

**WEST HOLLYWOOD
CITY COUNCIL FINANCE & BUDGET SUBCOMMITTEE
MEETING
CITY CLERK'S RECORD OF THE MEETING
TUESDAY, MAY 5, 2020
4:00 P.M.**

VIA TELECONFERENCE

- 1. CALL TO ORDER:** Mayor D'Amico called the meeting to order at 4:06 p.m.
- 2. PLEDGE OF ALLEGIANCE:** Mayor D'Amico led the Pledge of Allegiance.
- 3. ROLL CALL:**

PRESENT: Mayor Pro Tempore Horvath and Mayor D'Amico.

ABSENT: None.

ALSO PRESENT: City Manager Arevalo, Assistant City Manager Wilson, Senior Management Analyst Safriet, and City Clerk Quarker.

- 4. APPROVAL OF THE AGENDA:** Mayor Pro Tempore Horvath, seconded by Mayor D'Amico, and approved.

5. PUBLIC COMMENTS:

JOHN ERICKSON, WEST HOLLYWOOD, commended the Council subcommittee on prioritizing City staff and City Hall. He noted that the next step is finding ways in which we can engage staff that may be adversely affected.

DAN MORRIN, WEST HOLLYWOOD, spoke regarding the adverse effects to small businesses in the City. He mentioned the AIDS Monument and expressed concern with the cost. He noted that the City needs to diversify its economy. Finally, he expressed concern with unemployment.

6. NEW BUSINESS:

6.A. UPDATE ON THE IMPACT OF COVID-19 ON THE FISCAL YEAR 2019-20 BUDGET AND DISCUSSION OF THE FISCAL YEAR 2020-21 BUDGET [P. AREVALO, D. WILSON, C. SAFRIET]:

SUBJECT: The Finance and Budget Subcommittee will receive an update on the impact of COVID 19 on the City's Fiscal Year 2019-20 Budget and the budget outlook for Fiscal Year 2020-21. The Finance & Budget Subcommittee will have the opportunity to discuss the outlook in relationship to City priorities.

City Manager Arevalo provided background information on the staff report dated May 5, 2020. He discussed the economic impacts of COVID-19 on the City's budget. He spoke about the cost reductions that the City is utilizing. He indicated that there is a \$15,000,000 revenue gap. He shared

that the City is using reserves to service programs related to the COVID-19 emergency. Finally, he noted that each City department has made a 15-20% reduction in their respective budgets with the goal of presenting a balanced budget to the City Council.

Mayor Pro Tempore Horvath noted that the top three issues expressed by residents are transportation access, food security, and housing. She indicated that she wants the resident's primary concerns are met with this budget. She mentioned engaging the City's business community. Finally, she inquired about ramping up the City's economy after the crisis. Mr. Arevalo responded to these inquiries.

Mayor D'Amico inquired about the City's reserves and the prudent amount that can be used during this emergency. He noted information contained in the staff report regarding bonds and asked about discretionary spending. Mr. Arevalo responded to these inquiries. Assistant City Manager Wilson spoke about City contracts (page 6 of the Staff Report). It was noted that essential City services have not been impacted in the proposed budget reductions. Senior Management Analyst Safriet provided additional comment on the \$6,000,000 budget reduction.

Mayor Pro Tempore Horvath commented that the services and support are maintained. She indicated that assisting the business community is important. She commented that people's safety is important. She noted that helping the City Council understand their options is important.

Mayor D'Amico spoke about cancelling City events. He asked the City Manager to investigate a 5-10% staff furlough reduction. Mr. Arevalo spoke about the work staff has done around this issue, specifically freezing positions, combining positions, retirement incentives, and furloughs.

Mayor Pro Tempore Horvath noted that we need to keep moving forward during this challenging time with transportation and housing projects.

Mayor D'Amico inquired if the City's redevelopment funds are at risk. Mr. Arevalo indicated that the State's Finance Office hasn't mentioned this possibility.

The next steps were discussed including the budget presentation and future Finance and Budget Subcommittee meetings.

ACTION: Receive an update on the impact of COVID-19 on the Fiscal Year 2019-20 Budget and discuss the Fiscal Year 2020-21 Budget.

7. **COMMENTS FROM THE SUBCOMMITTEE:** None.
8. **COMMENTS FROM STAFF –** None.
9. **ADJOURNMENT –** The City Council Budget and Finance Subcommittee adjourned at 5:02 p.m.

Melissa Crowder

Melissa Crowder, Acting City Clerk