

**CITY OF BEVERLY HILLS
MINUTES – SPECIAL BUDGET STUDY SESSION #3
May 12, 2015
2:30 p.m.
City Council Chambers**

PRESENT: Mayor Gold
Vice Mayor Mirisch
Councilmember Brien
Councilmember Bosse
Councilmember Krasne
Mahdi Aluzri, Interim City Manager
David Lightner, Deputy City Manager/Director of Capital Assets
Laurence Wiener, City Attorney
Don Rhoads, Director of Administrative Services/CFO
Don Harrison, Budget and Revenue Officer
Eliot Finkel, City Treasurer
Aaron Ledet, Senior Management Analyst
Trish Rhay, Assistant Director of Public Works Services/Infrastructure and Field Operations
Steve Zoet, Director of Community Services
Ken Pfalzgraf, Urban Forest Manager
Gisele Grable, Community Services Administrator
Nancy Hunt-Coffey, Assistant Director of Community Services/City Librarian
David Schirmer, Chief Information Officer
Chad Lynn, Assistant Director of Public Works Services/Parking and Facilities Operations

A – DIRECTION

- 1) Introduction
Item discussed at the May 5, 2015 Budget Study Session.
- 2) Economic Overview and Revenues
Item discussed at the May 5, 2015 Budget Study Session.
- 3) Budget Overview
Item discussed at the May 5, 2015 Budget Study Session.
- 4) Departments (changes, work plan highlights, Enhancements, new CIPs)
 - a) Policy & Management
Item discussed at the May 5, 2015 Budget Study Session.
 - b) City Attorney
Item discussed at the May 5, 2015 Budget Study Session.

- c) City Clerk
Item discussed at the May 5, 2015 Budget Study Session.
- d) Administrative Services
Item discussed at the May 7, 2015 Special Budget Study Session.
- e) Police
Item discussed at the May 7, 2015 Special Budget Study Session.
- f) Fire
Item discussed at the May 7, 2015 Special Budget Study Session.
- g) Community Development
Item discussed at the May 7, 2015 Special Budget Study Session.
- h) Information Technology
Item discussed at the May 7, 2015 Special Budget Study Session.
- i) Public Works Services
Item discussed at the May 7, 2015 Special Budget Study Session.
- j) Capital Assets

Deputy City Manager/Director of Capital Assets David Lightner presented the Capital Assets organizational chart and divisions, and pointed out that the change in the budget is due to a change in Internal Service Fund (ISF) positions. He touched on the Department's major budget change from FY 14/15 and detailed the FY 15/16 work plan highlights.

Mr. Lightner clarified the number of the wells included in the Shallow Ground Water Well Project, reviewed the ongoing tasks and highlighted the street and alley repaving schedule overseen by the Capital Assets Department. He also gave a brief overview of the Capital Improvement Projects for which his Department will be providing a support role. Mr. Lightner highlighted the Civil Engineering Division's organizational chart as it relates to the proposed budget enhancements and pointed out that due to the involvement with Metro, some of the enhancements will be reimbursed by Metro funds.

Budget and Revenue Officer Don Harrison and Interim City Manager Mahdi Aluzri explained that the Intergovernmental Revenues decreased due to a decrease in gas tax prices which directly affected Capital Assets revenues. Mr. Lightner answered questions about the enhancement requests and detailed the duties of the proposed enhancement for the Associate Project Administrator position. Mr. Aluzri clarified that the position is not Community Development related but for City Capital Projects permits. Mr. Lightner explained the Project Manager Upgrade, added that the Associate Project Manager will be reimbursed by Metro as long as the billable hours are Metro related and clarified the amount requested for the Associate Project Manager request.

Mr. Harrison clarified how ISF funding and allocation works. Mr. Harrison and Mr. Aluzri answered Mayor Gold's question regarding the decrease in Expenditure Other Charges. Mayor Gold asked staff to return to Council at a later Study Session to report on how the conservation efforts have saved the City money.

Mr. Lightner introduced Senior Management Analyst Aaron Ledet and stated that Mr. Ledet will be looking into grants for the Department. Assistant Director of Public Works Services/Infrastructure and Field Operations Trish Rhay confirmed that the Public Works Services Department is actively looking for more grants and Mr. Aluzri added that all departments will be aggressively searching for grants. Mayor Gold asked that staff track the grant application successes.

Councilmember Krasne asked if any positions can be set up to avoid reclassifications in the future. Mr. Lighter and Mr. Aluzri each explained how staff time is allocated and tracked and how the reclassification process works.

k) Community Services

Director of Community Services Steve Zoet gave a brief overview of the Department's organizational chart and FY 14/15 versus FY 15/16 budget and position changes. Mr. Zoet noted that the budget is less due to reductions in Capital Outlay requests and Utility Operating costs and pointed out that the total part-time positions (Full Time Equivalent/FTE) increased due to the Council's approval of expanded Library operating hours. He detailed the Department's changes, provided clarification on the decrease of the Capital Outlay budget, highlighted the Department's FY 15/16 Work Plans, reviewed the Budget Enhancement requests and discussed the new FY 15/16 Capital Improvement Projects (CIPs).

Mr. Zoet and Urban Forest Manager Ken Pfalzgraf answered Council's questions about the measures the Department has taken to address the City's participation in lowering water consumption at the City's various parks. Mr. Pfalzgraf assured Councilmember Bosse that the budget is and will be utilized to incorporate water conservation measures. Mr. Pfalzgraf answered Councilmember Brien's inquiry about mixed turf and drought tolerant landscaping. Mr. Zoet and Community Services Administrator Gisele Grable answered Council questions about the Department Publicist position and budget enhancement request.

Mayor Gold asked staff to return to Council at the next Study Session with grass alternatives to avoid over seeding parks in the winter for maintenance. Mr. Aluzri reminded Council that the Public Works Services Department is currently working on a public education program for water conservation.

Assistant Director of Community Services/City Librarian Nancy Hunt-Coffey answered Mayor Gold's question regarding the Library's expanded hours. Mayor Gold asked staff to look into the possibility of combining the Beverly Gardens Lily Pond and Landscape Maintenance for the Wallis Annenberg Center enhancement requests in order to save money.

l) Not on Agenda

Budget and Revenue Officer Don Harrison presented the Non-Departmental items. Council thanked Mr. Harrison and had no questions.

5) Budget Review Committee Presentation

City Treasurer Eliot Finkel gave a brief history on the Budget Review Committee (BRC) and explained their purpose, reviewed the committee members and overviewed past Committee recommendations. Mr. Finkel also reviewed the Budget in Brief recommendations and the BRC's ongoing concerns. He strongly recommended that despite challenges in presenting the data, it would be beneficial to create a pictorial of the annual City revenues and expenses.

Mr. Finkel discussed the BRC's 2009 and 2010 findings and compared them to 2015. He asked Council to retire the BRC. Mr. Finkel answered Councilmember Brien's inquiry about the BRC's recommendation to pay down unfunded pension liabilities and to place Other Post Employment Benefit (OPEB) funds in an irrevocable trust. Director of Administrative Services/CFO Don Rhoads answered Councilmember Mirish's inquiries about OPEB funds. Interim City Manager Mahdi Aluzri added that it would be worth looking into how OPEB funds can be used.

Council thanked Mr. Finkel for his presentation, commended the BRC and asked that the Committee continue their work.

6) CIP

Deputy City Manager/Director of Capital Assets David Lightner presented the Capital Improvement Program (CIP) and discussed the FY 14/15 total approved budget versus the FY 15/16 proposed budget. Mr. Lightner highlighted the new FY 15/16 CIP Projects and noted that funds for water conservation is included in the Water Enterprise Implementation Project and that both phases of the Santa Monica reconstruction project are funded in Capital Assets and will return to Council in July with an update. He also presented the challenges facing the CIP and noted that the Planning Agency has reviewed the five-year CIP and found it in conformance with the General Plan.

Assistant Director of Public Works Services/Infrastructure and Field Operations Trish Rhay, Director of Community Services Steve Zoet, Director of Community Development Susan Healy Keene, Chief Information Officer David Schirmer and Assistant Director of Public Works Services/Parking and Facilities Operations Chad Lynn described each of their department's new CIPs for FY 15/16 and answered Council questions.

Councilmember Brien suggested that software should be used to enhance the LED Streetlight Replacement Program and asked Ms. Rhay to ensure that the total and true costs are presented at the next Council Meeting. He asked Deputy Director of Transportation Aaron Kunz to look into various elements of the Tour Bus CIP before allocating funds.

Mr. Schirmer confirmed that funding is currently available for the fiber optic installation into businesses and residents. Mr. Aluzri, Mr. Lightner, and Ms. Rhay confirmed that unused CIP funds are still available. Mr. Lightner clarified that the CIP funds for La Cienega Park includes

carryovers from the previous years.

Mr. Aluzri and Mr. Lightner provided a status on the sidewalk repair CIP. Mayor Gold stated that funds for the Tour Bus CIP may not be enough. Mr. Zoet and Mr. Schirmer each answered Mayor Gold's questions about the Main Line Irrigation CIP and the Financial and Human Resources Software.

7) City Council Additional Priorities and Direction

Interim City Manager Mahdi Aluzri solicited Council feedback. Council consensus was to approve the budget enhancements as presented.

Mayor Gold asked Council for priorities or direction on the Capital Improvement Programs (CIPs). Council asked for more information on the CIP funding for the Municipal Gallery Audio-Visual Upgrade. Mayor Gold asked staff to bring more information to Council during the approval process. Council consensus was to support the CIP budget as presented but asked that items be brought forth to Council prior to spending for implementation.

Mayor Gold asked Council for additional ideas for staff to consider aside from ones already presented. Councilmember Krasne asked that a CIP be included to fund traffic mitigation on Little Santa Monica. Mr. Aluzri confirmed that the Traffic Calming/Mitigation CIP will continue to be funded for this purpose. She also asked staff to look into fiber optics and retrofitted cell towers.

Councilmember Bosse expressed interest in ensuring that more funding is available for public outreach for the many upcoming projects. Councilmember Brien and Vice Mayor Mirisch concurred with their colleagues and expressed support for technological advances to enhance City experiences. Vice Mayor Mirisch also asked for funding to investigate the use of Shared Automatic Vehicles (SAV). Councilmember Krasne added that cameras should be added to monitor Metro.

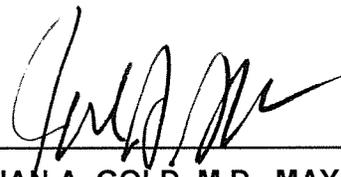
Mayor Gold asked staff to maintain funding for the renovations of the Greystone Theatre and Beverly Gardens Park. Mr. Aluzri stated that funding opportunities can be brought to Council at the same time as the adoption of the budget. Councilmember Brien asked for the net delta from FY 14/15 versus FY 15/16 in expenditures and staffing.

The Budget Study Session adjourned at 5:53 pm.

PASSED, Approved and Adopted
this 8th day of June, 2015



BYRON POPE, City Clerk



JULIAN A. GOLD, M.D., MAYOR

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