



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

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: Jeste, Ramcharan, Samples, Sherbin,
Chair Allen

Commissioners Absent: Marin, Woodham

Officials Present: Eugene Solomon, City Treasurer
Nilesh Mehta, Chief Deputy City Treasurer
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

Motion by Commissioner Samples, seconded by Commissioner Jeste, to approve the order of the agenda, as presented. There being no objections, Chair Allen so ordered.

E. BLUE FOLDER ITEMS – ADDITIONAL BACK UP MATERIALS

Administrative Analyst Smith reported one Blue Folder item was included in the agenda packet.

F. CONSENT CALENDAR

F.1. APPROVAL OF THE MINUTES FROM THE SPECIAL BUDGET AND FINANCE COMMISSION MEETING OF APRIL 2, 2025

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

F.2. APPROVAL OF AFFIDAVIT OF POSTING FOR THE REGULAR BUDGET AND FINANCE COMMISSION MEETING OF MAY 8, 2025

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

There were no public comments on the Consent Calendar.

Motion by Commissioner Samples, seconded by Commissioner Jeste, 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

Jim Mueller mentioned the lack of public participation in the meeting; noted the lack of information past FY 2021/2022; expressed interest in the revenue/expenses relative to the harbor and the revenue effect of big property changes taking place (Big Lots, Pep Boys, Rite Aid); commented on the Galleria property and talked about the importance of having up-to-date financial information available to the public, on the City's website; commented that sometimes voters are asked to make decisions on things they don't have information on.

Finance Director Meyer stated they are no longer using OpenGov so they have not updated the data there and it is not a high priority to do so because the City is not actively using that product; reported the data is available if they attend the Commission meetings or they can find the data in the Budget Book.

Analyst Smith reminded Chair Allen that staff cannot go into much detail since it is not on the agenda. Chair Allen stated that Jim Mueller is just asking a simple question.

Finance Director Meyer stated that the exact data available on OpenGov is not available in another form on the website at this point in time.

Commissioner Sherbin suggested this could be an opportunity for the Commission to ensure the information becomes available to the public and suggested placing a discussion on a future agenda.

There were no public comments on non-agenda items.

I. ITEMS CONTINUED FROM PREVIOUS AGENDAS

I.1. BUILDING MAINTENANCE/REPLACEMENT PLANNING - None

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

Placing related items in future agendas will be discussed under Item No. K.

J. ITEMS FOR DISCUSSION PRIOR TO ACTIONS

J.1. CITY TREASURER'S QUARTER 3 FISCAL YEAR 2024-2025 REPORT

CONTACT: EUGENE SOLOMON, CITY TREASURER

City Treasurer Solomon introduced consultant Greg Balls, Meeder Investments (via Zoom) and Chief Deputy City Treasurer Niles Mehta and deferred to him for a presentation.

Chief Deputy City Treasurer Mehta and Consultant Balls narrated a PowerPoint presentation with details of the City Treasurer's Quarter 3 Fiscal Year 2024-2025 Report and the U.S. economic outlook.

Commission Ramcharan commented if the Fed cuts rates, noted a lot of the City's assets are short term, the short term assets are going to go down, but if inflation spikes then your costs are going to stay high or go up; asked if the City has a plan in place to deal with the potential mismatch.

City Treasurer Solomon responded to questions from the Commission regarding plans to deal with the potential mismatch between a decline in short-term rates that would push down income from assets and continue high inflation which would push costs up, seeking opportunities to lock in current high yields for longer periods of time, balancing between liquidity and rate risks, creation of weekly cash flow analyses, triggers for funding emergencies and addressing cash reserves, the CalPERS Reserve Fund and finding investment opportunities.

Commissioner Jester asked if there is an unplanned emergency, how much money could the City get almost immediately.

City Treasurer Solomon reported they have had discussions with Finance Director Meyer and have set in the City's subsidiary account a benchmark to review and are alerted if it falls below; mentioned they have monies in a money market account, monies in LAIF and CAMP account and are available if there is an emergency; noted \$8.9 million in the subsidiary account, \$13 million in the CAMP account, and about \$2 million in the money market account and mentioned they have a CalPERS Emergency Fund.

More discussion followed.

In reply to Chair Allen's inquiry, City Treasurer Solomon reported that regarding the CalPERS Reserve Fund, it is a separate fund, is coded as part of the General Fund overall, and is not part of the \$85 million.

Chair Allen asked for clarification of where the reserves were and what reserves the Treasurer was investing in.

City Treasurer Solomon reported it is in a subsidiary account that does not receive an investment credit.

Chair Allen requested clarification of where the reserves were and what the Treasurer was investing in and advised not to have more than 3 to 5% in the City's checking account and suggested the \$10 million in money market should go into CAMP or LAIF as they provide higher yields, listing money market and CAMP separately and locking in investments for longer duration than two years.

Chief Deputy City Treasurer Niles Mehta clarified when they mention "money market" that is CAMP.

Chair Allen provided more suggestions to the City Treasurer; asked if, when they do their summary to the Commission, they separate it out as they have shown on the screen; noticed most of the investments are already in one to two years and advised them to lock in for longer duration.

City Treasurer Solomon explained that one of the reasons for staying shorter is the City's cash flow needs; talked about the current economic uncertainties and projected projects coming online within the next few years.

City Treasurer Solomon stated there is economic uncertainty, macro basis uncertainty, and uncertainty within the City; mentioned some of the projects they had hoped would come online as a revenue source has taken longer and is not providing revenue yet.

Chair Allen indicated she would like more information regarding the CalPERS Reserve; hoped that the City Treasurer could get his hands on it and start investing.

City Treasurer Solomon offered to provide it at an upcoming meeting and mentioned he has taken the note and appreciated the suggestion.

Commissioner Ramcharan referenced micro risks and noted the Secretary of the Treasury pointed out that there is a chance that the U.S. will take the long duration debt and try to default by pushing the duration out to 100 years and suggested keeping in mind that there is a chance that in the next six months, the performance of longer dated debt could change.

City Treasurer Solomon thanked the Commission and noted staff will work together to address the Commission's suggestions.

There were no public comments on this item.

Motion by Commissioner Sherbin, seconded by Commissioner Ramcharan, to receive and file the City Treasurer's Quarter 3 Fiscal Year 2024-2025 Report. There being no objections, Chair Allen so ordered.

J.2. FISCAL YEAR 2024-25 Q3 FINANCIAL REPORTING: JANUARY - MARCH 2025

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

Finance Director Meyer narrated a PowerPoint presentation with details of the Fiscal Year 2024-25 Q3 Financial Reporting for January through March 2025.

In reply to Chair Allen, Finance Director Meyer confirmed that department revenues are at or below cost-recovery, except for City Treasurer and verified that City departments do not generate revenue.

Discussion followed regarding the need for a more detailed presentation, providing specific tax detail in future reports, revenue by source, getting information regarding asymmetrical revenue, projecting future revenue from historical performance, expected TOT and UUT and explaining big variances.

Finance Director Meyer continued with the presentation addressing General Fund spending.

Discussion followed regarding staffing for the Waterfront and Economic Development Department, pension costs related to the Police Department, separating personnel costs from other costs, breaking out special revenues and pooled cash.

Continuing discussion pertained to getting as much data as possible, presenting the data graphically, including it in the Administrative Report and including summary information in the presentation with an attachment of the supporting data.

Chair Allen invited public comments.

Jim Mueller opined the report does not provide a basis for the Commission to make recommendations to Council; felt it is inadequate; talked about the Commission's role to advise City Council, declining sources of revenue and increased costs.

There were no other public comments on this item.

Motion by Commissioner Samples, seconded by Commissioner Jeste, to receive and file the Fiscal Year 2024-25 Q3 Financial Reporting for January through March 2025. There being no objections, Chair Allen so ordered.

K. COMMISSION MEMBER ITEMS AND FUTURE COMMISSION AGENDA TOPICS

Chair Allen spoke about Item No. I; thanked Mr. Mueller for bringing it up; commented on the importance of long-term planning and suggested it stay on the agenda for regular updates.

Commissioner Sherbin understood that those types of capital expenses are typically financed by bonds; noted the need for the utilization and costs to offset each other and talked about this being a typical way to finance construction.

Commissioner Samples pointed it this is now turning into a discussion of policy, process and recommendations and opined it is not on the agenda.

Chair Allen clarified this has to do with Item No. I, which is on the agenda.

Commissioner Ramcharan felt it would be helpful to add context and wondered if it can be anticipated when to finance those kinds of assets to place the bonds or time them better.

Commissioner Samples discussed needing to involve the City Manager and Public Works; felt the item; relative to how the City plans for upgrades, maintenance and repairs, should remain on the agenda and suggested scheduling it after budget discussions.

Chair Allen spoke about the City not having plans, long-term (20-30 years).

Commissioner Samples mentioned the need to define the item and talked about it being in the CIP.

Finance Director Meyer stated she will discuss this item with the City Manager and Public Works and will return with an update during the Commission's meeting to discuss in August.

Commissioner Samples explained needing to know the City's requirements for placing projects in the CIP and the respective dollar limits.

Chair Allen invited public comments.

Jim Mueller distinguished between maintenance expenses and capital expenses; noted that because Fire Stations were not maintained, now they need renovation and agreed that capital expenses are long-term and should be financed by long-term financing.

There were no other public comments.

Motion by Commissioner Samples, seconded by Commissioner Sherbin, to continue Item I to the next meeting of the Budget & Finance Commission. There being no objections, Chair Allen so ordered.

Commissioner Sherbin reported that he put together a recommendation to City Council regarding homelessness and the Commission held it to send it to Council at a more appropriate time. He pointed out the upcoming budget cycle and believed now is the appropriate time to send the Commission's recommendations to Council.

Chair Allen recapped the issue relative to homelessness funding and accountability in the City and referenced a template she created to track costs.

Commissioner Samples pointed out that it cannot be discussed now, as it is not on the agenda.

Motion by Commissioner Samples, seconded by Commissioner Sherbin, to place the topic of homeless funding/accountability in an upcoming meeting. There being no objections, Chair Allen so ordered.

L. ADJOURNMENT – 8:25 p.m.

There being no further business to come before the Budget & Finance Commission, motion by Commissioner Samples, seconded by Commissioner Sherbin, to adjourn the meeting at 8:25 p.m., to a regular meeting to be held at 6:30 p.m. on June 12, 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