

**MINUTES
FINANCE COMMISSION
REGULAR MEETING
May 19, 2014**

City Council Chamber
One Civic Center Plaza
Irvine, CA 92606

CALL TO ORDER – 5:34 p.m.

ROLL CALL

PRESENT: 5	Commissioner:	King
	Commissioner:	Stein
	Commissioner:	Wong
	Vice Chair:	Bartlett
	Chair:	Duong

PLEDGE OF ALLEGIANCE

Commissioner Wong 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 and deletions to the agenda.

PUBLIC COMMENTS

There were no public comments.

COMMISSION BUSINESS

1. MINUTES

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

Approve the minutes of an adjourned regular meeting of the Finance Commission held on May 12, 2014.

2. FISCAL YEAR 2013-14 MARCH BUDGET UPATE

Peter Hong, Management Analyst II, presented the staff report and answered questions. Donna Mullally, Manager of Budget & Business Planning, also answered questions.

Commission discussion included: estimated year-end revenues and surplus.

RECOMMENDED ACTION: Moved by Commissioner Wong, seconded by Commissioner King, and unanimously carried to:

Receive and file the Fiscal Year 2013-14 March Budget Update.

3. COMMUNITY SERVICES DEPARTMENT FISCAL YEAR 2014-15 PROPOSED FEE CHANGES

Mike Cribbin, Senior Management Analyst, presented the staff report and answered questions. Ken Brown, Director of Administrative Services, was also present and answered questions.

Commission discussion included: determining non-resident fees; reasonable new program fees; use of animal license fees for marketing; percentage of cats compared to dogs at animal shelter; material costs increase; cost recovery; and demand for the extended time offering.

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

1. Recommend City Council approve the proposed Community Services Department Fiscal Year 2014-15 fee increases for new programs and services, advertising rates, and extended time offerings, while maintaining other fees at the existing level.

2. Recommend City Council adopt Resolution No. 14-XX – A
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE
SETTING FEES FOR VARIOUS COMMUNITY SERVICES
DEPARTMENT ACTIVITIES FOR FISCAL YEAR 2014-15.

4. FISCAL YEAR 2014-15 BUDGET

-ADMINISTRATIVE SERVICES PRESENTATION

Ken Brown, Director of Administrative Services, presented the Administrative Services Budget for 2014-15 and answered questions.

Commission discussion included: annual pension score card to City Council; site security measures; incurred liability for compensated absences; self-insurance and compensated absences funding levels; types of claims and potential liabilities; and affordable care act implications.

5. FISCAL YEAR 2014-15 BUDGET DELIBERATIONS AND RECOMMENDATIONS BY THE FINANCE COMMISSION

Commission discussion included: incorporating Capital Improvement Projects (CIP) and Technology Plan information into a forward thinking 5 year Strategic Business Plan; project budgets; consider process improvement for planning and coordination; community support to outside organizations and implementing a competitive grant process; accelerated pension plan pay down in relation to year-end carryover funds; continued funding to support education; systematically funding infrastructure and rehabilitation costs; OCGP program costs per capita; total cost of ownership analysis and incorporating return on investment concepts; looking at new and innovative technology moving forward; improving productivity by evaluating and implementing new hardware and software; relationship with the Chamber of Commerce; and the facilities master plan in relation to CIP projects.

The Finance Commission recommended the City Council adopt the proposed Fiscal Year 2014-15 Budget with the following recommendations:

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

Present a 5-year Strategic Business Plan to City Council in advance of the annual budget process to guide upcoming budget planning and future investments with a focus on:

- Long-term infrastructure planning and funding, with studies to identify future rehabilitation funding needs and a plan to address these needs.
- Cost consciousness in the administration and development of the Orange County Great Park with a focus on cost recovery.

- Technologies, software, equipment, and facility improvements prioritizing total cost of ownership and return on investment concepts as a guiding principle.
- Development of an economic and business master plan to proactively attract businesses to the city and to build technological hubs.

ACTION: Moved by Chair Duong, seconded by Vice Chair Bartlett, to:

Beginning in Fiscal Year 2015-16, subject community support discretionary funding to a competitive process for allocation to non-profit community organizations as prioritized by the City Council.

The motion carried as follows:

AYES:	3	COMMISSIONERS:	Bartlett, Duong, and Stein
NOES:	2	COMMISSIONERS:	King and Wong
ABSENT:	0	COMMISSIONERS:	None

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

Recommend the City Council, at year-end, increase the Contingency Reserve Fund by the amount of the year-end surplus, less the \$1 million pre-designated for the City Council's accelerated pension funding plan and less purchase orders approved for continuation by the City Council. In addition, as part of the Fiscal Year 2015-16 budget, recommend that the City Council appropriate additional funds, as needed, to bring the Contingency Reserve Fund to the 20% target level.




Chair Duong left the dais at 8:32 p.m.

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

Approve the Public Works portion of the Fiscal Year 2014-15 Budget.

ADJOURNMENT

By consensus, Vice Chair Bartlett adjourned the meeting at 8:35 p.m.

 <hr/> JOHN DUONG CHAIR	 <hr/> KEN BROWN DIRECTOR OF ADMINISTRATIVE SERVICES
 <hr/> MELINDA NEUMANN RECORDING SECRETARY	6/02/14 <hr/> DATE APPROVED