



## MINUTES

### CITY COUNCIL WORKSHOP SPECIAL MEETING

**April 10, 2018**

Conference and Training Center  
One Civic Center Plaza  
Irvine, CA 92606

#### CALL TO ORDER

The Budget Workshop special meeting of the Irvine City Council was called to order at 2:02 p.m. on April 10, 2018, in the Conference and Training Center, Irvine Civic Center, One Civic Center Plaza, Irvine, California; Mayor Wagner presiding.

#### ROLL CALL

Present:	3	Councilmember:	Lynn Schott
		Mayor Pro Tempore	Christina Shea
		Mayor:	Donald P. Wagner
Absent:	2	Councilmember:	Melissa Fox
		Councilmember	Jeff Lalloway

#### INTRODUCTIONS

Mayor Wagner requested self-introductions by the attending Finance Commissioners.

#### 1. BUDGET WORKSHOP

Grace Leung, Acting City Manager, and Kristin Griffith, Director of Administrative Services, provided an overview of the preliminary Fiscal Year 2018-19 budget including major revenues, significant expenditure changes, specific funding consideration, and short and long term fiscal strategies.

Jerry Mandel, representing the Irvine Barclay Theatre (Theatre), provided brief comments on the financial partnership between both agencies; and expressed appreciation for the consideration of additional financial support related to the heating, ventilation, and air conditioning system (HVAC). Councilmember Schott spoke in favor of the Theatre's request for additional financial support as proposed and requested consideration of said request by her colleagues.

Finance Commission members responded to questions related to the City’s budget and corresponding concepts pertaining to budget development.

City Council discussion included: review of the City’s forecasted deficit and potential remedies; requested clarification on the City’s various reserve accounts; noted that the Theatre should be considered with other rehabilitation projects in the City; emphasized that Theatre officials should meet with City representatives on an annual basis to review budgetary issues; suggested the financial request by the Theatre could be funded through the Contingency Reserve Fund; requested that City staff, the City Attorney, and Theatre officials review contractual obligations; noted that the first priority of the City Council should be the budget deficit; reviewed remedies related to flat sales tax projections, including increasing marketing outreach by focusing on “Shop Irvine”; questioned the increase by 25% of the Landscape, Lighting and Park Maintenance fund; expressed concerns related to unfunded pension liabilities, including the City’s share of the Orange County Fire Authority pensions; noted the percentage of salaries to budget of 76%; noted pros and cons of zero-based budgeting; suggested consideration of a two-year budget cycle; emphasized the need for cost recovery; suggested staff review the City’s Contingency Reserves and percentage of funding; suggested the need for proactive planning to fund rehabilitation needs over time; reviewed the annual contributions to outside agencies; and reiterated the purpose of contingency reserves.

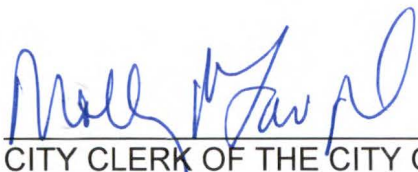
Councilmember Schott requested the Irvine Barclay Theatre financial request be placed on the April 24 City Council meeting agenda.

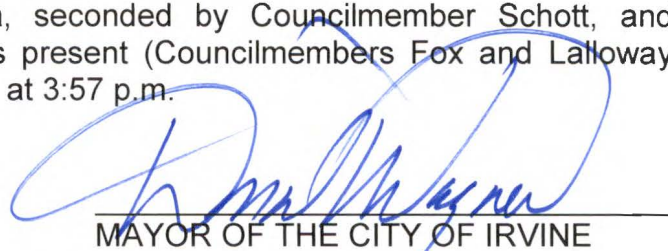
Acting City Manager Leung noted that the Self-Insurance Fund Reserve would also be analyzed to provide the City Council with additional options.

**By consensus of those members present (Councilmembers Fox and Lalloway absent), the City Council received and filed the overview of the preliminary Fiscal Year 2018-19 budget.**

**ADJOURNMENT**

Moved by Mayor Pro Tempore Shea, seconded by Councilmember Schott, and unanimously carried by those members present (Councilmembers Fox and Lalloway absent) to adjourn the Budget Workshop at 3:57 p.m.

  
CITY CLERK OF THE CITY OF IRVINE

  
MAYOR OF THE CITY OF IRVINE

May 8, 2018