

### **OPENING SESSION**

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

### **ROLL CALL**

Commissioners Present: Johnson, Marin, Nguyen, Samples, Solomon, Woodham, Chair Conroy  
Commissioners Absent: None  
Officials Present: Jennifer Paul, Finance Director  
Doug Kaku, Grants Financial Administrator

### **SALUTE TO THE FLAG**

Chair Conroy led the Commissioners in a Salute to the Flag.

### **APPROVAL OF ORDER OF AGENDA**

Motion by Commissioner Woodham, seconded by Commissioner Nguyen, to approve the agenda as presented. Motion carried unanimously, with the following roll call vote:

AYES: Johnson, Marin, Nguyen, Samples, Solomon, Woodham, Chair Conroy  
NOES: None  
ABSENT: None

### **BLUE FOLDER ITEMS - NONE**

### **CONSENT CALENDAR**

**F.1. APPROVAL OF AFFIDAVIT OF POSTING** for the Regular Budget and Finance Commission Meeting of September 23, 2021.

**F.2. APPROVAL OF THE MINUTES** from the Regular Budget and Finance Commission Meeting of August 12, 2021.

Commissioner Solomon commented on the minutes, noting that the meeting was just under an hour with the Actuary present and the minutes seemed to be more of a synopsis rather than the minutes of the meeting. He asked if that is standard procedure and noticed more detail was included in the past.

Chair Conroy agreed that the material parts of the meeting need to be included and asked Commissioner Solomon if he would like to submit to staff the substantive information that was omitted from the minutes and review and approve the minutes at the next meeting.

Commissioner Solomon said if the minutes are a synopsis of the main points of the discussion, he is fine with it. He said if he feels that something that didn't get included in the synopsis, he will bring it up and ask that it is included.

Finance Director Paul clarified that because the videos are available, the minutes are a synopsis rather than a transcription.

There were no Zoom or eComments.

Motion by Commissioner Solomon, seconded by Commissioner Samples, to receive and file the Consent Calendar. Motion carried unanimously, with the following roll call vote:

AYES: Johnson, Marin, Nguyen, Samples, Solomon, Woodham, Chair Conroy  
NOES: None  
ABSENT: None

#### **EXCLUDED CONSENT CALENDAR – NONE**

#### **PUBLIC PARTICIPATION ON NON-AGENDA ITEMS**

There were no Zoom or eComments.

#### **ITEMS CONTINUED FROM PREVIOUS AGENDAS (OLD BUSINESS) – NONE**

#### **ITEMS FOR DISCUSSION PRIOR TO ACTION (NEW BUSINESS)**

##### **J.1. DISCUSSION OF THE UNIFORM PUBLIC CONSTRUCTION CONTRACT ACCOUNTING ACT AND OPPORTUNITIES TO STREAMLINE PUBLIC WORKS CONTRACT PROCUREMENT**

Finance Director Paul said the item was originally presented to the Commission in 2018, and a request was made at the last meeting to bring the item back for discussion.

She said the low limits for capital projects to go out for bid is unduly burdensome because it is so low and noted there were two recommended options. She said she spoke to Public Works Director Ted Semaan and he is interested in this item.

Commissioner Solomon said a lot of things have changed since 2018, however, this code section has not changed. To recap, he said the \$15,000 threshold for capital improvement projects is unreasonably low and believes it presents a barrier to work within the city for non-professional procurement contracts, specifically capital improvements.

He asked to bring the item back for the following reasons:

1. Different City Council
2. City Council has already discussed the idea of some charter amendments and have budgeted for 2021-22 for charter changes.
3. There is a lot of discussion at City Council about procurement, about competitive bidding, and he does not think they would be adverse to having a formal discussion when it came to numbers. He thinks professional services could be part of the discussion, as an adjunct, it wouldn't be a modification of the code.

Commissioner Solomon said he believes having such a low number delays some projects that could dramatically improve quality of life for residents. For example, for the bathrooms at the pier, a contractor would not come in at \$15,000 to fix the bathrooms. He suggested a higher dollar amount and various levels, deferring to Public Works, and staff that would be involved on a regular basis, to make recommendations to the City regarding worthwhile bandwidths for the different levels.

In response to Commissioner Samples regarding budgeting of CIP projects as well as the procurement aspect in the city charter, Finance Director Paul said she will research that, and suggested the Commission write a letter for her to take to City Council for their recommendation.

Commissioner Samples mentioned the line in the current city code that says professional services by definition are specialized services therefore they are categorically exempt from going to bid. He said that does not seem to be consistent with what he has seen with other municipalities throughout the state.

Commissioner Samples said he is favor of option 1.

Chair Conroy thanked Commissioner Solomon for bringing the item for discussion and feels that setting a fixed amount on anything that will naturally change over time is not the best approach because what fits the current year is not going to fit in the future and it will get worse over time.

Chair Conroy asked if they want to do option 1, or first bring it up to an amount, for example \$30,000, and then tie it to a five-year indexing.

In response to Chair Conroy, Commissioner Solomon replied that it would be simpler to adjust for inflation from the last time it was amended and setting an indexing for every five years. He said he wants to have flexibility, but ultimately it is City Council and Public Works' call.

Commissioner Samples said he thought the adopted guidelines under the state's UPCCA would be presented. He also said he believes there are numbers in the guidelines and that it is a tiered process.

Finance Director Paul referenced a document that was presented to the Commission in 2018 which included three thresholds.

Commission Marin said all three levels are in there.

Commissioner Solomon suggested having City Council determine if a tiered approach would improve the procurement processes. He said he does not want vendors used just because they were used in the past, as that is not in the best interest of the city.

Commissioner Samples noted there is a difference between the city charter issues, which is the dollar threshold and awarding contracts, and the bidders' selection process. He said many cities have pre-validated vendors for different types of contracts, going out to bid on maybe a two or five-year basis, creating a list of contractors that are preapproved and eligible to submit letter bids. He also mentioned multi-level opportunities, with level 3 being open for anyone wanting to bid.

In response to Commissioner Solomon regarding whether it would be better to send something to City Council for them to discuss, or refer it to the City Manager, or Assistant City Manager, Finance Director Paul said once they make a recommendation to City Council they will involve Public Works Director Semaan and the engineers. She suggested mirroring a particular policy or guideline and presenting it to City Council, rather than including numbers that might change.

Chair Conroy clarified if they submit a letter of recommendation it could be agendized, to which Finance Director Paul replied yes. He said they have submitted letters in the past and were informed that if they wanted City Council to hear their recommendation, they would need to call and read it to them during a City Council meeting.

In response to Chair Conroy regarding the approach the Commission will take, Commissioner Solomon suggested having a Column A and a Column B and submit that to City Council as a baseline, get guidance from them and then dig into more detail with Public Works Director Semaan and additional staff.

Finance Director Paul confirmed the idea and encouraged the Commission to draft a letter that she will have added to a City Council agenda.

Chair Conroy proposed a group to draft the letter, consisting of Commissioner Samples, Commissioner Solomon and himself.

Commissioner Solomon asked if they will create the letter and Chair Conroy will submit the letter to Finance Director Paul to take to City Council, or if they will revisit the item at the next meeting. Chair Conroy said he prefers they create the letter and forward it to Finance Director Paul.

Commissioner Solomon expressed concern that the Commission may not agree with the draft letter. Chair Conroy said he is open to bringing the letter back to the Commission for their feedback at the next meeting.

Commissioner Marin said if the letter is asking to revisit the subject because it has not been revisited since 2013, with a dollar amount set in 1990, he does not feel it needs to be presented to the Commission before it is forwarded to City Council.

Commissioner Johnson said he trusts the team to draft a proper letter, they don't have the information to start making recommendations as far as guidelines, and as far as timing, if it hasn't been changed since 2010, it can probably wait another 12 days.

Chair Conroy said they will discuss it at the next meeting.

Commissioner Samples said they will prepare the draft and present it at the next meeting for the Commission to review.

There were no Zoom or eComments.

Motion by Commissioner Solomon, seconded by Commissioner Samples, to continue the item to the next meeting. Motion carried unanimously, with the following roll call vote:

AYES:	Johnson, Marin, Nguyen, Samples, Solomon, Woodham, Chair Conroy
NOES:	None
ABSENT:	None

#### **K. MEMBER ITEMS AND REFERRALS TO STAFF**

Commissioner Solomon explained that as part of the Pier leaseholders' rent, the City collects dues that are paid to the King Harbor Association and the Pier Association, and forwards the dues to the two entities and spent. He said part of the Waterfront Economic Development's roles and responsibilities is working with the pier stakeholders and leaseholders; some of them have asked why they are paying dues, but not seeing any results of the money.

Commissioner Solomon said he looked up the tax returns and found none for the King Harbor Association, the last one for the Pier Association was in 2019 showing \$85,000 dues received, with \$43,000 spent in advertising and \$10,000 on a website. He asked Finance Director Paul to follow up with Waterfront Director Proud to see if reports are available that show how much money is received and how it is spent.

Finance Director Paul said she will follow up and email the Commissioners the answer.

Grants Administrator Kaku announced there was a new appointment to the Commission, effective October 1, making tonight Commissioner Nguyen's last meeting. The Commissioners thanked Commissioner Nguyen for his service and valuable contribution to the Commission over the years.

**ADJOURNMENT OF BUDGET & FINANCE COMMISSION – 7:24 P.M.**

There being no further business to come before the Commission, Commissioner Solomon moved, seconded by Commissioner Nguyen, to adjourn the meeting at 7:24 p.m., to a Special Meeting to be held at 6:30 p.m., on September 16, 2021, in the Redondo Beach Council Chambers at 415 Diamond Street, Redondo Beach, California. Motion carried unanimously, with the following roll call vote:

AYES: Johnson, Marin, Nguyen, Samples, Solomon, Woodham, Chair Conroy  
NOES: None  
ABSENT: None

Respectfully submitted,

  
FOV Jennifer Paul  
Finance Director