

CITY OF BEVERLY HILLS
MINUTES – SPECIAL BUDGET STUDY SESSION #1
May 3, 2016
2:30 p.m.
City Council Chamber

PRESENT: Mayor Mirisch
Vice Mayor Krasne
Councilmember Bosse
Councilmember Gold
Mahdi Aluzri, City Manager
Laurence Wiener, City Attorney
Don Harrison, Budget and Revenue Officer
Don Rhoads, Director of Administrative Services/Chief Financial Officer

ABSENT: None

The meeting was called to order at 4:20 p.m.

ORAL COMMUNICATIONS:

None

A – DIRECTION

1) Introduction

City Manager Mahdi Aluzri introduced the City's proposed Fiscal Year (FY) 2016/2017 budget. He reported that a positive economic climate has led to a healthy growth in revenues which, along with control of expenditures has allowed the City to focus on maintaining service levels and to accomplish many important Council projects. He provided a brief overview on several of the City's FY 2015/2016 accomplishments.

2) Economic Overview and Revenues

Budget and Revenue Officer Don Harrison reviewed the City's approach to budgeting and identified several economic conditions, trends, qualifiers and threats. Mr. Harrison compared the FY 2016/2017 Property Tax, Sales Tax, Transient Occupancy Tax (TOT) and Business Tax budget projections to the past four fiscal years' amounts. He discussed the FY 2016/2017 projections for each and pointed out the change affecting Property Tax revenues. Mr. Harrison explained the Triple-Flip Wind Down and its effect on projected Sales Tax revenues.

At 4:35 p.m., Mayor Mirisch interrupted the presentation to announce that Councilmember Brien submitted his resignation as of noon, on May 3rd, 2016 and also announced that Council will move forward with the application process to fill the vacancy. He returned to the budget discussion at 4:36 p.m.

Mr. Harrison explained the shift of funds from the Internal Service Fund (ISF) charges into Salaries and Benefits, and Other Charges. City Manager Mahdi Aluzri and Mr. Harrison clarified how the changes will affect various other funds. Mr. Harrison discussed the purpose of ISF funds and reviewed FY 2016/2017 projected revenues and expenditures.

3) Budget Overview

Director of Administrative Services/Chief Financial Officer Don Rhoads reported on the FY 2016/2017 General Fund projected expenditures. He noted that unlike previous years, Capital Asset depreciation was not included in the FY 2016/2017 budget as it is a non-cash accounting entry and is not needed for budget purposes.

- 4) Mr. Rhoads reviewed the changes in the entire City's FY 2016/2017 revenue and expenditure budget and pointed out the changes due to the Internal Service fund shift which was discussed during the Economic Overview and Revenues presentation. Mr. Rhoads summarized the FY 2016/2017 recommended positions and budget modifications which he noted will be discussed in detail during each department's presentation. He ended his presentation with a review of the entire City's FY 2016/2017 revenue and expenditure budget with the budget recommendation amounts.

Councilmember Gold asked for the expected inflation rate for the current year and next year.

5) Departments (changes, work plan highlights, Enhancements, new CIPs)

- a) Policy & Management
Item not discussed.
- b) City Attorney
Item not discussed.
- c) City Clerk
Item not discussed.
- d) Administrative Services
Item not discussed.
- e) Police
Item not discussed.
- f) Fire
Item not discussed.
- g) Community Development
Item not discussed.
- h) Information Technology
Item not discussed.
- i) Public Works Services
Item not discussed.
- j) Capital Assets
Item not discussed.

- k) Community Services
Item not discussed.
- l) Parking Authority
Item not discussed.
- 6) Budget Review Committee Presentation
Item not discussed.
- 7) CIP
Item not discussed.
- 8) City Council Additional Priorities and Direction
Item not discussed.

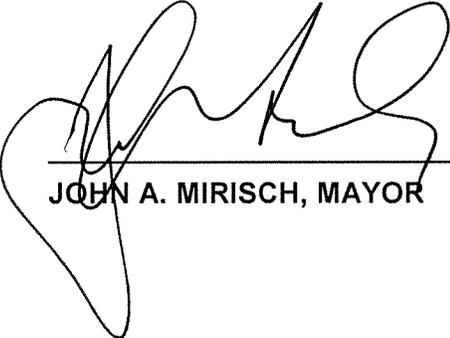
The Budget Study Session recessed at 5:23 p.m. to the Closed Session to discuss items that are identified on the agenda that has been prepared for the meeting.

PASSED, Approved and Adopted

this 21st day of June, 2016



BYRON POPE, City Clerk



JOHN A. MIRISCH, MAYOR

This meeting was televised on City of Beverly Hills Municipal Government Television Access, BHN/10, Time Warner Cable.