

MINUTES
MALIBU ADMINISTRATION & FINANCE SUBCOMMITTEE
SPECIAL MEETING
JANUARY 12, 2022
TELECONFERENCED - VARIOUS LOCATIONS
2:00 P.M.

The following meeting was held pursuant to AB 361 and fully teleconferenced from various locations during the coronavirus disease (COVID-19) pandemic.

CALL TO ORDER

Councilmember Pierson called the meeting to order at 2:00 p.m.

ROLL CALL

The following persons were recorded in attendance:

PRESENT: Councilmember Mikke Pierson and Councilmember Steve Uhring

ALSO PRESENT: Interim City Manager Steve McClary; Assistant City Manager Lisa Soghor; Renée Neermann, Finance Manager; Ruth Quinto, City Treasurer/Interim Assistant City Manager; Jesse Bobbett, Community Services Director; Yolanda Bundy, Environmental Sustainability Director; Rob DuBoux, Public Works Director; Susan Dueñas; Public Safety Manager; Richard Mollica, Planning Director; Elizabeth Shavelson, Assistant to the City Manager; Kelsey Pettijohn, City Clerk; Patricia Salazar, Senior Administrative Analyst; Mark Johnson, Environmental Programs Coordinator; Parker Davis, Media Technician; and Mary Linden, Executive Assistant

APPROVAL OF AGENDA

MOTION Councilmember Uhring moved, and Councilmember Pierson seconded a motion to approve the agenda. The question was called, and the motion carried unanimously.

REPORT ON POSTING OF AGENDA

Executive Assistant Linden reported that the agenda for the meeting was properly posted on January 10, 2022.

ITEM 1 PRESENTATIONS

None.

ITEM 2 OLD BUSINESS

None.

ITEM 3 NEW BUSINESS

A. Approval of Minutes – October 26, 2021

Recommended Action: Approve the minutes for the Administration and Finance Subcommittee Special meeting of October 26, 2021.

Executive Assistant Linden noted that the minutes would be corrected to remove the reference to a motion for Item No. 3.D. and would instead reference that the item was received and filed.

MOTION Councilmember Uhring moved and Councilmember Pierson seconded a motion to approve the minutes for the Administration and Finance Subcommittee Special meeting of October 26, 2021, with corrections. The question was called, and the motion carried unanimously.

B. Fiscal Year 2021-2022 Second Quarter Financial Report and Mid-Year Budget Amendments

Recommended Action: 1) Review Fiscal Year 2021-2022 Second Quarter financial information; and 2) Provide a recommendation to the City Council regarding Fiscal Year 2021-2022 mid-year budget amendments.

Assistant City Manager Soghor presented the report. She discussed the impacts of COVID-19 on the budget. She stated recovery by restaurants, the City's main source of sales tax revenue, had greatly exceeded expectations. She stated staff projections remain conservative.

In response to Councilmember Uhring, Assistant to the City Manager Shavelson reported there were currently 236 active short-term rental permits in the City.

Assistant City Manager Soghor stated revenue projections increased \$5.6 million. She stated Department Heads remained conservative with their budgets.

In response to Councilmember Uhring, Assistant City Manager Soghor explained the increase in Code Enforcement fees was the result of fines imposed for violations. Planning Director Mollica stated those revenues were projected to increase an additional 10 percent over the remainder of the fiscal year.

Interim City Manager McClary stated he agreed with Assistant City Manager Soghor about taking a conservative approach to budget projections. He discussed trends expected throughout California in coming years.

Assistant City Manager Soghor discussed additional operational costs expected for the new Sheriff station to be located on the Santa Monica College Malibu campus. She stated the County would incur a small portion of the cost, but most would be

borne by the City. She stated preliminary discussions with the Sheriff's Department indicated it would be an additional \$3.7 million to \$4 million per year. She stated that cost would be included beginning with the budget for Fiscal Year 2022-2023 or Fiscal Year 2023-2024, depending on when the station opened.

Councilmember Uhring asked if the College would benefit from the new station and should share in the cost. Assistant City Manager Soghor stated the college paid for the construction and did not normally contract with the Sheriff's Department.

Assistant City Manager Soghor discussed proposed mid-year General Fund expenditure changes totaling approximately \$690,000.

Councilmember Uhring requested that a more complete projected cost for separation from the school district be presented to the City Council. Assistant to the City Manager Shavelson stated currently projected costs were for the remainder of Fiscal Year 2021-2022. Assistant City Manager Soghor confirmed that figure did not include mediation cost.

Assistant City Manager Soghor discussed reasons for and the cost of additional staff proposed for the remainder of the fiscal year. She stated the use of American Rescue Plan Act (ARPA) for permitting software was allowed under the US Treasury Department's announcement last week. She discussed the cost of the equipment and contract staff to manage the procurement and implementation.

Councilmember Uhring suggested the City ensure the software would be applicable at least five years out. Assistant City Manager Soghor stated the software being considered would accomplish that and took into account the possibility of staff working remotely.

Assistant City Manager Soghor requested the Subcommittee authorize bringing an item back to discuss funding required for both the equipment and the consultant. She discussed requests from Commissions to add funding to their work plans. She stated those funds could not be added without authorization from the Council. She stated staff could not recommend adding to the work plan at this time, in part due to recent losses of significant staff in many departments.

Lotte Cnerin congratulated Assistant City Manager Soghor on her new venture. She discussed requests from the Malibu Arts Commission to be added to its work plan, including funding for an artist in residence program, part-time professional arts consultant, and exploration of a Malibu arts center. She suggested the City take advantage of Interim City Manager McClary's experience in establishing an arts center.

Barry Haldeman was not available at the time of the hearing.

Councilmember Uhring requested Ms. Cherin provide a proposal for the requested additions. Councilmember Pierson agreed and suggested a representative from the Malibu Arts Commission provide the report at an upcoming City Council meeting.

Councilmember Uhring thanked Assistant City Manager Soghor for her hard work and wished her well in her new job.

Assistant City Manager Soghor stated budget corrections for Federal Emergency Management Agency (FEMA) projects in the expenditure report under Disaster Capital Improvement Projects would be included when the budget report was presented to the City Council.

MOTION Councilmember Uhring moved, and Councilmember Pierson seconded a motion to: 1) Receive and file the Fiscal Year 2021-2022 Second Quarter financial information; and 2) Provide a recommendation to the City Council to approve the Fiscal Year 2021-2022 mid-year budget amendments and approve the use of American Rescue Plan Act (ARPA) funds for procurement and implementation of permitting software.

In response to Councilmember Pierson, Assistant City Manager Soghor confirmed the City's reserves were now back to 2018 levels prior to the land acquisitions, the Woolsey Fire, and COVID-19 pandemic.

City Treasurer/Interim Assistant City Manager Quinto stated an undesignated reserve should be set by the local conditions of the municipality. She stated she wanted to investigate similarly-challenged communities to see their established reserve policy for both undesignated reserve, as well as additional reserves for stability after disasters or fluctuations in revenue sources.

In response to Councilmember Pierson, Community Services Director Bobbett discussed how adding to the Malibu Arts Commission work plan would impact department staff. He discussed the progression of the Commission over recent years. He stated the Commission understands that staffing dictates what can be accomplished. He stated additional staff would be necessary, even if a consultant was contracted.

The question was called, and the motion carried unanimously.

Councilmember Uhring requested investigation into additional revenue sources continue and be brought back to the Subcommittee for consideration.

Assistant City Manager Soghor stated Assistant to the City Manager Shavelson was working on that. She stated it would be important to check with the City Clerk about timing required for putting any recommendations on the ballot.

- C. City of Malibu Administrative Guideline No. 3.6.8 - Bonus Pay
Recommended Action: 1) Review Administrative Guideline No. 3.6.8 – Bonus Pay; 2) Provide a recommendation to the City Council on revising Administrative Guideline No. 3.6.8 to include Certified Public Accountant (CPA); Certified Public Finance Officer (CPFO); and Society for Human Resources Management Senior Certified Professional designations.

Assistant City Manager Soghor presented the report.

Councilmember Uhring stated it was important to recognize staff for these achievements and acknowledge their benefit to the City.

Councilmember Pierson agreed with Councilmember Uhring. He stated it was a good incentive for retaining qualified staff.


MOTION Councilmember Uhring moved, and Councilmember Pierson seconded a motion to provide a recommendation to the City Council that it approve revising Administrative Guideline No. 3.6.8 to include Certified Public Accountant (CPA); Certified Public Finance Officer (CPFO); and Society for Human Resources Management Senior Certified Professional designations. The question was called, and the motion carried unanimously.

The Councilmembers thanked Assistant City Manager Soghor for her years of dedicated service to the City and wished her well in the future.


ADJOURNMENT

MOTION At 3:43 p.m., Councilmember Uhring moved, and Councilmember Pierson seconded a motion to adjourn the meeting. The question was called, and the motion carried unanimously.

Approved and adopted by the Administration and Finance Subcommittee of the City of Malibu on March 7, 2022.


MIKKE PIERSON, Councilmember

ATTEST:


MARY LINDEN, Executive Assistant