

BURBANK YOUTH ENDOWMENT SERVICES FUND BOARD  
FEBRUARY 11, 2003

A regular meeting of the Youth Endowment Services Fund Board 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 6:41 p.m. by Mr. Laurell, Chairman.

Invocation            The invocation was given by Rabbi Richard Flom, Temple Emanuel.

Flag                    The pledge of allegiance to the flag was led by Joy Forbes,  
Salute                   Principal Planner.

ROLL CALL

Present - - - - - Directors Golonski, Ramos, Vander Borcht and Laurell.

Absent - - - - - Director Murphy.

Also Present - - Mr. Ovrom, City Manager; Ms. Alvord, Assistant City Manager;  
Mr. Barlow, City Attorney; Mr. Flad, Assistant Executive  
Director; and, Mrs. Campos, Secretary.

8:11 P.M.            Mr. Hanway, Financial Services Director, reported on the mid-  
Jt. Mtg. w/City       year review of Fiscal Year (FY) 2002-03, a review of the  
Council                proposed mid-year adjustments being requested and the  
YES 2                   projected FY 2003-04 figures.

Mid-Year             With the aid of a power point presentation, he reported in FY  
Adjustments to       2002-03 recurring appropriations were above recurring  
FY 2002-03           revenues by \$1.3 million due to declined revenue adjustments,  
Budget & Preview    coupled with the City incurring higher than anticipated  
of the FY 2003-       Memorandum of Understanding costs. He requested  
04 Budget             \$1,777,000 as part of the mid-year appropriations, noting the  
annual plan to increase emergency reserves by \$181,000 in  
June and the need to fund the Compensated Absences in the  
amount of \$600,000. He also stated the 15 percent working  
capital reserve would be funded with budget savings from FY  
2002-03.

Next, he discussed an overview of the major revenues stating sales tax revenues were above projections with an additional \$500,000 from the Empire Center, which represents a nine percent increase over last year, and noted the fourth quarter had not been estimated. He added the third quarter was up 11 percent, even though not all stores at the Empire Center were opened until the fourth quarter, and added property tax revenues increased by \$975,000. On the negative side he reported the Utility Users Tax was being re-estimated at \$1.2 million less than the budget estimate due to the telecom users taxes. He noted there has been a shift from using landline telephones to cellular telephones, impacting collections as the City does not receive 100 percent of proceeds from the use of

cellular phones. He also commented on the stiff competition between long distance carriers, driving down the prices and detrimentally impacting revenues. Also, he reported receipts from the Transient Occupancy Tax have not met the projected revenues consequently reducing the estimate by \$618,000.

Mr. Hanway also mentioned other detrimental issues not highlighted including: low interest rates on investments resulting in a \$404,000 reduction; salary expenditures resulting from the need for constant staffing in the Fire Department due to the State military reserves recall costing \$71,000; increase in industrial accident costs, noting these costs will be refunded from the Workers Compensation Self Insurance Fund to the General Fund; Memorandum of Understanding (MOU) increases; increase in the post retirement benefit plan; recent windstorms; background checks for Community Disaster Volunteers; and, purchase of a street sweeper and related personnel costs. He also discussed the fiscal impact to the different funds.

Next, Mr. Hanway discussed the General Fund Forecast for FY 2003-04 and stated the major driving forces of the projected \$6.6 million deficit were investment losses combined with Police and Fire Department retirement packages. He reported other driving forces included: the proposed FY 2003-04 PERS ramp-up; Fire Department overtime/constant manning deficit; MOU projected costs; and, the Internal Service Funds including the General Liability and Workers Compensation Self Insurance Funds. He concluded with a five-year forecast, noting the structural imbalance that needed correction.

Mr. Hanway also discussed the impact of the State budget deficit to the General Fund and the Redevelopment Agency, and noted the actual amounts were unknown at this time.

Mr. Golonski requested the departments provide a budget detail by program and the proposed reductions along with impact statements.

City Council  
Reso. Adopted

City Council Resolution No. 26,426 Amending the Budget of Fiscal Year 2002-2003 for the Purpose of Mid-Year Adjustments was adopted.

Motion

It was moved by Mr. Vander Borcht and seconded by Mrs. Ramos that "the following resolution be passed and adopted:"

YES 2  
Amend FY 2002-03 Budget for Mid-Year Adjustments

RESOLUTION NO. Y-32:  
A RESOLUTION OF THE YOUTH ENDOWMENT SERVICES FUND OF THE CITY OF BURBANK AMENDING THE FISCAL YEAR 2002-2003 BUDGET AND APPROPRIATING \$500 FOR THE PURPOSE OF MID-YEAR ADJUSTMENTS.

Adopted

The resolution was adopted by the following vote:

Ayes: Directors Golonski, Ramos, Vander Borght and Laurell.  
Noes: Directors None.  
Absent: Director Murphy.

8:56 P.M.  
Recess

The Board recessed at this time to permit the Council to continue its meeting. The Board reconvened at 9:59 p.m. for public comment with the same members present.

10:18 P.M.  
Adjournment

There being no further business to come before the Board, the meeting was adjourned at 10:18 p.m.

---

Secretary

APPROVED JUNE 10, 2003

---

Chairperson