



CITY OF HUNTINGTON BEACH
FINANCE BOARD MINUTES
WEDNESDAY, JUNE 9, 2010 AT 6:00 PM
CIVIC CENTER, LOWER LEVEL, ROOM B-8

- 1) CALL TO ORDER:** At 6:05 PM, Chair Falzon called the meeting to order.
Present: Members: Garcia, Houston, Jones, King, and Peterson
Staff: Bob Wingenroth, Director of Finance, Jennifer Lampman, Budget Manager, and Carrie Gonzales, Administrative Assistant
Absent: Vice Chair LoGrasso
- 2) PUBLIC COMMENTS:**
No public comments were made.
- 3) APPROVAL OF MEETING MINUTES:**
May 12, 2010 – Member King made a motion to approve the minutes as amended, seconded by Member Jones. The motion was approved 4-0-2. (Absent Vice Chair LoGrasso Members Garcia and Peterson abstained)
- 4) STAFF REPORTS/BUSINESS ITEMS:**
 - a) Presentation from Jennifer Lampman, Budget Manager, Finance Department**
Jennifer Lampman, Budget Manager, led a discussion on the functions of the Budget, Payroll, and Analysis division. The Board asked questions on the different processes.
 - b) Chairman's Update**
Chair Falzon led a discussion on the proposed changes to the City Charter, which were discussed at the June 7 City Council meeting. The City Council approved the City Charter changes to be placed on the November ballot as two separate items, All Charter Changes and Section 617 – Infrastructure Fund. The vote was 5/2 with Jill Hardy and Keith Bohr voting no. If approved, the change to Section 617 will begin in FY 2017/18; the Debt Service will be excluded from the 15% Infrastructure Calculation.

The Board asked Bob Wingenroth, Director of Finance, if he would give them an update on the Sunset Beach Annexation. Mr. Wingenroth stated this annexation would have a slight increase in the City's revenues, \$1 million to \$1.5 million. LAFCO's representative will do an evaluation of Sunset Beach and the City's consultant reports. The City Council will review this at the first meeting in July to make a decision for the annexation of Sunset Beach.
 - c) Strategic Plan Updates**
Bob Wingenroth discussed the upcoming items. He mentioned the presentation of the five-year financial plan scheduled for the June 7, City Council study session will be postponed until the first meeting in August. The City is has offered an early retirement plan and of possibly making a reserve for Insurance Liabilities, which could change the numbers.
 - d) Comprehensive Annual Financial Report (CAFR) and Popular Annual Financial Report (PAFR)**
A brief discussion was held on the CAFR. The Board asked that this item be continued until the July 14 meeting for further discussion.
 - e) Unfunded Liabilities**
Chair Falzon led a discussion on the City's unfunded liabilities. Member Houston discussed the report he was working on with Vice Chair LoGrasso in which they are creating on defined contributions vs. defined benefit programs. Member Jones distributed two handouts titled Study on



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Current Retirees today and Today's Benefits. These handouts had examples of the employment costs of salary and retirement benefits for Police and Fire safety employees.

Bob Wingenroth, Director of Finance, led a discussion on two-tier benefits. He stated the City Administrators office is working with the Orange County City Managers on two-tier defined benefit plans. He will update the Board when more details are received.

Jennifer Lampman, Budget Manager, led a discussion on the handout titled PERS Contribution/Rates. The chart below describes the differences in the Employer and Employee CalPERS rates:

Employer Rate		Employee Rate			
Misc Employees 9.783%	Safety Employees 27.969%	Misc Employees 8.00%		Safety Employees 9.00%	
		Employee Pays 4.25%	City Pays 3.75%	Employee Pays 4.25%	City Pays 4.75%
				2.25% (HBFA)	6.75%

The Board asked that this item be continued until to the July 14 meeting for further discussion.

5) OPEN/CLOSED ITEM LIST:

Member Jones asked staff if they would provide the Board with the dates when the employees CalPERS retirement benefits were increased to 3 @ 50 for Safety Members and 2.5% @ 50 for Misc. Members.

6) COMMENTS FROM BOARD MEMBERS:

There were no comments from the Board Members.

7) INFORMATION ITEMS:

There was no additional information.

8) ADJOURNMENT:

Member Jones made a motion at 8:00 PM to adjourn the meeting to Wednesday, July 14, 2010, at 6:00 PM in meeting room B-8, seconded by Member Garcia. The motion was approved 6-0. Vice Chair LoGrasso absent.

Respectfully submitted by:
Bob Wingenroth, Director of Finance
Secretary to the Finance Board