

WEDNESDAY, APRIL 9, 2003

An adjourned meeting of the Council of the City of Burbank was held in the Council Chamber of the City Hall, 275 East Olive Avenue, on the above date. The meeting was called to order at 6:05 p.m. by Mr. Laurell, Mayor.

Present- - - - Council Members Golonski, Ramos, Murphy, Vander Borcht and Laurell.

Absent - - - - Council Members None.

Also Present - Ms. Alvord, City Manager; Mr. Barlow, City Attorney; and, Mrs. Campos, City Clerk.

Oral Communications Mayor Laurell called for oral communications on Closed Session matters at this time.

Citizen Comment Appearing to comment was Mike Nolan, objecting to being charged for a copy of the proposed budget, commenting on references in the proposed budget including an increase in sewer rates, paramedic rates, safety personnel salary adjustments, and proposed fee increases for aquatics programs.

USC Graduate Students Mr. Nicoll, Management Services Director introduced the members of his USC School of Policy Planning and Development class, who are taking a course in Public Finance and Budgeting.

Budget Study Session Mr. Hanway, Financial Services Director presented an overview of the Fiscal Year (FY) 2003-04 budget and stated all departments Citywide were directed to derive ten percent budget reduction scenarios using a combination of fee increases and expenditure reductions while trying to maintain the critical City services, minimally impacting the community and maintaining affordable service fees through reasonable increases. He added there were various fees that were outdated or had not been updated for several years and departments were asked to update these fees and also compare the new proposed fees with other cities. He stated the anticipated recurring revenues were \$108,764,000, excluding the proposed fee increases and the Burbank Water and Power (BWP) Set-aside Funds related to the incremental Utility User's Tax (UUT) and In-lieu fees for the last four electric rate increases. He added the recurring appropriations totaled \$118,287,707 noting the \$9.5 million deficit and stating investment earnings continued to drop. He added the proposed revenue enhancements totaled \$946,000 the non-departmental reductions \$1.8 million, departmental tier-one reductions totaled approximately \$6 million and that some

departments were not able to meet the requested 10 percent reduction. He informed the Council the tier two reduction scenarios were not projected in the proposed budget and that the Executive Team proposed using part of the \$4.2 million BWP Set-aside Funds in the amount of \$570,000 to balance the FY 2003-04 budget.

With a visual aid, he presented a pie-chart showing the projected revenues and stated sales tax, property tax and utility user's tax were the three largest revenue sources representing over 50 percent of the General Fund. On the expenditure side, he noted the Police and Fire departments accounted for almost 50 percent of the General Fund expenditures and that other driving forces included increasing Public Employee Retirement System (PERS) rates, Fire Department overtime constant staffing needs, Memorandum of Understanding increases, increases in the Internal Service Fund rental rates specifically, the Liability and Workers Compensation Fund, Communications Fund, and Computer Equipment Fund, resulting in approximately \$1.8 million increase related to these funds.

Regarding non-departmental reductions, Mr. Hanway stated the Development and Community Services Building (DCSB) construction costs were eliminated and reductions were made in the Morale Fund and Employee Awards Banquet. In addition, adjustments were made in budgeting for the Burbank City Employees Association (BCEA) merit pool funding to reflect the actual program costs, the Executive Medical benefits were reduced by \$6500, and the three-year personal computer replacement policy was extended to four years to realize \$1.8 million in reductions.

Mr. Hanway stated revenue increases included: cost allocation charges for Development Impact Fees and Parking Authority Fees, telecom franchise fees, direct charge increases, departmental fee increases, cost recovery fees, Glendale traffic signal maintenance costs, and bus shelter contract fees for a total of approximately \$947,000.

He informed the Council the General Fund maintained reserve funds of \$14.5 million and that the annual increase will be funded out of the FY 2002-03 budget savings, the projected amount in the BWP Set-aside Fund by the end of FY 2002-03 was \$5.6 million, and the Public Financing Authority had over \$5 million available for Citywide capital projects.

He highlighted some policy recommendation by the Executive Team that any budget savings over and above the two percent projected factor is set aside in a Budget Stabilization Fund to

remedy future budgetary challenges. He also informed the Council that requests would be made to fund the Supplemental Employee Retirement Plan System (SERP) to help transition employees that would be asked to leave voluntarily.

Next, Mr. Hanway explained the projected five-year recurring deficit noting the figures did not assume a loss of revenue from the State budget balancing issues. He stated the projected deficits in FY 2004-05 were \$2.1 million dollar deficit assuming the use of over \$2 million in the PERS Stabilization Fund; in FY 2005-06 the deficit accelerated to \$12.8 million; in FY 2006-07 to \$16.5 million; and in FY 2007-08 to \$19.4 million and that the key assumptions included potential electric rate decreases impacting the UUT, In-lieu fees and the BWP Set-aside Fund; that recommended revenue enhancements would be adopted; tier-1 expenditure reductions would be approved; PERS rate increases, increases in post-retirement health fees, the new Central Library ramp-up policy, savings from the frozen positions; exclusion of the debt servicing of the DCSB.

Mr. Vander Borght requested further explanation on the BWP Set-aside Fund and Mr. Hanway responded in 1998 the first electric rate increase was put in place to set aside funds to prepare BWP for competitiveness. He added every incremental amount collected from the UUT and the In-lieu tax was set aside and that since then \$6 million has been used for the Lake One Units and \$1.9 million has been used to fund the post-retirement account and that the Fund has also been used to balance the General Fund at the Council's discretion.

City Attorney

Mr. Barlow, City Attorney, presented the 10 percent budget reduction proposal for the City Attorney's office.

Mr. Vander Borght inquired whether the proposed position elimination was due to a vacancy or if it actually involved laying off an existing employee and Mr. Barlow replied this proposal would involve an actual lay-off.

Ms. Murphy inquired if eliminating the position would require the City to use outside legal counsel and Mr. Barlow replied the position would not impact the City in that effect and that the Attorney position was being transferred from the City Attorney's budget to the Redevelopment Agency's budget.

City Clerk

Mrs. Campos, City Clerk, presented the 10 percent budget reduction proposal for the City Clerk's office.

Ms. Murphy requested the proposed \$1,590 reduction from the training budget be reconsidered, noting the critical need for training in this department.

Mr. Vander Borcht requested more information on the two part-time positions proposed for elimination and Mrs. Campos replied the two employees were of retirement age and that neither had seniority over the other.

Mr. Golonski requested the department provide a history of the training attended over the past years.

City Council  
City Manager

Ms. Alvord, City Manager, presented the 10 percent budget reduction proposal for the City Council and City Manager's offices.

Mr. Golonski requested information regarding the Transient Parking Tax projected revenues and noted the need for justification for carryover items this fiscal year. He also requested a current line-up of all Public Information Office productions.

City Treasurer

Ms. Anderson, City Treasurer, presented the 10 percent budget reduction proposal for the City Treasurer's office.

Community  
Development

Mrs. Georgino, Community Development Director, presented the 10 percent budget reduction proposal for the Community Development Department.

The Council requested more information on the positions that would be impacted by the budget reductions.

Mr. Vander Borcht requested staff conduct a survey on the compensation of Planning Board members in other cities.

Mr. Golonski requested staff explore the possibility of the Redevelopment Agency making an accelerated principal payment on the City loan.

Mr. Laurell requested staff review the various City memberships to identify any duplication.

Mr. Golonski requested staff incorporate in the next budget presentations the percentages of the proposed reductions to the total program budget.

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Financial Services Mr. Hanway, Financial Services Director, presented the 10 percent budget reduction proposal for the Financial Services Department.

Information Technology Ms. Wyatt, Information Technology Director, presented the 10 percent budget reduction proposal for the Information Technology Department.

Mr. Golonski inquired as to the current Oracle maintenance cost and Ms. Wyatt stated the amount was \$112,000 for the annual Maintenance and Services Agreement and noted the costs continued to decrease on a yearly basis. He also requested that staff consider the opportunity to consolidate Oracle and database maintenance costs.

Fire Department Fire Chief Davis, presented the 10 percent budget reduction proposal for the Fire Department.

Mrs. Ramos inquired if the department would still meet the mandated levels of training noting the significant reductions in the training budget. Chief Davis stated funds would still be available for the State-mandated training requirements. Mrs. Ramos also requested a three-year analysis of the department's overtime trend.

Mr. Golonski inquired as to the status of the City's efforts to acquire an Insurance Service Organization (ISO) rating and Chief Davis stated the City would not be pursuing that standard.

Mr. Vander Borcht asked if the unions were a part of the negotiations and Chief Davis stated that the unions were participating.

Mrs. Ramos requested clarification on the level of service by the department after tier one reductions and Chief Davis stated the department would still be in a position to provide quality service to the community.

Mr. Golonski requested more information regarding the revenue that would be realized from increasing the Community Emergency Response Team (CERT) training fees from \$35 to \$50.

Library Services Mrs. Cohen presented the 10 percent budget reduction proposal for the Library Services Department.

Mr. Vander Borcht commented on the rental charges for

meeting rooms and requested that a survey be conducted to ascertain the reasonableness of the proposed fees. Ms. Alvord clarified there would be exemptions for various groups including government agencies, schools and non-profit organizations.

8:49 p.m.  
Recess                   The Council recessed at this time. The meeting reconvened at 9:04 p.m. with all members present.

Management  
Services                 Mr. Nicoll, Management Services Director, presented the 10 percent budget reduction proposal for the Management Services Department.

Park Recreation  
and Community  
Services                 Mr. Flad, Park, Recreation and Community Services Director, presented the 10 percent budget reduction proposal for the Park, Recreation and Community Services Department.

Mr. Golonski requested a detailed report on the proposed fee increases and the rationale for the increases.

Ms. Murphy inquired whether the department considered providing fee subsidy programs for qualifying individuals and Mr. Flad stated the department still had a scholarship program that could be used for this purpose.

Mr. Laurell requested information on the attendance at the Starlight Bowl concerts and Mr. Flad stated the average attendance has been 3,000 individuals. Mr. Laurell requested that staff provide information on the attendance levels at the different events held by organizations that are recipients of the PerformArts Grants and possibly consider eliminating one Starlight Bowl concert to preserve the Positive Alternatives for Youth (PAY) and PerformArts grants. Ms. Alvord cautioned that opening the Starlight Bowl for a limited season may not be cost effective.

Mr. Vander Borcht requested that information be provided on the anticipated revenue from the increase of the swimming fees from \$1 to \$2.

Police  
Department             Mr. Hoefel, Police Chief, presented the 10 percent budget reduction proposal for the Police Department.

Mrs. Ramos inquired as to the number and charges for false alarm responses and Chief Hoefel stated the first and second false alarms were at no charge and the third and every subsequent false alarm were charged at \$75 for every occurrence, and that the Police Department was proposing to maintain the two no-charge first and second occurrences, and charge \$75 for the third and \$100 for all subsequent false

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alarms; and, that over 90 percent of alarms were false.

Mr. Golonski requested that staff conduct a survey on jail weekend fees and possibly consider further increases.

Mr. Vander Borght requested statistics on the staffing level in the Police Department over the past few years for a better understanding of freezing six police officer positions.

Mr. Golonski inquired as to the status of the police car replacement policy and Chief Hoefel stated police cars were previously being replaced every two years and will now be replaced every three years, and Mr. Hanway clarified that all related costs were included in the proposed budget.

Public Works  
Department

Mr. Feng, Public Works Director, presented the 10 percent budget reduction proposal for the Public Works Department.

Mr. Golonski requested further clarification on the landfill tipping fees and Mr. Feng replied the tipping fee was only paid by the City and Burbank Unified School District and that the two percent rate increase was a reflection of the projected increase in the Refuse Fund. He added the green waste tipping fee increase was similarly a reflection of City staff and equipment cost recovery in the Enterprise Fund that was not previously accounted for in the department's cost allocation.

Mr. Vander Borght requested that further consideration be given to maintain the speed-bump program.

Mrs. Ramos requested that other traffic calming options and their associated costs be explored and presented to the Council for consideration.

Future Budget  
Study Sessions

Mr. Hanway requested Council feedback on the schedule of future Budget Study Sessions and after Council deliberation staff was directed to incorporate the Budget Study Sessions into regular Council meetings as the Agenda Forecast allows.

Adjournment

There being no further business to come before the Council, the meeting was adjourned at 10:31 p.m.

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Margarita Campos, City Clerk

APPROVED JUNE 17, 2003

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Mayor of the Council  
of the City of Burbank