



CITY OF BEVERLY HILLS STAFF REPORT

Meeting Date: April 7, 2009
To: Honorable Mayor & City Council
From: Dr. Scott G. Miller, CFO / Director of Administrative Services
Subject: Presentation on fundamental elements of a program budget, prudent municipal fiscal management practices and efficiency measures implemented in the last five years.
Attachments: None

INTRODUCTION

Over the next several months, staff will present to the City Council and the community a series of presentations on the City's FY 2009-10 budgets. All cities are required by law to have balanced budgets in place by July 1 of every year. These meetings are scheduled in the months of April and May. The April meetings are designed to introduce the program budget to the Council and the community, provide economic data affecting the City's revenues and expenditures, present the budget "gap" produced by the current economy and recommend ways to address the City's budgetary shortfall.

The May budget sessions are designed to take the direction staff receives from the City Council at their April 21 meeting, and after inputting that into the detailed budget document, begin the six scheduled budget study sessions beginning May 11, 2009.

On April 7th, staff will present the City Council with an overview of municipal budgeting. This presentation will consist of an overview of the City's organizational structure, the differences between municipal and private sector budgets, the various types of governmental budgets, and an explanation of the differences between the City's general fund and enterprise funds.

Staff will also discuss the various fiscal management strategies and controls the City has in place which result in prudent financial practices. These strategies and controls have contributed to the City's AAA bond rating, which is the highest credit rating. This rating was bestowed by the top three rating agencies, Moody's, Standard & Poor's and Fitch Ratings.

The City Council will also be presented a list of efficiency measures implemented in the current and previous five fiscal year budgets to show the Council how staff attempts every year to become progressively more efficient and effective.

On April 14 and continuing April 21, staff will present to the City Council the impact the current economic conditions are having on Beverly Hills' revenue and the "gap" the City is experiencing between anticipated revenues and expenses. Each department will then present options to the Council to address the City's budget gap. At the conclusion of the presentations, the City Council will be asked for policy direction on the principles to be followed in crafting the FY 2009-10 proposed budget for the May meetings.



Scott G. Miller

Approved By