

CITY OF LOS ANGELES

CALIFORNIA



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September 30, 2009

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council file No.
09-0600-S142, at its meeting held SEPTEMBER 29, 2009.

City Clerk

VCW

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your

BUDGET AND FINANCE Committee

reports as follows:

BUDGET AND FINANCE COMMITTEE REPORT relative to reconsideration of the Budget and Finance Committee Minority Report and Fiscal Emergency Resolution relative to sworn furloughs and the 2009-10 Budget Balancing Operational Plan.

Recommendations for Council action:

1. RECEIVE and FILE recommendations 1, 2a and 12 of the Budget and Finance Committee Minority Report (Minority Report), attached to the Committee report, relative to the 2009-10 Budget Balancing Operational Plan inasmuch as actions taken by the Council on September 18, 2009 results in no further action being necessary on these recommendations.
2. REFER Minority Report recommendations 2b, 2c, and 2e relative to implementation of a mandatory furlough program to the Executive Employee Relations Committee (EERC) for further review.
3. HOLD Minority Report recommendation 2d in Budget and Finance Committee pending EERC review of recommendations 2b, 2c and 2e above.
4. HOLD Minority Report recommendations 3, 4, 5, 6 and 15 in Committee pending updated operational plans.
5. HOLD Minority Report recommendation 8 relative to implementation of deferred cost of living increases to specific bargaining units in Committee pending ratification of the Agreement with the Coalition of Unions.
6. INSTRUCT the City Administrative Officer (CAO) to convene a working group comprised of the CAO, Chief Legislative Analyst (CLA), Personnel and Controller to monitor the progress and cooperation of the departments implementation of the operational plans and report to the Budget and Finance Committee monthly.
7. INSTRUCT General Managers to work with the Personnel Department and CAO to identify placement opportunities for employees at risk of layoff.
8. INSTRUCT the Personnel Department to work with the City's Employee Assistance Program provider to develop programs to assist employees at risk of layoff.
9. REQUEST the Mayor, as part of the proposed Fiscal Year 2010-11 budget, to eliminate all positions frozen by the CAO and Controller.

10. INSTRUCT the CAO and CLA to report back to the Budget and Finance Committee relative to Police and Fire Sworn Shared Responsibility and Sacrifice (SRS) shortfalls identified in the Joint CAO/CLA report, dated September 11, 2009 (attached to the Council file). The CAO/CLA report should identify options to address the budget shortfalls if the ERIP is approved by the Council.
11. EXCLUDE the following Departments, to the extent possible, from further funding reductions in 2010-11: Recreation and Parks, Library, Convention Center and Housing Departments.
12. INSTRUCT the CAO, with the Bureau of Engineering (BOE), to reevaluate the Joint CAO/CLA report Attachment 2 recommendation #197 relative to closure of the West Los Angeles District BOE Office and reassignment of eight positions to special funded programs, and report back to the Budget and Finance Committee.
13. RELATIVE TO MINORITY REPORT RECOMMENDATION 13:
 - a. INSTRUCT the CAO and CLA to report back to the Budget and Finance Committee in two weeks relative to amending the emergency declaration to include sworn furloughs in the context of continuing negotiations with sworn personnel.
 - b. SUBMITS WITHOUT RECOMMENDATION:

DEFER the October 2009 Los Angeles Police Academy Class until pending negotiations conclude.
14. INSTRUCT the CAO and CLA, and REQUEST the Mayor, consistent with the Council's actions on the Early Retirement Incentive Program (ERIP), to work with the following departments to generate updated operational plans to address the budgetary shortfall: Aging, Animal Services, City Clerk, El Pueblo, Finance, Fire, General Services, Information Technology Agency, Neighborhood Empowerment, Police, Board of Public Works, Bureau of Engineering, and Transportation.

Fiscal Impact Statement: Neither the CAO nor CLA have completed a financial analysis of this report.

Community Impact Statement: None submitted

SUMMARY

At its meeting of September 21, 2009, the Budget and Finance Committee reconsidered the Budget and Finance Committee's Minority Report and Fiscal Emergency Resolution relative to sworn furloughs and the 2009-10 Budget Balancing Operational Plan. This matter was referred back to Committee following the Council's actions of September 18, 2009 relative to the ERIP. On September 14, 2009, the Committee had considered a joint CAO/CLA report relative to the 2009-10 Budget Balancing Operational Plan. The joint report included a recommendation that the Council find that the ERIP as proposed for the Fiscal Year 2009-10, is not financially viable for the City unless the Coalition of Unions agreed to generate an additional \$50 to \$60 million and increase pension contributions by 1.9 percent. In a Minority Report, two of five Committee members recommended approval of this recommendation and additionally recommended approval of the

CAO/CLA recommendations relative to implementation of a mandatory furlough program effective September 28, 2009. Following continued negotiations with the Coalition, at a Special Council Meeting on September 18, 2009 the CAO and CLA reported that an agreement had been reached with the Coalition, pending ratification, and the first reading of the revised ERIP Ordinance was unanimously passed by the Council.

Council's approval of the ERIP Ordinance subsequently impacted recommendations contained in the Budget and Finance Committee's Minority Report. At its meeting on September 21st, the Committee reviewed each of the Minority Report recommendations, resubmitting via this Committee report recommendations which still require Council action, recommending receive and file action on those recommendations which are no longer relevant, and holding in Committee those recommendations which require the CAO and CLA to report back. The Committee recommended that Minority Report recommendations relative to implementation of a mandatory furlough program be referred back to the EERC for further review and held in Committee, pending the EERC review, the recommendation that General Managers implement work schedules and schedule furlough days to minimize disruption to services, etc.

During the Committee's discussion of Minority Recommendation No. 13, the Committee instructed the CAO and CLA to report back to the Budget and Finance Committee in two weeks relative to amending the emergency declaration to include sworn furloughs in the context of continuing negotiations with sworn personnel. As part of this recommendation, Councilmember Parks recommended deferring the October 2009 Police Academy class until pending contract negotiations conclude. Councilmembers Huizar and Rosendahl voted to proceed with the October Academy class, voting to continue police hiring to meet attrition levels. Councilmembers Parks and Smith voted to defer the October Academy class, stating that if upon conclusion of the LAPD contract negotiations the decision is made to continue police hiring, remaining fiscal year 2009-10 Academy classes could be increased to make up for the deferred October class. Inasmuch as the Committee vote on this matter resulted in a tie, this recommendation has been submitted to the Council without recommendation.

The recommendations made by the Budget and Finance Committee relative to reconsideration of the Committee's Minority Report and Fiscal Emergency Resolution relative to sworn furloughs and the 2009-10 Budget Balancing Operational Plan are reflected in this Committee report. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PARKS:	YES
SMITH:	YES
ROSENDAHL:	YES
HUIZAR:	YES
KORETZ:	ABSENT

LB
09-0600-S142_rpt_bfc_09-22-09

Attachment

-NOT OFFICIAL UNTIL COUNCIL ACTS-

ADOPTED
* AS - AMENDED
SEP 29 2009
SEE ATTACHED RESOLUTION
LOS ANGELES CITY COUNCIL

Item 12 A

MOTION

I ~~WILL~~ **MOVE** that instruction 12 be amended to add that the CAO, with the Bureau of Engineering, reevaluate the 2009-10 Budget Balancing Operational Plan recommendation #198 relative to suspending renovation work on the CD 14 Neighborhood City Hall Renovations after completion of seismic repairs and reassignment of one position to special funded programs, and report back to the Budget and Finance Committee.

I **FURTHER MOVE** that instruction 12 be amended to add that the CAO, with the Bureau of Engineering, reevaluate the 2009-10 Budget Balancing Operational Plan recommendation #199 relative to suspending renovation of the three swimming pools – 109th Street, Costello and Lincoln and reassignment of two positions to special funded programs, and report back to the Budget and Finance Committee.

Presented By: _____

JOSE HUIZAR

Councilmember, 14th District

Seconded By: _____

ORIGINAL

ADOPTED

SEP 29 2009

LOS ANGELES CITY COUNCIL

9-29-2009