

FINANCE COMMITTEE MEETING MINUTES
April 29, 2021

Committee Members Tasha Cerda, Mayor
Art Kaskanian, Councilmember
J. Ingrid Tsukiyama, City Treasurer (Absent)

Also in Attendance Clint Osorio, City Manager
Raymond Beeman, Chief Fiscal Officer
Khoi Quach, Financial Services Technician
Danny Rodriguez, Deputy City Treasurer
Michael Saffell, Chief of Police
Matthew Hassoldt, GPOA President
Vicente Osorio, Police Lieutenant
Todd Fox, Police Lieutenant
Kevin Kwak, Principal Engineer
Allan Rigg, Public Works Director
Jeremy Bastian, GMEA President
Donny Harris, Transportation Operations Supervisor
Uneice Jones, Transportation Operations Supervisor
Charles Santos, Senior Accountant
Stephany Santin, Recreation & Human Services Director
Spencer Dela Cruz, Economic Development Manager
Alyssa Palma, Administrative Aide
Mary Simonell, Administrative Analyst II
Abigail Quiroz, Administrative Aide
Alexander Carr-Omeze, IT Coordinator
Jean-Paul Berube, IT Coordinator

- Call to Order
Mayor Cerda called the meeting to order at 3:08pm on Thursday, April 29, 2021, telephonically utilizing teleconferencing and electronic means.
- Public Comment
Mayor Cerda inquired if City Treasurer Ingrid Tsukiyama had received an invitation to the Finance Committee meeting. Deputy City Treasurer Rodriguez confirmed that an email invite had been sent to Treasurer Tsukiyama with no response received.
- Approval of Minutes
It was moved by Councilmember Kaskanian, and seconded by Mayor Cerda, to approve the minutes of the December 10, 2020 meeting. The motion carried.
- New Business

- City Manager Osorio began by thanking Council and staff members in attendance of today's Finance Committee meeting. City Manager Osorio turned it over to CFO Beeman to go over financial projections for FY 20/21 and FY 21/22. CFO Beeman said sales and use tax was originally projected to be \$15 million at the end of the year and now are projecting to end the fiscal year at \$19.7 million which is an increase of about \$4.3 million and 28%. Card clubs were projected to be \$4.9 million but based on the closures and only being able to open at 25% indoors, we received about \$3.3 million which is a decrease of \$1.5 million. Property taxes will be higher by about \$600,000 around 7.8% and utility user tax will come in about \$4.8 million and only short about \$180,000 or 3.6%. We are projecting to be eligible for \$15.7 million of the American Rescue Plan Act, which was not budgeted and will receive \$7.8 million May 11th and will need to qualify for it to make reimbursements and do reporting for it. The remaining portion will come as reimbursement based and will need to request it.
- City Manager Osorio said looking at the revenue side is easier to budget, but because of COVID we are all over the place. Would like to point out sales and use tax and without Measure G we would be significantly lower.
- After the pandemic hit tried to figure out what to do for savings and one was with the public obligation bond (POB). Looking to save about \$100 million from the POB going from a potential 7% rate to a 3%. \$1.3 million savings for the next fiscal year with the decision that was made which is a huge savings. We are also looking at putting away a percent towards unfunded liability fund (UAL) so we have money saved for the future UAL.
- City Manager Osorio is recommending that the City transition its animal shelter services to spcaLA from LA County due to the County new billing rate methodology which will take effect on July 1, 2021.
- CFO Beeman said that when comparing quotes from LA County and spcaLA, it shows that City would yield significant savings of \$187K for FY 2021/22 by contracting with spcaLA for animal sheltering services.
- City Manager Osorio respectfully recommended the Committee to approve and recommend the spcaLA contract to the City Council for consideration on May 11, 2021.
- It was moved by Mayor Cerda, and seconded by Councilmember Kaskanian, to recommend the spcaLA contract to the City Council. The motion carried.
- City Manager/Staff/Committee Member Communications
 - City Manager Osorio advised there were no additional communications to report.
 - Mayor Cerda asked if hypothetically speaking there is an option of building a senior center at one of our parks and/or could the County help build a community center. City Manager Osorio said it has not been considered but can look into it.
 - Mayor Cerda asked if staff could look into the financial advantages and disadvantages between charter city vs general law city
- Investment Report

- Deputy City Treasurer Rodriguez went over the investment maturities and when they mature based on years. Bigger investment types include LAIF and CalTRUST which are liquid and will mature in less than a year and available fairly quickly. Government Sponsored Enterprise Securities which we have about \$5.7 million, and majority will mature in 1-3 years. Corporate notes are invested for \$1.3 million and will mature between less than 1 year to 3 years. Total fair market value is around \$31.7 million overall. Total investment overview begins with FY 2017-2018 which had an investment of \$45 million and has decreased over the last few years due to cost increases, available cash flow and paying down PERS. Interest income was higher in FY 2018-2019 but the following years we were hit hard by the pandemic which lowered the interest income. Investment compliance as of June 19th shows we had two categories we did not comply with. We had certificates of deposit that we have a certain percentage we need to comply with in our investment policy but had more invested than what we stated. Due to contracting with Chandler Asset Management to manage our investments, we are now fully in compliance with state law and our investment policy.
- Adjournment
As there was no further business, the meeting was adjourned at 4:26pm.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Diana Marquez', with a stylized, flowing script.

Diana Marquez
Senior Account Clerk