

MINUTES
FEBRUARY 22, 1993
WEST HOLLYWOOD PARK
647 N. SAN VICENTE BOULEVARD
7:00 P.M.

CITY COUNCIL STUDY SESSION/TOWN HALL MEETING ON THE CITY BUDGET

CALL TO ORDER: Mayor Lang called the meeting to order at 7:13 P.M.

PLEDGE OF ALLEGIANCE The Pledge was led by Bob Edgerly.

ROLL CALL: PRESENT: Guarriello, Heilman, Koretz, Land
and Mayor Lang
ALSO PRESENT: City Manager Brotzman

I. STAFF PRESENTATION: BUDGET OVERVIEW

City Manager Brotzman stated that this meeting is an opportunity for the community to share ideas and concerns with the Council. He stated that the City anticipates the State taking more from the budget in the coming year. His presentation included the "Mission Statement", a summary of recessionary impact, State takeaways from Cities, counties and school districts, the portion of property tax residents pay that goes to the City of West Hollywood, the reduction in subventions as a result of the census (1990), a five year revenue analysis, expenditure history of the General Fund, long range revenue and expenditure forecast, opportunities and threats to revenue sources. The bottom line is that the Council has some very difficult decisions to make: what do we do to respond to a very turbulent economic time? Do we in fact cut services, where they are needed by some people; take a five percent cut across the board? Do we do a combination of revenue replacement steps as well as expenditure cuts? None of the options are very popular with anyone. There is one other way that the City can address its financial issues, and that is in the area of economic development. That is a significant issue. If new businesses come in--as an example, the House of Blues--it will generate revenue to the City.

II. COUNCIL QUESTIONS TO STAFF:

None at this time.

III. CITIZEN COMMENTS: EACH SPEAKER LIMITED TO TWO MINUTES

The following persons came forward to address the City Council:

Stan Lothridge, West Hollywood: Opposed to any utility tax.

Effie Reuveni, West Hollywood: Opposed to utility tax. Should

implement cost containment and cuts in every department and program except law enforcement.

Muriel Pollack, West Hollywood: Opposed to utility tax.
Mike Radcliffe, West Hollywood: President, W.H. Community Alliance. Should cut all programs some. If you decide on utility tax, take it to the voters first.

(Councilmember Land: Requested a copy of his budget proposals.)
Bruce Traub, West Hollywood: The more you raise taxes the less you'll get. Council is in the charity business, welfare entitlement business. Transportation Department could be reduced.

Mary Worley, West Hollywood: Opposed to utility taxes. Cut whatever it takes to balance your budget.

Sig Sudowichi, West Hollywood: Urge Council to keep programs intact that have to do with generating business growth, coordinating activities.

Johanna Angeles, West Hollywood: Keep Dispute Resolution Services.

Tom Nevermann, West Hollywood: Thank Council on behalf of Small Business Council for their support of business growth.

Phil Roberts, on behalf of Immigrant Center: High level of job placement to the immigrant sector.

Mark King, West Hollywood: Strong support for what the City has done in social services, especially AIDS service organizations.
Elaine Mutchnik, West Hollywood, member of Board of Directors of Marketing Corp.: Tourism brings money to the City--transient occupancy tax; it goes into the general fund.

Joy Sachs, West Hollywood: No one wants to pay taxes; but we need social services.

Michael Avriete, West Hollywood: Volunteer counsellor at Gay and Lesbian Services Center.

Dr. Martin McCombs: Gay and Lesbian Services Center provides much service to people in West Hollywood.

Budd Kops, West Hollywood: Should take a five percent decrease in all salaries except low level employees; do a five percent cut across the board. Opposed to utility tax.

John Altschul, West Hollywood: A utility users' tax is a fair tax. A tax should solve part of the problem; the rest should be solved by cuts. We should look at each program and cut those that have more administrative costs than necessary. Some of our community should be used as advisors.

Michael Masucci, Artistic Director at EZTV, West Hollywood: Concerned about possible cuts to Marketing Corp. This City needs to promote an individual identity.

Doreen Jaros, West Hollywood: Like to see an across the board tax, no freebies to anyone.

Richard Banta, West Hollywood: Have petitions urging you not to pass a utility tax with over 500 names and they are still coming in. Show us cuts in spending before levying taxes.

Tony Melia, Los Angeles, Business Owner in West Hollywood: In support of the West Hollywood Marketing Corporation.

Eleanor Barrett, West Hollywood: In support of Dispute Resolution Services.

Jay Bienenfeld, West Hollywood: Opposed to utility taxes.
George Rosenthal, Vice Chairman, W.H. Marketing Corporation:
In support of Marketing Corporation; it brings additional income
to West Hollywood.
Mary Frost, Exec. Director, Marketing Corp.: In support of
Marketing Corporation.
Ralph Feeley, West Hollywood: Opposed to utility tax; budget
should be looked at, where you can make cuts.
Daniel Fisher, West Hollywood, Program Director, West Hollywood
Homeless Organization: In support of Homeless Organization.
Mark Lehman, West Hollywood: Support a modest increase in taxes
if City does a decrease in spending and makes cuts. Continue a
healthy level of spending on marketing and development.
Mark Senak, Los Angeles, Deputy Director of APLA: Wide range of
services of APLA. We ask cuts should be across the board.
Nurit Shein, Dir. of Programs at Gay and Lesbian Community
Services Center: Over five percent of clients are residents of
the City. We are paid per people served.
Mike Reynolds, Project Director of W.Hollywood Cares: Thank
Council for support. We need ongoing services to AIDS patients.
Maxine Sonnenburg, West Hollywood: Consider passing the Card Club
Initiative in June.
Nina Baytalskaya, West Hollywood: In support of Russian Community
Center.
Natalia Polyachenko, West Hollywood: Came from Russia one and a
half years ago with family. Was helped by Russian Community
Center.
Reya Friedman, West Hollywood: In support of Russian Community
Center.
Jeanne Dobrin, West Hollywood: Opposed to utility tax; will cost
money to administer. We need spending cuts.
Shirley Crowell, West Hollywood: First cut five percent across
the board.
Sophia Gelman, West Hollywood: Immigrant; I attend English class
and writing class; support Jewish Family Services.
Bernice Levin, West Hollywood: Assistant Activity Director, W.H.
Senior Center. Brings people together of different cultures; for
some there is nowhere else to go.
Belaya Galina, West Hollywood: Russian immigrant. Support
Russian Community Center.
Fred Vanacore, West Hollywood: Would support a limited utility
user taxes with exemptions for those with fixed income. Support
business expansion and retention program.
Ethel Shapiro, West Hollywood: I'm not aware of cutbacks on upper
managerial level. Opposed to money spent on Marketing Corp. and
Chamber of Commerce. Opposed to consultants.
Dorothy Buxton, West Hollywood: In support of Alternative Living
for the Aging--provided me and others with affordable housing.
Dorothy Lank, W.H. Coordinator for Dispute Resolution Services:
Thank the City for its funding; hope it will continue.
Robert Davis, West Hollywood: Could cut down on employees by
attrition. Opposed to Utility Tax.
B. Chad, West Hollywood: Businesses are leaving West Hollywood.

Charlie Mercer, West Hollywood, Sunset Strip Association: We have formed a Committee for fiscal responsibility. We (8 people) went through your budget line by line. The cuts can fall into three general categories: rollbacks, hold the line, and deferments. By utilization of those three techniques, the committee was able to come up with three million dollars in budget cuts. We will complete work on a line-item budget by March 1.

Rob Appel, International Gay Travel Assoc.: IGTA is holding its annual convention in West Hollywood. Owe it to the Marketing Corp.

July Makato, West Hollywood: Opposed to utility tax. Cut unnecessary salaries.

Jack Riley, West Hollywood: Opposed to utility tax. Knock off the bus line no one rides, homeless shelter.

Wendy Krueger, West Hollywood: Gen. Mgr., Le Dufy Hotel. In support of the Marketing Corp.; important to hotel industry.

Sal Guarriello, West Hollywood: Read letter from Rita Guarriello - No cuts--no taxes.

A recess was called at 9:16 p.m.
The meeting reconvened at 9:25 p.m.

COUNCIL COMMENTS:

Councilmember Guarriello stated he has been meeting with different groups throughout the community and will be meeting with the Finance Director and the sub-committee on Wednesday. There will be much to analyze and study.

Councilmember Heilman asked about the County imposing a utility tax. Finance Director Arevalo stated that the County only has authority to impose in unincorporated areas. However there has been talk in Sacramento that would allow the County to impose a Utility User Tax in areas that are incorporated, up to 10%. Councilmember Heilman stated that the Council will have to study the material from staff and the comments from citizens. Must take into account the unemployed, fixed income, property owners. Taxes should affect everyone in the city and not single out one particular group, either businesses or homeowners. There is unwillingness to support a tax unless there are budget cuts. It is prudent to cut back. Look at a combination of both cuts and revenue increases; make sure fair across the board and affect everyone. The City should not cut law enforcement or necessary services for people with AIDS.

Councilmember Koretz stated that we'll need a combination of cuts and revenue increases and must look at other options--even the gambling initiative.

Councilmember Land thanked Charlie Mercer. She felt that the Council will have enough time to look long and hard at all the cuts, etc., and are headed in the right direction. She directed staff to look at programs that add to the economic vitality of the community and balance those with other programs. Look at

enterprise funds, how they are self-supporting or not. Everyone should look at how we might save money; make suggestions.

Mayor Lang stated that she has met with many groups and feels that people are willing to pay something, if it is fair and cuts in spending are made.

City Manager Brotzman stated that if Council were to look at a utility user tax, the process needs to be started almost immediately. There must be a public notification, public hearing process. At least a 45-day notice period before any action. First reading of ordinance, second reading; effective 30 days later. Direction would have to be given almost immediately.

Councilmember Heilman gave further direction to staff to do a break-down by different utilities to see what the impact is on the average person; how many people would qualify for lifeline service or would be exempt. Would like to consider an increase in the Transient Occupancy Tax to 12% and have it linked to housing or economic development activities. Maybe some kind of incentive; for every percentage over 70% occupancy the Marketing Corporation

could reap some kind of reward.

Councilmember Land advised the Council that she met with some of the hotel management last week; they said they'd support putting another percent on the T.O.T. All the surrounding cities are about 11 or 12 percent anyway.

Councilmember Koretz felt that they should consider a half-percent increase in the T.O.T. and have the Marketing Corporation funded by the percentage increase instead of the General Fund.

Mayor Lang would like the Transportation Department look at taxi coupons and the shuttle. Between the taxi coupons, the shuttle and the dial-a-ride, the City has over \$700,000 subsidies.

The meeting was adjourned at 9:47 p.m. to a regular adjourned meeting on March 1, 1993, at 6:00 p.m. for a closed session and 7:00 p.m. for public meeting, at West Hollywood Park Auditorium.

APPROVED BY MOTION OF THE CITY COUNCIL THIS 1ST DAY OF MARCH, 1993.


MAYOR

ATTEST:


CITY CLERK