



**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 3:45 pm. 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
Stephanie Cuff, Senior Management Analyst
Natalia Lopez, Financial Resources Division Manager
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 in the fiscal year 23/24 and 24/25 operating budget. It 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 documents. Any 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 further 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 further 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)

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



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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 is no longer needing the redevelopment tax increment, which funded the debt service of these bonds.

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 the 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 1st, 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.

No further 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 August 27, 2024 and all future meetings are on the Fourth Tuesday of each month at 3:45 pm.

7. Council Member Comments

Mayor Pro Tem Bernard thanked staff.



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Council Member Delgado thanked staff.

8. Adjournment

Meeting adjourned at 3:58 P.M.

Prior Meeting Attendance

Board Member	7/25/23	8/22/23	9/26/23	10/24/23	11/28/23	12/26/23	1/23/24
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)							

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			



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Board Member	9/24/24	10/22/24	11/26/24	12/24/24			
Mayor Ulises Cabrera	NM	NM	NM	NM			
Mayor Pro Tem Cheylynda Bernard	NM	NM	NM	NM			
Council Member Ed Delgado (Alternate)							