



SPECIAL MEETING OF THE BUDGET AND FINANCE COMMISSION – 6:30 PM

A. CALL MEETING TO ORDER

A Special Meeting of the Redondo Beach Budget and Finance Commission was called to order at 6:30 p.m. by Chair Allen, in the City Hall Council Chambers, 415 Diamond Street, Redondo Beach, California.

B. ROLL CALL

Commissioners Present: Jeste, Samples, Sherbin, Woodham, Chair Allen

Commissioners Absent: Marin

Officials Present: Stephanie Meyer, Finance Director
Erin Smith, Administrative Analyst

C. SALUTE TO THE FLAG

Chair Allen led in the salute to the flag.

D. APPROVE ORDER OF AGENDA

There were no public comments on this item.

Motion by Chair Allen, seconded by Commissioner Sherbin, to approve the order of the agenda, as amended, moving Item No. J.1 forward, on the agenda. There being no objections, Chair Allen so ordered.

E. BLUE FOLDER ITEMS – ADDITIONAL BACK UP MATERIALS

E.1. For Blue Folder Documents Approved at the Budget and Finance Commission Meeting

There were no Blue Folder Items for tonight's meeting.

F. CONSENT CALENDAR

F.1. APPROVAL OF AFFIDAVIT OF POSTING FOR THE REGULAR BUDGET AND

FINANCE COMMISSION MEETING OF APRIL 2, 2025

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

F.2. APPROVAL OF THE MINUTES FROM THE SPECIAL BUDGET AND FINANCE COMMISSION MEETING OF MAY 30, 2024 AND THE REGULAR BUDGET AND FINANCE COMMISSION MEETINGS OF OCTOBER 10, 2024, NOVEMBER 14, 2024, DECEMBER 12, 2024, JANUARY 9, 2025, AND FEBRUARY 13, 2025

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

There were no public comments on the Consent Calendar.

Motion by Commissioner Woodham, seconded by Commissioner Samples, to approve the Consent Calendar, as presented. There being no objections, Chair Allen so ordered.

G. EXCLUDED CONSENT CALENDAR ITEMS - None

H. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

H.1. For eComments and Emails Received from the Public

There were no public comments on non-agenda items.

Chair Allen moved to Item No. J.1.

I. ITEMS CONTINUED FROM PREVIOUS AGENDAS

I.1. HOMELESSNESS FUNDING

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

Finance Director Meyer reviewed active homelessness-related grants spending as of March 2025.

Chair Allen requested that for next time, staff provide an itemization of the \$1.5 million in grant funds that the City has spent, and Finance Director Meyer reviewed the project descriptions, total grant amount and the money spent through March 2025 for each.

Chair Allen explained she is requesting purchase orders that have been paid for under each project grant.

Commissioner Samples pointed out that charges against a grant do not necessarily tie back to purchase orders.

Finance Director Meyer reported that the granting agency will specify how the money can

be spent.

Chair Allen spoke about excluding staff time and focusing on purchase orders, the information sought, and concerns voiced by residents that the City is not tracking expenses related to homelessness; referenced a document by Austin Carmichael, Chair of the Public Safety Commission, wherein he calculated costs related to homelessness and felt that City staff should be able to provide the information, as well.

Discussion followed regarding whether the numbers in Austin Carmichael's document have been validated.

Chair Allen stated her point that it can be done.

Commissioner Samples reported that what is shown in the document are expenses, not grants and felt the question is, "How much does the City spend?"

Discussion followed regarding attributing staffing costs, avoiding getting too granular with the data, clearly communicating the Commission's input to Council and a previous letter discussed at the last meeting.

Chair Allen read a draft of the letter listing the Commission's concerns and recommendations.

Commissioner Samples spoke about the letter overstepping the bounds of the Commission's role and felt that the Commission is missing the point by tying the expenses back to grants.

Discussion followed regarding wanting information regarding the source and application of grants, calculating all homelessness related costs and how much of those costs were paid for by grants versus the General Fund, subsequently calculating the City's exposure, should the grants go away.

Commissioner Samples noted that Council already knows what the Commission.

Commissioner Woodham wondered if there is anything gained by telling Council what it already knows.

Discussion followed regarding not being able to direct staff, advising City Council of the need for a system to track costs and how the City Attorney's office fits into this.

Finance Director Meyer reported that staff can compile the information but stated it will take time and asked for the opportunity to do it. She added that in terms of having the proper system, it will depend on the granularity of the data sought.

Chair Allen explained that all she is asking for are rough estimates; specifically referenced \$472,000 and asked how it was spent.

In reply to Finance Director Meyer's question regarding where that fits into the larger request, Chair Allen stated that it has to do with transparency; felt that currently, transparency is lacking and explained she is asking only for purchase orders that went to third parties and pointed out it has been over a year since she requested the information.

Commissioner Woodham recommended waiting for the end of this fiscal year to obtain the information.

Finance Director Meyer suggested continuing this matter to early in August and talked about developing a template, first.

Motion by Commissioner Samples, seconded by Commissioner Woodham, to ask staff to develop a template to present to the Commission, on or before the Commission's June meeting for tracking homelessness-related expenses.

There being no objections, Chair Allen so ordered.

I.2. BUILDING MAINTENANCE/REPLACEMENT PLANNING

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

Finance Director Meyer recalled the Commission had asked for this item on an on-going basis and involves long-term planning for future capital replacement.

Discussion followed regarding keeping or eliminating the item in future agendas, getting a high level view of the CIP program and including long-term planning.

Chair Allen suggested the naming the Item Building Maintenance/Replacement Planning (Long-term).

Chair Allen moved to Item No. J.5.

J. ITEMS FOR DISCUSSION PRIOR TO ACTIONS

J.1. DISCUSSION AND POSSIBLE ACTION REGARDING THE FISCAL YEAR 25-26 BUDGET INPUT TO THE CITY MANAGER

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

City Manager Witzansky spoke about receiving input from the Commission on the development of the FY 25-26 Budget; thanked the Commission for its work; spoke about Measure FP being one of the focal points to the budget this year and provided a status update on Measure FP related activities.

In response to Commissioner Woodham's question, he discussed a projected timeline for

“shovels in the ground” and execution.

He addressed the City’s operating budget, increased revenue in terms of property tax valuation and concerns regarding declining TOT and sales taxes; reported the City will be austere going into evaluate expenditure proposals from various operating departments; saw the charge to keep staffing level where they are at and avoid service creep to the extent possible and talked about reorganizations rather than new spending or new personnel and absorbing some of the successful one-time pilot programs that have been in the budget the last few years, such as the Crossing Guard program.

Discussion followed regarding reductions in revenue relative to the County and recent fires, the possibility of competing demands for construction labor, whether there are plans to follow what is being done at the national level with DOGE, staff’s continuous search for efficiency and the benefits of having an outside person assess whether there are efficiencies that can be gained.

City Manager Witzansky continued with the report; noted the need to balance the budget every year; talked about being prepared for an economic downturn; mentioned leasing to new tenants in the harbor, the Public Amenities Plan, repositioning of commercial uses and opportunity sites; addressed ways to incentivize revitalization, expansion of the South Bay Social District (Galleria), the importance of strong, robust, brick-and-mortar, the success of the restaurant community and the status of the Cannabis Ordinance.

Commissioner Jeste asked for an update on the Homeless program including grants that have been received, costs and balances and talked about wanting an accounting of Capital Improvement Program.

City Manager Witzansky reported that staff keeps track of every project and there is a full accounting of all change orders associated with each and of actual money spent; noted that most of the money being spent on the Capital Improvement Program comes from external sources and mentioned inflationary pressures. Additionally, he talked about trends, the status of various projects in the program and change orders.

Discussion followed regarding increasing visibility of some of the backup work, the total revenue growth expected in FY 2026 versus FY 2025, having one month’s reserve in the general budget, the various “buckets” of reserves in the budget, the City’s reserve policy, and the City’s diligence in reserving for equipment needs, going forward.

City Manager Witzansky talked about hopefully seeing an improvement to the overall UAL when projections are provided in August.

Commissioner Samples mentioned the problem with the UAL is that whatever happens at CalPERS is two year’s in arrears and submitted that the vehicle replacement funds should not be considered part of the reserve because the City has to spend that money.

City Manager Witzansky noted that it is not really a reserve fund but a plan syncing fund.

Commissioner Samples stated it cannot be used for emergencies and wondered what the current balance in the General Emergency Fund would cover, in an emergency.

City Manager Witzansky reported it is not meant to cover capital assets; stated the City is insured to cover capital repair beyond its \$500,000 SIR and there are different triggers that would cover, for example, building damage in an emergency.

Commissioner Samples mentioned loss of tax revenue; noted impacts can be felt for years and referenced the recent Pacific Palisades fire.

City Manager Witzansky commented on the slow, but consistent growth of the reserve funds.

Chair Allen stated that when the City faces hard economic times, the money can help so that it does not have to make staffing cuts and wondered why the City had to make pay cuts in 2010.

City Manager Witzansky reported the City did not have the available funds at the time and the fund was created after that.

Discussion followed regarding the source of the funds and staff's diligence in creating savings to create the fund.

City Witzansky reported that the City did not dip into the Economic Contingency Fund during the recession and spoke about being able to access the accounts.

Commissioner Jeste mentioned some companies in the private sector have a "step budget" and wondered about developing broad ideas for what happens, for example, if revenues fall short by a given percentage.

City Manager Witzansky talked about assimilating and adapting the budget on a continual basis; mentioned that emergency reserve as funds are to cover sudden catastrophes; talked about planned spending and addressed the need for Council approval to draw from reserves.

Chair Allen stated she would love to have the City Auditor present his/her findings to the Commission.

Discussion followed regarding determining whether the City is properly reserved, the City's ratings, the time it takes to recover, the Facility Reconstruction Fund and the Building Repair Fund, using formulas used for condominium associations for maintenance and physical replacement of facilities and ensuring that pay cuts are never implemented again.

Chair Allen suggested holding the fund for the RBFD and RBPD.

City Manager Witzansky stated whenever the City has used it, it has been to cover operating expenses.

Commissioner Samples commented favorably about how the City is managing its money; noted it is getting better; thanked the City Manager for putting himself out there and discussing these issues with the Commission.

City Manager Witzansky spoke positively about working with the Commission noting its members are the chief ambassadors of the City's fiscal standing; provided an update on the AES site and on the City's Housing Element and housing projects.

Chair Allen spoke about the City's revenue being on the low side; noted Council is interested in bringing in new businesses for increased revenue; spoke about the need to seek out high-paying businesses/recruiters to help bring in those businesses into the City.

City Manager Witzansky reported that Council recently voted to form an Economic Development Subcommittee, and the item will be brought back to Council in a few weeks.

Chair Allen addressed the need to increase revenue in the City and commented on needing to know how much the City has spent on homelessness.

City Manager Witzansky commented on the Pallet Shelter which was completed funded by external sources; addressed the Housing Navigator position as coming from the General Fund; reported Council added resources for a supervisor position and stated that outside of those two positions, all other costs related to homelessness have been externally funded.

Commissioner Sherbin felt that by having more accountability on even the externally funded grants, it makes it more attractive to potential additional funds to also be added; talked about creating objectives that include the external funds, it helps to manage the funds that are not external funds.

City Manager Witzansky talked about the possibility of producing a series of reports to educate everyone on what has been happening; stated that the story is particularly good and spoke about creating something that will address the Commission's concerns.

Discussion followed regarding tracking the grants and costs of contracts as well as other costs that would not be incurred by the City if the funding were to stop, including wrap-around services, security and mental health conditions that are assigned to treatment.

City Manager Witzansky spoke about existing reports that might help (Decision Packages/BRRs) and mentioned the Budget will be delivered to Council in mid-May.

Discussion distributing preliminary information to the Commission before the final version is presented to Council.

City Manager Witzansky reported he will return to the Commission in May or early June to

get feedback on the budget, before it is formally presented to Council, and the Commission will then develop a letter to advise Council before they adopt it. Additionally, he announced that he appointed Stephanie Meyer as the Finance Director.

There were no public comments on this item.

Motion by Commissioner Samples, seconded by Commissioner Jeste, to receive and file the item, as presented and discussed. There being no objections, Chair Allen so ordered.

J.2. INFORMATION TECHNOLOGY PRESENTATION - IT DIRECTOR

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

IT Director Cook narrated a PowerPoint presentation with details of the IT Department.

Discussion followed regarding the annual IT budget, the number of IT employees, employee vetting, having data analytics capabilities, learning best practices in other cities, improving and streamlining internal processes, available project management software and interacting with contractors.

Commissioner Samples suggested the need to work on the City website and stated that trying to do any type of data mining within it or doing a search is a nightmare.

IT Director Cook stated that issue will be addressed in the City's Strategic Plan.

Discussion followed regarding data integration systems used by the City.

IT Director Cook commented on AI and reported there may be years before it provides reliable systems that are accurate and are able to pull information from other systems. He added that it is capable of much, but many applications still need a human needs to go through them.

Finance Director Meyer added there are many AI startups, and it is still very experimental.

Discussion followed regarding establishing an AI policy in the City, the need to develop concrete, achievable, time-bound goals for AI and the possibility of adding them to the Strategic Plan.

There were no public comments on this item.

Motion by Commissioner Samples, seconded by Commissioner Sherbin, to receive and file the presentation. There being no objections, Chair Allen so ordered.

J.3. JOINT PUBLIC WORKS AND SUSTAINABILITY COMMISSION AND BUDGETING AND FINANCE COMMISSION MEETING SCHEDULING

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

Finance Director Meyer reported the joint meeting with the Public Works and Sustainability Commission has been scheduled for April 28, 2025, at 6:00 p.m.

Motion by Commissioner Samples, seconded by Commissioner Woodham, to schedule the next meeting of the Budget and Finance Commission as a Joint meeting with the Public Works and Sustainability Commission on April 28, 2025, at 6:00 p.m. There being no objections, Chair Allen so ordered.

J.4. VETERAN PLAQUES

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

Chair Allen reported this item was brought to the attention of the Commission via a letter from a resident.

Finance Director Meyer reported that City Council approved this item, and that staff is committed to replacing them before Memorial Day and the project is already in progress.

There were no public comments on this item.

Motion by Commissioner Samples, seconded by Commissioner Woodham, to receive and file the item. There being no objections, Chair Allen so ordered.

J.5. DISCUSSION AND CONSIDERATION OF THE CITY COUNCIL STRATEGIC PLAN

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

Finance Director Meyer spoke about the upcoming City Council Strategic Plan Session; reported they are looking for input and recommendations from the Commission and offered this as an opportunity for the Commission to express its priorities to Council before the strategic planning process. She indicated that the meeting is scheduled for April 28th at 3:30 p.m., is open to the public and asked that the Commission provide its letter one week in advance of the meeting, to include it in Council's agenda packet.

Discussion followed regarding discussing the matter tonight, assigning someone to work with staff to draft the letter and allowing the Commission to review the current Strategic Plan (SP).

Finance Director Meyer reviewed the goals and highlighted where Finance is included; reported that many items focus on economic development and revenue, are highlighted in the current SP and could be a great place for the Commission to expand on those ideas.

Chair Allen referenced finance-related items in the SP including Business License Code

Review; noted it is listed for the future but that it indicates it is on track and asked for clarification.

Finance Director Meyer explained that staff knows it is on track in the sense this will be something in the next fiscal year, involves a longer process and any proposed changes would need to be brought before the voters.

Commissioner Samples added that it is a rolling, three-year plan, beyond this fiscal year.

Commissioner Jeste asked for an opportunity to review it before the next meeting.

Chair Allen noted there is not time and input should be provided now; addressed the Staffing Needs Assessment and Finance Director Meyer explained it has not been done, yet.

Discussion followed regarding City and RBUSD Shared Expenses for publicly shared facilities, development of agreements and MOUs and City staff capabilities to set targets.

There were no public comments on this item.

Discussion followed regarding addressing Council as members of the public, sending information to staff instead of to each other, for distribution, appointing a Commissioner to work with staff to draft the letter to Council, determining a theme or subject and ways of ensuring Council receives the Commission's input.

Chair Allen mentioned she mistakenly skipped over Item No. I.

Motion by Commissioner Woodham, seconded by Chair Allen, to return to this item after Items No. I.1 and I.2. There being no objections, Chair Allen so ordered.

Chair Allen returned to Item No. I.1.

Discussion followed regarding refocusing if the item needs additional attention, in the near future.

There were no public comments.

Motion by Commissioner Samples, seconded by Commissioner Woodham, to receive and file the report. There being no objections, Chair Allen so ordered.

K. COMMISSION MEMBER ITEMS AND FUTURE COMMISSION AGENDA TOPICS

Chair Allen thanked the City Clerk's office for catching up on the minutes and in response to her question regarding the City audit, Finance Director Meyer reported the audit has been late, this year and noted the City has new auditors and when the report is ready, they will present to the Commission. Chair Allen asked that when projects are presented, they include cost information.

Commissioner Woodham spoke about the need to explore defined benefit versus defined contribution retirement plans for several years back, showing how much the City has spent for Pension Contributions, by year, as a percentage of the total budget and noted its importance as it is a large budget item.

Finance Director Meyer expected there will be an introductory look about this matter, in the budget.

Discussion follow regarding addressing the transition, developing a model and getting information regarding Pepra CalPERS plans.

Motion by Commissioner Samples, seconded by Commissioner Woodham, to cancel the Commission's Regular meeting of April 10, 2025. There being no objections, Chair Allen so ordered.

L. ADJOURNMENT – 10:00 p.m.

There being no further business to come before the Budget & Finance Commission, motion by Commissioner Woodham, seconded by Commissioner Samples, to adjourn the meeting at 10:00 p.m., to a special joint meeting with the Public Works and Sustainability Commission to be held at 6:00 p.m. on April 28, 2025, in the Redondo Beach City Hall Council Chambers, 415 Diamond Street, Redondo Beach, California. There being no objections, Chair Allen so ordered.

All written comments submitted via eComment are included in the record and available for public review on the City website.

Respectfully submitted:

Stephanie Meyer
Finance Director