



Budget Engagement Commission Meeting Minutes

Thursday, March 12, 2020 at 5:00 pm
Council Chamber

Chair Lyell called the meeting to order at 5:11 pm.

Present: **Chair Lyell, Vice-Chair Fine, Commissioners Hart, Mathis, Mendez, Gonzalez-Kester, Kyles, Maounsey, Demshki, St. Pierre, Burns, and Peltzer. Commissioner Arballo arrived at 5:39 pm during Item #7**

Absent: **Commissioner Scarano and Commissioner Segura**

Staff Present: **Kristie Thomas, Kristi Smith, Angel Guo, Donna Finch, Carl Carey, Shari Call, Heidi Schrader, Dr. Robyn Peterson and others**

Public Comments

No speaker cards were submitted.

Approval of Consent Calendar

A motion was made by Chairperson Burns and seconded by Commissioner St. Pierre to approve the Budget Engagement Commission Consent Calendar. The following items were approved by one motion confirming the actions appropriate to each item:

- Approval of Minutes from February 13, 2020
- Excusal of Commissioner Fine from the February 13, 2020 BEC meeting

Ayes: 12

Noes: 0

Abstentions: 0

Election of Chair and Vice-Chair for a term of (1) year

Following discussion, a motion was made by Commissioner Mathis and seconded by Commissioner Peltzer to nominate Commissioner Lyell for the Chair.

Ayes: 11

Noes: 1

Abstentions: 0

Following discussion, a motion was made by Commissioner Lyell and seconded by Commissioner Hart to nominate Commissioner Mendez for the Vice-Chair.

Ayes: 12

Noes: 0

Abstentions: 0

Quarterly Performance Report in Vital Indicators, Department Accomplishments, Strategic Goals, Performance Measures, and Measure Z Funding Priorities for the Second Quarter of Fiscal Year 2019/2020 (October – December 2019)

Following discussion, a motion was made by Vice-Chair Fine and seconded by Commissioner Burns to receive and file the report.

Ayes: 12

Noes: 0

Abstentions: 0

Fiscal Year 2019/2020 Second Quarter Financial Report and Measure Z Update

Following discussion, a motion was made by Commissioner Burns and seconded by Commissioner Mathis to receive and file this report.

Ayes: 12

Noes: 0

Abstentions: 0

Conceptual use of Pension Obligation Bonds (POB) to Restructure the CalPERS Unfunded Accrued Liability

Mike Meyer, Vice Principal, of NHA Advisors (presenter for this item) distributed an additional handout regarding this item. A motion was made by Vice-Chair Fine and seconded by Commissioner Peltzer to accept the new information pursuant to the Sunshine Ordinance.

Ayes: 12

Noes: 0

Abstentions: 0

Following discussion, a motion was made by Vice-Chair Fine and seconded by Commissioner Mendez to receive and file the report. A vote was not taken on this motion.

Following further discussion, a motion was made by Vice-Chair Fine and seconded by Commissioner Arballo to recommend to the City Council that the Budget Engagement Commission support the concept of pension obligation bonds to meet the CalPERS

challenge on the condition that the City of Riverside dedicate the savings to a particular purpose for the life of the bond. Commissioner Mendez abstained from voting due to a conflict of interest.

Ayes: 3

Noes: 7

Abstentions: 3

A substitute motion was made by Vice-Chair Fine and seconded by Commissioner Peltzer to receive and file this item and request Staff to return with an update after the Finance Committee meeting (scheduled in April) with new information, including options on how savings will be used and other criteria or conditions that the BEC should consider recommending to City Council.

Ayes: 12

Noes: 0

Abstentions: 1

Estimated Cost to Issue Debt for two options for the Museum Rehabilitation and Expansion Project

Following discussion, a motion was made by Commissioner Burns and seconded by Commissioner Hart to recommend to the City Council that the Budget Engagement Commission supports Option 2 (\$25,001,510) for the Museum Rehabilitation and Expansion Project.

Ayes: 2

Noes: 11

Abstentions: 0

Following additional discussion, a motion was made by Commissioner Burns and seconded by Vice-Chair Fine to recommend to the City Council that the Budget Engagement Commission supports Option 2 (\$25,001,510) for the Museum Rehabilitation and Expansion Project solely using Measure Z funds.

Ayes: 9

Noes: 4

Abstentions: 0

Brown Act, Conflict of Interest, and Ethics Training

Training was provided by Kristi Smith, Chief Assistant City Attorney.

CalPERS Ad Hoc Committee Update

Commissioner Mendez briefed the Budget Engagement Commission that the ad hoc committee met with Edward Enriquez, Chief Financial Officer. The discussion focused on the issuance of a Pension Obligation Bond debt (POB) that was presented earlier during the meeting.

Update from Chief Financial Officer

No update

Items for Future Agendas

- Pension Obligation Bond Update

Adjournment

Chairperson Lyell adjourned the meeting at 7:52 pm.

Respectfully Submitted,



Angel Guo
Senior Management Analyst – City of Riverside