

#10

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FEB - 3 2010

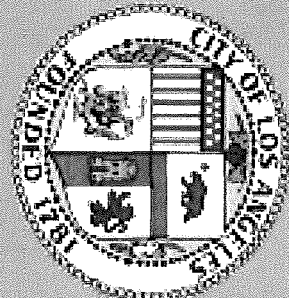
Me

BUDGET UPDATE

Mid-Year Financial Status Report

And

Three-Year Plan to Fiscal Sustainability

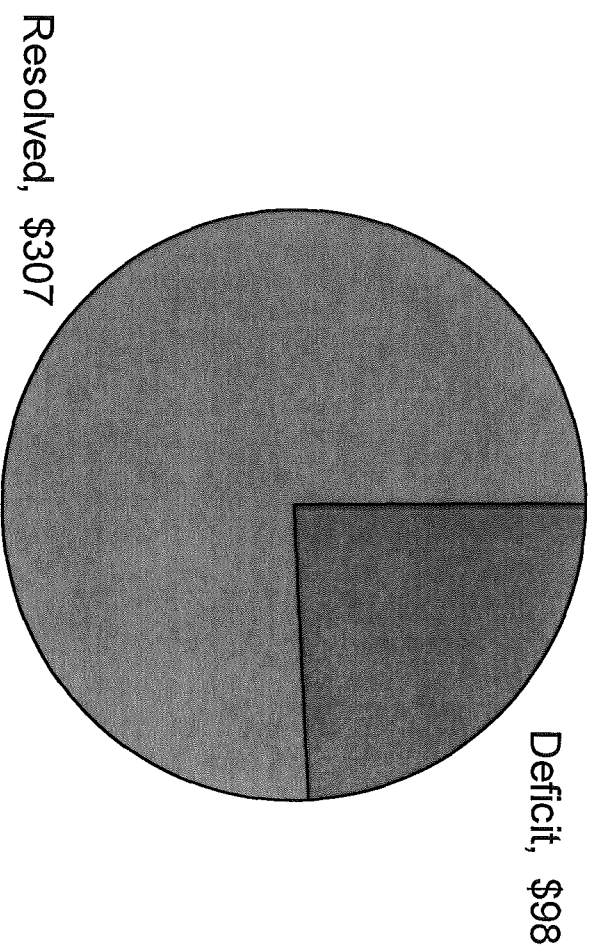


City Administrative Officer
February 2010

What is the City's Financial Status?

2009-10 – The Total Reported Deficit in November 2009 was \$405 Million

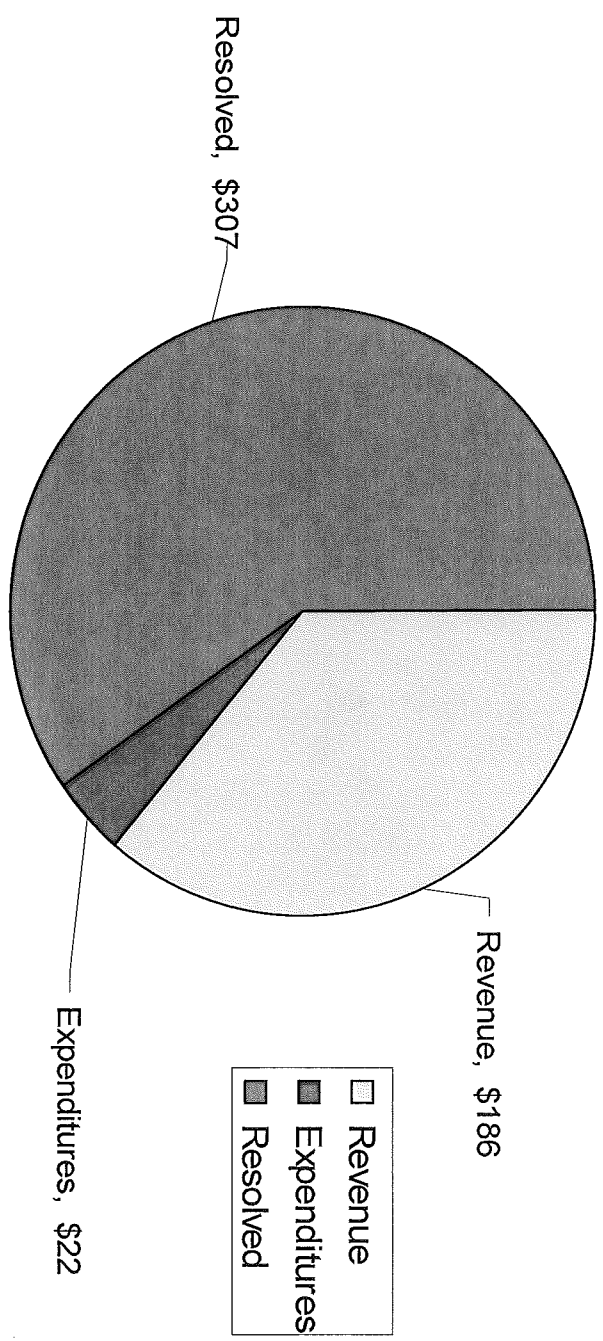
\$405 Million



What is the City's Financial Status?

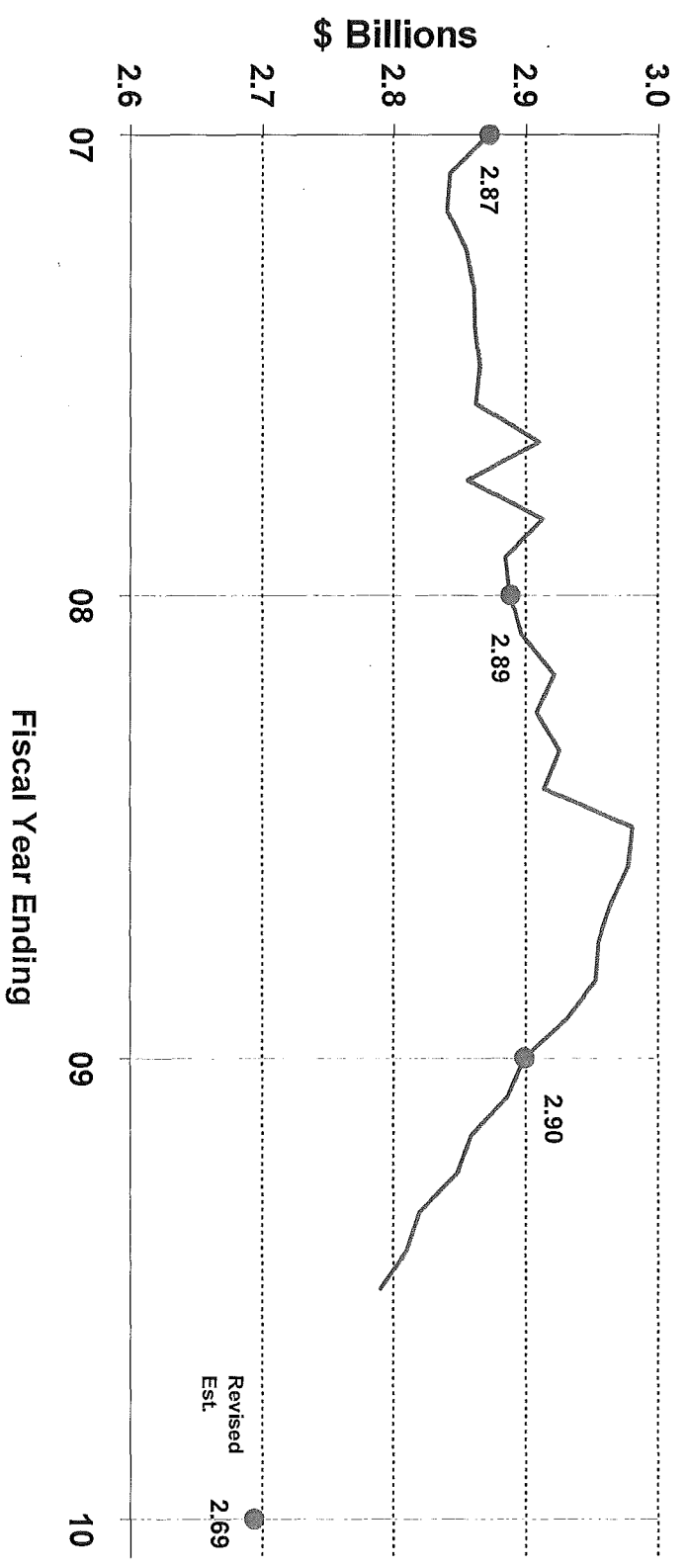
The Remaining Deficit in January 2010 is now \$208 Million

Total 2009-10 Deficit - \$515 Million



Dramatic Drop in Revenue

General Fund Taxes

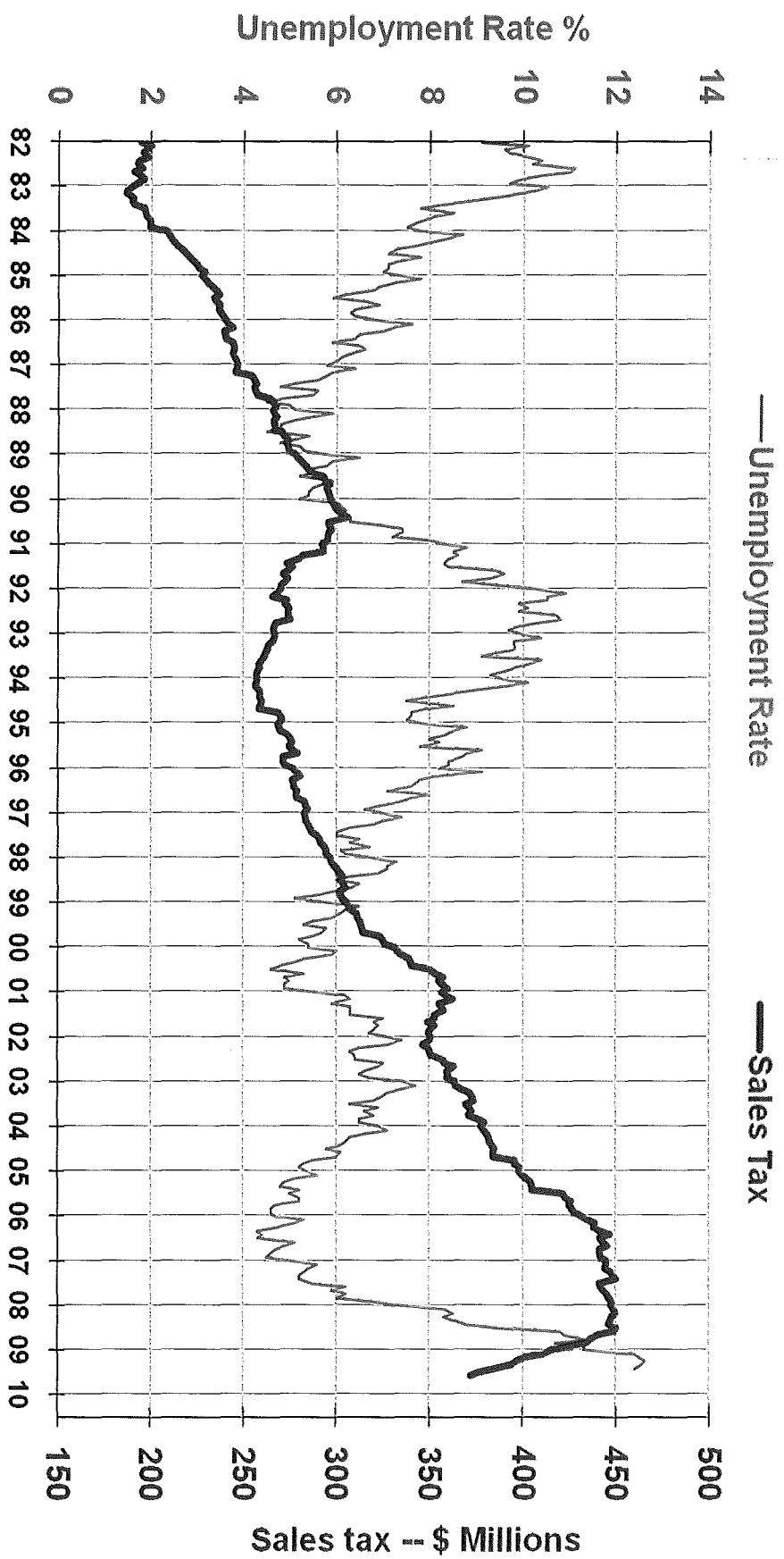


* Includes two-thirds of all General Fund receipts: property, documentary, utility, sales, business, hotel, parking and residential development taxes. Excludes such Internal activity as transfers from the reserve, power and other special funds, interest income, grants, and reimbursements.

A Healthy Reserve Fund

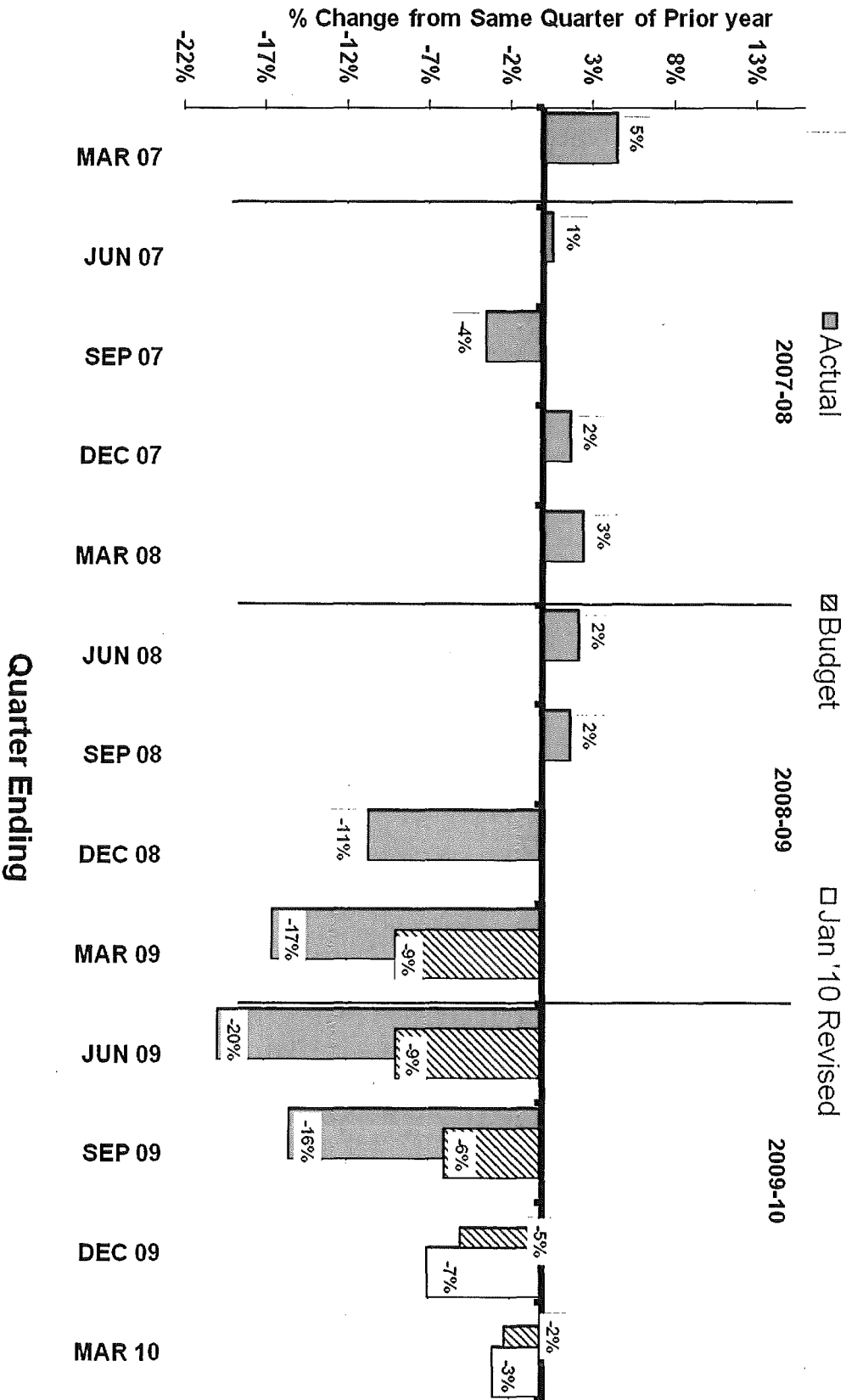
Status of Reserve Fund	Millions
Current Reserve Fund Balance	\$170.9
Anticipated Transfer from the Fire Hydrant Fund	28.8
Repayment of Loans from JOB Proceeds	<u>32.3</u>
Projected Reserve Fund Balance	\$232.0

City 1% Sales Tax and Local Unemployment Rate

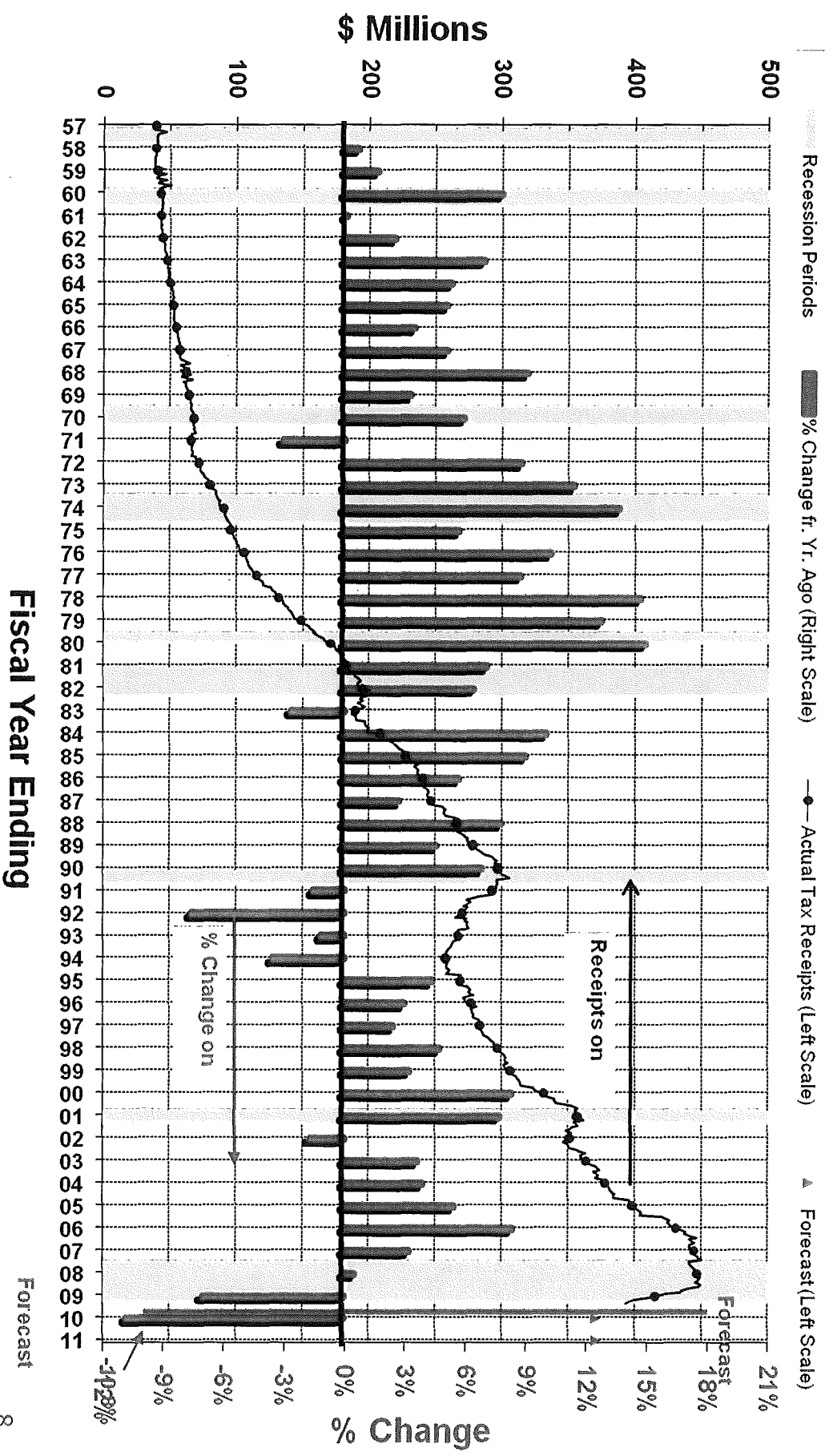


Fiscal Year Ending

Change in City Sales Tax Allocation

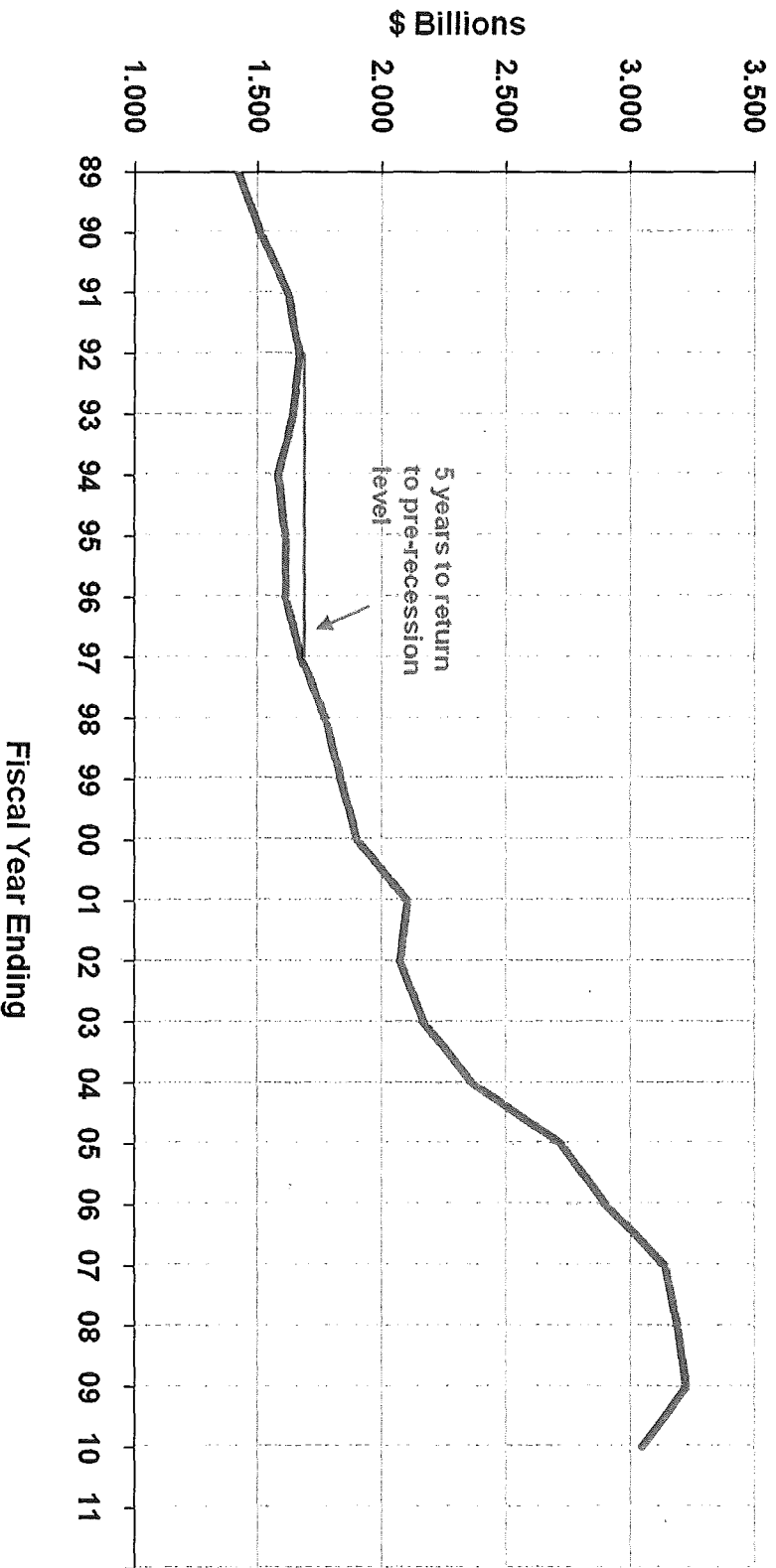


Recessions and Sales Tax



Seven General Fund Taxes

Property, Utility, Business, Sales, Hotel, Documentary and Parking



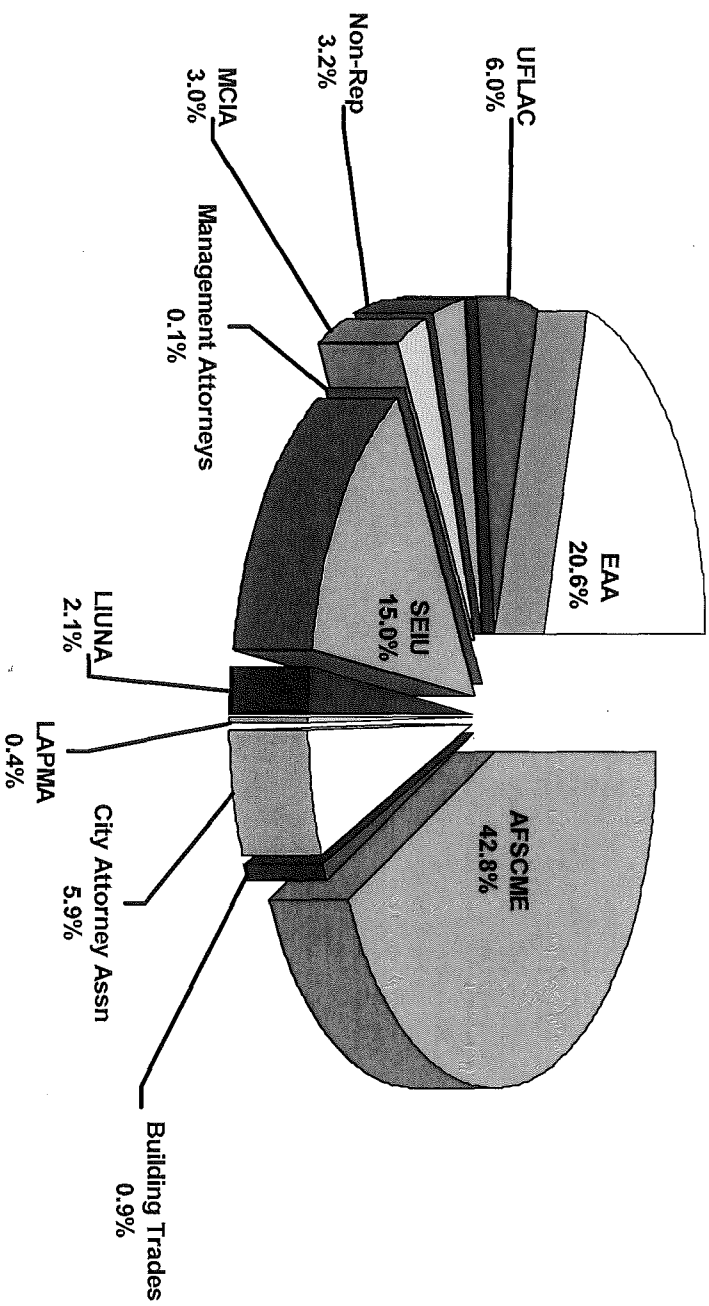
General Fund Taxes currently account for about 72% of all General Fund revenue.

What Actions Should Be Taken Now?

- Eliminate 1,000 positions
- Replenish the Reserve Fund
- Responsible Financial Management
 - MICIA Hold
 - Strengthen Existing Policies
- Focus on Core Mission
- Public-Private Partnership
- Workforce Modernization
 - Cost-Based Labor Negotiations
 - Workforce Flexibility
- Employee Benefits Reform

Elimination of 1,000 Positions

Position Eliminations by Union



- AFSCME
- Building Trades
- City Attorney Assn
- LAPMA
- LIUNA
- SEIU
- Management Attorneys
- MCIA
- Non-Rep
- UFLAC
- EAA



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Focus on Core Mission

Consolidate

- Disability to CDD and Personnel
- Environmental Affairs to Planning, Building and Safety and DOT
- Neighborhood Council Funding Program to CDD

Coordinate

- Accounting
- Asset Management
- Billing and Collection
- IT
- Fire Inspection/Plan Check to Building and Safety
- Design of Capital Projects
- Department of Public Works
- Parking Management
- Senior Services

Focus on Core Mission (cont.)

Eliminate or Reduce Non-Essential Services

- Human Services Department
- Neighborhood Council Funding
- Cultural Affairs' Grants

Reduce General Fund Subsidies

- Solid Waste Lifeline Program
- Library
- Recreation and Parks



Public-Private Partnership

Opportunities

- Ambulance Billing
- Convention Center
- Cultural Affairs Theatres and Art Centers
- El Pueblo
- Fleet Maintenance
- Golf Courses
- Landscape Services
- Multi-Family Trash Pick-Up
- Median Island Maintenance
- Parking Garages and Meters
- Publishing Services
- Zoo

Four-Year Budget Outlook

