

CITY CLERK'S RECORD OF MEETING

City Council Finance & Budget Subcommittee

January 27, 2021

Present: Mayor Horvath, Mayor Pro Tempore Lauren Meister, City Manager Paul Arevalo, Assistant City Manager David Wilson, Senior Management Analyst Christine Safriet, Acting City Clerk Melissa Crowder

The meeting was called to order at 4:03 p.m.

Public Comment

- Victor Omelczenko:
 - Cost savings of the current furlough program?
 - Cost savings of recent staff retirements?
 - How have staff been reassigned due to changes in Department/Division workplans? What is the City's Events Services Division working on?

Mayor Pro Tempore Meister made the following comments and posed the following questions to staff.

- Requested that the 2/16/21 Budget Staff Report address the cost savings of the furlough program, the cost savings of the Retirement Incentive Program, and the reassignment of staff due to COVID-19.
 - Assistant City Manager Wilson stated that in the two rounds of the Retirement Incentive Program, a total of 10 individuals took advantage of the program. Cost savings accrue in wages and benefits (since positions remain vacant) and draw down of leave accruals.
- Asked about City Staff's vacation accruals/usage, and if there is a need to discuss further with the bargaining units.
 - Assistant City Manager Wilson indicated that with the agreed upon Voluntary Furlough Program, staff can use their leave accruals for purposes of their furlough. The City is on track with the estimated reduction in accrued leave.
 - City Manager Arevalo shared that although most staff are teleworking, staff continues to take time off and use regular vacation time.
- Expressed concern about the cost of wages and benefits, as they are the City's largest expense.
- Inquired about current staff vacancies and asked if the City will continue with the hiring freeze. Curious to know how other cities have approached staffing, vacancies, and layoffs.
 - City Manager Arevalo & Assistant City Manager Wilson noted that the hiring freeze will continue for now. Conversations with the bargaining units will continue, and when needed critical positions will be filled.

- Inquired about the current Los Angeles Sheriff's Department (LASD) contract and if there are any additional savings the City can explore, specifically staffing vacancies within the contract.
 - City Manager Arevalo stated that additional information about the LASD contract and staffing needs will be included in the 2/16/21 staff report. The largest public safety savings this fiscal year was the cancellation of the Halloween Carnaval and noted that a discussion regarding Halloween 2021 is needed.
- Asked if the City can expedite some of the new revenue streams currently in the works (i.e., billboard agreements).
 - City Manager Arevalo shared that staff are focused on implementing revenue streams as quickly as possible. A portion of the new revenues will be allocated to replenish reserves.
- Requested that staff focus on the pending February deadline for approved cannabis businesses to go through the licensing process. Especially since taxes on cannabis are another revenue source for the City.
- Inquired if the City's reserves are sufficient to cover the City's expenses for the next couple of years, understanding that the City will need to draw down on reserves to balance its budget.
 - City Manager Arevalo stated that the programs and services that the City needs to fund will be funded; however, new initiatives/programs will need to be deferred to a later date.
- Inquired if there are any City properties that can be temporarily used to generate revenue or assist the business community (i.e., convert a surface parking lot to an outdoor dining area for a restaurant).
 - City Manager Arevalo stated that it is possible and there are also challenges in recovering revenue.

Mayor Horvath made the following comments and posed the following questions to staff.

- Asked if transportation, housing/homelessness, and food security are still the top priority needs that the community continues to inquire about when contacting City Hall.
 - City Manager Arevalo indicated that monies continue to be allocated and spent for those needs.
- Asked when staff anticipates that the City may return to its traditional budget process with a 2-year budget cycle.
 - City Manager Arevalo anticipates that it will be for fiscal years 2022-23 and 2023-24.
- How can we move forward on development of some of our City properties?
- Based on the City's current financial position, what is possible in activating some of the City-owned properties and whether we move forward or pause on further efforts.
 - City Manager Arevalo recommended that the City hold off on new programs. He also requested that any items that add to the operating budget be deferred, until an actual operating budget is determined for the next year. He further noted that

it is prudent to move forward with the planning aspects of capital assets/capital campaigns.

- Asked that the City continue to ensure that there is sufficient staff to continue to assist and support the community's most vulnerable individuals, and that there is appropriate staffing to open the City's new Aquatics and Recreation Center.
 - City Manager Arevalo indicated there will be challenges with opening a new facility during a pandemic, but staff are currently creating the groundwork for when the time comes.
- Requested that staff return to the full Council with an item to discuss Halloween 2021 and other events through the end of 2021.

Mayor Horvath commented that the City Clerk and City Attorney will discuss how the minutes will be handled for the meeting.

The meeting adjourned at 4:59 p.m.

Melissa Crowder

Melissa Crowder, Acting City Clerk