

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

Your

**BUDGET AND FINANCE Committee**

**reports as follows:**

BUDGET AND FINANCE COMMITTEE REPORT relative to updated operational plans and continued consideration of the Committee's Minority Report recommendation Nos. 3,4,5,6 and 15 relative to the 2009-10 Budget Balancing Operational Plan.

Recommendations for Council action:

1. CONSIDER this item in conjunction with the tentative agreement with the Coalition of Los Angeles City Unions (Coalition), the Early Retirement Incentive Program (ERIP), and the tentative agreement with the Los Angeles Police Protective League (LAPPL).
2. REFER the Budget and Finance Committee Minority Report Recommendation Nos. 3, 4, 5, 6 and 15 back to the Budget and Finance Committee for continued consideration if the tentative agreement with the Coalition and ERIP are not approved by the Council.
3. APPROVE the following recommendations if the tentative agreement with the Coalition and ERIP are approved by Council:
  - a. Receive and file Budget and Finance Committee Minority Report Recommendation Nos. 3, 4, 5, 6 and 15.
  - b. Instruct departments to implement the Coalition agreement and to work with the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) to determine projected current year savings by source of funds and to report any remaining budgetary gap by source of funds within two weeks of its approval.
  - c. Instruct departments and the CAO/CLA to report back within 30-days with operational plans, including service level impacts, to close any budgetary gaps identified under 3.b. above.
  - d. Instruct the CAO/CLA to develop and implement tools that will facilitate the monitoring of savings identified in the Coalition agreement and to report monthly to Council on the actual savings generated.
  - e. Instruct departments and the Personnel Department to begin the layoff process/placement of all non-coalition position eliminations included in the 2009-10 Adopted Budget and the September 11, 2009 Budget Balancing Operational Plan Report to Council.
  - f. Instruct departments and the CAO/CLA to report back to Council in January with the actual ERIP participation counts, projected current year savings, and service level impacts.
  - g. Instruct the CAO/CLA to monitor and report monthly to Council on the actual savings generated by ERIP.

4. APPROVE the following recommendations if the tentative agreement with LAPPL is approved by the Council:
  - a. Instruct the Los Angeles Police Department (LAPD) to implement the LAPPL agreement and to work with the CAO and CLA to determine projected current year savings and to report any remaining budgetary gap within two weeks of its approval.
  - b. Instruct the LAPD and the CAO/CLA to report back within 30-days with an operational plan, including service level impacts, to close any budgetary gaps identified under 4.a. above.
  - c. Instruct the CAO/CLA to develop and implement tools that will facilitate the monitoring of savings identified in the LAPPL agreement and to report monthly to Council on the actual savings generated.

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

Community Impact Statement: None submitted

### SUMMARY

At its meeting of October 26, 2009, the Budget and Finance Committee considered updated operational plans and continued consideration of the Committee's Minority Report recommendation Nos. 3,4,5,6 and 15 relative to the 2009-10 Budget Balancing Operational Plan. The CAO submitted recommendations in Committee relative to actions the Council should take if, on October 30, 2009, the Council approves the tentative agreement with the Coalition, the ERIP, and the tentative agreement with LAPPL. Recommendations are also provided should the Council not approve these tentative agreements.

The CAO reported that the ERIP was ratified by the Coalition of City Unions on September 23, 2009, and will be considered by the Council on October 30, 2009. Additionally, the CAO has received ratification from the LAPPL of a tentative agreement with the LAPD. Combined, these two labor agreements represent nearly \$200 million in savings for this fiscal year, and additional savings for next year and following years. The CAO reported that the City still has a significant problem, and that the City needs to remain vigilant, particularly to as it relates to issues involving civilian cash overtime which is projected to be \$22 million this fiscal year, and sworn overtime which through the tentative agreement with the LAPPL represents a \$45 million savings. The CAO additionally has identified \$9 million in targeted solutions which equates to the elimination of 251 positions, which will not include Coalition members or LAPD personnel represented by the LAPPL. Remaining bargaining units which have not concluded negotiations with the CAO will be affected by the proposed lay-offs. The CAO recommends that departments be instructed to work with the CAO and CLA to determine projected current year savings by source of funds and to report any remaining budgetary gap by source of funds within two weeks of the proposed ERIP, if approved by the Council. Additionally, the CAO recommends that departments report back within 30-days with operational plans, including service level impacts, to assist the Council in quickly addressing remaining budgetary gaps in January when the Mid-Year Financial Status Report is released.

This Committee report reflects the actions taken by the Budget and Finance Committee relative to updated operational plans and continued consideration of the Committee's Minority Report recommendation Nos. 3,4,5,6 and 15 relative to the 2009-10 Budget Balancing Operational Plan.

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:	ABSENT
ROSENDAHL:	YES
HUIZAR:	ABSENT
KORETZ:	YES

LB

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**