

**PLACENTIA CITY COUNCIL
PLACENTIA CITY COUNCIL AS SUCCESSOR TO THE
PLACENTIA REDEVELOPMENT AGENCY
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY
STUDY SESSION MEETING MINUTES
May 15, 2013
6:00 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA**

CALL TO ORDER: Mayor/Board Chair Nelson called the meeting to order at 6:15 p.m.

ROLL CALL:

PRESENT: Council/Agency Members Underhill, Aguirre, Nelson
ABSENT: Yamaguchi

Councilmember Wanke arrived at 7:25 p.m.

INVOCATION: Chief of Police Hicks

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Aguirre

ORAL COMMUNICATIONS: None

SS 1. Presentation of Preliminary Operating Budget for Fiscal Year 2013-14

City Administrator Butzlaff noted that the City Charter requires that Staff submit the preliminary budget to the City Council at least 35 days prior to the beginning of the fiscal year. He noted that on May 28, 2013 Staff would be presenting a detail review of the preliminary budget and a public hearing would be held on June 11, 2013 to adopt the City and Capital Improvement Projects Budgets. He noted that Management Partners consulting firm would be providing a Fiscal Sustainability presentation.

Director of Finance Ogawa presented a PowerPoint presentation, the slides included: Preliminary Budget Overview, General Fund Financial Position, and Significant Changes.

Discussion ensued between Council and Staff. They discussed the issue of property taxes decreasing and property taxes revenues.

Director of Finance Ogawa continued the PowerPoint presentation, the slides included: Preliminary FY 2013-14 Operating Budget, Projected Revenue Summary, Budget Assumptions, Ongoing Fiscal Challenges, General Fund Revenues, General Fund Expenditures, General Fund Activity, and Next Steps.

SS 2. Fiscal Sustainability Plan

City Administrator Butzlaff noted that Management Partners consulting firm was hired to help the City better understand the City's financial position. He noted that the presentation would provide a fiscal forecast and offer strategies to obtain fiscal sustainability. He introduced consultants Cathy Standiford and Tom Gardner.

Consultant Standiford provided an overview of Management Partners. She noted that importance of obtaining fiscal sustainability. She presented a PowerPoint presentation, the slides included: Fiscal Sustainability Briefing, Agenda, Past Trends, One-Time Approaches to

Balance the General Fund Budget, Past Trends without One-Time Revenue Sources, Fiscal Health Indicators, Total General Fund Revenue per Capita, Total General Fund Expenditures per Capita, Total Revenue and Expenditures per Capita, General Fund Cash Solvency (Working Capital Ratio), General Fund Balance as a Percentage of Total General Fund Revenue, Debt Service as a Percentage of Revenue, Debt Service per Capita, Funded Ratio of Other Post Employment Benefit (OPEB) Assets to Liabilities, Cumulative Net Other Postemployment Benefits (OPEB) Liabilities, Change in Employer PERS Rate, Cost of Retirement Benefits, Historical Expenditures by Department, and Five-Year Forecast.

Consultant Gardner continued the PowerPoint presentation, the slides included: Revenue Projections, Placentia's Revenue Box, The Value of Money, Expenditure Projections (by Classification), Discretionary Expenditure Projections, Baseline Forecast (No Expenditure Increases), Baseline Forecast, Scenario 1, Scenario 2, Scenario 3, and Scenario 4.

Consultant Standiford continued the PowerPoint presentation, the slides included: Additional Financial Concerns, Forecast Conclusions, Fiscal Sustainability Trends and Best Practices, Placentia's Revenue Box, Revenue Enhancements, Final Thoughts, and Questions.

City Council noted that the presentation was informative.

Councilmember Wanke arrived at 7:25 p.m.

Mayor Nelson welcomed public comments.

No public comments were made.

Mayor Nelson noted that the City would continue to deal with the financial issues.

City Administrator Butzlaff noted that the deficit continues to grow because the costs continue to increase. He noted that it is important to generate revenue.

City Council thanked Staff for their hard work.

CITY COUNCIL/BOARD MEMBERS REQUESTS: None

ADJOURNMENT: The City Council/Successor Agency/ICDA Agency Board of Directors adjourned to May 21, 2013 at 5:30 p.m.

ATTEST:


PATRICK J. MELIA, CITY CLERK/AGENCY SECRETARY

