERS ABSENT:	Scott Dowds, Commissioner Billy Hamilton, Commissioner
STAFF PRESENT	Robert Torrez, Interim Chief Financial Officer Jason Schmitt, City Treasurer Ashley Wysocki, Director of Community & Library Services Zack Zithisakthanankul, Assistant Chief Financial Officer Skyler Barthold, Management Aide, Finance

PUBLIC COMMENTS

Brian Ballard expressed a positive impression of the Finance Commission and commended their efforts in addressing key financial risks, including issues related to the Elan and Breakwater apartments, lost revenue at Meadowlark Golf Course, yacht club agreement violations, CalPERS liabilities that could impact the City's budget, and operational concerns at the Equestrian Center and sports complex. He also supports the Commission's initiative to enhance transparency through a City financial dashboard. Additionally, Ballard raised concerns about the airshow settlement, highlighting a lack of transparency and potential future liabilities and revenue impacts. He emphasized the need for accountability and questioned the long-term implications of the settlement.

Dave Chennault commented on rent abatement provided to the Meadowlark Golf Course in 2020, noting that the initial City Council-approved period was extended for several months beyond that. He referenced a review that identified unpaid rent and late fees, while raising concerns about the City's billing and communication during that time. He stated that the operator continues to dispute the late fees while the balance remains unpaid. Chennault asked what steps the City and the Finance Commission will take to recover the funds, improve processes, and ensure accountability moving forward.

CONSENT ITEMS

Approval of Meeting Minutes

Motion: Moved by Chair Gates and seconded by Commissioner Lo Grasso to approve the Finance Commission Meeting Minutes dated August 27, 2025, as presented

The motion carried by the following votes: 5-0-2-0
Ayes: Gates; Lo Grasso; Geery; Cicerone; Edsell
Noes: None
Absent: Dowds; Hamilton
Abstain: None

DISCUSSION ITEMS AND POTENTIAL RECOMMENDATIONS

D1. Sports Complex - Ashley Wysocki, Director of Community & Library Services

Ashley Wysocki, Director of Community & Library Services, provided an update addressing prior Finance Commission inquiries about the Huntington Beach Sports Complex (HBSC). She reviewed City Council approvals for the HBSC operations management agreement, food concessions, and a conditional use permit for beer and wine service at 1909 Craft Beer and Concessions. Ashley clarified that service agreements within the departmental budget do not require City Council approval. The City is responsible for all capital improvements at HBSC, while the operator handles all property maintenance. There is a plan to replace the aging batting cages through a Capital Improvement Project that would relocate them to create more flexible, revenue-generating spaces; this project was reviewed by the City Attorney and determined not to be subject to Measure C. Commissioners expressed concerns about lost revenue due to the batting cages' closure and requested more details on Measure C pertaining to HBSC specifically. Ashley discussed revenue-sharing arrangements and ongoing collaboration with HBSC to explore financial options, while Commissioners raised concerns about the City fronting most costs while the operator receives a larger share of revenue. She also addressed questions about third-party landscape maintenance versus City staff, provided an overview of parking revenue changes including plans to phase out physical permits in favor of license plate recognition, and shared data showing most visitors are Huntington Beach residents. Commissioners emphasized the need to ensure HBSC remains affordable and beneficial to locals. Community & Library Services is reviewing leases and working with operators to improve management, with plans to provide further responses at a Finance Commission meeting in the next few months depending on when the department can compile all of the data the Finance Commission has requested.

D2. Equestrian Center Land Use - Commissioner Cicerone

A Commissioner presented information pertaining to the land use of the Equestrian Center, raising questions from the Finance Commission about whether the center is operating outside the boundaries of its agreement. Commissioners requested clarification on who authorizes such use, whether it has been approved, and if not, whether the City is collecting appropriate rent for the land use outside of its jurisdiction. Their goal is to better understand City assets, potential liabilities, and opportunities for increased revenue. Ashley Wysocki, Director of Community & Library Services, noted that the Marian lot, located outside the center's jurisdiction, is used as overflow space for events, and any use outside the agreement would follow the City's event permitting and insurance process. Commissioners asked for details on the center's official boundaries, vendor agreements, whether the City receives any vendor revenue, and who owns the on-site facilities. They also requested a review of the City's liability exposure. Additionally, questions were raised about use limitations in the open space park, including horseback riding. The Commissioners expressed interest in enhancing and possibly expanding the Equestrian Center and discussed forming a task force to explore its development, though they agreed to delay that discussion until the Meadowlark Task Force concludes. Community & Library Services will return with responses at the November 19, 2025, Finance Commission meeting.

D3. Meadowlark Task Force Update - Commissioner Cicerone

The Meadowlark Task Force recently completed tours of various golf courses and met with several management companies interested in operating the Meadowlark Golf Course property. The task force is preparing general recommendations for the Finance Commission to submit to the City Council, with interest focused on companies wanting to manage the property. They aim to improve the course by addressing drainage and irrigation issues, enhancing the clubhouse, and responding to resident concerns. The task force is working with the City Manager's Office to distribute a public survey for community input. A Commissioner, citing ongoing concerns about poor course conditions and outstanding fees owed by the current operator, recommended that a letter be sent to the City Council requesting an extensive review of the existing management agreement to determine an appropriate course of action. Other Commissioners stated the Finance Commission, rather than the task force, should send the letter to City Council due to its role as a Commission. There was also discussion about potential revenue and maintenance impacts if the current operator is removed without a successor in place. Commissioners agreed that any operator transition must avoid operational gaps. The Finance Commission emphasized the importance of keeping the course open during repairs to maintain revenue and community access. Commissioners discussed drainage remaining as a high priority issue. The Commissioners acknowledged the ongoing impact of the drainage pumps on nearby residents and emphasized the importance of resolving the issue to improve the golf course, with the goal to reduce the noise affecting the surrounding community. They expressed appreciation for the residents' continued patience and affirmed their commitment to making recommendations to City Council that prioritize the needs and concerns of the community. Commissioners believe better management could generate more revenue for the City. The Interim Chief Financial Officer will share these concerns and will attempt to receive any updates from the City Attorney and City Manager ahead of the next Finance Commission meeting on October 22, 2025. A Finance Commissioner will prepare a draft letter to the City Council to be shared at the next Finance Commission Meeting for review or action. A continued discussion on the Meadowlark Golf Course will be included in the October 22, 2025, Finance Commission agenda.

D4. Employee Vacancy Report - Robert Torrez, Interim Chief Financial Officer

The Assistant Chief Financial Officer (ACFO) presented the Employee Vacancy Report to the Finance Commission, outlining current vacancies across City departments along with related salary, benefit, and total cost data. The ACFO noted all vacancies are budgeted for the year. The Interim Chief Financial Officer (CFO) explained that the City has a Managed Hiring process, which reviews and may deny requests to fill positions to reduce costs, requiring departments to justify each hire. Recruitment challenges were also noted, including competition from higher-paying cities and a lengthy hiring process that can deter candidates. A Commissioner appreciates the panel interview process for its role in reducing cronyism by limiting department head influence. The ACFO emphasized that while Managed Hiring helps control costs, prolonged vacancies can strain service delivery, lead to staff burnout, and hinder succession planning. Commissioners discussed ways to support recruitment, suggesting college campus outreach and the development of a college recruitment program within Human Resources. The ACFO noted that current staffing shortages limit the ability of departments to conduct such outreach. Commissioners thanked staff for the report and requested quarterly updates. The Interim CFO expressed appreciation for Human Resources' efforts. A Commissioner also encouraged considering private sector candidates for City roles and stressed the importance of filling vacancies that are negatively impacting departmental performance.

D5. Review of the City Employee Vacancy Report – Commissioner Cicerone

A Commissioner presented a headcount chart from an unspecified source that compared the number of City employees per resident across various municipalities. Another Commissioner noted that the data may not reflect the full scope of municipal operations, as many cities outsource certain services. In response, the presenting Commissioner acknowledged this point and highlighted that Huntington Beach currently outsources services such as street sweeping. The Commissioner expressed support for filling existing vacancies while also suggesting a reevaluation of adding positions that have not been created previously. They indicated an interest in sharing the data with fellow Commissioners and the Finance Department for further review. The Interim Chief Financial Officer noted that standard staffing metrics may not fully apply to Huntington Beach due to the unique attributes, specifying the management of the beach requiring Marine Safety and Beach Operation staff. The Assistant Chief Financial Officer added that the City offers a broader range of services compared to many other municipalities, which can result in different staffing ratios. A Commissioner emphasized the importance of ensuring that City staff continue to assess and evaluate internal staffing metrics.

D6. Elan and Breakwater Letter to City Council – Commissioner Cicerone

The Finance Commission moved the item to be the first topic on the agenda but did not have any further discussion during the meeting.

Motion: Moved by Vice Chair Lo Grasso and seconded by Commissioner Geery to move the item and present the letter, with its attachments to the City Council as presented

The motion carried by the following votes: 5-0-0-2
Ayes: Gates; Lo Grasso; Geery; Cicerone; Edsell
Noes: None
Absent: Dowds; Hamilton
Abstain: None

COMMISSIONER COMMENTS

Commissioner Geery thanked Commissioner Cicerone for the data provided.

Chair Gates expressed appreciation to both the Commissioners and City staff for their ongoing efforts and the information shared.

ADJOURNMENT

Motion: Moved by Chair Gates and seconded by Commissioner Geery to adjourn the meeting at 7:18 p.m.

The motion carried by the following votes: 4-0-3
Ayes: Gates; Geery; Cicerone; Edsell
Noes: None
Absent: Dowds; Lo Grasso; Hamilton

Submitted by:
Robert Torrez, Interim Chief Financial Officer
By: Skyler Barthold, Management Aide