

FINANCE COMMITTEE MEETING MINUTES
June 18, 2020

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
Danny Rodriguez, Deputy City Treasurer
Khoi Quach, Financial Services Technician
Michael Saffell, Chief of Police
Ernie Crespo, Transportation Director
Stephany Santin, Parks & Recreation Director
Nikki Sweeney, Recreation Administrator
Diana Schnur, Human Resources Analyst
Michael Hassoldt, GPOA President
Jeremy Bastian, Acting GMEA President
Kevin Kwak, Principal Engineer
Kevin Thomas, Park Maintenance Superintendent
Alexander Carr-Omeze, IT Coordinator

1. Call to Order

Mayor Cerda called the meeting to order at 2:05pm on Thursday, June 18, 2020, telephonically utilizing teleconferencing and electronic means.

2. Public Comment

No public comments.

3. Approval of Minutes

It was moved by Councilmember Kaskanian, and seconded by Mayor Cerda, to approve the minutes of the November 6, 2019 special meeting. The motion carried.

4. New Business

- In reviewing the proposed budget for FY 20/21 and FY 21/22 and mitigating measures taken, which includes freeze of hiring, promotion, COLA, and cash-outs and step increases. Also includes material and operations reductions and furloughs/pay cuts and layoffs.
- Proposed budget revenues & impact analysis:
 - Measure G sales tax is anticipated to bring in 30% less than initial projection due to businesses that closed temporarily due to Safer at Home measures put in place.

- Card clubs will decrease approximately 42% assuming that Hustler will re-open on July 1, 2020 at 50% capacity and Lucky Lady to re-open October 1, 2020 also at 50% capacity.
- Utility users tax will decrease due to price competition, cord-cutting and changes in internet services.
- Business license revenue is impacted due to lack of activities and businesses temporarily closed due to COVID-19.
- With gas tax going down due to less projects, we will have less transfer-in from gas tax.
- Expenditures have significantly decreased due to mitigating circumstances. RCC and Fire are slightly increasing and non-departmental will be going up.
- The Enterprise fund for GTrans is in a position where they will be receiving federal funding from the Cares Act and has direct allocation and 100% reimbursable. Will need to submit a grant in order to draw down from the Cares Act. GTrans mitigating measures summary includes material/operations reduction, furloughs/pay cuts and layoffs for FY 20/21 and FY 21/22.

5. Oral Communications

- Implementing all mitigated measures General Fund will still shrink by \$10m within the next two fiscal years. Currently, the City does not have a line of credit established for catastrophic situations. To ensure the City has an adequate cash flow for recurring obligations, it is considering utilizing short-term financing programs such as Line of Credit or Tax and Revenue Anticipation Note (TRAN).
- Recommend to the Finance Committee to approve establishing a line of credit with US Bank. Mayor Cerda made the recommendation to set-up the line of credit with US Bank and seconded by Councilmember Kaskanian.
- City unfunded pension liability is currently estimated at \$105.8M. Liability amount is based on 7% discount rate but if CalPers does not earn the annual 7%, then there will be more we will need to make in payments every year for annual contributions.

6. Adjournment

As there was no further business, the meeting was adjourned at 3:15pm.

Respectfully submitted,



Diana Marquez
Senior Account Clerk