



**City of Moreno Valley  
Finance Subcommittee Meeting  
Minutes of May 28, 2024**

1. Call to Order

Mayor Pro Tem Cheylynda Bernard called the meeting to order at 3:45pm. The following attendees were present at the meeting:

**Subcommittee Members:**

Cheylynda Bernard, Mayor Pro Tem  
Ed Delgado, Council Member (Alternate)

**Staff Members:**

Brian Mohan, Assistant City Manager  
Launa Jimenez, Chief Financial Officer/City Treasurer  
Kimberly Ganimian, Deputy Finance Director  
Natalia Lopez, Financial Resources Division Manager  
Stephanie Cuff, Senior Management Analyst  
Christina Zepeda, Executive Assistant

2. Public Comments

None

3. Approval of Minutes

**ACTION:** Mayor Pro Tem Bernard motioned to approve the meeting minutes of April 23, 2024, and Council Member Delgado seconded to approve the minutes.

4. Action Items

NONE

5. Advisory Items

A. FISCAL YEAR 2023/24 THIRD QUARTER OPERATING & CIP BUDGET REVIEW AND APPROVAL OF THE THIRD QUARTER OPERATING & CIP BUDGET AMENDMENTS

Launa Jimenez, CFO/City Treasurer, provided a verbal summary. This is a quarterly routine item. The fiscal year 23/24 and 24/25 operating budget was approved by Council on May 2nd of 2023, and the CIP budget was approved by Council in June of 2023. During this two-year period, the City Council is updated on the City's financial condition through the process of Quarterly budget reviews. This ongoing process ensures a forum to review expenditures and revenue changes from the estimates made in the budget amendments. The significant changes in the projected revenue or unanticipated expenditures that may occur will be presented to the City Council.



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The third quarter provides a summary of the first nine months of the year, but is presented to Council in June so that staff has time to make any adjustments necessary through the end of the fiscal year. Details of the actual adjustments are still being finalized but will be finalized prior to the City Council meeting on June 4th.

No questions were asked from Mayor Pro Tem Bernard or Council Member Delgado.

**B. PUBLIC HEARING ESTABLISHING APPROPRIATIONS (“GANN”) LIMIT FOR FISCAL YEAR 2024/25 (RESO NO. 2024-XX AND CSD 2024-XX)**

Launa Jimenez, CFO/City Treasurer, provided a verbal summary. This is an annual item in which Section 7910 of the State Government Code requires a governing body to adopt by resolution, an Appropriation (GANN) limit each fiscal year. The Gann Appropriations Limit is the result of the passage of Proposition 4 in 1979, and places limits on the amount of tax proceeds that can be appropriated each year.

The Community Services District Board of Directors and the City Council, adopt the findings and methods of calculations, the Proceeds of Tax Collection, the appropriation limit calculation, and the summary of annual appropriation limit. Both the Community Services District and the General Fund Adopted Budget revenues, are separated into budgeted proceeds of tax and non-budgeted proceeds of tax. Those revenues that are considered taxes are subject to their appropriations limit. The tax is multiplied by the percent change in California per Capita Income and percent change in the City of Moreno Valley population, which are released in May of every year by the California Department of Finance.

The appropriations limit from Fiscal Year 23/24 and the change as previously discussed above, results in the appropriation limit for Fiscal Year 24/25.

The 24/25 limit for the General Fund is \$171,991,684, and the limit for the District is \$27,715,281. With revenues subject to the limit totaling \$121,553,051 for the General Fund and \$13,531,133 for the District, there is still significant capacity to accommodate future revenue growth.

No questions were asked from Mayor Pro Tem Bernard or Council Member Delgado.

**C. NOTICE OF CESSATION OF SPECIAL TAX LIEN FOR COMMUNITY FACILITIES DISTRICT 87-1 IA-1 (TOWNGATE)**



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Launa Jimenez, CFO/City Treasurer, provided a verbal summary. CDF 87-1 Improvement Area #1 was formed in March 1993 to finance certain public facilities. Subsequently, Special Tax bonds were issued in April 1993, and those bonds were refunded in November 2007 for net present value savings. The 2007 bonds have now matured.

This item will include a resolution to notify the County and State that this particular district no longer needs the redevelopment tax increment, which funded the debt service of these bonds.

Council Member Delgado asked if we collect taxes on this item. CFO/City Treasurer Launa Jimenez advised that this particular bond was on the property tax roll, for the affected property owners but it is now matured and complete. This is a formal process to stop the payment on the property tax roll, for the affected property owners.

No further questions were asked from Mayor Pro Tem Bernard or Council Member Delgado.

**D. 2014 LEASE REVENUE BOND REFUND**

Launa Jimenez, CFO/City Treasurer, provided a verbal summary. The Moreno Valley Public Financing Authority issued its Lease Revenue Bonds, Series 2014 to finance and refinance public capital improvements. Proceeds were applied by the City to refund the remaining outstanding Moreno Valley Public Financing Authority 2005 lease revenue bonds.

The current interest rates are more favorable now than the market in 2014. The City recommends issuing refunding bonds to take advantage of the interest rates to realize net present value savings. The refunding bonds are predicted to save the City approximately \$1.7 million in total, or more than \$150,000 annually, subject to change up to the actual sale in the market. Issuers of refunding bonds should consider refunding outstanding debt when net present value savings exceed a minimum threshold of 3-5%. Our net present value savings is estimated at 6.06%. The refunded bonds would have a final maturity on November 1<sup>st</sup>, 2035, and would not extend the term of the prior bonds. Interest rates will fluctuate until the proposed day the bonds are sold. There are certain criteria to ensure the savings of viability of the bond. If there are drastic changes in the market, which cause the criteria not to be met, the City would not move forward with the bond.

The proposed 2024 bonds are expected to price mid-July and close early August. All the criteria and savings for this refunding bond meet our debt policy.



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No questions were asked from Mayor Pro Tem Bernard or Council Member Delgado.

6. Chief Financial Officer/City Treasurer Comments

Launa Jimenez, CFO/City Treasurer, advised that the next Finance Subcommittee meeting is scheduled for June 25, 2024 and all future meetings are on the Fourth Tuesday of each month at 3:45 pm.

7. Council Member Comments

Council Member Delgado asked if Finance briefs Council at the end of the fiscal year on how the City did financially. Assistant City Manager Brian Mohan advised that the quarterly budget adjustments do provide financial status information, but the third quarter budget adjustments go to Council in June and the fiscal year does not close until August, to allow for revenue accruals and payment of invoices that are related to the previous fiscal year. The City publishes an Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR) annually by December 31, which presents the audited results of the City's operations and financial position for the previous fiscal year. Brian also advised that carryover appropriations are approved by the City Manager and ratified by City Council. There is usually \$1M carried over annually, which includes appropriations for vehicle purchases.

8. Adjournment

Meeting adjourned at 3:58 P.M.



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Prior Meeting Attendance

<b>Board Member</b>	<b>7/25/23</b>	<b>8/22/23</b>	<b>9/26/23</b>	<b>10/24/23</b>	<b>11/28/23</b>	<b>12/26/23</b>	<b>1/23/24</b>
Mayor Ulises Cabrera	NM	NM	NM	X	X	NM	X
Mayor Pro Tem Cheylynda Bernard	NM	NM	NM	X	X	NM	X
Council Member Ed Delgado (Alternate)							

<b>Board Member</b>	<b>2/27/24</b>	<b>3/26/24</b>	<b>4/23/24</b>	<b>5/28/24</b>	<b>6/25/24</b>	<b>7/23/24</b>	<b>8/27/24</b>
Mayor Ulises Cabrera	X				NM	NM	NM
Mayor Pro Tem Cheylynda Bernard	X	X	X	X	NM	NM	NM
Council Member Ed Delgado (Alternate)		X	X	X			

<b>Board Member</b>	<b>9/24/24</b>	<b>10/22/24</b>					
Mayor Ulises Cabrera	NM						
Mayor Pro Tem Cheylynda Bernard	NM						
Council Member Ed Delgado (Alternate)							