



MINUTES FINANCE COMMISSION MEETING

Wednesday, September 23, 2026 - 5:00 p.m.
City of Huntington Beach
Council Chambers
Huntington Beach, CA 92648

For the audio recording of the August 26, 2026, Finance Commission Meeting, please visit the City's website at: <https://huntingtonbeach.legistar.com/Calendar.aspx>

Chair Lo Grasso called the meeting to order at 5:00 p.m. and Commissioner LoGrasso led the Pledge of Allegiance.

MEMBERS PRESENT:

Frank Lo Grasso, Chair
David Cicerone, Vice-Chair
Paul Geery, Commissioner
Austin Edsell, Commissioner
Dave Chennault, Commissioner
Jon Boomgarden, Commissioner
Tracey Pellman, Commissioner

MEMBERS ABSENT:

None

STAFF PRESENT

Zack Zithisakthanakul, Acting Chief Financial Officer
Robert Szilagyi, Finance Manager
Shelby Nobles, Finance, Management Aide

PUBLIC COMMENTS

CONSENT ITEMS

1. Approve the Finance Commission Meeting Minutes of July 22, 2026

Motion: Moved by Commissioner Pellman and seconded by Commissioner Cicerone to approve the Finance Commission Meeting Minutes dated July 22, 2026.

The motion carried by the following votes: 5-0-2

Ayes: LoGrasso; Cicerone; Geery; Boomgarden; Pellman

Noes: None

Abstain: Geery; Edsell

2. Approval the Finance Commission Special Meeting Minutes of August 5, 2026

Motion: Moved by Commissioner Pellman and seconded by Chair LoGrasso to approve the Finance Commission Meeting Minutes dated August 5, 2026.

The motion carried by the following votes: 5-0-2

Ayes: LoGrasso; Cicerone; Chennault; Boomgarden; Pellman

Noes: None

Abstain: Geery; Edsell

3. Approval the Finance Commission Special Meeting Minutes of August 20, 2026

Motion: Moved by Commissioner Pellman and seconded by Commissioner Cicerone to approve the Finance Commission Meeting Minutes dated August 20, 2026.

The motion carried by the following votes: 5-0-2

Ayes: LoGrasso; Cicerone; Chennault; Boomgarden; Pellman

Noes: None

Abstain: Geery; Edsell

DISCUSSION ITEMS AND POTENTIAL RECOMMENDATIONS

4. Item submitted by Commissioner Cicerone – Meadowlark Subcommittee

It was noted that, based on conversations with the Mayor Pro Tem, the City plans to focus on Meadowlark issues after completion of the Sports Complex matter.

5. Item submitted by Commissioner Cicerone – Discussion of the City Budget Process and Opportunities for Improvement

The Commission discussed recommendations to improve the budget review process and provide greater substantiation for budgeted line items. Staff indicated that future budget cycles will include additional detail for line items, with departments providing explanations for certain expenditures. Staff also discussed plans for quarterly budget updates and a phased approach to increasing budget detail and transparency. Commissioners noted that the recommendations are intended to promote departmental accountability and provide greater transparency for the public.

6. Item submitted by Commissioner Pellman - Discussion of Historical Budget Deficits and Remedy and Use of Reserve Funds Under the City Charter

The Commission discussed the distinction between budgeted deficits and year-end actuals. Staff clarified that the City has a structural deficit, with an approximately \$16.1 million budgeted deficit for FY 2026-27, although preliminary projections indicate the fiscal year may end with a surplus due to factors including vacancies and project timing. The Commission also discussed non-departmental costs, departmental budget oversight, personnel and overtime expenditures, and the process for

reallocating budgeted funds. Staff noted that budgets are generally reviewed quarterly and that vacancy savings are not typically used for operating expenses.

7. Item submitted by Commissioner Chennault – Sports Complex Subcommittee Update

The Commission discussed the Sports Complex recommendations, including concerns regarding responsibility for CEQA costs and the scope of the proposed financial audit. It was agreed that revisions would be made to clarify that City Council would determine responsibility for CEQA costs and to allow flexibility regarding how an audit is conducted, with the revised recommendations returning for approval. The Commission also discussed the current HBSC revenue-share payment process and opportunities to improve efficiency and payment tracking through greater automation. Staff agreed to discuss the process with Finance and Treasury and assess potential improvements.

8. Item submitted by Commissioner Chennault – Professional Versus Non-Professional Services Contracts Discussion

The Commission discussed the classification and approval of professional and non-professional service agreements. Staff stated that classifications are based on the Municipal Code and interpreted by the City Attorney's Office. The Commission discussed establishing approval thresholds and requested comparison with other cities. Staff advised that the procurement policy is being revised to address non-professional service agreement thresholds and will be brought to City Council for consideration. The Commission also requested further clarification from the City Attorney.

9. MOU Financial Impact Subcommittee

The subcommittee presented its financial impact report regarding the POA tentative agreement and General Fund forecast. Staff clarified the methodology and assumptions used in the forecast, including salary and overtime costs, compounding increases, attrition, revenues, CalPERS costs, and the distinction between budgeted amounts, actuals, and forecasted figures. The Commission discussed the projected structural deficit, reserves, staffing and other cost-reduction measures, potential revenue opportunities, and the need to clearly communicate the City's long-term financial outlook to the public.

Motion: Moved by Chair LoGrasso and seconded by Commissioner Geery to send report to council after Tracy updates the report with Zack's numbers and compounds it.

The motion carried by the following votes: 7-0-0

Ayes: LoGrasso; Cicerone; Geery; Edsell; Chennault; Boomgarden; Pellman

Noes: None

Abstain: None

COMMISSIONER COMMENTS

Commissioner Geery – Would like to see us consider a way to make some recommendations to the Council, as a Commission, on how they can better go about dealing with these kinds of issues, both in terms of management and in terms of information sharing to the public. I think we've hinted at a lot of those things over the last year and a half since I've been on this Commission, but I don't think

we've really figured out a way to articulate it into a complete story. I think we should think about that and create some sort of subcommittee to work with Zack's team to come up with a real management information system/process for how they can use it to minimize or eliminate deficits and how to articulate that to the public.

Commissioner Cicerone - I want to thank Paul. After I floated the general idea, you crystallized it, and you even got some input from Zack to get that whole thing talking. Who knows, maybe before we all retire, we'll actually get a financial dashboard on the City's website. We've only been asking for two-plus years now. Zack and Robert, this is great work. I would really urge you to detail all of the assumptions to remove questions and doubt when people see it. If you list it all out there, then it's all explained. And to my compatriot, Mr. Chennault, just incredible work that you've done on a lot of this stuff. You were doing the heavy lifting on the Sports Complex, and I particularly like the drill-down picture and budget tool. Nicely done.

Commissioner Boomgarden - What Paul was talking about, I thought was really awesome. Public relations is really key, as is being transparent. City leaders need to show the public what's behind this stuff. It gives them definition so they can figure out in their minds what's really going on, and that's really important. Just communication, basic communication.

Commissioner Chennault - Want to keep a few things coming down the pipe. I would highly recommend you guys read the essay from Bill Gates that was released yesterday on the effect of AI and how it's going to affect government going forward. There's quite a lot in his essay that we're going to have to start planning for, and I think you're going to start to see a lot of things happening in our City around getting ready for what's coming in that area. That hopefully will help us close some of these gaps through better automation, better processes, better decisions, and more enlightened constituents. We're going to be looking at STRs, short-term rentals, and seeing how we can get more revenue from them, because right now it's an area that is woefully under-collected, in my opinion. We're also going to be looking at invoicing, how we invoice people, and how we collect money that is owed. We are actively working together. This is a great team. I think we have a lot to do, and I think we have a great team.

ADJOURNMENT

Motion: Moved by Chair LoGrasso and seconded by Commissioner Cicerone adjourn the meeting at 7:12 p.m.

The motion carried by the following votes: 7-0-0

Ayes: Lo Grasso; Cicerone; Geery; Edsell; Chennault; Boomgarden, Pellman

Noes: None

Absent: None

Submitted by:

Zack Zithisakthanakul, Chief Financial Officer

By: Shelby Nobles, Management Aide