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 $125,000 caveat that funding will be backfilled with any potential budget surplus in the current year and in future years
- 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 20,000

$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
   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.

Attest:

Richard D. Murphy, Mayor

Jason Al-Imam, Director
Administrative Services Department