

BURBANK YOUTH ENDOWMENT SERVICES FUND BOARD
JUNE 10, 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 6:34 p.m. by Ms. Murphy, Chairman.

Invocation The invocation was given by Chaplain Sally Kinarthy, Providence Saint Joseph Medical Center.

Flag
Salute The pledge of allegiance to the flag was led by Mr. Dennis Barlow, City Attorney.

ROLL CALL

Present - - - - - Directors Campbell, Golonski, Ramos, Vander Borght and Murphy.

Absent - - - - - Directors None.

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

6:48 P.M. Chairperson Murphy stated that "this is the time and place for the hearing on the proposed budget for the Fiscal Year 2003-04 for the City, Redevelopment Agency, Housing Authority, Parking Authority, and Youth Endowment Services Fund budgets."

YES 2

Proposed FY 03-04 Annual Budget, Citywide Fee Sch., Transient Parking Tax & Appro. Limit

Notice
Given The Secretary was asked if notices had been given as required by law. She replied in the affirmative and advised that no written communications had been received.

Staff
Report Mr. Hanway, Financial Services Director, presented the proposed Fiscal Year (FY) 2003-04 Budget for the City, Redevelopment Agency, Housing Authority, Parking Authority, and Youth Endowment Services Fund; the Fee Resolution; and Appropriations Limit. He noted staff proposed a combination of expenditure reductions and fee increases to address the deficit facing the City. He informed the Council the Fee Resolution also included a recommendation to increase the Transient Parking Tax from 10 percent to 12 percent of gross receipts.

He stated the total proposed budget was \$431,375,943 with the General Fund comprising a quarter of the budget. Regarding appropriations, he stated all fund appropriations totaled \$411,066,749 with General Fund appropriations totaling a little over a quarter of the total appropriations amount. He highlighted the major components in the budget and stated total General Fund revenues were \$113,428,850, .9 percent higher than last fiscal year, and that Property Tax, Sales Tax and Utility Users Tax (UUT) revenues constituted more than half of the General Fund revenues. He noted the projections for a 2.2 percent growth rate in Sales Tax revenues; a 5.5 percent growth rate in Property Tax revenues; and reported a 2.7 percent decrease in UUT revenues with projections still remaining low.

On the appropriations side, Mr. Hanway stated General Fund appropriations totaled \$109,161,685, 1.5 percent less than last fiscal year's budget, with the Police and Fire Departments representing almost half of the General Fund's appropriations. He added departments were requested to provide scenarios of expenditure reductions and revenue enhancements and that almost all departments met the required 10 percent reduction, while a few exceeded the required reductions. He also noted Public Employee Retirement System (PERS) costs were anticipated to increase by \$2.48 million over the next fiscal years, coupled with Memorandum of Understanding (MOU) costs which are projected to increase by \$3.2 million. He added other significant increases comprised of Internal Service Funds, specifically the General Liability and Workers Compensation Funds by almost \$1.35 million; increase in the Communications Replacement Fund in the amount of \$314,000 that was previously approved for incorporation into the recurring budget in FY 2003-04; and increase in the Computer Equipment Replacement Fund in the amount of \$103,000 to accommodate the purchase of new computers at the Buena Vista Library.

In addition, he reported departments were informed that no new position requests would be granted unless they were revenue off-set, with the exception of positions added at mid-year; positions that were frozen last fiscal year would continue to be frozen; there was no allowable increase in Material, Supplies and Services accounts (MS&S) unless non-discretionary; and that no new capital outlay requests would be granted.

He recounted at the May 22, 2003 Budget Study Session, staff projected to use \$1,206,186 from the Burbank Water and Power (BWP) Set-Aside Fund and that pursuant to Council direction regarding the wish-list, the anticipated revenue amount from fee increases in the Aquatic Program has been decreased; savings were realized from Fund 532 resulting from lower replacement costs for the aerial truck; two positions proposed for lay-offs without Supplemental Employee Retirement Plan (SERP) offers have been extended for six months; the City Clerk's training budget was restored; Planning Board meals were restored; half of the Positive Alternative for Youth (PAY) grants appropriations was added for the phase-out approach, culminating in a total deficit of \$1,186,925 to be off set by the BWP Set-Aside Fund, of which \$92,047 is a non-recurring and \$1,094,878 is a recurring appropriation.

Mr. Hanway informed the Council the proposed budget did not assume any loss of revenues related to the State budget process and noted the Governor's May Revision to the State budget proposed cuts in redevelopment funding estimated to cost the City's Redevelopment Agency \$2.8 million; the proposed budget included \$92,575 in Public Library Funds versus the State's \$2,800 allocation; the City budget included booking fees in the amount of \$12,772 but the line item was eliminated by the May Revision; and that State mandate payments continued to be suspended while some were being repealed to reduce the amount loaned by the City to the State.

He highlighted a few significant components of the Fee Schedule which included: increase in Transient Parking Tax from 10 to 12 percent; the second of a five-year water rate increase plan of 4.8 percent per year; an 8.5 percent increase in sewer rate fees; elimination of a \$.43 monthly street sweeping fee; increase in film permit fees from \$200 to \$300 and incorporating the new street and sidewalk use fee of \$200; increase in animal adoption fee from \$15 to \$25 for altered dogs and \$45 to \$60 for dogs altered through the Animal Shelter; increase in the safety personnel rates based on current MOUs; various License and Code Services fees were removed from the Burbank Municipal code and added to the Fee Resolution with minimal increases; increase in monthly parking permit fees from \$20 to \$24 as part of a three-year ramp up of \$4 per year; and, increase in group picnic fees at Robert Gross Park from \$250 to \$350.

Regarding the Appropriations Limit, Mr. Hanway stated for legal compliance, the City was required by State law to establish an appropriation limit each fiscal year. He stated for FY 2003-04 the limit was \$116,604,407 and the appropriation subject to that limit was 86,174,216 to provide a significant gap of \$30,433,191.

Citizen
Comment

Appearing to comment were Bud Alleman, President of the Burbank Chamber of Commerce, in opposition to the increase in the Transient Parking Tax (TPT) from 10 percent to 12 percent, noting the voter approval was passed by a small margin, businesses are already inundated with costs and this increase would impact both businesses utilizing the parking as well as the parking businesses themselves, requesting the Council remain business-friendly, as by reducing taxes you stimulate economic growth; Doug Carter, owner/operator of VSP Parking, in opposition to increasing the TPT due to the current parking fee price wars at the Burbank Airport, stating his business was already hard hit by decreasing revenues and such a tax would have to be absorbed by the business owners; Stan Hyman, citing Assembly Bill (AB) 1690 and stating this bill allows the City to form a public safety finance agency with the power to impose an income tax on residents, expressing concern that the Council may be in support of this bill, requesting the Council formally oppose the bill and contact Senator Jack Scott to express their opposition; David Piroli, expressing concern with increased spending and tax increases, as this decreases the public's spending power, noting redevelopment projects cost the City money, and urging the Council to not support AB 1690 and to reduce spending; Molly Hyman, commenting on a loan made by the City to the Redevelopment Agency; and Mark Barton, inquiring how the Council can cut spending.

Hearing
Closed

There being no further response to the Mayor's invitation for oral comment, the hearing was declared closed.

Transient Parking
Tax

Mr. Golonski stated in view of the fact that demand for parking remained constant, he was supportive of raising the Transient Parking Tax (TPT) to 12 percent, and added even with the increased TPT, customers would continue to pay less for parking compared to what they paid prior to the price wars at the Airport, and noted that the tax would be applied equally among the competing businesses.

6/10/03

Mr. Vander Borgh acknowledged the impossibility of achieving a fair balance on the budget but voiced his concern regarding the impetus for the TPT increase. He expressed his objection to the increase since the impact would fall heavily on small business owners.

Ms. Murphy stated she was not supportive of the tax increase and noted the price wars and the current unfavorable economic condition that would heavily impact small business owners, especially around the Airport.

Mrs. Ramos pledged her commitment to assist in resolving the Zelman/Airport parking issue and stated she was not supportive of increasing the TPT at this time, but would consider reviewing the issue in a year, recognizing future budget challenges.

Mr. Campbell stated he was supportive of deferring the decision on increasing the TPT to a future date.

Mr. Golonski requested the matter be brought back at the mid-year budget review and recognized the need to address the additional \$300,000 shortfall in the budget. Mr. Hanway recommended using the Burbank Water and Power (BWP) Set-Aside Fund to offset the deficit.

The Council directed staff to use the BWP Set-Aside Fund and bring the matter back for discussion at the budget mid-year review.

7:51 P.M.
Recess

The Board recessed at this time. The meeting was reconvened at 8:25 p.m. with all members present.

Motion

It was moved by Mr. Golonski and seconded by Mr. Vander Borgh that "the following items on the consent calendar be approved as recommended:"

Minutes
Approved

The minutes for the regular meetings of February 11 and February 18, 2003 were approved as submitted.

Adopted The consent calendar was adopted by the following vote:

 Ayes: Directors Campbell, Golonski, Ramos, Vander Borght
 and Murphy.

 Noes: Directors None.

 Absent: Directors None.

8:26 P.M. The Board recessed at this time to permit the Council to
Recess continue its meeting. The Board reconvened at 9:30 p.m. for
 public comment with all members present.

9:44 P.M. There being no further business to come before the Board, the
Adjournment meeting was adjourned at 9:44 p.m.

Secretary

APPROVED AUGUST 19, 2003

Chairperson