

# MINUTES OF THE BUDGET STANDING COMMITTEE OF THE CITY OF LOS ALAMITOS

## SPECIAL MEETING FRIDAY, April 3, 2015 – 2:30 p.m.

### 1. CALL TO ORDER

The Budget Standing Committee met in Special Session at 2:30 p.m., Friday, April 3, 2015, at City Hall, 3191 Katella Avenue, Mayor Murphy presiding.

### 2. ROLL CALL

**Present:** Committee Members: Mayor Murphy  
Mayor Pro Tem Edgar

**Absent:** Committee Members: None

**Present:** Staff: Bret M. Plumlee, City Manager  
Jason Al-Imam, Admin. Services Director

### 3. CONSENT CALENDAR

Motion/Second: Murphy/Edgar

Unanimously Carried: The Budget Standing Committee approved the following Consent Calendar items:

#### A. Approval of Minutes

1. Approved the Minutes of the Special Meeting of February 9, 2015.
2. Approved the Minutes of the Special Meeting of February 18, 2015.

### 4. DISCUSSION ITEMS

Mayor Murphy opened the item for public comment. There being no one present wishing to speak, Mayor Murphy closed the item for public comment.

#### A. Refinancing of 2006 Certificates of Participation.

Jason Al-Imam, Administrative Services Director discussed with the Committee that based on current market conditions, the City could realize total cash flow savings of \$541,366 if the City refinanced the debt over the remaining 21-year amortization period. The average annual cash flow savings is estimated to be \$24,800. Based on that discussion, Staff agreed to bring forward for City Council consideration on April 20th a recommendation to move forward with the next steps of the refinancing.

**B. Budget Status Update for 2015/16**

Jason Al-Imam, Administrative Services Director recapped the preliminary Fiscal Year 2015/16 Budget that was shared with the City Council and Budget Standing Committee in February 2015, which reflected a preliminary deficit of approximately \$390,872. The current projected financial forecast for Fiscal Year 2015/16 projects a preliminary deficit of approximately \$372,036, which includes \$162,000 of one-time costs and an increase of \$288,000 in retirement costs.

The Budget Standing Committee recommended the following as potential gap closure measures, which reduces the budget gap to \$12,036 which can likely be eliminated with adjustments to estimated expenditures and/or revenues:

|  |               |
|--|---------------|
| Removal of capital replacement charges with the caveat that funding will be backfilled with any potential budget surplus in the current year and in future years | \$125,000     |
| Financing of capital component for parking meters  | 100,000       |
| Salary savings vacancy factor  | 100,000       |
| Additional Investment Income Due to Changes in Investment Policy   | 15,000        |
| Prepay PERS  | <u>20,000</u> |
|  | \$360,000     |

Staff discussed the following items with the Budget Standing Committee:

- C. Race on the Base Surplus and Status of Capital Funds for the Pool**
- D. CalJPIA Cost of Coverage**
- E. Proposed Changes to the Investment Policy**
- F. Strategic Planning**
- G. OC Human Relations**
- H. City Council Travel Budget**
- I. Dues and Subscriptions Budget**
- J. Calendar of Future Budget Standing Committee Meetings**

**5. CLOSED SESSION**

**A. Conference with Labor Negotiators**

Conference with Labor Negotiators

City Negotiators: Bret M. Plumlee, City Manager

Jason Al-Imam, Administrative Services Director

Compensation of Unrepresented Employees: Executive Management,

Middle Management and Non-Management Employees

Authority Government Code Section 54957.6 (a)

**B. Conference with Labor Negotiators**

City Negotiators: Bret M. Plumlee, City Manager

Jason Al-Imam, Administrative Services Director

Subject: Compensation of City Manager Bret M. Plumlee

Authority Government Code Section 54957.6 (a)

**C. Conference with Labor Negotiators**

City Negotiators: Bret M. Plumlee, City Manager

Jason Al-Imam, Administrative Services Director

Negotiations with City Employees Association (CEA)

Subject: Compensation for the position of Department Secretary

Authority Government Code Section 54957.6 (a)

**RECESS**

The Budget Standing Committee recessed into Closed Session at 4:00 p.m.

**RECONVENE**

The Budget Standing Committee reconvened in Special Session at 4:50 p.m.

There were no reportable actions.

**6. ADJOURNMENT**

The Budget Standing Committee adjourned at 4:51 p.m.

  
Richard D. Murphy, Mayor

Attest:

  
Jason Al-Imam, Director  
Administrative Services Department