

**MINUTES  
CITY COUNCIL MEETING  
MARCH 30, 1993  
FIESTA HALL, PLUMMER PARK  
7377 SANTA MONICA BLVD.  
7:00 P.M.**

**STUDY SESSION/PUBLIC MEETING ON EXPENDITURE  
REDUCTIONS FOR FISCAL YEAR 1993-94**

**CALL TO ORDER:** Mayor Lang called the meeting to order at 7:06 p.m.

**PLEDGE OF ALLEGIANCE:** The Pledge was led by Paul Arevalo.

**ROLL CALL:** PRESENT: Guarriello, Heilman, Koretz, Land, and Mayor Lang  
ALSO PRESENT: City Manager Brotzman  
Finance Director Arevalo

**STAFF REPORT:**

City Manager Paul Brotzman gave a report on the financial issues facing West Hollywood, along with charts demonstrating: the West Hollywood mission statement, City accomplishments, a five-year revenue analysis, a four-year expenditure history for the General Fund, a summary of the impact of the recession on sales tax, transient occupancy tax and interest income. The City Manager also explained the cumulative loss of revenues due to State take-aways of revenue from property tax, cigarette tax and motor vehicle fees, and the declining amounts which the City receives from each property tax dollar, which has declined from eighteen cents to twelve cents. Next he presented a long-range revenue and expenditure forecast, a list of possible revenue opportunities, including parking enforcement, a better economy on the State level, and President Clinton's money to cities, and presented threats that could make the budget worse than projected, such as the State taking more, and increased liability costs on our contracts with the County. He also gave the projections of the General Fund for the next two fiscal years, projecting a deficit of \$1,991,000 for 1993-94 and \$2,496,000 for 1994-95, and listed proposed expenditure reductions based on operational efficiencies, program reductions, and one-time reductions. He commented that the proposed cuts were a result of input from City Council, employees, and the community; however, some of the cuts that had been proposed by the community would actually have a negative financial impact. He also emphasized the necessity for long-term budget changes.

**CITIZEN COMMENTS:** The following persons addressed the Council:

Norman Hammer, Los Angeles, of the Sunset Strip Association: Suggest a complete audit of Marketing Corporation; also stop supporting the Chamber.

Mike Radcliffe, Los Angeles, of the West Hollywood Community Alliance: Was part of a Committee for Fiscal Responsibility. Get rid of shuttle; cut the budget; you don't need new programs.

Charlie Mercer, Sunset Strip Association: Seven years ago we had three healthy industries: design, entertainment, and hotels. Now you want to add one percent on hotels' bed tax; hotels will go down the tubes.

Alan Weber, West Hollywood: In support of Dispute Resolution Services.

Muriel Kauer, West Hollywood: (Handicapped senior) In support of Senior Center.

Berncie Levin, West Hollywood, Assistant Activity Director at West Hollywood Senior Center: In support of Senior Center.

Robert Yeager, West Hollywood (hotel manager): Urge increase funding to Marketing Corporation.

David Goldstein, West Hollywood: Volunteer at Shanti Found. Urge not to cut any social services.

Paul Phillips, West Hollywood: In support of A.L.A. (Alternative Living for the Aging).

Tippi Kelley, West Hollywood: In support of Senior Center.

Tim Smith, Los Angeles: Commercial real estate broker, member of East End Revitalization Task Force. Urge a minimal utility users tax and a minimal cut of social service programs.

Mark Rose, West Hollywood: A resident of homeless shelter. In support of Homeless Organization.

Rita Guarriello, West Hollywood: Opposed to utility users tax; will hurt people financially; will hurt the PDC.

Agatha Szatmary, West Hollywood: City should adopt the suggestions by Committee for Fiscal Responsibility; don't cut law enforcement.

Consuelo Chavira, West Hollywood: In support of the social services at the Park.

Michael Yates, representing Christopher Street West: In support of Marketing Corp., a revenue-generating organization. Should look at special events and decide which is revenue-producing.

Don King, West Hollywood: Former resident of Homeless Shelter. In support of W.H. Homeless Organization.

Jackie Rabinowitz, West Hollywood: Importance of social services; support services that use volunteers.

Dan Fisher, West Hollywood: Program Director, Homeless Organization. Support a small across the board cut for all programs; ask Council to consider a small utility tax with exemptions for low-income persons.

Julie Summers, West Hollywood: Apartment building owner. Not against moderate taxes; "keep West Hollywood strong."

Dorian Sinclair, West Hollywood: Resident of homeless shelter. In support of Homeless Organization.

Julie Anderson, Los Angeles: Project Director for Women's Project at Gay and Lesbian Community Services Center. Please

don't cut the programs at the Center.  
Elaine Mutchnik, West Hollywood: On behalf of Marketing Corporation.  
Kenneth Jovis, West Hollywood: Resident of homeless program; in support of Homeless Organization.  
Priscilla Binford, West Hollywood: In support of Alternative Living for the Aging.  
Kevin Notre, West Hollywood: Social service programs must be need-based; do not subsidize special interest groups.  
Budd Kops, West Hollywood: Should be zero-based budget; cut the fat from the budget.  
Hamp Simmons, West Hollywood: Member of East End Revitalization Task Force; don't want to see a reduction in services.  
Bruce Traub, West Hollywood: Should put the utility tax on a ballot.  
Ezell Gipson, West Hollywood: (Not present.)  
Rick O'Dell, West Hollywood: (Not present.)  
Michaeljohn Horne, West Hollywood: Support a modest utility user tax and a five percent across-the-board reduction for social services.  
Gary Salt, West Hollywood: Agree with need-based programs for social services; suggest dropping funding this year for Marketing Corp.--they should attract businesses, not tourists; could reduce Police Community Relations Officer for one year; reduce money to the Chamber.  
Richard Banta, West Hollywood: Opposed to taxes. Should reduce spending, roll back salaries, move Rent Stabilization Department to the Werle Building, cut back on special events, eliminate immigrant services and gay services.  
Ann Crowell, West Hollywood: Oppose utility tax.  
Mary Frost, West Hollywood: Director of Marketing Corp. On behalf of Marketing Corp. A consulting firm, PKF, is doing hotel-tracking for Marketing Corp. Are working with PDC.  
Rod Guendyke, West Hollywood: (Not present, John Douponce spoke in his place.)  
John Douponce, West Hollywood: On behalf of Le Montrose and Le Parc Hotels; in support of Marketing Corp. Not in favor of a tax, but would support T.O.T. increase over a utility tax.  
Ethel Shapiro, West Hollywood: Further budget cuts must be explored. Eliminate Chamber of Commerce; same for Marketing Corp.; maybe eliminate Farmers' Market and Community Gardens.  
Michael Urman, West Hollywood: Why need a Rent Stabilization Office? Charge fee for tennis courts.  
Norm Chramoff, West Hollywood: Marketing Corp. and people who make \$100,000 a year should share the burden. Don't cut taxi coupons.  
Morris Newman, West Hollywood: In support of Alternative Living for the Aging.  
Fred Vanacore, West Hollywood: In favor of Marketing Corp. and favor a small utility users tax with low-income exemptions.  
Dr. Martin McCombs, West Hollywood: Support Council.  
Danielle Nelson, West Hollywood: (not present)  
Paul Davis, West Hollywood: Member of the Board, Homeless

Organization. Ask maintain funding for Homeless Organization.  
Stephen Martin, West Hollywood: Opposed to utility users tax;  
favor zero-based budget.  
Ms. Lexie Woods, West Hollywood: Don't cut Homeless  
Organization funds, it will create a skid row.

**COUNCIL DISCUSSION AND DIRECTIONS TO STAFF:**

Following the public comments, the City Council discussed the  
proposed expenditure reductions, and reached a consensus on  
the following budget cuts for the 1993-94 fiscal year:

Operational Efficiencies:

Printing and Binding (10%).....\$21,000  
Postage/messenger service.....\$15,000  
5k/10k Run.....\$ 9,000  
Publications.....\$ 5,000  
Training.....\$25,000 confirmed;  
City Manager to look into the effect of cutting  
another \$15,000; come back to Council.  
Travel and Local Meetings.....\$45,000 confirmed;  
with the City Manager to look into another  
\$15,000 and come back to Council.  
Prop. "C" Utilization.....\$180,000

Program Reductions:

Chamber of Commerce.....\$ 1,500 (minimum  
reduction agreed upon at this time, with the exception  
of Councilmember Guarriello who said he would  
cut all the funding)  
  
Rent Stabilization Department...\$ 5,000  
Explore employee COLA deferral, or possible work  
furlough.....(City Manager directed to speak  
to bargaining units.)

Sheriff's Contract:

Special Events Law Enforcement..\$30,000  
Crime Prevention officer.....No cut  
Traffic Patrol.....No cut  
General Reduction.....\$200,000 (Agreed as a  
general target. City Manager to sit down with the  
Sheriff's Department and discuss the specific  
reductions.)

Transportation Programs:

Shuttle program.....No cuts  
Taxi Coupons.....No cuts  
(Joan English, Transportation Department Director,  
recommended not changing the taxi program at least for  
now, and said that riders will increase on the shuttle  
as people get used to the program. The Councilmembers  
felt that it would be difficult to check on the incomes  
of people who use taxi coupons.)

Social Services:

Social Service Contracts.....\$104,000 (four percent)  
Direction given to Social Services staff to look at prioritizing of cuts based on services and effectiveness of the agency, and then for the rest of the agencies do an across-the-board cut, with the Homeless Organization to be treated the same as the other agencies.  
Homeless Shelter.....There was discussion of proposal to pay building rent and salary for a grant writer, and have the homeless program paid out of any grants received. The Council did not support this proposal. Councilmember Heilman indicated he would support a small reduction to the homeless shelter, but he would not agree to cut out the homeless shelter.

Economic Development:

Marketing Corporation.....\$ 9,000 (five percent)  
(There was lengthy discussion of the Marketing Corporation. Councilmember Guarriello objected to the proposal of funding them at \$170,000. The City Manager gave a review of the history of the Corporation. Councilmember Heilman suggested looking at a T.O.T. (transient occupancy tax) increase where some would go to the General Fund, and some would go to replace General Fund revenues that are going to the Marketing Corp.--thereby the Corporation would have a greater incentive to bring in transient occupancy tax. Councilmember Koretz suggested a half percent transient occupancy tax increase, which would bring in \$200,000, and that half be given to Marketing Corp. Councilmembers Heilman and Land and Mayor Lang felt the Corporation is an important investment and should be kept. Councilmember Koretz preferred a greater reduction in funding. It was agreed to cut \$9,000, or five percent, to start with.)

One-Time Budget Cuts:

Reduce Prop. "A" Purchase.....\$100,000  
(The City Manager stated that the City had accumulated a reserve of \$291,000 in Prop. A funds, but recommended spending down only \$100,000.)  
Proposal to Reduce Parking Meter Revenue Fund (money set aside for off-street parking structures) by 50% or \$100,000, and turn that money back to the General Fund.....No cut for this year.  
(Councilmembers Koretz and Land favored the proposal; however Councilmembers Heilman, Guarriello and Mayor Lang were not supportive of taking anything from the parking meter fund.)

(Total Agreed-Upon Cuts: \$749,500)

Councilmember Guarriello asked how much of a budget deficit remained. Finance Director Arevalo said that the projected

deficit for '93-94 had been 2 million, and for '94-95 had been 2.5 million; with the agreed-upon cuts of \$750,000, that still leaves a projected gap of 1.7 million for 1994-95.

City Manager Brotzman added that, with the recommendation to do an increase on transient occupancy tax and give it to the Marketing Corporation in lieu of the \$100,000 coming out of the General Fund, that would bring the total cuts to about \$850,000.

Direction was given to the City Manager to follow up by bringing back all the agreed-upon cuts and giving additional guidance and information on other items Council had asked for, such as employee deferral of COLA, and incorporate those into the budget process for the upcoming year.


City Manager Brotzman commented that Council had narrowed the budget gap enough that they could defer making a decision on a utility users tax until they formally adopt the budget. At that time they may have an idea of what the State is going to do. Staff could continue looking at where and how the budget can be cut. If Council does impose a utility users tax, it would not have to be for the full year.

The City Manager also suggested that the more the residents lobby their State legislature, the more helpful it would be.

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**ADJOURNMENT:** The meeting was adjourned at 10:40 p.m. to Monday, April 12, at 6:00 p.m. for a study session on the proposed Sunset Specific Plan, to be held at West Hollywood Park Auditorium.

APPROVED BY MOTION OF THE CITY COUNCIL THIS 19TH DAY OF APRIL, 1993.

  
MAYOR

ATTEST:

  
CITY CLERK