



City of Redondo Beach – Regular Meeting
Budget & Finance Commission
November 13, 2025

REGULAR MEETING OF THE BUDGET AND FINANCE COMMISSION – 6:30 P.M.

A. CALL MEETING TO ORDER

A Regular 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: Marin, Jeste, Sherbin, Ramcharan, Chair Allen

Commissioners Absent: Woodham, Turner

Officials Present: Stephanie Meyer, Finance Director
Emily Bodkin, Liaison

C. SALUTE TO THE FLAG

Chair Allen led in the salute to the flag.

D. APPROVE ORDER OF AGENDA

Motion by Chair Allen to approve the order of the agenda as presented.

Motion carried 5-0-2 by voice vote. Commissioners Turner and Woodham were absent.

E. BLUE FOLDER ITEMS - ADDITIONAL BACK UP MATERIALS - None

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

Liaison Bodkin reported no Blue Folder items.

F. CONSENT CALENDAR

F.1. APPROVAL OF AFFIDAVIT OF POSTING FOR THE REGULAR BUDGET AND FINANCE COMMISSION MEETING OF NOVEMBER 13, 2025

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

F.2. APPROVAL OF THE MINUTES FROM THE REGULAR MEETING OF OCTOBER 9, 2025

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

Motion by Commissioner Marin, seconded by Commissioner Jeste, to approve the Consent Calendar as presented.

Motion carried 5-0-2 by voice vote. Commissioners Turner and Woodham were absent.

G. EXCLUDED CONSENT CALENDAR ITEMS - None

H. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

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

Liaison Bodkin reported no eComments and no one online.

I. ITEMS CONTINUED FROM PREVIOUS AGENDAS

I.1. RESERVES AND BUDGET CONCERNS

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

Chair Allen stated Commissioner Jeste asked for this item to be placed on the agenda; noted he wanted to share some correspondence he had with the Mayor regarding concerns he had over the reserves and budget, as well as a letter he wrote to the paper; stated she may have a solution.

Commissioner Jeste provided some background on the item, noted they have discussed the topic a few times in the past, and that everyone except Commissioner Ramcharan has seen the documents Chair Allen was referring to; reported distributing an article, through Finance Director Meyer, on the City of Fort Wayne that implemented the Total Quality Management (TQM) program and has become one of the most efficiently managed cities in the country.

Commissioner Sherbin asked how he chose Fort Wayne to use as a comparison.

Commissioner Jeste responded that he lived in Fort Wayne for seven years and prior to him moving there the article was written and other articles have been written since; spoke of the Mayor of Fort Wayne having implemented the TQM program and the success it has had, currently being ranked in the top 10 best cities in the country; stated he has spent 30 years learning TQM and is a firm believer in its method; reported sending the article along with a letter to the Mayor; stated what concerned him the most this year, in June, was when the City Council discussed the budget for the 2025-26 year and there was a \$3.5 million shortfall; opined it was irresponsible and unacceptable for them to dip into the pension reserves as a solution and what prompted him to draft a letter to the Mayor; stated the Mayor completely ignored his comments regarding Fort Wayne and all the other things they spoke about; mentioned he had five priorities for the City: 1) balance

the budget, 2) capital improvement projects need more data and visibility 3) homelessness , 4) housing affordability, and 5) budget and reserves; stated he circulated the Mayor's response amongst the Commissioners; mentioned his letter was long and included the five priorities he just mentioned along with information on the City of Fort Wayne; reported the Mayor responded on July 22nd and said he urged the Council not to spend the discretionary funds but they did not listen; felt the Mayor was blaming the Council; continued to summarize the Mayor's response to his five priority items; opined that the Mayor is like the CEO of the City.

Commissioner Sherbin interjected to ask if the Mayor said he never saw the letter that the Commission sent to the Council with respect to the reserves.

Finance Director Meyer pointed out he does say he did not receive it in the letter before them but that she followed up with him and confirmed she sent it to him and he did forward it onto the Council; felt the Mayor is following up with it because he did ask her some questions on the City's reserves.

Commissioner Jeste voiced his opposition to the City using the pension reserves to make up for the deficit; felt it sets a bad precedence and that it will only get worse; stated the Commission should be concerned and that they should not put a rubber stamp on the entire budget; recommended they go on record opposing the City's decision or else they are not doing their job; mentioned that six months ago the Commission spent 90 minutes deciding how much the City Attorney should be paid but spent about 90 seconds to approve the CIP Plan; noted that they need to spend more time looking over the data and the numbers for CIPs; stated they have \$95 million allocated for the next five years and \$18 to \$20 million on CIPs; stated they had been asking for more data on projects for two years and only recently received some numbers from Finance Director Meyer; spoke of the numbers being very interesting and highlighted numbers he found to be surprising; noted that 400% of what was initially appropriated was spent and asked where the money came from and did the Council approve it.

Commissioner Sherbin spoke of his experience in cost accounting project development and wanted to provide his insight; stated a project starts off with an idea, you identify the development stage, then the project gets a project cost but the cost of the project changes as elements are introduced, then you get financing, but the project evolves and costs change; opined that CIPs probably work in a similar way and it is dynamic and evolving and Council often needs to decide whether to increase the project scope; stated it is important any time you are doing a cost analysis to identify what your final project cost is before you look for the variance between the final project budget and final cost; explained other factors that may affect the costs during the CIPs.

Commissioner Jeste stated he has also done it for 30 years and is very familiar with the process but wanted to know where the visibility of the projects is provided; wanted to know the breakdown of the projects, how much was spent, how it grew to that level, and if Council approved it all; suggested that they make it a habit to look at the data, analyze it, and figure out how the projects grow in cost; stated he is not pointing the finger at anyone but he would just like to know where the money was spent.

Chair Allen stated it made sense what Commissioner Jeste is asking for; noted they have a CIP project item in J.2 and Jesse Reyes, Capital Projects Program Manager, included attachments for them to go through.

Commissioner Jeste noted that Director Meyer also added some information before the meeting started.

Chair Allen stated that Council did not know about the section where they dipped into the reserve until the last minute, noted ultimately they are responsible for staff, but it was a surprise to them as much as it was a surprise to the Commission; stated that the Finance Department does not report to the Council on a quarterly basis, they only present to the Budget & Finance Commission, noted they are only volunteers and have no authority.

Motion by Chair Allen to send a letter to the Mayor and City Council recommending the Finance Department begin providing quarterly budget updates directly to the Council in addition to the Commission. The intent of the letter is to promote greater fiscal transparency (since people attend and watch Council meetings), ensure earlier identification of budgetary issues, and strengthen accountability among staff, Council, and the Commission. The letter will outline the benefits of quarterly reporting and suggests what the presentation should include. Emphasis on the process will help clarify roles and responsibilities in future budget discussions; stated she can also attach the reserve letter they had sent to them; opined they are not taken seriously because they are volunteers; felt the Finance Department should be presenting quarterly to the Council so they learn because they don't know.

Commissioner Marin asked Director Meyer if the Finance Department did not present to the City Council quarterly.

Finance Director Meyer stated they do not present to the Council and she has been there for two years.

More discussion followed.

Finance Director Meyer clarified that they do present to Council for their year-end financial reporting for carryover, they present to Budget mid-year, and they do present to Council for budget; noted the reports that they do not present to Council are the quarterly ones.

Chair Allen felt it is time Council learns finances so they can get ahead of what's coming and be proactive.

Discussion followed and Chair Allen said she does not want Council to blame the Commission if something goes wrong and felt ultimately Council is the one responsible and should educate themselves.

Commissioner Jeste agreed it makes sense; referenced an article from the June 26, 2025 Easy Reader that highlighted what the City Council discussed in their monthly meeting; felt it was worth reading and stated the article says the City Manager presented the overall budget and pointed out the deficit; mentioned that Councilmember Kaluderovic raised

concerns over the deficit and mentioned they should delay or cancel some of the projects; pointed out that Council knew in June about the deficit and they discussed the issues but in the end they all unanimously voted to approve the budget.

Chair Allen commented that they can't fire Council and recalls don't work.

Commissioner Jeste stated he is responding to her earlier comment that it was a surprise to them and is saying according to the article Council did have the information and they could have tried to trim some expenses and cancel some projects and attempt to balance the budget but they didn't do it.

Commissioner Sherbin spoke of the relationship between the Commission and the Council and that Council will make decisions based on how they feel and appropriate assumptions; stated he is not sure what impact the Commission could have other than preparing a letter or making recommendations because the City Council runs the City.

Commissioner Jeste stated there are two different things: 1) what the Commission's responsibility is and 2) what the Commission's authority is; noted his intent was to just express their disapproval of the way the budget is prepared and the way the deficit is financed; stated they should not endorse or approve it.

Chair Allen suggested they write another letter, send it to the Council and Mayor, attend one of the public meetings, and take the three minutes to read the letter; pointed out that would be very visible, and they would be communicating in two ways.

Commissioners Ramcharan and Sherbin voiced their support of that idea.

Commissioner Jeste voiced his disappointment that Councilmember Kaluderovic raised her objections and still voted in favor of the budget and how the deficit was financed; stated, as Commissioners, they need to go on record that they do not endorse financing the budget deficit by dipping into the pension reserves.

Commissioner Sherbin supported the idea to separate it out so that any Commissioner who feels strongly about something can go individually to the City Council meeting and express their concerns since they can't do that formally as a Commission.

Chair Allen stated they can do it formally by asking to be put on the agenda as an item; felt it would be more efficient to go to the meeting and use the three minutes to speak individually or read the letter on behalf of the Commission.

More discussion followed and Chair Allen mentioned it would go on record in the City Council minutes if they read the letter at the meeting.

Commissioner Ramcharan asked for clarification of the themes they want to address in the two letters: 1) asking that the Council get a quarterly budgetary update, and 2) how they finance the budget deficit.

Chair Allen was not sure about the second letter on how they would finance the budget deficit.

Commissioner Ramcharan felt the theme of the second letter would be to express their disapproval on drawing from the pension reserves.

Chair Allen said they already sent a letter to Council on that and only meant for them to write one letter that the Finance Department provide them with quarterly updates.

Commissioner Marin commented that Commissioner Jeste also wanted to reiterate his concerns about deficit financing of the City's budget.

Chair Allen stated that they can also put that in the letter; decided that Commissioner Jeste and herself would co-author the letter and read it at a public meeting.

Commissioner Ramcharan asked whether the City knew it was a short-fall in revenue or if it was expenditures that went beyond the budget.

Finance Director Meyer said she could give them their estimations of it and they see some additional room for revenues to grow.

Chair Allen interrupted Director Meyer to clarify the topic and asked if she was referring back to when they dipped into the reserves.

Finance Director Meyer said that is how she understood the question; continued to answer Commissioner Ramcharan's question, stated the specific item driving it was their one large lump sum pension payment, their payment to CalPERS of \$4.2 million that year, which the City was not able to completely cover with ongoing revenues; noted that is not the only expense the City has but if they had fewer expenses they potentially would have been able to accommodate the one-time expense; reiterated that the City was unable to cover it with ongoing revenues which is why they pulled from the pension reserves; noted the Council set that aside specifically for that purpose.

Commissioner Sherbin provided his opinion on what the City could have done at that time.

Commissioner Marin pointed out that it would be impossible to predict.

More discussion followed. Commissioner Sherbin stated they could make suggestions on dealing with the structuring of the costs from the "must do's" to the "would like to do's".

Commissioner Ramcharan asked if the CalPERS payment was unexpected.

Finance Director Meyer responded that how CalPERS is set up, they did know about that payment a year in advance; spoke about the City needing to make decisions on how to spend it and also forecast how the current fiscal year would end; stated the short answer is, yes, they had some time to prepare for it but that expense is not possible to predict many years in the future but it will be a fixed expense for the foreseeable future unless they refinance their pension debt again; reported that the City Manager spoke about this

year being a bridge year in his budget message, and what they cautiously anticipate is that the City will be able to see a bit of revenue growth that will help cover the amount for the current fiscal year but there are uncertainties and they will do their best to anticipate costs.

Commissioner Ramcharan spoke of the City anticipating, one year prior, that the expense was coming and then the idea was that the City would draw on the reserves to finance that payment.

Finance Director Meyer said it was not their first choice, they would have preferred to keep those reserves intact, but that was the specific purpose that Council dedicated those funds for so the City Manager determined it was an appropriate use for those funds.

Commissioner Marin stated in the original budget, it was intended that CalPERS' payment was going to come from revenues not from the reserves.

Finance Director Meyer stated no, in the original budget proposed for 2025-26, they assumed the payment was going to come from CalPERS reserve but initially they were hoping to potentially see some additional revenue in the year that would have been an option.

Chair Allen asked if the City always intended to use the reserve for the payment.

Finance Director Meyer clarified that it was not always intended but that it was always a possibility.

Chair Allen asked when they knew they would pull it from the CalPERS reserve.

Finance Director Meyer said it was a decision the City Manager made during the budget development.

Chair Allen stated the Commission did not know and it was a complete surprise to them; reported they found out through the Council meetings; pointed out that now the Commission knows they need to pull from those funds a year ahead; noted the decisions are made by City Council but they did not have the information provided to them in a timely matter to act on it.

Discussion followed regarding the responsibilities of the Council, the hard decisions they need to make, the process in which they make the decisions, the points Commissioner Jeste made in his letter that they need to also consider postponing or cancelling projects, and that they also need to keep in mind the constituents of the City.

Chair Allen mentioned a couple of the Councilmembers were brand new and the process was a surprise to them and they were unprepared; stated she is not agreeing with it but felt their actions were justified.

Commissioner Ramcharan opined if the Council gets the quarterly updates and the Commission writes the letter that would at least inform the Council and will have more information to ask more educated questions and make informed decisions.

Commissioner Ramcharan seconded the motion made by Chair Allen.

Liaison Bodkin reported no e-attendees and no eComments.

Chair Allen re-stated the motion, on behalf of the Commission, they will send a letter, read the letter at a Council meeting during public comment, and recommending that, in addition to providing quarterly budget updates to the Commission, they also provide them to the City Council which will promote greater fiscal transparency and will ensure earlier identification of budgetary issues, and strengthen accountability among staff, Council, and the Commission. The letter will outline the benefits of quarterly reporting and also suggest what the presentation should include.

Commissioner Sherbin asked if they would be able to review and comment on the letter before it is sent to the Council.

Chair Allen stated she would send it to Director Meyer for distribution, and she will put a deadline on the responses.

Commissioner Jeste added that the City of Fort Wayne implemented the TQM process and in three years resulted in saving the city \$3 million; noted it was done by the administration and not by the City Council, and that the Mayor handled the implementation, trained the staff, and went through the process; opined if Redondo Beach had done that they would not be seeing the deficit; stated that technology has come a long way and that AI could be used to simplify and streamline internal processes.

Commissioner Marin mentioned that is a different topic and that they may want to limit the scope of what they are trying to achieve in the next Council meeting.

Commissioner Jeste stated the City needs to take it into consideration and they should recommend it; felt that the Mayor showed no interest in the letter he wrote about Fort Wayne and TQM and voiced his frustration over his lack of desire to implement some of the ideas.

Motion carried 5-0-2 by voice vote. Commissioners Turner and Woodham were absent.

J. ITEMS FOR DISCUSSION PRIOR TO ACTION

J.1. FISCAL YEAR 2025-26 Q1 FINANCIAL REPORTING: JULY-SEPTEMBER 2026

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

Finance Director Meyer provided a presentation regarding the financial reporting for Q1 FY 2025-26, noted the format has been reverted back to comparing Q1 of the current year to Q1 of the prior year to properly assess trends; noted she also included FY 2023-24 because they had that data and felt it would be interesting to put another year on the

report because it is still readable; provided a slide showing General Fund tax revenues with the budget, actuals, and percentage received; stated at a high level they are tracking about the same as they did the prior two years; noted the most important item on that slide is the property tax, which is coming in at about the same rate or a bit higher than the City's prior year and they recently had a meeting with the City's property tax consultant who confirmed their revenue estimates for the City's current fiscal year corresponding to the City's budget (stated that is great news); mentioned the sales tax is a bit higher and the property transfer tax is higher.

Commissioner Ramcharan referenced the sales tax, which she said was higher than the previous year, and asked what number she was looking at because he did not see it.

Finance Director Meyer said he was correct that the number is not there but stated it was slightly higher and the information might be on the next slide.

Some discussion followed to clarify what Commissioner Ramcharan was referring to on the slide and what Director Meyer was reporting; noted that the difference had to do with the rounding, but the difference was not significant.

Finance Director Meyer said they are basically on track with the prior year, on track with the budget, the TOT is slightly below the percent received last year but includes four missing payments which they just received and will put them closer to being on track.

Commissioner Ramcharan noted the last couple of years they have had a fair bit of inflation but if they look at "Total Taxes", 23-24 is \$5.5 million and in 25-26 it is \$5.7 million so it is slightly the same despite the fact that the revenue base is probably inflated.

Finance Director Meyer stated that most of their major tax sources seen there have remained largely flat over the past few years and the only area where they have seen relatively positive growth has been in the City's property tax.

More discussion followed.

Finance Director Meyer continued to the next categories; noted they are even except for the City's charges for services and explained what types of fees are included in that (parking, recreation, etc.); stated they have some unposted revenues through September, noted the late audit and staffing issues have contributed to that; looked at Overhead and Transfers in Overhead and explained they will get 100% of that revenue since it is a charge the City charges itself; reviewed the rest of the numbers, noted the tax total has been 7% every year, the Non-Tax Total is down 3% from the prior year, and under Other Funds the revenue is not as consistent and not as suitable for comparing for trends year over year with the exception of their Enterprise Funds; reported they are missing several payments in the Enterprise Funds for Tidelands and Uplands lease revenue; stated in the Special Revenue Funds the largest is the Intergovernmental Grants Fund and revenue in that category often reflects the timing of the City's grants' reimbursements.

Commissioner Ramcharan said to follow up on that, under Total Citywide Revenues, the budget for 2025-26 is \$233 million and if you divide it by 1.03, which is the inflation rate

in real terms, it is about \$226 million which puts it well below the last year; stated if they used the previous year as the base year, the projection is well below what it was from last year and asked if that was a conscious choice to project the revenue in real terms to be much less than it was last year, or was that just not something people were thinking about.

Finance Director Meyer responded that they generally project the revenue for the General Fund by looking at their expert opinions, the prior year performance, and any contributing factors and then they make their best estimate; stated, to answer his question, it is not a conscious choice and went into more explanations and examples of other factors; noted they really base their budget on operations and what they anticipate their revenues to be.

Chair Allen stated to summarize that page the revenues for Q1 are a bit lower than she would have expected.

Finance Director Meyer said they are on pace with what they have projected for budget and will continue to monitor it closely; provided more slides with the same information but in different formats; moved onto expenditures and stated, for the General Fund, they are almost exactly on percentage terms in line with the prior year, the total amount the City has spent is higher which was due largely to personnel increases; noted, as Commissioner Ramcharan pointed out, there are some decreases which largely reflects the projects they include in each of the funds, which differ from year to year, and does not include carryover; explained how carryover will affect the budget; reported that Council had approved MOU increases.

Commissioner Ramcharan asked about the Personnel expenses.

Finance Director Meyer stated if they add Personnel and Fringe, they would get the total personnel costs for the General Fund.

Commissioner Ramcharan stated the personnel costs in real terms seems relatively flat and his take is that there isn't a lot of extraordinary spending, the budget doesn't seem to be in an uncontrolled state, and it seems to be relatively constant.

Finance Director Meyer agreed with Commissioner Ramcharan and said what she would love to see is a projection where she could fully take into account the cost increases that have occurred over the past few years and look at that average growth with the City's revenues and that would give her peace of mind.

Commissioner Ramcharan suggested to benchmark it to towns of similar sizes and see, on a per capita basis, how much Redondo Beach spends on personnel and fringe just to make sure the don't fall behind or get too far ahead.

Finance Director Meyer responded, to his point, they seem to be catching up to neighboring cities and the adjustments she spoke about were related to salary studies.

Chair Allen confirmed with Director Meyer that, for Personnel, the forecast is a percentage of vacancies; stated in government the budget is easy because not much changes, you look at last year and then repeat.

Finance Director Meyer noted they do include projections for potential increases that will take place in the next year.

Chair Allen mentioned they do not need to worry about projects cancelling and having to layoff staff and the raises are all in MOU's.

Finance Director Meyer showed a slide of General Fund Spending, which they just covered, but mentioned the contracts and services spending is behind from the prior year; stated Other Fund Spending is about the same but had increases in the budget for internal service funds; noted a large percentage of the budget looks like it is spent now but the total budget will come with the City's carryover.

Commissioner Ramcharan asked if healthcare costs is something the City or the Commission should think about because it could be changing.

Finance Director Meyer stated the City has a contract with CalPERS to provide medical benefits and reported that those costs have increased substantially over the past two years; noted she has the percent increase over the past several years in their forecast.

Commissioner Ramcharan asked if the City looks at the demographics of employees to predict healthcare and pension costs.

Finance Director Meyer responded that they do not get into that level of detail for the City's long-term medical benefits; stated the City budgets for premiums and on what the City provides its employees.

Commissioner Ramcharan explained the motivation for his question goes back to the deficit and the one-time payment that was unexpected and that is why he is wondering if they looked at the City employees' demographics if they could predict more precisely when there will be a shift in costs.

Finance Director Meyer said it is something they could look at but felt that is not where their large unexpected majority of costs come from; provided more detail regarding CalPERS role and spoke of the PEPPRA plan more City employees are signing up for and is less costly for the City; continued her presentation, showed more comparative bar charts on the General Fund Expenditure Rate by Category, All Funds Expenditure Rate by Fund, Spending by Department (All Funds) but does not include Capital or Non-Departmental Expenses; noted Human Resources is high because it includes upfront insurance payments, Financial Services is high because it includes payments made to the City's hotel properties and explained the why some departments show very low spending.

Commissioner Ramcharan asked if the spending on Police and Fire are comparable to other towns.

Finance Director Meyer stated she has not done compared it and should benchmark it to do so; noted she is not familiar with other cities salaries and benefits and would need to review that and mentioned that Redondo Beach also includes the Harbor.

Commissioner Ramcharan suggested that if anyone was to compare it would be helpful to look at it as a percent of the total expenditures and also on a per capita basis.

Chair Allen said she has looked at it before and the City is on the higher side than any other city she has looked at.

Discussion followed regarding the percentage of what the City spends on their budget for Police and Fire being higher than other cities.

Finance Director Meyer pointed out that Redondo Beach Police and Fire include the Tidelands and Uplands and an Emergency Communications Fund so it might be better to compare General Fund to General Fund with other cities.

Chair Allen mentioned it is what the community wants as well.

Finance Director Meyer provided a slide for each department to provide more detail on spending; noted some departments have more categories than others; highlighted that Police and Fire have an item called POB Debt and explained those are enterprise funds and provided more detail.

Chair Allen asked what the current personnel vacancy percentage is.

Finance Director Meyer stated she would need to run a report but on any given day it is 7% up to 15%; showed the slide with spending for Waterfront and Economic Development and stated the internal service charges are very high compared to the remainder of the budget; concluded her presentation and summarized it by saying there was nothing to cause concern but they will continue to monitor it; noted that she did not mention it in the presentation but she included a Capital Report which is a report the Commission has requested in the past.

Motion by Commissioner Marin, seconded by Commissioner Ramcharan, to receive and file the Quarterly Report.

Motion carried 5-0-2 by voice vote. Commissioners Turner and Woodham were absent.

Chair Allen invited public comment.

Jim Mueller spoke about his experience in analyzing expenses each quarter; commented each quarter should have its own budget to compare with actuals; asked if the City has a current year quarterly budget to compare to actuals; felt the way the City is doing it by comparing current quarter to prior year quarter is a less valid measure of being on track to meet your current budget plan; suggested the City should have a current year quarterly budget to use for comparison with actual expenses; questioned some of the data from the Quarterly Report presentation and asked for explanation on variances; asked "without a budget for each quarter, how can the Commission be assured and assure the Council that the City is on track to meet the year's budget."

Commissioner Jeste felt Jim Mueller's suggestion of having a quarterly budget and then comparing the actual versus the budget makes sense.

Commissioner Ramcharan asked if the first slide could be pulled back up to confirm the comment made by Jim Mueller; recalled Director Meyer discussing the reasons for the discrepancies and asked if she could go over it again.

Finance Director Meyer stated she was 99% certain the discrepancy is because they are behind on their revenue posting; explained that it impacts the City's Charges for Service because those are largely credit card payments that are recorded in the bank but not posted appropriately on their end; spoke about looking back at the 2023-24 budget because the Charges for Service budget was much higher and she thinks there was some additional item that they have not included moving forward.

Chair Allen referenced Jim Mueller's comment regarding the public sector not doing quarterly budgeting and asked Commissioner Marin if it would help.

Commissioner Marin spoke about a seasonality effect or what its planned to be at this level, or if they are budgeting TOT to grow because the hotels are going to open up and said those types of things at least would give a better idea of why it is lower.

More discussion followed on government budgeting not changing much because most factors stay the same and its normally based on the previous year.

Commissioner Jeste commented that this discussion is very revealing; stated if CIP expenses are skyrocketing and revenues are going the other way is should be looked at.

Finance Director Meyer stated the City has an established budget for the Capital Program and they always spend within that budget (they are not allowed to go over that budget) so that amount does not depend on the amount that the City is able to bring in in Q1.

Chair Allen spoke about Debt Service Funds and Expenditure and mentioned one that will change and won't track with the previous quarter because it fluctuates and asked how much.

Finance Director Meyer asked if she meant the City's Debt Service; stated the City has a different Debt Service schedule every year so it will be slightly different from the prior year and there are two debt service payments due in October and May.

Chair Allen wrapped up J.1.

J.2. CIP PROJECTS REPORTED BY PROJECT SUMMARY-COMMENTS AND QUESTIONS

Chair Allen reported it was 8:00 p.m. and asked the Commission if they wanted to save the item for the next item for the next meeting.

The Commission agreed to review the item as planned.

Chair Allen noted that Jesse Reyes did a really good job by adding column Q for comments and gave really good explanations for each; mentioned the explanations might answer a lot of the questions Commissioner Jeste had.

Commissioner Jeste stated Director Meyer had the comparison that he spoke about in his email.

Finance Director Meyer announced she prepared a presentation but that her responses primarily refer back to the spreadsheet; stated she wanted to walk through Commissioner Jeste's questions:

- 1) To verify the final appropriation is significantly larger than the initial appropriation. Director Meyer confirmed his numbers were correct.
- 2) How many additional appropriations were made for each of the completed projects? Noted to look at columns F-H and Q for comments Jesse provided.
- 3) If all the appropriations were approved by City Council.
- 4) If not, what was the process. Director Meyer stated that City Council approves every appropriation. She cannot spend a single dollar above the Council identified threshold.

Commissioner Jeste asked if the spreadsheet could show how much was added in each appropriation request and how much was spent for each CIP.

Chair Allen pointed out that Jesse Reyes did and provided links to the documents that were used; asked Director Meyer if she could show the Commissioners where to find it.

Finance Director Meyer explained that column Q provided a summary and has links to each of the Council agenda items where it has gone to Council and Council approved it; noted that the report that provides a lot of the information they are looking for is the Notice of Completion.

Chair Allen commented that they put a lot of work into the spreadsheet, and it had more information than expected and really appreciated it.

More discussion followed regarding how the information could be accessed from the spreadsheet; Director Meyer demonstrated how to locate and click on the links.

Finance Director Meyer continued her presentation; stated she wanted to address the comments made by Commissioner Jeste:

- 5) How any project can end up costing five times as much as what was envisioned. Director Meyer stated the amount in column F does not represent what the City imagines to be the total end cost; went into more explanation regarding project costs, noted that City staff is not able to spend outside of Council authorization; provided an example using the painting of the Harbor Gateway.
- 6) Data and Transparency using AI. Director Meyer spoke of the Mayor and City Manager agreeing with Commissioner Jeste on the need to improve the way

the City presents projects and the City Manager has asked staff to work on it; noted that Council does approve every single appropriation and they are all done in Open Session throughout the year and publicly available on the website; reported that the Public Works Director mentioned the Budget Council Meeting would be an informative meeting to hear about the CIP planning.

Finance Director Meyer stated that concludes her presentation.

Chair Allen felt that staff has given them all the information they had been asking for.

More discussion followed.

Commissioner Jeste did not accept the claim that initially it is just a small amount and then it grows because nobody knows up front what the total cost will be; stated it doesn't happen in any corporation in any business and that analytics are available to the planners and the City Manager.

More discussion ensued.

Commissioner Ramcharan suggested to Commissioner Jeste that he can take the spreadsheet and compare the Engineer's estimate to the total spending and the gap would show how far the project deviated from what they thought; noted the initial appropriated amount cannot be used as the starting point; noted Commissioner Jeste is right that some of the estimates had big differences and gave an example.

Commissioner Sherbin noted that if he looked at the Change Notices he should find a complete reconciliation between what the Change Notice was for and how the final cost was increased.

Chair Allen suggested they pick one of the projects and go through it.

Commissioner Ramcharan felt that would not be a helpful use of time and stated they could do a forensic analysis to see if there are patterns of where projects often go wrong; provided examples of how it could be useful and easy with today's technology but felt to view a project at that moment would not gain anything.

Commissioner Jeste stated that is exactly what he is driving at, that with AI tools they should be able to determine more exact final costs of projects; felt the City has been doing this for a long time and based on history they should be able to have some idea.

More discussion followed on using technology and high school students to do the forensic analysis, using the Change Notices to answer the current questions, but the ability to gain insights and correlation between bids and vendors would be useful.

Other discussion followed on the inability to get high school students and it being unreasonable to ask staff to do the forensic analysis.

Chair Allen pulled up an example of a project and the Commission viewed the reason for the additional cost; noted that what they asked staff for was transparency and staff provided it; stated if there is a project that a Commissioner has an issue with they can put it on the agenda.

Commissioner Jeste stated they have the data but don't have the analytical tools and without the analysis they can't tell how good the data is.

Chair Allen said they can take a look at one now.

Commissioner Ramcharan noted, in the interest of time, they all have the spreadsheet, and he can go through it.

Chair Allen said if he finds something he is not happy with he can bring it back.

More discussion followed.

Chair Allen invited public comments.

Liaison Bodkin reported no eComments and no Zoom attendees.

Jim Mueller reported he has a background in government contract, construction contract, procurement, and contract administration; stated there are patterns to look for and provided details on how to do it; commented that there are big bucks associated with construction and its worth the time to investigate it.

Chair Allen felt she understood what Commissioner Jeste has been asking for and stated it is an audit he wants done.

Commissioner Jeste spoke of things slipping through the cracks due to the lack of analysis and comparison; referenced Jim Mueller's comment and wondered how many contractors jack up costs when they can issue change orders; stated that needs to be tracked and compared to data from previous years.

Chair Allen asked if Commissioner Jeste had a motion to make. Discussion followed.

Commissioner Jeste asked for time to give it some thought and come up with an assessment.

Chair Allen said next time the purpose for bringing it back would be to make a motion to either recommend an auditor or to close it out.

Commissioner Sherbin felt, after Commissioner Jeste did his analysis, they could come up with a plan.

Commissioner Jeste said it would be too time consuming for him to give an analysis, but he can give observations.

More discussion followed.

Motion by Commissioner Sherbin, seconded by Commissioner Jeste, to have Commissioner Jeste do an analysis of one or two projects and see if he sees something that warrants them to dig deeper into it and then they can bring it up at the next meeting.

Motion carried 5-0-2 by voice vote. Commissioners Turner and Woodham were absent.

J.3. PROFESSIONAL SERVICES PROCUREMENT

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

Chair Allen noted it was 8:40 p.m. and asked the Commissioner if they preferred to skip J.3 and bring it back.

Motion by Commissioner Marin, seconded by Commissioner Ramcharan, to carry J.3 to next month's meeting.

Motion carried 5-0-2 by voice vote. Commissioners Turner and Woodham were absent.

J.4. CONSIDERATION OF ALTERNATE APRIL 2026 MEETING DATES

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

Chair Allen mentioned the original April meeting date of April 9th is during Spring vacation and asked if they can consider choosing one of the following dates: April 15th, April 20th, April 22nd, or April 23rd.

Commissioner Sherbin pointed out that current policy is that meetings are scheduled on particular days and that those meetings take place unless they don't have a quorum and wondered why they would change that.

Chair Allen said they have the ability to change it and is simply asking for a vote, noted if someone does not want to vote they can just vote no.

More discussion followed and it was mentioned that three of the Commissioners are parents and would potentially miss that meeting.

Motion by Commissioner Marin, seconded by Commissioner Ramcharan, to change the Commission's April meeting to Thursday, April 23rd.

Chair Allen invited public comments.

Liaison Bodkin reported no eComments and no one online.

Motion carried 5-0-2 by voice vote. Commissioners Turner and Woodham were absent.

J.5. NOMINATIONS AND ELECTION OF CHAIRPERSON AND VICE-CHAIR

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

Chair Allen noted that two Commissioners were missing.

Commissioner Sherbin nominated Jerry Woodham for Chairperson and mentioned that Commissioner Woodham is aware that he was nominating him and that he would be pleased to serve if elected.

Commissioner Jeste nominated Chair Allen for another year.

Discussion followed regarding having the whole Commission present but that they have delayed it once already. Finance Director Meyer stated the handbook says October or as soon as possible.

Motion by Commissioner Marin, seconded by Commissioner Ramcharan, to nominate and elect a Chairperson and Vice-Chair in December as long as they have a quorum.

Motion carried 5-0-2 by voice vote. Commissioners Turner and Woodham were absent.

J.6. PENSION QUESTIONS-TO ADDRESS IN FUTURE PRESENTATION

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

Chair Allen felt they could move this item to the next meeting.

Finance Director Meyer stated any of the Commissioners could email her any questions they want answered and then she can just share them with the group.

Discussion followed on whether they could fit a pension presentation in for December since their agenda seems very full and if they needed a presentation at all.

Liaison Bodkin reported no eComments and no one online.

Motion by Commissioner Marin, seconded by Commissioner Ramcharan, to close out the item and send any questions they have to Finance Director Meyer and she can share the questions and answers to the group.

Motion carried 5-0-2 by voice vote. Commissioners Turner and Woodham were absent.

K. COMMISSION MEMBER ITEMS AND FUTURE COMMISSION AGENDA TOPICS

Chair Allen stated they would be bringing back CIP Projects, Professional Services Procurement, and Nomination and Election of Chairperson plus they will have the Quarterly Treasurer's Report and the 24-25 Year-End Report; commented that it might be too much to cover for the December meeting.

Discussion followed on the Treasurer's Report not being presented to Council, only submitted, and the possibility of pushing the Treasurer's Report to January.

Motion by Chair Allen to push the Treasurer's Report to January and prioritize the FY 2024-25 report, the CIPs, Professional Services Procurement, and nominations.

Chair Allen invited public comments.

Commissioner Sherbin asked if pushing the Professional Services Procurement would be better than pushing the Treasurer's Report.

Chair Allen noted that the Treasurer's Report is also a big item so it would be better to push that to January.

Motion carried 5-0-2 by voice vote. Commissioners Turner and Woodham were absent.

L. ADJOURNMENT – 8:57 P.M.

Motion by Chair Allen to adjourn the meeting at 8:57 p.m.

Motion carried 5-0-2 by voice vote. Commissioners Turner and Woodham were absent.

The next meeting of the Redondo Beach Budget & Finance Commission will be a regular meeting to be held at 6:30 p.m. on December 11, 2025, in the Redondo Beach Council Chambers, at 415 Diamond Street, Redondo Beach, California.

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