



**MEETING MINUTES
CITY OF HUNTINGTON BEACH
FINANCE BOARD**

**WEDNESDAY, FEBRUARY 11, 2009 AT 5:00PM
CIVIC CENTER, LOWER LEVEL, ROOM B-8**

- 1) **CALL TO ORDER:** At 5:05 PM, Chair Falzon called the meeting to order.
Present: Vice Chair LoGrasso, Members: Corkett, Garcia, Jones, and King
Also Present: Fred A. Wilson, City Administrator, Dan T. Villella, CPA, Jennifer Lampman, Sr. Administrative Analyst, and Carrie Gonzales, Administrative Assistant
- 2) **PUBLIC COMMENTS:**
No public comments were made.
- 3) **APPROVAL OF MEETING MINUTES:**
January 14, 2009 – Member King made a motion to approve the minutes as amended, seconded by Member Jones. The motion was approved 5-0-1. (Vice Chair LoGrasso absent)
- 4) **STAFF REPORTS/BUSINESS ITEMS:**
 - a) **February 2, 2009 Study Session Review**
This was covered under item “D” of the agenda.
 - b) **Cost Allocation and Fee Study Update**
Jennifer informed the Board that the cost allocation and fee study is still moving forward. Staff is still reviewing the draft and the RCA and the Resolution should be ready for City Council approval in early April.
 - c) **Long Term Finance Plan (LTFP) Update**
Fred A. Wilson, City Administrator, stated the document received from the consultant is okay, however, he would like to restructure the document from a 10-year document to a 3-year document with focus on the General Fund.
 - d) **Strategic Plan Update**
Fred A. Wilson, City Administrator, gave an update of the study session with the City Council and Department Heads held at the Library on January 30. Mr. Wilson stated the Strategic Plan is a three-year planning document. In the new Strategic Plan, the Finance Department is responsible for the following:
 - 5/4/09 – Present to the City Council for direction and prioritization the FY 2008/09 mid-year budget review, including options.
 - 6/30/09 – Develop and present to the City Council for action a policy to maintain the City’s financial reserves.
 - 7/15/09 – Update and present to the City Council for action the Long-Term Financial Plan.He stated the city needs to maintain and enhance reserves; he has started by issuing a hiring freeze on vacant positions and a freeze on purchasing equipment. He also stated the recession could last between 18 – 24 months and has asked the Board - “What else can we do to balance the budget?” He suggested the following:
 1. Look at the reserves
 - Do we dip into the reserves?
 - Do we restructure the policy of the reserves for economic uncertainty?
 2. Look at the City’s Financial Policies
 3. Increase Revenues
 4. Look at the Neighborhood Improvement District
 5. Look at Prevailing Wage – carve out certain fields
 - Street Sweeping



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- Landscape Maintenance
- 6. Two-tier New Hire benefits
- 7. Look at the current MOU's to re-open them – this is a meet and confer process
 - POA & PMA due mid-year, next year
- 8. Assessment Districts
- 9. School Sites
- 10. Issued debt to payback General Fund

The Board agreed with the above items and will be discussing these in more depth at the next Board meeting scheduled on March 11, 2009. The Board will have a list for the May 4, 2009 Mid-year Budget Review study session.

He ended the discussion stating the City Council, Department Heads, and the facilitator will be meeting again on July 31. The new primary tool is the new Strategic Plan. With the old Strategic Plan, Department Heads were instructed to review projects for completion, what projects to carry forward, and what projects to drop.

The Board asked if staff would be able to provide them with a list of what other cities are doing to help balance their budgets, a list of the future benefits and wages increases for each association, and a 3-year budget projection for the General Fund.

5) OPEN/CLOSED ITEM LIST

With the Strategic Plan being updated, the Board asked for item 2007-002 to be marked closed.

6) COMMENTS FROM BOARD MEMBERS

No comments were given.

ADJOURNMENT

Member Garcia made a motion at 6:40 p.m. to adjourn the meeting to Wednesday, March 11, 2009, at 6:00 p.m., seconded by Member Jones. The motion was approved 5-0.

**Respectfully submitted by:
Jennifer Lampman, Sr. Administrative Analyst
Secretary to the Finance Board**