

**CITY COUNCIL MINUTES
STUDY SESSION ON THE BUDGET**

**MONDAY, JUNE 24, 1991
6:00 P. M.
WEST HOLLYWOOD PARK AUDITORIUM
647 N. SAN VICENTE BLVD.**

CALL TO ORDER: Mayor Heilman called the meeting to order at 6:10 P.M.

PLEDGE OF ALLEGIANCE: The Pledge was led by Anne Browning.

ROLL CALL:

PRESENT: Guarriello, Lang, Land, Koretz,
Mayor Heilman

ALSO PRESENT: Asst. City Manager Edgerly

PUBLIC COMMENT: The following persons came forward to address the Council:
Bruce Traub, West Hollywood - proposed 2% increase in this budget, not without a cost. No COLA's - put in 5% cut across the board.

**COUNCIL DISCUSSION REGARDING THE PROPOSED BUDGET AND
WORK PLAN - FISCAL YEAR '91-92.**

Kay Jimno and Paul Arevalo reported that the City had received news from an investment analyst that the City had received the highest rating for their bond issuance. Therefore, the City will be paying the lowest rate of interest on their anticipated debt bond sale.

Assistant City Manager Edgerly reported that the last study session was held on May 28, 1991, at which time the proposed budget was out of balance by about \$250,000. On June 10th a public hearing was held and we heard about the rising case loads confronting our social services providers and also from the public on the need to tighten our belts and balance the budget. In addition comments were made by the City Councilmembers. All of these things were taken into consideration and tonight a balanced budget is presented, with the restoration of \$175,000 in the social services program. Edgerly briefly reported on other adjustments and reductions in the proposed budget, as contained in his report to the Council dated June 24, 1991.

Mayor Heilman stated they would point out the areas of concern at this time and discuss them one by one.

Councilmember Guarriello asked if there was any cushion in this budget. Mr. Edgerly stated there was not and if revenues go down or the State hits the cities to balance the State budget, we'd have to come back, reconsider, and rebalance the budget.

Councilmember Koretz stated that it looks likely there will be at least \$300,000 loss and he would like to see reductions in this budget of at least \$100,000 for a cushion.

The following items were targeted for further discussion:

Under Changes to Revenue - "Increase Hotel Settlement Amount to General Fund" - \$35,000.

Under General Fund - "Savings from Consolidating Lobbying Efforts" - \$5,000.

Councilmember Guarriello stated that there needs to be cuts and belt tightening - he would like to see the COLA for Social Services eliminated and an across the board 5% cut.

On the issue of the Hotel Settlement, Councilmember Land asked what the rationale was for this money to go to the General Fund. Paul Arevalo stated that the settlement agreement is for a yearly payment with \$35,000 being earmarked as a payment against back taxes and \$215,000 to the Housing Trust Fund. Debbie Potter stated that her figures budgeted \$255,000 to the Housing Trust Fund. Mayor Heilman asked that the Finance Director and Ms. Potter confer and figure out the discrepancies and come back later in the meeting with a consensus.

Lloyd Long was asked about the proposed savings of \$5,000 from a consolidating lobbying effort. Lloyd stated they felt this should save the City money and we could maintain our high level of lobbying services. Concern was voiced about the level of expertise. Marney Hull felt it would save the City money, but was concerned about the effectiveness of the lobbying during this time. By consensus the Council asked that staff renegotiate the lobbyist contracts to redirect Lenny to do only Rent Control issues and increase the duties of Helyne, and an evaluation by staff of the amount of savings that could be accomplished. Reduce the lobbyist budget by \$5,000.

Back to the Hotel Settlement Amount - The \$35,000 has not been reflected - Paul Arevalo now recommended that this \$35,000 not be taken for the General Fund, which will necessitate finding \$35,000 in other cuts.

Councilmember Koretz recommended the following:
Cut Travel, Dues, Conferences, Memberships, etc, by 20% - \$40,000.
Cut Between \$5,000 and \$20,000 in Sidewalk and Street and Alley Maintenance and Street Tree Maintenance.
Defer \$20,000 in San Vicente Street Trees.
Eliminate Library service on Sunday - \$15,000.
Cut spending on consultants - \$20,000.

After discussion the following were decided on:
Cut travel, dues, conferences, memberships, publications by 10% - \$20,000.
Cut the consultant budget by \$7,500.
Cut the restoration of social service funds by \$7,500.

Mayor Heilman adjourned to a closed session at 8:00 p.m. The meeting was reconvened at 8:15 p.m. and Mayor Heilman announced that they had discussed matters relating to personnel and potential litigation and direction was given to staff.

ADJOURNMENT: The meeting was adjourned at 8:15 p.m. to a regular adjourned meeting on July 1, 1991, at 6:00 p.m. at West Hollywood Park Auditorium.

APPROVED MY MOTION OF THE CITY COUNCIL THIS 1ST DAY OF JULY, 1991.


MAYOR

ATTEST:


CITY CLERK