



Minutes
Special Joint Meeting
Public Works & Sustainability and Budget & Finance
Commission – 6 P.M.
Monday, April 28, 2025

A. CALL TO ORDER

A Special Joint Meeting of the Redondo Beach Public Works and Sustainability Commission and Budget and Finance Commission was called to order by City Engineer Lauren Sablan at 6:00 P.M., in the City Hall Council Chambers, 415 Diamond Street, Redondo Beach, California, and teleconference.

B. ROLL CALL

Commissioners Present: Simpson, Bajaj, Anderson, Beeli, Chair Arrata, Jeste, Chair Allen, Woodham, Sherbin

Commissioners Absent: Tsao, Nafissi, Samples

Officials Present: Stephanie Meyer, City Finance Director
Lauren Sablan, City Engineer
Jesse Reyes, Capital Projects Program Manager/PWSC
Liaison
Erin Smith, Budget & Finance Liaison

C. SALUTE TO THE FLAG

All Commissioners stood and recited the salute to the flag.

D. ELECTION OF TEMPORARY CHAIRPERSON FOR JOINT SESSION

City Engineer Sablan invited the commissioners to nominate a chairperson for tonight's meeting.

Motion by Commissioner Simpson, seconded by Commissioner Anderson, to approve the nomination of Chair Arrata as the evening's chairperson.

Motion carried, by voice vote, 9-0. Commissioners Tsao, Nafissi, and Samples were absent.

E. BLUE FOLDER ITEMS - ADDITIONAL BACK UP MATERIALS

E.1. BLUE FOLDER

Motion by Commissioner Beeli, seconded by Commissioner Allen, to receive and file the Blue Folder items.

Motion carried, by voice vote, 9-0. Commissioners Tsao, Nafissi, and Samples were absent.

F. ITEMS FOR DISCUSSION PRIOR TO ACTION

F.1. DISCUSSION REGARDING THE PROPOSED 2025-26 FY FUNDING FOR CAPITAL IMPROVEMENT PROJECTS (CIP)

Capital Projects Program Manager Reyes gave some background on the item; explained it is a program status update for the CIP, looking at projects that are currently active this year as well as looking at project developments for next FY; presented a PowerPoint which included:

- Why is CIP Important?
 - City Infrastructure Impacts: Quality of Life; Health & Safety; Property Values; Economic Development; City Liability
 - CIP Accomplishments – provided a slide of the last 5 years' (2020 – 2025) accomplishments on both the expenditure side and project side
 - \$17.8 million has currently been spent this year
 - Active CIP Projects
 - Listed 19 completed projects Y-T-D
 - Listed 9 projects that are in construction
 - Listed 14 projects in procurement
 - Listed 18 projects in design process
 - Next Steps
 - Recommendations of Staff CIP Committee
 - City Manager's Proposed Budget to the City Council by May 16th (Charter date)
 - Planning Commission review of FY 2025-26 CIP on May 15th
 - FY 25-26 CIP Budget Public Hearing on June 10th
 - Evaluation Criteria – needs to meet one or more of the following:
 - Health and safety?
 - Mandated?
 - Implement a Strategic Plan goal?
 - Does it complete an existing project?
 - Does it support economic development?
 - Will it result in future operating savings?
 - Is there significant outside funding?
 - CIP Recommendation
 - Carryover Projects
 - Listed 7 carryover projects totaling \$64,544,284 (noted much of the money is grant funded)
 - Draft FY 25-26 CIP
 - FY 24-26 CIP budget recommendations in development
 - Areas of focus: Complete existing projects – 120 projects
 - Residential Street Rehabilitation
 - City Facility Infrastructure – Veteran's Park, RBPAC, Civic Center, Citywide Roof and HVAC

- Regional Metro M and R Projects – Design and Construction – MAT Project, Riviera Village Multi-Modal Improvements, Aviation/Artesia right turn lane, NRB Bike path, Traffic Signal communication upgrades

Budget & Finance Chair Allen asked for clarification on the redirection of the FP Funds.

Capital Projects Program Manager Reyes stated they are not using FP funds towards other projects but redirecting discretionary capital funds that were put towards the PD and Fire stations; clarified that since Measure FP has passed the discretionary funds no longer need to be focused towards those facilities and can be used for other City projects; continued with the presentation and concluded it; asked that a motion is made to receive and file.

Budget & Finance Commissioner Jeste spoke about requesting more details on completed projects for over a year; asked what the original proposal to City Council was and what they approved; noted that most proposals are optimistic and then always end up going over budget; requested to see the original proposals of all the completed projects, what Council approved and what the costs were at completion; stated this information would be useful to calculate the costs of the new projects.

Commissioner Anderson added he would also like to see contingency budgets that were allocated.

Capital Projects Program Manager Reyes interjected stating they provided feedback on specific projects when they awarded them and they included contingencies; explained the City's process further; noted that if they are not comfortable with the level of funding they do not move forward with it and used the Pier parking structure as an example; spoke in more detail on project overruns and how the City defines it and mentioned the difference between overruns and incorrect budget estimates.

Budget & Finance Commissioner Jeste stated he is not questioning why or how but just wants to see the data; stated without the data the Budget & Finance Commission cannot make any analysis determinations.

Budget & Finance Chair Allen requested to see the Draft FY 25-26 CIP Budget slide; commented that they can place the numbers in a column next to each project.

Capital Projects Program Manager Reyes stated it is not as simple as that; spoke more about the projects and the hurdles they come across.

More discussion followed regarding placing the data in columns, the changes that occur during projects that affect the budget, avoiding headline risks, and what the Budget & Finance Commission's purpose is in analyzing this type of data.

Capital Projects Program Manager Reyes wanted to make clear what constitutes a budget overrun and costs that are incurred due to unforeseen project changes.

More discussion followed regarding the Budget & Finance Commission's request for the data.

Budget & Finance Commissioner Woodham stated all they are really talking about is being able to distinguish between a cost overrun and a project that has simply grown over time for logical reasons.

Commissioner Anderson spoke about contingencies and how given the data they can help the City plan for it; mentioned his experience with grant funding and cautioned them to be particular on the type of improvements the City is looking to put in the grants; explained in detail why he suggested they be cautious.

More discussion followed on grant requests and the City's experience with them.

Budget & Finance Commissioner Woodham wondered about early figures on expenditures, capital improvement, and project expenditures of \$20.4 million in 2023 and asked how much of a hit it was on the General Fund versus grants.

Capital Projects Program Manager Reyes stated grant funding is about a fifth to a fourth of all funding; noted the City has a lot of restricted funding and used transportation funding as an example; spoke about discretionary/capital funds or general funds and stated the Council dictates where that money is spent and noted it is a very small amount of the entire CIP budget.

Budget & Finance Commissioner Woodham stated they would like to be provided with that information.

Capital Projects Program Manager Reyes stated they can provide that and it is broken down by funding sources.

Budget & Finance Commissioner Woodham asked how the impact of inflation has affected the costs with projects; spoke of the impacts of Covid and the fires disrupting the supply chain.

Capital Projects Program Manager Reyes stated they are through the Covid impacts and are able to better estimate projects; mentioned their last few projects have been close to the engineers' estimated costs; noted they are waiting to see how the tariffs will impact their new and future projects; stated that the City is protected when they award a project to a contractor because that contractor placed a bid they are bound to.

More discussion followed regarding impacts they have seen from past or current projects that started months or years ago.

Chair Arrata asked if it is possible to put a timeline on getting the data with the actual costs and the percentage of change for the Budget Committee so they can make recommendations.

Capital Projects Program Manager Reyes stated they can work on that; noted they are in the middle of budget season; stated as soon as he can put together the proposed CIP budget and look back at previous projects or current projects, he can get those to them.

Chair Arrata asked to see the slide titled Draft FY25-26 CIP Budget; asked if she heard correctly that they were taking funds from the City's Police and Fire Departments to fund other categories.

Capital Projects Program Manager Reyes clarified that money that was normally allocated towards their facility improvements will no longer be because of Measure FP; noted they still allocated some funds to make sure the living quarters are sufficient since it will take several years before construction is completed.

Budget & Finance Chair Allen asked how much was being allocated towards the facility.

Capital Projects Program Manager Reyes stated about \$300,000 to \$500,000.

More discussion followed and Capital Projects Program Manager Reyes stated tentatively they can look at August to get the Budget & Finance Commission the report they are asking for.

Commissioner Bajaj asked for the projected revenue of Measure FP.

Capital Projects Program Manager Reyes answered it approved \$93.5 million for two new fire stations, a new police station and the police annex.

Motion by Budget & Finance Chair Allen, seconded by Commissioner Simpson, to receive and file the Capital Budget.

City Engineer Sablan reported there were no eComments and no one on Zoom.

Motion carried 9-0 by voice vote. Commissioners Tsao, Nafissi, and Samples were absent.

Motion by Budget & Finance Chair Allen, seconded by Commissioner Simpson, to adjourn the meeting of joint commissions.

Motion carried 9-0 by voice vote. Commissioners Tsao, Nafissi, and Samples were absent.

**G. ADJOURN JOINT MEETING OF THE PUBLIC WORKS AND
SUSTAINABILITY COMMISSION AND BUDGET AND FINANCE
COMMISSION – 6:52 P.M.**

Motion by Budget & Finance Chair Allen, seconded by Commissioner Simpson, to adjourn the meeting of joint commissions at 6:52 p.m.

Motion carried 9-0 by voice vote. Commissioners Tsao, Nafissi, and Samples were absent.

Respectfully submitted:

Andrew Winje
Public Works Director

Stephanie Meyer
Financial Services Director