



**City of Moreno Valley
Finance Subcommittee Meeting
Minutes of February 25, 2025**

1. Call to Order

Mayor Ulisses Cabrera called the meeting to order at 3:45 pm. The following attendees were present at the meeting:

Subcommittee Members:

Ulisses Cabrera, Mayor
Cheylynda Bernard, Council Member

Staff Members:

Brian Mohan, City Manager
Launa Jimenez, Assistant City Manager/CFO/City Treasurer
Dena Heald, Deputy Compliance Director
Natalia Lopez, Financial Resources Division Manager
Kimberly Ganimian, Deputy Finance Director
Felicia London, Special Districts Division Manager
Stephanie Cuff, Senior Management Analyst
Zara Terrell, Senior Management Analyst
Christina Zepeda, Executive Assistant

2. Public Comments

None

3. Approval of Minutes

ACTION: Council Member Bernard motioned to approve the meeting minutes of May 28, 2024, and Mayor Cabrera abstained.

4. Action Items

NONE

5. Advisory Items

A. POLICY UPDATE

Dena Heald, Deputy Compliance Director, advised that the annual review of the City's policies and procedures is necessary to ensure that best practices and audit requirements are being followed. Currently, the City Manager's Office has five policies to bring forward to Council for approval of suggested revisions.

Ulisses Cabrera, Mayor, inquired if any proposed changes are directly or indirectly related to the Council's actions or authorities, of which they should be aware. City Manager, Brian Mohan, advised that the best practice for policies is



**City of Moreno Valley
Finance Subcommittee Meeting
Minutes of February 25, 2025**

to combine them with our quarterly investment reports, which also provide resolutions on the adjustments and other items that might need to be approved by Council.

Ulisses Cabrera, Mayor, and Council Member Bernard agreed that it is best to consolidate everything into a quarterly report.

Mayor Cabrera or Council Member Bernard asked no further questions.

B. REVIEW THE FISCAL YEAR (FY) 2025/26 PROPOSED ANNUAL ADJUSTMENTS FOR THE CITY'S SPECIAL FINANCING DISTRICTS

Launa Jimenez, Assistant City Manager/CFO/City Treasurer, advised that the Special District annual fixed charges process is an annual routine item required each year before submitting the parcel charges to the County Auditor Controller's office. The proposed adjustments to the maximum rates, charges, special taxes, or assessments were previously authorized by qualified electors. Although the maximum parcel charges have previously been authorized, they cannot be implemented until Council approves them and authorizes those adjustments. The special districts team will prepare staff reports that will go to the Council for approval, which will set the maximum and applied parcel charges and authorize the levy of the parcel charges on the property tax rolls of those affected parcels. Section 18702.2 of the Fair Political Practices Commission Regulations states that if a Council member has a financial interest in the parcel of land where the special district is, they are not able to vote and must recuse themselves. If a multitude of Council members have the same conflict, then the City Attorney will come up with options to ensure we have quorum to get those approved.

City Manager, Brian Mohan, stated that over the last 18 months, we have modernized the conflict of interest review. The GIS team, City Attorney, City Manager, and City Clerk have collaborated and assessed potential conflicts. The City Clerk reviews every agenda, and the GIS team ensures the information is always current.

Mayor Cabrera or Council Member Bernard asked no further questions.



**City of Moreno Valley
Finance Subcommittee Meeting
Minutes of February 25, 2025**

**C. FISCAL YEAR 2024/25 MID-YEAR OPERATING & CIP BUDGET REVIEW
AND APPROVAL OF THE MID-YEAR OPERATING & CIP BUDGET
AMENDMENTS**

Launa Jimenez, Assistant City Manager/CFO/City Treasurer, advised this is a quarterly routine item. The budget cycle we're in is fiscal years 23/23, 24/25. The operating piece of the budget was approved in May of 2023, and the CIP budget was approved in June of 2023. During this two-year budget cycle, we return to Council on a quarterly basis and provide updates on the operating and CIP budgets. Our departments submit requests for budget adjustments on expenditure and revenue based on new expenditures that might have surfaced. We highlight current CIP projects, fund balances, and project sheets that have come to fruition within that quarter. Brand new projects are coming forward for approval. Midyear is the year's first six months, July through December. We will be going to the Council on March 4th. The City Manager and Budget office are still reviewing requests, which will be available at the first meeting in March for review and approval. The operating budget was approved almost two years ago, and we are currently in the process of our next two-year budget cycle. This process starts in December and goes through June. We are scheduled to bring the operating budget to Council in May and the CIP budget in June. Our sales tax projections, per our consultant, have been declining over the past five quarters. In our property tax and utility users tax, we see a little more revenue than anticipated, as we budget conservatively to ensure we're not projecting higher revenues than we will receive. With those increases in revenue related to the budget, we feel that extra revenue will get us through the MOU negotiations that are currently happening.

City Manager, Brian Mohan, stated that there is only a net impact of less than \$50,000.

Ulisses Cabrera, Mayor, inquired about a staff report that could be shared to explain the sales tax and property tax projection trends over the past five quarters. City Manager, Brian Mohan, indicated we could provide the requested information via email. Due to government codes, sales tax information is confidential. We could provide county reports showing the increases in the assessed value over the years, which reflect the usual 3% to 8% increase based on any change in ownership, and sets the new base for property tax. This covers our vendor increases, and MOU increases for the usual budget cycle.

Mayor Cabrera or Council Member Bernard asked no further questions.



**City of Moreno Valley
Finance Subcommittee Meeting
Minutes of February 25, 2025**

D. MEASURE U

Launa Jimenez, Assistant City Manager/CFO/City Treasurer, advised that this is the Moreno Valley Essential Services reauthorization measure passed by voters in November, which helps assist in maintaining 911 response times for robbery and burglary prevention, neighborhood police patrols, and fire services, addressing homelessness, repairing streets and potholes, etc. This will establish a one-time transaction that utilizes sales tax, which will generate approximately \$30 million, which is what we're estimating until it's ended by voters. City staff have worked closely with CDTFA on the implementation process. This tax is scheduled to go live on April 1st. We're currently at 7.75%, which will increase to 8.75%. This tax will also have its account number, which will facilitate identifying how much revenue we've received from this measure. The City Manager's office is currently working on an expenditure allocation plan for this additional revenue source, which will be brought back to Council during this budget process. We will include this in our next two-year budget.

Ulisses Cabrera, Mayor, inquired about any substantial change in pre- and post-measures and the status quo with minor adjustments. City Manager Brian Mohan stated the reaffirmation concept of Measure U was our attempt to let the constituents and residents know they already had approved this and that due to CDTFA not implementing it due to administrative oversight, that is the reaffirmation aspect of the ballot language. Measure U will be implemented on April 1st, and we will start receiving actuals. To provide some Measure U initial investment in the budget, we are looking at an ultra-conservative approach, not budgeting \$30 million but coming up with an expenditure plan to equal that estimated revenue amount. As new revenues are received and we start seeing they exceed the initial plan, we will return to Council and amend the budget accordingly.

Mayor Cabrera or Council Member Bernard asked no further questions.

6. Chief Financial Officer/City Treasurer Comments

Launa Jimenez, Assistant City Manager/CFO/City Treasurer, advised that the next Finance Subcommittee meeting is scheduled for March 25, 2025, and all future meetings are on the Fourth Tuesday of each month at 3:45 pm.

7. Council Member Comments

Mayor Cabrera and Council Member Bernard thanked staff.



**City of Moreno Valley
Finance Subcommittee Meeting
Minutes of February 25, 2025**

8. Adjournment

Meeting adjourned at 4:22 P.M.

Prior Meeting Attendance

| Board Member | 2/27/24 | 3/26/24 | 4/23/24 | 5/28/24 | 6/25/24 | 7/23/24 | 8/27/24 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 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 | | | |

| Board Member | 9/24/24 | 10/22/24 | 11/26/24 | 12/24/24 | 1/28/25 | 2/25/25 | |
|---|----------------|-----------------|-----------------|-----------------|----------------|----------------|--|
| Mayor Ulises Cabrera | NM | NM | NM | NM | NM | X | |
| Mayor Pro Tem Cheylynda Bernard | NM | NM | NM | NM | | | |
| Council Member Cheylynda Bernard | | | | | NM | X | |
| Council Member Ed Delgado (Alternate) | | | | | | | |