

Finance Subcommittee Meeting Draft Action Minutes

Meeting Date: February 6, 2024, 4:15 p.m.
Location: City Manager's Conference Room – City Hall
Recording Secretary: Helga Foushanes

In Attendance: Tim Lilligren, Treasurer
Joe Franklin, Mayor
Steve Napolitano, Council Member
Bruce Moe, City Manager
George Gabriel, Assistant to the City Manager
Steve S. Charelian, Finance Director
Julie Bondarchuk, Financial Controller
Emy-Rose Hanna, Revenue Services Supervisor

Called to Order: 4:15 p.m. by Tim Lilligren, Treasurer

Agenda Item #1 – Public Comments

None.

Agenda Item #2 - Approval of Minutes from December 12, 2023 Finance Subcommittee Meeting

The Finance Subcommittee approved the minutes of December 12, 2023.

Agenda Item #3 – Lance, Soll and Lunghard, LLP, One Year Extension of Agreement

Staff provided an update regarding the upcoming expiration of the auditing contract with Lance, Soll and Lunghard, LLP and recommended amending the contract to allow an extension for two additional years. Council Member Steve Napolitano made a motion to approve the recommended action. Finance Subcommittee member Franklin seconded the motion, with all in favor, the motion was approved.

Agenda Item #4 – Discuss Revenue Enhancement Measures

Staff provided an update regarding revenue enhancements that were last discussed at the April 20, 2023 Finance Subcommittee Meeting. During that meeting, two revenue enhancements were discussed: 1) a Storm Drain Measure and 2) a Sales Tax Measure. At the time, the Committee provided direction to proceed with a Prop 218 process for the Storm Drain Measure to conclude by the end of 2023. Additionally, the Committee recommended a 0.25% increase in sales tax with a provision to impose the tax only if another sales tax measure appears on a future ballot.

With the recent completion and approval of the Storm Drain Measure, staff has brought this back for discussion so the Committee can provide direction regarding the potential sales tax

measure that could be placed on the November 2024 election. Staff further explained that a 0.25% increase in sales tax would result in \$2.7 M in new revenue.

Finance Subcommittee member Napolitano suggested that staff monitor if the County is going to place any sales tax measures in the future, and gave direction that the City should propose this sales tax measure only as a “trigger tax” in the upcoming November 2024 election.

Finance Subcommittee members Lilligren and Franklin expressed that with the passage of the new Storm Drain fee, it may be too soon for a new tax measure.

Subcommittee member Napolitano stated that one of the city’s main concerns is its aging infrastructure and that it provides a nexus for the need for a sales tax measure.

With no action taken by the Committee, staff will come back in 4-6 weeks at the next Finance Subcommittee Meeting for further discussion and additional information on any potential sales tax measures from the County.

The meeting adjourned at 4:34 p.m.