

From: "Renee Glass" <renee@acburke.com>
To: <Bill.Rosendahl@lacity.org>
CC: <Bernard.parks@lacity.org>, <Grieg.smith@lacity.org>, <Jose.Huizar@lacity.org>
Date: 02/01/2010 10:45 PM
Subject: Venice Neighborhood Council Funding

I joined the Neighborhood Committee and the Emergency Preparedness Task Force of the Venice Neighborhood Council (VNC) about a year and a half ago. It has been a tremendous education.

I have heard that the budget for the Venice Neighborhood Council is in jeopardy of being cut severely. I understand that everyone must cut costs and work efficiently, however, I can't imagine that this would be a productive or cost effective move.

From what I see, the VNC and its supporting committees, do a tremendous amount of work in the trenches. This work includes finding out what the citizens need, discussing the problems and issues, clarifying what issues have basis and discussing suggested solutions.

Last year I participated in creating an Emergency Preparedness Expo. I feel very strongly about educating myself and my neighbors and getting prepared. The Fire Dept. continuously says that we must be able to take care of ourselves in an emergency. I know there is a lot of information available from numerous agencies, but honestly, it takes one on one conversation to really get this message across....this is what our events, committees and outreach accomplishes.

Building community is important for a world class city. It seems to me that if the VNC budget is slashed, it would cost the city more in staffing and resources to be able to respond to the public at the same level as it does now.

Since the VNC work is done by volunteers, isn't it more cost effective that their good work continue as is with budget largely intact?

Thank you,

Renee Glass

Resident of the Walkstreets in Venice

Greg Nelson
gregn213@cox.net

Date: February 1, 2010
To: Members of Budget and Finance Committee
Via E-mail c/o Lauraine Braithwaite
Re: C.F. #09-0600, S159

Dear Members:

As you search for solutions to the current budget crisis, I urge you to ask the following questions:

TO THE MAYOR, CAO, AND PERSONNEL DEPARTMENT:

1. There are 125 positions in the Personnel Department at an annual cost of over \$29 million who run the workers' compensation program for civilian employees. A Third Party Administrator runs the program for the sworn personnel at an annual cost of \$11 million. Payouts for claims are over \$100 million. Would there be significant savings if the entire program were run one way or the other?

TO THE MAYOR, CAO, AND CITY ATTORNEY:

1. What are the pros and cons of resuming consideration of a past CAO risk manager's suggestion that the city consider a "portfolio transfer" through which the city would sell all of its outstanding and future workers' compensation claims to a private insurance company (or companies) that would run the program? Workers would be ensured of a high quality of service because of the standards set by the state. The city's costs would be fixed and known. Future liability costs would be paid by the insurer.

TO THE CITY CONTROLLER AND CITY COUNCIL:

1. Of the recommendations made in past audits that would impact the city's budget by \$5,000,000 or more, which ones remain unacted upon?

TO THE MAYOR AND CAO:

1. If it's possibly a good idea to seek private operators for the Van Nuys and Ontario Airports, why isn't it a good idea to do the same for LAX? Legally, what is needed to sell or lease the operations of any of our airports?

2. How carefully does City Hall scrutinize and review contracts entered into by city agencies?

3. In order to help eliminate the "spend it or lose it" mentality that drives many city agencies, what are the pros and cons of adopting a policy through which a city agency that finds ways to save money on a one-time basis, the agencies should be able to "rollover" a portion of unexpected savings they generate, with the rest going to the

3. Do we have an infrastructure plan?

Best,

Greg Nelson
Retired City Employee

From: Joyce Dillard <dillardjoyce@yahoo.com>
To: Lauraine Braithwaite <lauraine.braithwaite@lacity.org>, The Honorable Ca...
Date: 02/01/2010 11:49 AM
Subject: Comments to Budget and Finance Committee Special Meeting Agenda No. 1 CF 09-0600-S159
Attachments: 01 Joint_Brief_of_Respondent_A_villaraigos_and_Intervenors_in_Oppostion_to_Petition061205.pdf; 02 1381_Challenge_-_Ruling_12.21.06.pdf; 03 Daily_Journal_Opinion_-_Appeal_based_on_the_constitutionality_of_the_Romero_Act070418.PDF

Comments to Budget and Finance Committee Special Meeting Agenda No. 1 CF 09-0600-S159

Transparency is non-existent in the financial accounting of the Assets and Liabilities of the City of Los Angeles .

This report states the direction to save employees based on the following:

- 100% Revenue generating positions
- 100% Non-General Fund positions
- Legally mandated functions
- Positions needed to protect the public's health and safety
- Positions needed to keep critical City operations intact

Three strategies are mentioned:

- Workforce Modernization
- Public-Private Partnerships
- Focus on Core Mission and Responsible Financial Management

Goals stated are:

- Balancing the Budget in the Current Fiscal Year;
- Strengthening the City's Credit Rating
- Restoring the City's Long-Term Fiscal Health and Sustainability

Steps suggested are:

- Reopen Dialogue with Our Labor Partners
- Maximize the Benefit of Early Retirements
- Downsize Government and Continue with Highest Priority Services in the Best Manner Possible
- Identify Encumbered and Unencumbered Funds
- Pursue Public-Private Partnerships
- Enhance Revenues

Missing are the accounting of and reporting of the City's assets. Besides the General Fund, there are many other funds-trust, officeholder, Christmas Fund, Measure S and otherwise that need to be accounted for.

- BANK ACCOUNTS

commissioners. He supervises the administrative process of local government and works with the Council in matters relating to legislation, budget, and finance. As prescribed by the Charter and City ordinances, the Mayor operates an executive department, of which he is the ex-officio head. The current Mayor, Antonio R. Villaraigosa, was elected on May 17, 2005 and took office on July 1, 2005. He was re-elected Mayor on March 3, 2009.

The Council, the legislative body of the City, is a full time council and enacts ordinances subject to the approval of the Mayor. If the Mayor vetoes, the Council may override the veto of the Mayor by a two-thirds vote. The Council orders elections, levies taxes, authorizes public improvements, approves contracts, adopts zoning and other land use controls, and adopts traffic regulations. The Council adopts or modifies the budget proposed by the Mayor. It authorizes the number of employees in budgetary departments, creates positions and fixes salaries. The Council consists of 15 members elected by district for staggered four-year terms.

The other two elective offices of the City are the Controller and the City Attorney, both elected for four-year terms. The Controller is the chief accounting officer for the City. The position is currently occupied by Rushmore D. Cervantes, serving as Acting City Controller. Wendy Gruel (sic) has been elected to assume the office as of July 1, 2009. The City Attorney is attorney and legal advisor to the Council and all officers, boards, and departments of the City, and prosecutes misdemeanors. The current City Attorney, Rockard J. Delgadillo, took office on July 1, 2001. He was elected to a second term commencing July 1, 2005. Carmen Trutanich has been elected to assume the office as of July 1, 2009.

The City Administrative Officer is the chief fiscal advisor to the Mayor and Council and reports directly to both. Raymond P. Ciranna has been serving as Interim City Administrative Officer since January 2008 pending an appointment by the Mayor and confirmation by Council of a permanent City Administrative Officer.

The City Treasurer (the "Treasurer") receives, invests and is the custodian of the City's funds and those of affiliated entities. The Treasurer also serves as the City's Investment Officer. The Treasurer is appointed by the Mayor and confirmed by the Council. The current Treasurer is Joya C. De Foor, who has served in that capacity since January 2001.

The City has 39 departments, bureaus, commissions and offices for which operating funds are annually budgeted by the Council. In addition, five departments (the Department of Water and Power ("DWP"), the Harbor Department, the Department of Airports, the City Employees' Retirement System Department and the Fire and Police Pension System Department), The Community Redevelopment Agency of the City and the Housing Authority of the City are under the control of boards appointed by the Mayor and confirmed by the Council.

Public services provided by the City include police; fire and paramedics; residential refuse collection and disposal, wastewater collection and treatment, street maintenance, traffic management, storm water pollution abatement, and other public works functions; enforcement of ordinances and statutes relating to building safety; public libraries; recreation and parks; community development; housing and aging services; and planning.

The City obtains water and electricity from DWP, the largest municipally-owned utility in the nation."

The Mayor's office is involved in more than what is disclosed for the sale of debt, yet you do not review the

departments and offices, including the Mayor's office, in a manner consistent with City policy;
(j) establish procedures and implement policies not inconsistent with the Charter or ordinance as are necessary to effectively manage and supervise the responsibilities entrusted to the Mayor through the issuance of executive directives, which, in the absence of conflicting provisions in the Charter or ordinance, and until revised or rescinded by the Mayor, shall be binding on all departments, commissions, appointed officers and employees of the City.

Executive directives shall be filed with the City Clerk and be published in the manner described in Section 251. Executive directives shall take effect 15 days after publication;

(k) certify in writing to the Council, for each appointment that requires Council confirmation, that in the Mayor's opinion the appointee is especially qualified by reason of training and experience for the position, and that the appointment is made solely in the interest of the City; and

(l) perform other duties and have other powers as are provided elsewhere in the Charter or by ordinance."

The Los Angeles Administrative Code Chapter 2 provides for an EXECUTIVE DEPARTMENT:

"Sec. 3.9. Powers and Duties.

There is hereby created a department of the City of Los Angeles to be known as the Executive Department. The powers and duties of said Department shall not conflict with the powers and duties of any other office or department of the City. That said department shall have powers and duties as follows, to-wit:

- (a) To aid and assist the Mayor in the performance of his duties as Mayor;
- (b) To enforce, so far as is within its power and assist and require all departments to enforce, all ordinances of the City and the laws of the State applicable to the City;
- (c) To mediate and conciliate employer and labor disputes when requested by either or both disputants;
- (d) To require departments of the City to make such reports to the Executive Department, of their several activities as may appear beneficial to the public interest and which will enable the Mayor to more completely perform his duties as such;
- (e) To establish and maintain, in all ways available, an understanding relationship between citizens and the City government and the several departments;
- (f) To inspect the records, files, proceedings and orders of the several departments, and all officers, members of boards and employees shall cooperate and assist the said Department to this end;
- (g) To receive and consider appeals by citizens from orders, actions, omissions of duties, discourteous conduct of officers, boards or employees, and, after hearing or investigation, make such recommendations relative to the same, as in its judgment appear reasonably necessary;
- (h) To provide for more efficient government by conducting research upon any subject relating to municipal government for the purpose of recommending legislative enactment, executive action, or more efficient administration under existing laws;
- (i) To seek for persons available for appointment and to encourage competent persons to offer themselves to public service and to inquire into all qualifications of persons presently being considered for appointment by the Mayor.
- (j) To call and hold meetings from time to time or periodically of the presidents of the several commissions, collectively or in groups, the general managers of the several departments, collectively or in groups, the secretaries of the several commissions, collectively or in groups, and chiefs of bureaus, and said meetings may include all, or a lesser number than all, of the several presidents, general managers, secretaries or chiefs of bureaus, and may include partly presidents and general managers, or partly general managers and secretaries, or partly presidents and secretaries or partly chiefs of bureaus or any other official personnel herein provided for; and

It shall be specified in any notice of said meetings those officials it desires to attend and it shall be the duty of those officials designated in said notice to attend any such meetings.

(k) To perform such other and further duties as may be designated by the Mayor but consistent with the provisions of the Charter and State law."

From: Walter Moore <waltermoore@me.com>
To: Lauraine Braithwaite <Lauraine.braithwaite@lacity.org>
Date: 01/31/2010 8:38 PM
Subject: [CORRECTED VERSION] Budget and Finance Committee - Ms. Braithwaite -Please include this e-mail in the public comment file

[MS. BRAITHWAITE -- PLEASE USE THIS E-MAIL INSTEAD OF MY PREVIOUS ONE. THIS E-MAIL FIXES A FORMAT MISTAKE IN THE OLD ONE. THANKS.]

Please include this e-mail as a public comment on two items at the meetings of the BUDGET AND FINANCE COMMITTEE MONDAY, on FEBRUARY 1, 2010.

The first item is for the regular meeting, Agenda Subject 3, File No. 10-0139-S1.

The second item is for the special meeting, Agenda Subject 1, File No. 09-0600-S159.

My name is Walter Moore, and I live in Los Angeles. You may reach me at WalterMoore@mac.com

I wrote the following essay, which is posted at my website, WalterMooreSays.com, with hyperlinks so people can see the underlying source material:

Villaraigosa Using Recession and "Budget Crisis" As Smokescreen For Taxpayer Rip-Off

By Walter Moore, WalterMooreSays.com

Never let a good crisis go to waste.

Remember that line? You need to remember it from now on, because you live in a City run by crooked career politicians who are trying to use the recession as a smokescreen to dupe you into approving the sale of public assets -- including street parking -- to private parties at fire sale prices.

The first step in this rip-off is to fool you into thinking the recession has unexpectedly triggered a cataclysmic budget crisis at City Hall.

The members of the Spring Street Gang realize you might not believe anything Villaraigosa says, so they instead had the City Administrative Officer (CAO) issue an ominous report, which begins with the following frightening passage:

The City is facing a budget crisis unlike any crisis that it has ever experienced. The recession which began in 2008 caused deeper revenue declines than any post-World War II recession. The recession was much deeper than anticipated in the budget and has greatly affected the majority of the City's revenue categories. Receipts are now projected to be \$110.6 million below the prior estimate for a total of \$185.6 million.

* * *

Simply stated, local government revenue cannot recover from a severe recession until well after the recession ends.

Scary stuff, huh? Maybe. Or maybe it's BS. Consider the following:

Revenues are down just 2.63%. That revenues are down \$185.6 million sounds overwhelming until you realize it's just 2.63% of City Hall's total annual revenues. Does it make any sense to you that a mere 2.63% drop in revenues should plunge America's second-biggest city into bankruptcy?

Revenues are at the third-highest level in history. In the entire history of the City of Los Angeles, the last two years are the only years when revenues were higher than they are now. Three years ago, the City managed to get by on \$6.343 billion, per Villaraigosa's own budget summary (p. 26). Why, then, should

From: Stephen Box <stephen@thirdeycreative.net>
To: <Lauraine.braithwaite@lacity.org>, Stephen Box <stephen@thirdeycreative...>
Date: 02/01/2010 11:26 AM
Subject: BudgetLA - letter to Mayor and City Council

BudgetLA Letter to Mayor Villaraigosa and the City Council, approved on Saturday, January 30, 2010.

February 1, 2010

Mayor Antonio Villaraigosa
Members, Los Angeles City Council
Los Angeles City Hall
200 N. Spring Street
Los Angeles, CA 90012

Re: City of Los Angeles "City Restructuring Proposals"

Dear Mayor and Honorable City Councilmembers:

Neighborhood Councils are a vital link between City Hall and all of the residents and businesses of the City of Los Angeles. At this time of financial crisis for the City, the solutions require a partnership between the elected officials at City Hall and the elected representatives of our 90 neighborhood councils.

We are deeply concerned about an impending "gutting" of the neighborhood councils and of DONE.

The City Charter mandates preserving core funding both of DONE and the neighborhood councils. We support and demand budget, collections, and NC elections reform, -- and to finding the appropriate funding for NCs required by the Charter. We recognize the need for reductions in many city departments and services, including some cuts in DONE's budget and staffing. However, we believe that maintenance of funding for NCs is both reasonable and necessary to fulfill the charter-mandated requirements of the City and of neighborhood councils. We support reform of the Neighborhood Council funding system, but proposals to slash funding are not the solutions to problems outlined in the audit of DONE recently completed by the City Controller.

In brief, the city cannot and must not violate its own charter by denying the appropriate funding specifically required by the charter. We look forward to the support of all our elected officials in doing what's right and in moving forward together through these challenging times.

Sincerely,

The BudgetLA community

BudgetLA supports the activities of several neighborhood council groups, all working together to pursue solutions to LA's Budget Crisis. Participants include the Los Angeles Neighborhood Council Coalition, the Saving Los Angeles project, the Valley Alliance of Neighborhood Councils, the Mayor's



● **McQUISTON ASSOCIATES**

6212 Yucca St, Los Angeles, CA 90028-5223

(323) 464-6792 FAX same

consultants to technical management

February 1, 2010

CF09-0600 S159

ITEM __ B & F Cmte 2/1/10

L. Braithwaite

**STATEMENT of J.H. McQUISTON on
MID-YEAR FINANCIAL ESTIMATE REPORT & PROPOSED MEASURES**

Honorable Chairman and Members of the Committee:

I object to the Title of the Report. **It is an estimate**, and for clarity to readers **it should be retitled "FER"**. Subsequent Reports should be called "Financial Estimate Report".

The proposed Budget Balancing Measures do not comply with State Law and Council Budget Policies. Mr Fujioka as CAO had policies approved by this Committee and Council-enacted only recently. They should still be obeyed by the CAO and Mayor; accordingly, **this FER must be amended because substantial proposals therein violate them.**

The violations worsen future budgets irreparably.

Each CAO estimate of income for FY 2009-10, including the Report's, was grossly high. There is no confidence that the estimate in this FER is reasonably-accurate. And a better estimate would be to reduce the amount by at least \$100 million from the FER value, if the Mayor dallies longer in exercising the City's right to recapture income unconstitutionally-withheld from the City.

But the FER's proposed estimates and reserve-fund transactions will reduce the reserve fund below the minimum of \$88.9 million mandated by State Law and cannot be allowed. Note also that the "contingent" \$200 million withdrawal-proposal in the Report will make the Fund's unlawful deficit even worse.

The FER also inherently indicates that many Departmental salary accounts are now substantially over-budget. This Committee should insist upon detailed explanations in writing regarding why the salary accounts which are over-budget were allowed to exceed the imposed limits. **The report lists about \$16,152,227 over.**

And, the CAO promised earlier that Reports would occur monthly. The Reports were not as promised.

The Report does take notice of the mandatory Charter minimum for Library support, but fails to apply the mandatory Charter support for Parks & Recreation. Because both Department's budgets were set at the Charter minimums, they **cannot have their budgeted funds reduced.**

The Report does take some notice that some funds by law cannot be transferred from the Departments to which they were granted. **However, the Report fails to take notice of Article 13D regarding a Department surplus generated by fees-for-service. Such fees also may not be transferred, except as rebates.**

Many transfers are not prohibited, but some "cap fees" seem excessive and do not invite additional participation. **Examine Planning's repeated "related costs" in Attachment 8, for example.**

Delaying purchases to another year violates the City policy not to rely on events which are not long-term funded. A purchase-delay is "income"; it is negative income and is a one-time item. The City still must replace the item for the long term. Thus Fire, Police, General Services, and other Depts for which the FER proposes delays as balancing-tools are not in compliance with the Council's enacted Budget Policy.

I believe the **out-of-policy** amount of one-time items is at least **\$60 million in the Report.**

FOR IMMEDIATE RELEASE
February 1, 2010

Robert Chernob
(323) 857-5848
la4fairgovernment@gmail.com

LOS ANGELES FOR FAIR GOVERNMENT;
NEIGHBORHOOD COUNCIL WASTE OF TAXPAYER FUNDS

In May 2009, the Los Angeles Budget and Finance Committee considered slashing neighborhood councils' budget from \$45,000 to \$11,200. The City's current financial crisis requires that the Committee finally implement those cuts!

“MAJOR CUTS TO DEPARTMENTS AND SERVICES ARE NECESSARY IF THE CITY HOPES TO REPAIR ITS FINANCES!”

City Administrative Officer Miguel Santana, Los Angeles senior budget official

“With approximately \$4 Million each year in taxpayer funds committed to the NC Program, one would expect DONE to have stronger controls over NC expenditures. . . Although DONE is charged with the responsibility of providing oversight over NC expenditures, it has not performed these functions adequately. . . DONE's lax oversight has allowed NCs to operate with insufficient financial controls, resulting in an environment susceptible to fraud. Six NCs have been or are currently under investigation by the Police Department for approximately \$276,000 in questionable credit card purchases. NCs frequently violate DONE's financial policies regarding expenditures and handling of cash and credit cards. . . NCs have made \$880,000 in purchases for which they have not submitted proper paperwork. . . Given DONE's poor oversight, fraudulent activities could be occurring at other NCs . . . The City Council and Mayor need to take a long, hard look during the upcoming budget hearings, and evaluate and redefine DONE's role.”

Los Angeles Controller Wendy Greuel's January 12, 2010 Audit of Neighborhood Councils' Expenditures

Following are examples of questionable expenditures:

Tens of thousands of dollars in unaccounted for cash advances

Tens of thousands of dollars in unaccounted for credit card transactions

Tens of thousands of dollars in personal meals at restaurants and markets

\$160,000 in taxpayer funds left in closed Bank of America accounts since 2007 but never recovered.

Tens of thousands of dollars of NC equipment unaccounted for, or in the possession of former NC Board members no longer involved in NC Board activities, including computer and printers, translation machines, wireless microphones, ham radios, cameras, flat panel TVs, memory mattress pads, surveillance van, four wheel drive vehicle, Sony playstation systems and video games.

\$59,906.99 from P I C O Union NC for surveillance cameras that were purchased and paid for in 2007, but never delivered

\$6,000.00 from Historic Highland Park NC for wasteful promotional items, including bumper stickers, that were paid for in 2004, but never delivered

Daniel Gatica, member of the Board of Neighborhood Commissioners, is also a staff member of the Chrysalis Center, which has received \$106,610.23 from May 2007 to August 2009 from NCs to clean street/weed abatement/bulky item pick-up already being done by Public Works Department.

Normandie Casino, clothing and jewelry stores, personal vehicle expenses, personal cable and household expenses, shoes, beauty supplies, wigs, nail salons, car rentals, thousands for hotel rooms, Sir Michaels Limo, laundry bills, thousands for airline tickets, drumming instructors, \$10,000 candle light vigil, \$1,353 for "Kada Drums", \$11,500 for cooking lessons, \$750 for Starline Tours of Hollywood, \$5,293 for movie screen, \$2,929 for bus transportation \$2,943 for "pride medallions, thousands for flowers and balloons, \$1,938 for ice machine, \$8,800 for window washing, instant passport photos, costume rental, Knots Wedding Shop, sewing/needlework fabric shop, Friends Beauty Supply \$9,996 for t-shirts, \$5,397 for two treadmills, \$1,500 for "song for Skid Row", \$20,000 Gods Little Cleaners, \$19,000 for "Butterfly Festival", \$2,920 for storage trailer, \$963 for Candy the Clown, \$10,000 for one computer printer, \$12,400 for trash cans, \$1,050 for UCLA Extension classes, \$7,500 for "International Documentary, \$19,859 for surveillance cameras not being monitored, \$32,500 for surveillance cameras not being monitored, \$1,000 for Toys R Us, Bed Bath and Beyond, Amazon books, musical instruments.

David Demerjain, Los Angeles County Deputy District Attorney, Public Integrity Unit has stated; " I can't believe the city hands out credit cards like this - it's incredible" He has also stated that "it would take adding an additional fifty attorneys to his staff to prosecute all of the neighborhood council Brown Act violations or conflict of interest violations that are being committed, and the County of Los Angeles doesn't have the funds to do so."

In his May 6, 2008 Press Release, appointing BongHwan Kim as General Manager of DONE, Mayor Villaraigosa states "BongHwan Kim's leadership skills have been finely honed through many years of working in diverse communities on a wide range of political and community development issues." An example of General Manager Kim's leadership skills are displayed in his July 18, 2008 e-mail to then DONE staff member Jon Martinez;

". . . I'm still hungover" . We need to avoid drinking during the weekday - or curtail the intake volume. I guess I'll have to be the one to say when. . . " Further evidence of Kim's leadership skills can be read in the book; The State of Asian America; Activism and Resistance in the 1990's; between Black and white; An Interview with BongHwan Kim, by Elaine H. Kim. In the interview BongHwan Kim states the following views:

BongHwan Kim's view of Korean immigrants relationship with Latinos:

". . . But the majority of Korean immigrants want desperately to regard themselves as belonging to the middle class, as better than Latinos, whom they believe they have to exploit in a capitalist society"

BongHwan Kim's view of African American and Latino resentment of Asian Americans:

". . . Black and brown resentment because of the perception that Asian Americans are honorary white people unconcerned about social justice issues."

BongHwan Kim's view and disdain for less educated immigrant Korean Americans and elderly Korean Americans:

". . . Immigrant Korean parents often view themselves as sacrificial lambs, believing that even though they go to their graves DEAF, DUMB, AND BLIND, they are doing it so that their children can achieve the so-called American dream."

". . . When I see Korean senior citizens walking toward me on the sidewalk, as if they were DEAF, DUMB AND BLIND, it's hard to imagine how they survive day-to-day. . . "

end
