



RAY PEARL
Mayor

NED E DAVIS
Mayor Pro Tem

KELLY HONIG
Councilmember

SUSAN McSWEENEY
Councilmember

BRAD HALPERN
Councilmember

MINUTES

Study Session Meeting of the City Council

May 10, 2023

CALL TO ORDER

This Study Session meeting of the Westlake Village City Council was called to order by Mayor Pearl on Wednesday, May 10, 2023, at 4:34 p.m., at 31200 Oak Crest Drive, Westlake Village.

PLEDGE OF ALLEGIANCE:

Mayor Pearl led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Councilmembers McSweeney, Honig, and Mayor Pearl

ABSENT: Councilmember Halpern and Mayor Pro Tem Davis

Also Present: City Manager de Geus, City Attorney Boga, Deputy City Manager Eskandar, Administrative Services Director Wilson, Planning Director Forbes, City Clerk Mann, City Traffic Engineer Wessel, Public Works Manager Iverson and Accountant Leeds.

APPROVAL OF AGENDA:

Councilmember Honig moved to approve the Agenda as presented. Councilmember McSweeney seconded the motion.

YES: Councilmembers McSweeney, Honig and Mayor Pearl
NO: None
ABSENT: Councilmember Halpern and Mayor Pro Tem Davis
ABSTAIN: None

Mayor Pearl declared the motion passed 3-Yes; 0-No; 2-Absent (Councilmember Halpern and Mayor Pro Tem Davis)

PUBLIC COMMENTS: None

STUDY SESSION:

1. PROPOSED OPERATIONS BUDGET FOR FISCAL YEAR 2023-24

City Manager de Geus introduced the item stating the budget development process is guided by the City's Strategic Plan, Council Goals, and City Manager's priorities, while maintaining programs, services and City infrastructure. Mr. de Geus stated that the Fiscal Year 2023-24 Budget will fund projects that are aligned with fulfilling City Council and Strategic Plan goals.

Administrative Services Director Wilson presented the Citywide budget proposed at \$21.3 million in expenditures, with \$14.4 million in General Fund and \$6.8 million in Restricted Funds. Expenditures, broken down by division, were highlighted, noting that the City's largest budget expenses remain Public Safety (19%) and the Capital Improvement Plan (21%).

Citywide revenues are projected at \$19 million with the largest three revenue sources remaining as Sales Tax, Property Tax and Transient Occupancy Tax (TOT) totaling 67% of all revenues. She noted restricted revenue will comprise 17% of anticipated revenues.

Ms. Wilson provided an overview of the proposed budget by category on a citywide basis, reported that overall, the proposed budget increased by \$1.16 million, mostly attributed to the Capital Improvement Program expenditures, law enforcement contract and Personnel costs.

Staffing Plan

Administrative Services Director Wilson provided an overview of personnel costs, with Staff positions remaining at 14.5 positions. Ms. Wilson reported an overall increase in cost of \$119,095, which represents a four percent overall compensation package adjustment, including Public Employee Retirement System (PERS) costs, medical insurance plan, workers compensation and Medicare.

Ms. Wilson provided a historical perspective on salary range adjustments. She stated that one of its major considerations has been the Classification and Compensation study which is undertaken every 4 years. She also mentioned the inflation rate hikes in the last 12 months that ended in December 2022 and topped off at 8.6%. Correspondingly, Ms. Wilson said the proposed budget includes a four percent overall compensation package adjustment and a five percent adjustment to the salary ranges. Ms. Wilson stated this is not an in-pocket salary increase and that actual raises will be based on merit by the City Manager at each employee's evaluation anniversary date. Ms. Wilson illustrated the staffing structure and the proposed salary costs.

STUDY SESSION (continued):

General Fund

Administrative Services Director Wilson stated the overall proposed General Fund expenditures are \$14.5 million, an increase of \$270,000. The major driver behind this increase includes adjustment of the law enforcement contract in the amount of \$248,800 and staff compensation adjustments. Ms. Wilson stated that the increase in funding for law enforcement services will be entirely offset by the American Rescue Plan Federal Grant.

Ms. Wilson reported the proposed General Fund expenditures will be under the projected General Fund revenue, resulting in a projected surplus of \$1.3 million. She provided a historical trend for the three major revenue sources, sales tax, property tax and TOT, which are projected at the highest level.

Budget Adjustments

Ms. Wilson provided a summary of budget line items that were added to the FY 2023-24 budget, items that continue, and one-time line items that have not been carried forward in the proposed budget. Ms. Wilson stated the proposed budget will address the Council's 2023 Goals.

General Fund Reserve

Ms. Wilson reviewed the General Fund Reserve, stating the City maintains its reserve level between 50% to 75% of the City's estimated General Fund operating expenditures in any given fiscal year. The City's reserve level continues to represent sound, conservative, and fiscally prudent oversight given the unique financial characteristics of Westlake Village.

Capital Improvement Program (CIP) Fund Reserve Policy

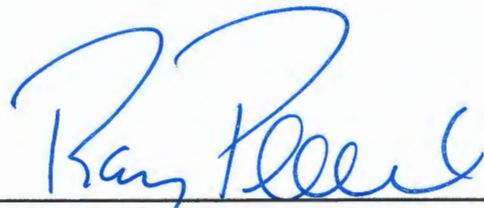
Administrative Services Director Wilson provided an overview of the CIP Fund Reserve Policy, established in 2013 to offset costs for extraordinary and/or one-time expenditures such as exigent conditions of a capital nature, opportunities to acquire vacant or open space lands for public purposes, and for exposures to potential damages to City infrastructure caused by catastrophic/natural disasters not offset by existing General Fund Reserves. Ms. Wilson noted the Policy dictated that the City's initial minimum CIP Reserve level be calculated as a percentage amounting to between 20% and 30% of the City's annual operating budget. The "Restricted" CIP Fund Reserve for FY 2023-24 is projected to be at \$2,899,040 as of July 1, 2023, representing 20% of the proposed FY 2023-24 General Fund operating budget.

STUDY SESSION (continued):

City Council had no items for discussion and thanked staff for the thorough draft budget proposal.

ADJOURNMENT:

Mayor Pearl adjourned the meeting at 5:08 p.m. to the Regular Session scheduled for 6:30 p.m.



Ray Pearl, Mayor

Attest:



Antoinette Mann, City Clerk