

**MINUTES  
FINANCE COMMISSION  
REGULAR MEETING  
June 1, 2015**

City Council Chamber  
1 Civic Center Plaza  
Irvine, CA 92606

**CALL TO ORDER – 5:32 p.m.**

**ROLL CALL**

PRESENT: 5	Commissioner	Dressler
	Commissioner:	Montgomery*
	Commissioner:	Reyno
	Vice Chair:	Stein
	Chair:	Bartlett

\*Commissioner Montgomery arrived at 5:34 p.m.

**PLEDGE OF ALLEGIANCE**

Vice Chair Stein led the Pledge of Allegiance.

**INTRODUCTIONS**

There were no introductions.

**PRESENTATIONS**

There were no presentations.

**COMMITTEE REPORTS**

There were no committee reports.

**ADDITIONS AND DELETIONS TO THE AGENDA**

There were no additions or deletions to the agenda.

**PUBLIC COMMENTS**

There were no public comments.

**COMMISSION BUSINESS**

**1. MINUTES**

**ACTION: Moved by Commissioner Dressler, seconded by Vice Chair Stein, and unanimously carried by those members present to:**

Approve the minutes of a regular meeting of the Finance Commission held on May 18, 2015.

\*Commissioner Montgomery arrived at 5:34 p.m.

**2. TREASURER'S REPORT FOR THE QUARTER ENDED MARCH 31, 2015**

Don Collins, City Treasurer, presented the staff report and answered questions. Ken Brown, Director of Administrative Services was also present and answered questions.

Commission discussion included: liquidity of the Special District Funds and Bond Proceeds Fund; realized gains and losses.

**ACTION: Moved by Commissioner Dressler, seconded by Chair Bartlett, and unanimously carried to:**

Recommend that the City Council receive and file the Treasurer's Report for the quarter ended March 31, 2015.

**3. DEFINED BENEFIT AND DEFINED CONTRIBUTION PENSION PLAN AUDITS FOR THE YEAR ENDED DECEMBER 31, 2014**

Amy Roblyer, Senior Management Analyst, presented the staff report and answered questions. Ken Brown, Director of Administrative Services, and Teri Washle, Interim Manager of Fiscal Services, were also present and answered questions.

Commission discussion included: the plan administrator and associated fees; the assumed rate of return; the number of participating employees; allocation of administrative staff time for bi-annual board meetings; the nature of the information reviewed during the audit; when the plan administrator contract last went out to bid; and analyzing the fiduciary management of the plans & programs.

**ACTION: Moved by Vice Chair Stein, seconded by Commissioner Reyno, and unanimously carried to:**

Recommend that the City Council receive and file the Defined Benefit and the Defined Contribution Pension Plan audits for the year ended December 31, 2014.

**As amended:** With a note to re-examine the money manager to see if it would be advantageous to put that out to RFP; and evaluate if we are up to current regulations with regard to fiduciary duties.

**4. FISCAL YEAR 2015-16 BUDGET**

**-ORANGE COUNTY GREAT PARK PRESENTATION**

Eric Tolles, Assistant City Manager, Great Park, introduced the Orange County Great Park Budget for 2015-16 and provided an overview of amenities, activities and programs. Ken Brown, Director of Administrative Services, presented the Orange County Great Park Budget for 2015-16 and answered questions. Mya Sanders, Community Services Superintendent, and Jay Ponce, Senior Management Analyst, were also present and answered questions.

Commission discussion included: resident vs. non-resident activity participation and sports park reservation and fees; lighting of the new sports park facilities; field space availability for non-organized activities; lease revenue and secondary maintenance funding; the facility maintenance budget; landscape maintenance needs and costs; unit pricing of maintenance in relation to other City properties; Great Park potential merchandise revenue; upcoming sole source contracts proposed in next year's budget; in-house online public relations and publications; guaranteed maintenance amount from the Community Facilities District (CFD); history of the land transfer agreement; source of revenue of Fund 286; remaining maintenance and restoration cost of the aviation exhibit; utilizing Irvine tax dollars to support Irvine residents participating in Great Park programs and services; revenue generated by the farmer's market; funding and staffing for park security; and creating a community advisory board to get input from park users.

**5. FISCAL YEAR 2015-16 BUDGET DELIBERATIONS AND RECOMMENDATIONS BY THE FINANCE COMMISSION**

Commission discussion included: calculating return on investment (ROI) for CIP projects; permissible use of gas tax and Lighting, Landscape, and Park Maintenance funds; purchasing policies and department standards related to green investments and equipment replacement considerations related to total cost of ownership; review of financial policies for Public Works construction and Professional Services contracts; Green Building and Energy standards from the State; budgeting annually for City-owned building rehabilitation; policy suggestions in response to reduction in revenue sources; the historic vacancy rate; the number of work-related injuries in relation to other cities; and the expense to operate the balloon and potential revenue opportunities.

**ACTION: Moved by Chair Bartlett, seconded by Commissioner Dressler, and unanimously carried to:**

Recommend the City Council adopt the proposed Fiscal Year 2015-16 Budget with the following additional recommendations:

**ACTION: Moved by Vice Chair Stein, seconded by Commissioner Dressler, and unanimously carried to:**

Recommend the City Council adopt a balanced budget; if Business License revenue is reduced, recommend City Council increase the vacancy rate assumption in the budget closer to the historical average to make up the revenue difference.

**ACTION: Moved by Commissioner Dressler, seconded by Vice Chair Stein, and unanimously carried to:**

Recommend that prior to the Fiscal Year 2016-17 budget, City Finance and Public Works staff evaluate actual rehabilitation spending over the past 10 years and projected needs over the next 10 years, compared to the value of facilities, to validate an annual contribution, estimated between 1.5% and 2.0% of facility value, for a new fund or expansion of the Civic Center Fund for the maintenance and rehabilitation of all City facilities outside of the Great Park.

**ACTION: Moved by Vice Chair Stein, seconded by Chair Bartlett, and unanimously carried to:**

Recommend City Council accelerate funding for Capital Improvement Project no. #12, the Traffic Signal LED Indicator Upgrades project, to complete at least half the project in Fiscal Year 2015-16 and the remainder by Fiscal Year 2016-17, for the purpose of realizing a better rate of return on investment as calculated by the Public Works Department, with staff discretion on where the funding for the project comes from.

**ACTION: Moved by Commissioner Montgomery, seconded by Commissioner Dressler, and unanimously carried to:**

Recommend a joint meeting with the Planning Commission to evaluate building standards that impact maintenance costs of the City.

**ACTION: Moved by Vice Chair Stein, seconded by Commissioner Reyno, and unanimously carried to:**

Recommend that the Finance Commission, within the next 120 days, undertake a review of the City's purchasing policies contained in the budget document to evaluate best purchasing practices for the purposes of realizing cost savings.

**ACTION: Moved by Commissioner Dressler, seconded by Chair Bartlett, and unanimously carried to:**

Recommend the City invite a business/City task force to work with the City Safety Committee to evaluate losses, accident investigation and reporting

procedures and steps to be taken, to set goals to reduce the reportable injury ratio and the workers' compensation costs as a percent of total personnel costs. Also, that a "rolling 12 month" report on reportable work injuries be established and provided each quarter to the City Council and the Finance Commission.

**ACTION: Moved by Vice Chair Stein, seconded by Commissioner Dressler, and unanimously carried to:**


Recommend, beginning in the Fiscal Year 2016-17 budget, that staff apply the same unit pricing measure comparisons for the Great Park as used for all other City departments.

**ACTION: Moved by Commissioner Montgomery, seconded by Commissioner Reyno, and unanimously carried to:**


Recommend future exploration of revenue diversification opportunities for the Great Park, with community members and corporations, to include sponsorship, merchandizing, concessions, parking, and other opportunities.

**ADJOURNMENT**

By consensus, Chair Bartlett adjourned the meeting at 10:18 p.m.

  
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ALLAN BARTLETT  
CHAIR

  
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KEN BROWN  
DIRECTOR OF ADMINISTRATIVE  
SERVICES

  
\_\_\_\_\_  
MELINDA NEUMANN  
RECORDING SECRETARY

  
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DATE APPROVED