



**MINUTES
FINANCE COMMISSION
ADJOURNED REGULAR MEETING
January 17, 2017**

City Council Chamber
1 Civic Center Plaza
Irvine, CA 92606

CALL TO ORDER – 5:30 p.m.

ROLL CALL

PRESENT: 5	Commissioner:	Reyno
	Commissioner:	Sievers
	Commissioner:	Stein
	Vice Chair:	Bartlett
	Chair:	Dressler

PLEDGE OF ALLEGIANCE

Commissioner Stein led the Pledge of Allegiance.

INTRODUCTIONS

Commissioner Stein, Mayor Wagner's appointee to the Finance Commission, gave a self-introduction.

ANNOUNCEMENTS

There were no announcements.

PRESENTATIONS

There were no presentations.

COMMITTEE REPORTS

There were no committee reports.

ADDITIONS AND DELETIONS TO THE AGENDA

There were no additions or deletions.

PUBLIC COMMENTS

There were no public comments.

REORGANIZATION OF THE FINANCE COMMISSION

- 1) Kristin Griffith, Director of Financial Services, declared the nominations open for Chairperson and called for the Commission vote.

ACTON: Moved by Vice Chair Bartlett to nominate Commissioner Stein as Chairperson of the Finance Commission, seconded by Commissioner Reyno, and unanimously carried by roll call vote.

- 2) Newly elected Chair Stein declared nominations open for Vice Chair and called for the Commission vote.

ACTION: Moved by Chair Stein to nominate Commissioner Bartlett as Vice Chair of the Finance Commission, seconded by Commissioner Sievers, and unanimously carried by roll call vote.

- 3) Selection of Finance Commission representative to City Committee: Newly elected Chair Stein declared nominations open for a representative to the City's Investment Advisory Committee and called for the Commission vote.

ACTION: Moved by Commissioner Dressler to nominate Commissioner Sievers as representative to the Investment Advisory Committee, seconded by Vice Chair Bartlett, and unanimously carried.

RECESS THE FINANCE COMMISSION MEETING TO THE IRVINE PUBLIC FACILITIES CORPORATION ANNUAL MEETING

Chair Stein recessed the Finance Commission meeting at 5:36 p.m.

RECONVENE THE FINANCE COMMISSION MEETING

Chair Stein reconvened the Finance Commission meeting at 5:41 p.m.

COMMISSION BUSINESS

1. MINUTES

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

Approve the minutes of a regular meeting of the Finance Commission held on December 19, 2016.

The motion carried as follows:

AYES:	4	COMMISSIONERS:	Bartlett, Dressler, Reyno, Sievers
NOES:	0	COMMISSIONERS:	None
ABSENT:	0	COMMISSIONERS:	None
ABSTAIN:	1	COMMISSIONERS:	Stein

2. AGREEMENT WITH CLEAN ENERGY FOR CONTINUED OPERATION AND MAINTENANCE OF A PUBLICLY ACCESSIBLE COMPRESSED NATURAL GAS FUELING STATION ON CITY PREMISES

Curtis Smith, Fleet Services Superintendent, presented the item and answered questions.

Commission discussion included: differences from the prior agreement and the land use fee; the cost to maintain a compressed natural gas vehicle compared to gas or diesel; compliance to South Coast Air Quality Management District (SCAQMD) requirements; the Clean Energy response to the RFP; the ability to use other fueling stations in Orange County and receive the City’s rate; and the formula used to calculate the City’s reduced market rate preferred pricing.

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

Recommend the City Council authorize the City Manager to execute a new 5-year agreement with Clean Energy for land use and the operation and maintenance of the existing publicly accessible compressed natural gas fueling station located on City premises at the Operations Support Facility.

3. FISCAL YEAR 2016-17 NOVEMBER BUDGET UPDATE

Sabin Amanullah, Management Analyst II, presented the report and was available to answer questions. Angelina Garcia, Manager of Budget & Business Planning, and Susan Wheelock, Senior Management Analyst, were also present and answered questions.

Commission discussion included: monitoring documentary transfer tax revenues; hotel occupancy trends and the delay in opening one hotel; Community Development’s contract services budget; and the savings on salaries due to the budgeted versus actual vacancy rate.

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

Receive and file the Fiscal Year 2016-17 November Budget Update.

4. FISCAL YEAR 2015-2016 CAPITAL IMPROVEMENT AND SPECIAL FUNDS YEAR-END REPORT

Teri Washle, Finance Officer, presented the item and answered questions. Kristin Griffith, Director of Financial Services, and Angelina Garcia, Manager of Budget & Business Planning, were also present and answered questions.

Commission discussion included: the reason for the closeout of several of the larger capital projects; returning funding to its original source; Community Facilities District annual reports; the importance of identifying the source of funds for large capital projects; and preparing a plan to fund future facility rehabilitation.

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

- 1) Recommend the City Council approve the closure of 183 projects with \$268.2 million in expenditures and release appropriations of \$10.1 million in applicable special funds.
- 2) Recommend the City Council appropriate \$200,000 of Air Quality Management District funds to the Jeffery Open Space Trail and Interstate 5 Pedestrian Bridge Project.
- 3) Recommend the City Council commit \$5 million in Gas Tax and System Development Charge Circulation funding for the construction of the Marine Way project and \$9.6 million of Infrastructure and Rehabilitation and System Development Charge Non Circulation funding towards the City's significant future projects like the Irvine Animal Care Center facility improvement and expansion.
- 4) Recommend the City Council approve the continuation of 211 capital projects with budgets totaling \$246.9 million to Fiscal Year 2016-17.
- 5) Recommend the City Council approve a \$5.5 million net appropriation to inter-fund transfers for open capital projects among various special and capital project funds.
- 6) Recommend the City Council approve funding for outstanding purchase orders and continuing activities in the Special Funds totaling \$3.9 million.
- 7) Recommend the City Council receive and file Community Facility District (CFD) annual reports for CFD 2004-1 Central Park, CFD 2005-2 Columbus Grove and CFD 2013-3 Great Park.

5. FISCAL YEAR 2015-16 GENERAL FUND YEAR-END REPORT

Angelina Garcia, Manager of Budget & Business Planning, presented the item and answered questions. Scott Smith, Deputy Director of Public Works, and Barbara Arenado, Management Analyst II, were also present and answered questions.

Commission discussion included: the City's funded pension status with CalPERS and analyzing various scenarios with different rate of return assumptions; funding traffic study recommendations and current traffic priorities; other potential uses for

the additional surplus contribution towards pension pay-down; including pension pre-payment savings estimates when developing the budget; planning and budgeting for future maintenance of facilities; and setting aside funding to update the Facility Condition Assessment Report

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

- 1) Recommend the City Council approve a budget adjustment allocating \$8,942,226 of year-end General Fund balance for specific projects/programs previously approved by the City Council.
 - 2) Recommend the City Council approve a budget adjustment allocating \$621,962 of year-end General Fund balance for outstanding encumbrances and Purchase Orders that were not completed by the end of the fiscal year.
 - 3) Recommend the City Council approve a budget adjustment increasing allocations and transfers by \$2,250,000 of year-end General Fund balance for an additional contribution to the Accelerated Pension Liability Paydown Plan and other projects recommended by the City Manager.
 - 4) Recommend City Council approve a budget adjustment for \$940,000 of year-end General Fund balance to fund the implementation of traffic signal Capital Improvement Projects (CIPs).
- As amended, to include action #5, as follows:**
- 5) Recommend the City Council allocate funding, in an amount to be determined, to update the existing Facility Condition Assessment Report to include facilities over 15 years old.

ADJOURNMENT

By consensus, Chair Stein adjourned the meeting at 7:34 p.m.



RUSSELL STEIN
CHAIR



KRISTIN GRIFFITH
DIRECTOR OF FINANCIAL SERVICES



MELINDA NEUMANN
RECORDING SECRETARY

2/21/17

DATE APPROVED