



MINUTES FINANCE COMMISSION MEETING

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

For the audio recording of the March 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 LoGrasso led the Pledge of Allegiance.

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

MEMBERS
ABSENT: Paul Geery, Commissioner
Austin Edsell, Commissioner

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

PUBLIC COMMENTS

CONSENT ITEMS

1. Approval of Meeting Minutes

Motion: Moved by Commissioner Pellman and seconded by Chair Chennault to approve the Finance Commission Meeting Minutes dated February 25, 2026, with corrections

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

Ayes: LoGrasso; Cicerone; Geery; Chennault; Boomgarden; Pellman

Noes: None

Abstain: Edsell

DISCUSSION ITEMS AND POTENTIAL RECOMMENDATIONS

2. FY 2025/26 2nd Quarter General Fund Forecast

The quarterly report is developed through a structured, data-driven process. It begins with extracting detailed financial data from the City's reporting system, which includes historical actuals and current budget information across all accounts. Next, forecasting assumptions are applied using established growth factors. These assumptions can be adjusted based on trends or specific revenue performance to improve accuracy. All revenues and expenditures are then classified and categorized according to standard budget groupings. The analysis focuses primarily on the General Fund, as other funds are generally designed to balance to zero. Multiple forecasting methods are used, including historical averages, straight-line projections, and external data sources, to ensure estimates are not based on a single approach. Data anomalies, such as timing differences in revenue recognition, are reviewed and adjusted as needed. The report evaluates total revenues and expenditures, identifies variances from the budget, and determines overall financial position, including any projected surplus or deficit. Overall, the process emphasizes detailed analysis, multiple data points, and ongoing adjustments to produce a reliable, comprehensive forecast.

3. Discussion of City's Cash Balance and Reserve Status – Commissioner Cicerone

The discussion clarifies key financial terms including cash balance, fund balance, and reserve balance. Cash balance refers to available cash and investments, while fund balance represents total assets minus liabilities. Within the fund balance, a portion is designated as reserves. Fund balance is further broken down into categories such as non-spendable, restricted, committed, assigned, and policy-driven allocations. These categories reflect varying levels of limitations on how funds can be used, whether due to external restrictions, governing decisions, or internal planning. It is emphasized that operating expenditures, such as personnel costs, are part of the annual budget process and are not considered part of fund balance categories, which represent remaining resources after obligations are met. The explanation highlights that reserve levels depend on what portion of fund balance is actually available for use, as some amounts are restricted or require additional approvals. Concerns are raised about the complexity of how financial information is presented, noting that classifications and terminology may be difficult for the public to understand. There is an opportunity to simplify and better communicate these concepts. The discussion also notes that financial data, including assets, liabilities, and fund balance details, are available in formal financial reports, and that fluctuations primarily occur within assets and liabilities rather than reserved amounts.

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

The recommendation letter was revised by removing the background section and updating the task force composition to include appointees. The intent is to forward the letter to City Council for consideration and potential approval, with timelines to be determined by Council if adopted.

Discussion focused on clarifying the purpose and expected outcomes of the task force, including improving transparency, financial reporting, and overall city operations. Questions were raised about appropriate membership, emphasizing the need for relevant expertise alongside broader, big-picture input. Concerns were also expressed about ensuring the task force leads to actionable results rather than ongoing discussion without implementation. Ultimately, a motion was made and approved to send the letter to City Council as presented.

Motion: Moved by Commissioner Chennault and seconded by Commissioner Pellman to Send Recommendation Letter to City Council.

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

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

Noes: None

Abstain: Geery, Edsell

5. Subcommittee Update - Meadowlark – Commissioner Cicerone

A prior review of the golf course master planning effort was completed, and funding was requested to begin implementation, but the process has not yet started. Action steps and timelines have been outlined, but progress is dependent on direction and approval from city management. Commission discussion focused on how to move the project forward, noting limitations in authority to compel action. It was suggested that the City Council be engaged to review the report and commit to next steps and timelines. Additional considerations include the need for procurement if professional services are required, potential use of a formal bidding process, and identifying available funding or supplemental budget needs before proceeding.

6. Subcommittee Update – Sports Complex – Commissioner Chennault

A presentation was provided regarding the Sports Complex, including an overview of current operations and potential improvements. A recent concert event was reviewed to better understand the event process, including how promoters rent fields, the City’s share of revenue, and associated costs such as public safety services. It was noted that an invoice issued to the event promoter remains unpaid, and staff are working to collect the outstanding amount. The event approval process was discussed, including the use of permits rather than formal contracts and the involvement of a nonprofit entity to obtain alcohol permits. Concerns were raised regarding the structure of the process, oversight, and compliance. A broader financial overview of the Sports Complex was presented using independently gathered data, which has not been verified by staff. The analysis suggested that revenues and costs are closely aligned, resulting in an overall break-even position. The presentation emphasized that while events and operations present revenue opportunities, improvements to processes, approvals, and oversight are needed to ensure compliance and maximize financial benefit.

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

Items were reviewed by property to assess compliance, oversight, and revenue opportunities for City-owned assets. Concerns were raised regarding missing financial reporting, maintenance responsibilities, permit compliance, vendor authorization, and lease enforcement. At several locations, issues included unpermitted work, unpaid revenues, equipment removal, and operational noncompliance. For Meadowlark, lease compliance, maintenance, and capital improvement obligations were noted as part of an ongoing legal review. Overall, the focus was on improving oversight, ensuring compliance with agreements, and maximizing revenue from City assets, with multiple items under review by the City Attorney.

8. Informational Discussion of Contract Review Roles and Responsibilities – Commissioner Cicerone

A recommendation is proposed to require that all contracts and agreements be reviewed by the City Attorney for both form and content, with the intent of adding stronger oversight and preventing unauthorized changes that could impact revenue. An example is discussed where a previously approved program was extended beyond its original terms without clear authorization, resulting in lost revenue. This highlights the need for clearer controls and accountability. There is general agreement on the value of legal review, but concerns are raised about potential delays and operational challenges if all items require legal involvement. It is suggested that thresholds or criteria be considered. There is also discussion that legal review alone may not address business or financial risks, and that Finance should be involved to evaluate cost recovery and financial impacts of agreements. The item is deferred to allow further coordination with the City Attorney's Office and to develop a more defined and balanced approach.

COMMISSIONER COMMENTS

Commissioner Edsell – Thank you staff for putting up with us.

Commissioner Chennault – thanked the finance team, stating great job tonight. Keep it up.

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.

Commissioner Boomgarden – Thanked the finance team, they did a great job tonight. Spectacularly successful.

ADJOURNMENT

Motion: Moved by Commissioner Geery and seconded by Chair LoGrasso adjourn the meeting at 7:48 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