

**CITY OF BEVERLY HILLS
MINUTES – SPECIAL BUDGET STUDY SESSION #4
May 15, 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
Don Rhoads, Director of Administrative Services/Finance
Chad Lynn, Director of Parking Operations
David Lightner, Deputy City Manager
Trish Rhay, Utilities Manager
Don Harrison, Budget and Revenue Officer
Noel Marquis, Assistant Director of Administrative Services/Finance**

Public Comment:

- Theo Milonopoulos, 33rd Congressional District candidate

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

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- 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
Item not discussed.
- ix)** Public Works Services
Item not discussed.
- x)** Capital Assets Department
Item not discussed.
- xi)** Community Services
Item not discussed.
- xii)** Non-Departmental
Item not discussed.
- b)** Budget Review Committee Presentation
Item not discussed.
- c)** Unfunded Liabilities Discussion
Item not discussed.

d) Enterprise Funds Discussion

Director of Administrative Services/CFO Don Rhoads provided an overview of the Parking Authority and City Parking budgets. The overview included the parking budget structure, factors improving the financial status, and the 5-year budget forecast. Director of Parking Operations Chad Lynn discussed parking rates, improved service levels, changes from the prior fiscal year, work plan highlights, capital improvements, revenue considerations, and a summary of the Parking Enterprise Fund.

City Attorney Wiener responded to questions regarding the separation of parking structures from the City's purview to the Parking Authority's purview.

Mr. Lynn responded to questions regarding rate increases.

City Manager Kolin responded to a question regarding the 450 N. Crescent Drive structure (Wallis Annenberg) and the lease agreement between the City and the Wallis. He also discussed deferred maintenance for the parking structures, which staff proposes be realized through additional revenue considerations.

Mr. Rhoads and Mr. Lynn responded to Council questions.

Staff was directed to return with more information on the revenue considerations pros and cons at a future Study Session.

Utilities Manager Trish Rhay presented the Clean Water Fund forecast. Her presentation included the National Pollutant Discharge Elimination System (NPDES), changes from the prior fiscal year, Enhanced Watershed Management Plan (EWMP) and decant facility, and storm water revenue restrictions.

Assistant Director of Administration Services/Finance Noel Marquis responded to a question regarding the storm water fee.

Ms. Rhay responded to questions from Council.

e) Capital Improvement Program

Deputy City Manager David Lightner spoke about the City's Capital Improvement Program (CIP). He indicated that the CIP was found to be in conformance with the City's General Plan by the Planning Commission.

Mr. Lightner responded to questions from Council.

Deputy Director of Transportation Aaron Kunz responded to questions regarding traffic mitigation from development in Century City.

Director of Administrative Services/CFO Don Rhoads responded to a question regarding

the \$9-\$12 million cost savings in the construction of the Crescent Parking Garage.

Deputy Director of Administrative Services/Finance Noel Marquis responded to a question regarding City bonds.

City Manager Kolin discussed the Orange Grove property.

f) Review of Budget Enhancements

City Manager Kolin indicated that staff is seeking direction on the proposed budget enhancements for fiscal year 2014/2015.

The General Fund forecast was reviewed. City Manager Kolin discussed the "Answers to Questions from City Council Budget Study Session" handout that was provided to Council, specifically page 5 which discussed the total cost of position-related enhancements.

Budget and Revenue Officer Don Harrison reviewed the City's 5-year forecast with three (3) years of zero revenue growth.

Director of Community Development Susan Healy Keene briefly discussed building permits.

Assistant Director of Administrative Services/Finance Noel Marquis discussed the City's business tax revenue.

Council directed staff to remove revenue generating positions, public safety and welfare of the community positions from the budget enhancement requests and return with a recommendation that utilizes 80% of the current requests. In addition, provide a forecast of the future unfunded liability costs associated with the new position requests.

g) Additional City Council Priorities

Budget and Revenue Officer Don Harrison reviewed the current City Council priorities. Director of Administrative Services/CFO Don Rhoads spoke about the reduction of unfunded pension liabilities. City Manager Kolin discussed hiring incentives for police officers.

Council indicated the items that should remain priorities in the 2014/15 fiscal year.

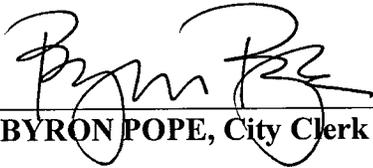
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The Budget Study Session recessed at 5:15 p.m. to the Closed Session to discuss items that are identified on the agenda that has been prepared for the meeting. The Closed Session adjourned at 7:15 p.m.

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



LIL BOSSE, MAYOR



BYRON POPE, City Clerk

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