

**CITY OF BEVERLY HILLS
MINUTES – SPECIAL BUDGET STUDY SESSION #3
May 13, 2014
Council Chambers
2:30 P.M.**

**PRESENT: Mayor Bosse
Vice Mayor Gold
Councilmember Brien
Councilmember Mirisch
Councilmember Krasne
Jeff Kolin, City Manager
Larry Wiener, City Attorney
David Schirmer, Chief Information Officer
George Chavez, Director of Public Works Services
David Lightner, Deputy City Manager
Steve Zoet, Director of Community Services
Don Harrison, Budget and Revenue Officer
Don Rhoads, Director of Administrative Services/CFO
Eliot Finkel, City Treasurer**

A – DIRECTION

- 1.** Budget Overview and Financial Analysis by City Manager Jeff Kolin and Chief Financial Officer/Director of Administrative Services Don Rhoads

Item not discussed.
- a)** Department Overview Presentations

Item not discussed.
- i)** Policy and Management

Item not discussed.
- ii)** City Attorney

Item not discussed.
- iii)** City Clerk

Item not discussed.

iv) Administrative Services

Item not discussed.

v) Police

Item not discussed.

vi) Fire

Item not discussed.

vii) Community Development

Item not discussed.

viii) Information Technology

Chief Information Officer David Schirmer presented the Information Technology department's proposed budget for fiscal year 2014/15. The presentation included an overview of the department's programs, accomplishments this fiscal year, challenges facing the department, changes from the prior fiscal year, and budget enhancement requests.

Mr. Schirmer responded to Council questions.

ix) Public Works Services

Director of Public Works Services George Chavez reported on his department's proposed budget for fiscal year 2014/15. His presentation included an overview of the department's programs, accomplishments, challenges facing the department, work plan highlights, budget enhancement requests, and capital improvement programs.

City Manager Kolin responded to a question regarding efficiencies within the City and the comparative cost of alternative fuel vehicles.

Mr. Chavez responded to questions from Council.

Utilities Manager Trish Rhay responded to a question regarding industry best practices for pressure washing sidewalks, the number of current water employees, and the request for additional Street Maintenance Workers.

Parking Operations Director Chad Lynn responded to questions regarding parking operations automation, alternative fuel costs, and the addition of a valet at the Montage parking structure.

Deputy City Manager David Lightner responded to a question regarding the City-wide sidewalk capital improvement project.

x) Capital Assets Department

Deputy City Manager David Lightner presented the fiscal year 2014/15 proposed budget for the Capital Assets department. The presentation included an overview of the department's programs, accomplishments, challenges, changes from the prior fiscal year, work plan highlights, and capital improvement projects.

Mr. Lightner responded to questions from Council.

City Manager Kolin responded to questions regarding new positions as well as, questions regarding public outreach for the Metro purple line. He briefly discussed a Master Cooperative Agreement between the City and Metro.

xi) Community Services

Director of Community Services Steve Zoet presented his department's proposed budget for fiscal year 2014/15. The presentation included an overview of the department's programs, accomplishments, challenges facing the department, proposed budget enhancements, and capital improvement programs.

Mr. Zoet responded to questions from Council.

City Manager Kolin commented on the upgrade of the part-time Publicist to a full-time position.

xii) Non-Departmental

Budget and Revenue Officer Don Harrison discussed the Non-Departmental portion of the City's budget which include Citywide revenue and expenses not otherwise allocated, debt service and depreciation, pay for performance, subway consulting and litigation, City provided utility expenses, major revenues, replacement charge receipts, and budget contingencies.

b) Budget Review Committee Presentation

City Treasurer Eliot Finkel discussed the Budget Review Committee whose members include Edward Brown, Eliot Finkel, Abner Goldstine, Jim Jahant, Eugene Krieger, Offer Nissenbaum, Kathy Reims, Richard Rosenzweig, Bruce Schulman, and Joan Seidel. He reviewed the Committee's recommendations that have been implemented by City staff. In addition, he reviewed observations by the Committee, ongoing concerns, the City's Parking Authority and the effect of two-hour free parking, and an update on the

ongoing employee compensation study.

Mr. Finkel responded to questions from Council.

City Manager Kolin and Director of Administrative Services/CFO Don Rhoads responded to questions regarding the City's investments and unfunded liabilities.

c) Unfunded Liabilities Discussion

Director of Administrative Services/CFO Don Rhoads presented options for reducing the City's unfunded pension liabilities. His presentation included the change in unfunded pension liability, projected Public Employees Retirement System (PERS) rates, rate drivers, steps the City has already taken, blunting the growth in pension rates, the pension rate structure, a \$2 million dollar pay down option, and a \$10 million dollar pay down option.

City Manager Kolin commented on the new PERS rates, the investment funds that cities can invest in, and the Budget Committee's review of Mr. Rhoads' presentation.

City Treasurer Eliot Finkel responded to questions regarding investing funds with PERS to offset future unfunded liabilities.

Council directed Mr. Rhoads to return with an option that invests all the funds in unfunded liabilities for safety personnel pensions.

d) Enterprise Funds Discussion

Item not discussed.

e) Capital Improvement Program

Item not discussed.

f) Review of Budget Enhancements

Item not discussed.

g) Additional City Council Priorities

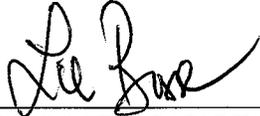
Item not discussed.

Mayor Bosse queried the Council regarding the start time of the Study Session on Tuesday, May 20, 2014. A discussion regarding safety issues on Loma Vista is being added to the agenda. Council agreed to begin the May 20, 2014 Study Session at 1:30 p.m.

Special Budget Study Session Minutes
May 13, 2014

The Budget Study Session adjourned at 6:42 p.m.

PASSED, Approved and Adopted
this 17th day of June, 2014



LILI BOSSE, MAYOR



BYRON POPE, City Clerk

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