




CITY OF LOS ANGELES  
OFFICE OF THE CHIEF LEGISLATIVE ANALYST

ROOM 255 • CITY HALL  
200 N. SPRING STREET  
LOS ANGELES, CA 90012  
213.485.3364  
FAX 213.485.8983

Date: May 15, 2012

To: Honorable Members of the Budget and Finance Committee

From: Gerry F. Miller, Chief Legislative Analyst 

Subject: **FISCAL YEAR 2012-13 BUDGET**

On April 20, 2012, the Mayor submitted to the City Council his Proposed Budget for fiscal year 2012-13. While the City's projected General Fund budget gaps have improved over the last two years, the Proposed Budget reflects the City's continued significant deficits over the next several years and demonstrates the need for continued vigilance in reducing expenditures and maximizing revenue opportunities.

Attached you will find proposed changes to the Proposed Budget. These changes are in response to specific directions from your Committee as well as instructions to this office to evaluate some areas of concern and provide recommendations on how to address those issues. The recommendations to follow are designed to ensure our financial strength during fiscal year 2012-13 and establish the framework for dealing with continued significant budget gaps in 2013-14 and beyond.

Calculation of the Deficit:

In his Proposed Budget, the Mayor recognizes a total 2012-13 deficit of \$238.27 million. This amount is \$98 million less than the \$336.3 million General Fund deficit the City faced in the 2011-12 Budget and \$43 million less than the projected 2012-13 deficit from one year ago. It is clear that the City has made substantial progress in our efforts to achieve structural balance in the General Fund. Nearly 5,000 positions have been eliminated and our employees have made significant contributions towards addressing the City's pension, retiree healthcare and active healthcare obligations. However, the City continues to face significant budgetary pressures in fiscal years 2013-14 and beyond. The CAO projects a General Fund budget deficit of \$199 million in 2013-14 and \$315 million in 2014-15. It is imperative that the City continue to implement long-term structural solutions to its budget deficits to ensure fiscal stability in the future.

### Summary of Budget Balancing Actions:

Among the actions proposed to reduce the deficit are new and expanded revenue (\$87.50 million), a transfer from the Special Parking Revenue Fund (SPRF) to the General Fund (\$32.58 million), specified efficiencies and expense reductions (\$69.73), and other changes and adjustments (\$57.69 million). With regard to these actions, of particular note are the following:

- \$28.5 million is programmed from increased Fire Emergency Medical Services (FMES) reimbursements allowed as a result of AB678, of which \$13.5 million is a one-time reimbursement for past expenditures and \$15 million represents ongoing reimbursements.
- \$48.6 million in additional Property Tax receipts is programmed as a result of the dissolution of the Community Redevelopment Agency (CRA), of which \$30 million represents one-time funding from past tax increment set-asides and \$18.6 million is the City's portion of on-going Property Tax receipts that had previously been allocated to the CRA.
- The \$32 million SPRF transfer is a doubling of the 2011-12 amount.
- A total of 669 positions have been eliminated, of which 269 were filled at the time the Proposed Budget was sent to print in early April. A total of 159 filled positions are civilians in the Los Angeles Police Department (LAPD) and 12 are civilians in the Los Angeles Fire Department (LAFD). The remaining 98 positions are spread throughout the City. While the actual number of layoffs is expected to be less than this amount, it is likely that a large number of employees will be laid off under the Mayor's plan. It should be noted that the LAPD and LAFD civilian workforce has largely been left intact throughout the significant budget reductions over the last several years and together they make up approximately 44% of the General Fund civilian workforce. Including the position deletions in the Proposed 2012-13 Budget, General Fund positions outside of LAPD and LAFD will total 4,500, a nearly 62% reduction from 1990-91 levels, 22 years ago. During the same period, General Fund civilian positions in LAFD and LAPD have grown by 4% and 29.4 % respectively, reflecting the Council's public safety priorities and the focus on minimizing the performance of civilian duties by sworn personnel. Accordingly, while reductions in the LAPD civilian workforce raise concerns relative to removing sworn officers from the street to perform clerical duties, due to the drastic reductions in other departments over the past several years, it does not appear feasible to identify a substantial number of non-LAPD civilians to offset the proposed reduction. The Chief of Police has pledged that while there will be service impacts, such as delays in obtaining crime reports, the reduction in his civilian workforce will not result in a reduced service level by sworn officers.

- The Mayor's Proposed Budget includes \$85.81 million in net one-time budget actions, or 36% of the deficit solution. This amount is substantially less than one-time solutions over the last few years and the downward trend in one-time solutions must be maintained.

#### Revenue Issues:

The revenue projections contained in the Proposed Budget reflect the modest economic recovery that we are experiencing. For the most part we find the revenue projections to be relatively conservative. As explained more fully below, however, we urge careful monitoring of a few revenue sources that may pose greater risk to the City.

The General Fund revenue contained in the Proposed Budget is projected to be \$4.538 billion, which is 3% above the 2011-12 budgeted amount of \$4.386 billion. It should be noted that the CAO's revised current year General Fund revenue estimate is \$4.378 billion, or \$7 million below plan. The current year shortfall is due to property related taxes (i.e. Property Tax and Documentary Transfer Tax (DTT)), which reflects the continued sluggishness in the real estate market. However, most of the shortfalls in these revenue sources were offset by better than projected Sales Tax and Transient Occupancy Tax (TOT) receipts. When one-time revenues are removed from both the current year projected receipts and the Proposed 2012-13 Budget, the projected increase in on-going revenues is \$104 million, which is approximately 2.4% above current levels.

Property related taxes, while stabilized, continue to show disappointing performance. Projected 2012-13 receipts are \$1,451 million (not including \$48.6 million in Property Tax receipts resulting from the dissolution of the CRA as discussed further below), which is 1.7% above current-year projections. DTT receipts are projected to total \$107 million, or 7% above current year projections. It should be noted that projected DTT receipts remain less than half of what was collected at the peak of the market and this source is particularly impacted by the number of sales transactions. DTT receipts can turn around very quickly if sales volume rises and most economists project that the real estate market is at or near its bottom. Although the 7% increase for the current year was not achieved, we recognize that at some point this revenue source would be expected to show rapid growth.

The TOT has continued its strong performance. The 2012-13 Budget estimates that this revenue source will grow by 5% over revised current year estimates. Given that current year receipts are projected to be 10% above plan, the incremental increase appears reasonable.

Sales Tax is also performing well. The Proposed Budget assumes a 4% growth in these revenues from revised current year estimates. Current year performance is projected to be 5% above plan. The 2012-13 projected 4% increase is in the middle of the range of projections from a variety of other recent sales tax forecasts as detailed on Page 49 of the Revenue Outlook Supplemental Schedule. Furthermore, the Sales Tax projection includes additional receipts from

the State-wide internet sales tax which went into effect on January 1 of this year. Accordingly, the projection appears reasonable.

We recommend careful monitoring of revenues, particularly in three areas. First, with regard to the \$48.6 million in Property Tax receipts resulting from the CRA dissolution, the Designated Local Agency (DLA) has been setting aside reserves for liabilities, so the amount and timing of the \$30 million in one-time funding is uncertain. Based on CRA and CAO estimates, the \$18.6 million appears to be a reasonable projection of the on-going funding which will be available. However, we have been informed that the City will not receive any of this funding until January of 2013. Accordingly, there will be little time to adjust should some or all of this funding not become available next year.

Second, with regard to the AB678 medical transport reimbursements, the Fire Department is working closely with the State and Federal governments to secure these funds. However, receipt of these funds is contingent on a Federal appropriation which has yet to occur.

Third, the Telephone Users' Tax (TUT) is projected to drop by \$6.5 million, or 2.7%, from current year levels. It should be noted that actual receipts for 2009-10, 2010-11 and 2011-12 dropped by 7.4%, 5.7% and 3.5% respectively from previous years. The proposed reduction is in line with the trend over the last several years. However, as telephone users continue to eliminate their land lines and rely on cellular and internet technology, the TUT can be expected to continue to decline. Furthermore, as a result of litigation on the methodology previously used by the City in the application of the tax to cell phones, there may be substantial liability for collections prior to the passage of Proposition S in 2008. The extent of the liability, if any, and the timing and methodology for satisfying that liability is unknown at this time.

Finally, your Committee had some discussion of potential revenue measures for the March 2013 ballot, and Exhibit H of the Proposed Budget includes instructions to report back on the City's options. It would not be possible to realize any significant additional revenue for the coming Fiscal Year should any measures be approved, but it is imperative that the City identify additional revenue sources to address the projected shortfalls in Fiscal Years 2013-14 and beyond.

#### Coalition Submittal - A Better Way Forward:

The Coalition of LA City Unions (the Coalition) submitted a plan entitled, "A Better Way Forward", that proposed the recognition of a variety of revenue sources and accounting policy changes to avoid proposed layoffs, including: (1) sweeping additional prior year encumbrances; (2) debt financing the City's Capital Improvement Expenditure Program rather than paying with cash; (3) increase sales tax projections by 1%; (4) recognizing new revenues from a proposed EMS voluntary fee and treatment-no-transport fees; (5) recognizing additional emergency transport reimbursements through AB 678; (6) lowering the Reserve Fund from 4.64% to 4.44 percent; (7) implementation of additional recommendations made by the

Commission on Revenue Efficiency (CORE), particularly with regard to Parking Occupancy Tax (POT) collections; and, (8) removing the exemption to the City's foreclosure registry for banks reporting to the Mortgage Electronic Registration System (MERS). The Coalition also proposed longer term ideas, such as including provisions in City contracts allowing for the City to reduce compensation in the event of a fiscal emergency, changing the way the City accounts for its Reserve Fund, and constant staffing for the LAPD.

We find the Coalition's proposals worthy and efforts should be made to quickly identify potential additional revenues from these sources. The attached report includes instructions to conduct further analysis on their proposals which should be done expeditiously. Of particular interest are potential additional POT receipts, which would be on-going revenue, and increasing the amount of prior year encumbrances assumed to be released, which we consider short term revenues which, if realized over the next year or two would no longer be available. The CAO concluded in Budget Memo No. 165 that revenues from the proposals should not be recognized at this time. Based on what we already perceive to be significant risk associated with \$71.5 million in revenues planned for 2012-13 (\$48.6 million in Property Tax Receipts and \$23.5 million in emergency transport reimbursements), we agree that programming additional revenues from these proposals without further analysis would increase the level of risk in the Budget, and urge caution should your Committee wish to recognize any of this revenue.

#### Expenditure Issues and Recommended Budget Plan:

The City began to experience declining revenues and budget balancing pressures in fiscal year 2008-09, and faced extraordinary drops in on-going revenues through the beginning of Fiscal Year 2011-12, at which point overall revenue stabilized. In response, the Council has taken significant actions to combat the growing deficits. Despite significant progress, with a gap of \$238.27 million, without question the 2012-13 Budget will require continued expenditure reductions with some negative impacts on services. Furthermore, the CAO projects that even after the City solves for the \$238.27 million gap next year, we will face a \$199 million gap in 2013-14, a \$315 million gap in 2014-15 and a \$286 million gap in 2015-16. It is important to note that one year ago the 2013-14 through 2015-16 General Fund budget gap projections were \$304.5 million, \$310.8 million and \$249.4 million respectively. Continued on-going budget reductions will be required over the next few years to put the City's General Fund in structural balance. The extent to which one-time revenues are used to balance ongoing expenditures will only serve to increase the subsequent years' budget gaps.

In assisting your Committee in developing the Council's 2012-13 Budget, we have sought to identify as many structural revenue initiatives and expenditure reductions as feasible. That being said, the extent of the budget shortfalls that the City has faced and will continue to face over the next few years are such that it is unrealistic to expect that all of the budget balancing actions will be only structural in nature. You will find in the attached some use of one-time budget balancing solutions which we believe are unavoidable at the current time. We strongly recommend that the City continue its multi-year budget planning to implement

long-term, on-going budget reductions, and use only those one-time budget balancing actions necessary to bridge the gap until structural changes can take hold.

In total, we have identified approximately \$18.8 million in new revenues and expenditure reductions available for reallocation (\$6.6 million in new revenue and \$12.2 million in expenditure reductions). The attached report recommends reallocation of \$11.1 million to address many of the issues identified during your Committee hearings, leaving a balance of \$7.7 million. That amount is reflected in the attached as an increase in the Reserve Fund, from approximately 4.64% in the Proposed Budget to approximately 4.8%. Should your Committee wish to fund service restoration in place of or beyond what is proposed in the attached, we would recommend that the resulting Reserve Fund remain at least at the proposed 4.64%.

There are a variety of changes to the Proposed Budget. Of particular note are the following:

- Funding has been identified, primarily from the Forfeited Assets Trust Fund for direct purchase of black and white vehicles rather than debt financing.
- The Human Resources Benefits Fund (HRB) has been reduced to reflect fewer filled positions eliminated, elimination of an Assistant General Manager position and various other adjustments related to HRB consolidation.
- Pursuant to Committee discussions, the City Attorney furlough days have been increased to 36 and funding has been added for Worker's Compensation Investigators.
- The total number of filled positions to be eliminated has been reduced by 12 due to restored funding for several departments as detailed on the attached.
- Based on recognition of expected grant receipts, a 10% reduction in staffing and administration costs only (not contracts), which is consistent with other administrative reductions throughout the Budget, and deferral of evaluation costs, we calculate that the Gang Reduction and Youth Development Office (GRYD) can maintain its current level of operations with an additional \$3.6 million General Fund appropriation rather than the \$6.8 million in the Proposed Budget. As a result, \$3.2 million has been reprogrammed.

#### Pensions and Retiree Healthcare:

Included in the Mayor's Proposed Budget is a plan for a new pension tier for newly hired civilian employees. The CAO is instructed to report to the Mayor and Council with recommendations on a new tier for implementation by July 1, 2012. A new pension tier for civilian employees can be implemented through the adoption of an ordinance and the City

Attorney advises that establishment of a new pension tier for new employees is not subject to the "meet-and-confer" process.

Progress has been made in addressing the City's pension obligations. A new pension tier for the City's sworn employees was approved by the voters in March of 2011 (the Charter requires voter approval for changes to sworn pensions, but not civilian pensions), and almost all City employees are now paying 4% of their salary into their pension systems to offset the cost of the retiree healthcare subsidy. However, further progress is necessary and we agree that a new pension tier for civilian employees is needed. Although a new civilian pension tier would not, on the short term, result in substantial budgetary savings since very little civilian hiring is occurring, once City revenue growth is strong enough to support service restoration, fairly rapid hiring of new employees should be expected and it is important for a new tier to be in place by that time. A new pension tier for new hires will help the City control its costs and avoid slipping back into routine and ongoing structural deficits once we fully recover from the current recession.

#### Report Backs and Other Issues:

The attached includes instructions for immediate report backs on a variety of issues, including establishment of a new pension tier for civilian employees, privatization efforts with the Zoo and Convention Center, and further analysis of the Coalition proposal.

With regard to Managed Hiring, at several points during your Committee hearings members discussed exemptions for a number of high-priority positions. We, along with the CAO, will submit a report before July 1 with an expedited procedure to fill key positions and reduce the paperwork burden on departments. Additionally, we recommend including Managed Hiring status reports in all future Financial Status Reports (FSR's) presented by the CAO listing positions submitted to the CAO, positions submitted by the CAO to the Managed Hiring Committee, positions approved, and positions denied or delayed with the reason for the delay or denial. However, we do not recommend exemptions from the Managed Hiring process for the following reasons:

First, in many cases, the Council has granted position authorities without funding at the request of general managers under the condition that the general managers generate sufficient savings within their budgets to fill those positions. The Managed Hiring process ensures that real and measurable savings have been or will be generated so that filling the positions will not result in budget shortfalls and the need for mid-year budget adjustments. It also takes into account timing issues. In the latter half of the fiscal year, a department may be able to show sufficient funding to cover the cost of filling a position for the remainder of that fiscal year, but the full-year burden of the position and confirmation that the next year's budget appropriation for the department is sufficient to cover the cost of the position must be considered. It is likely that, had the Managed Hiring process not been in place, a number of the 400 vacant



positions eliminated the Proposed Budget would be filled and layoff avoidance would be much more difficult.

Second, Managed Hiring has been a vital tool in layoff avoidance. My office, the CAO and the Mayor's office all have a broad view of the City's overall budget and an awareness of the areas that require cost reductions and position eliminations. The Managed Hiring process helps to ensure that, to the extent possible, employees in positions that are being eliminated can be placed in the positions that are being filled in other departments.

Third, the actuarial study that established the cost of the Early Retirement Incentive Program (ERIP) and the concessions agreed to by our employees in order to address those costs, assumed very stringent back-fill requirements. If those back-fill assumptions are exceeded by bringing in new employees that are not part of LACERS, the cost of the ERIP would escalate, creating a greater burden on the City. The Managed Hiring process ensures that, to the extent possible, positions are filled by transfers from within the City and not by new employees which increases the City's retirement obligations.

#### State Budget:

On Tuesday, May 15, the Governor released his proposed State budget balancing actions which reflect a projected deficit of \$16 billion, a doubling of the prior projections. My office and the CAO will report back with a more detailed analysis of the Governor's proposals. At this time, however, there does not appear to be much of a direct impact on the City. The area of greatest concern is the proposed sweep of all low and moderate income housing money from the former CRA. We would assert that AB 26, the CRA dissolution bill, provided that those funds were to be transferred to the Successor Housing Agency (in our case the City) to fund affordable housing covenants enforcement. While there are significant policy issues relative to future affordable housing development which will be dealt with through the Housing and Community and Economic Development Committee, the potential budgetary impact on the City appears to be limited to this area.

Attachment



# 2012-13 Proposed Budget

## Budget and Finance Committee Changes, as Proposed by the CLA

Increase	Decrease	Reserve Fund Impact
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Mayor's Proposed Reserve Fund

210.507

### Budget Overview

On April 20, 2012, the Mayor's Proposed 2012-13 Budget was submitted to the Council for consideration. In the Mayor's presentation of his Proposed Budget, he defines the General Fund deficit to be addressed in Fiscal Year 2012-13 to be \$237M. This figure represents a decline in the anticipated deficit due to structural changes adopted over the past few years, including a reduction of the City workforce, savings achieved through agreement with the City's labor partners, and improvements made in billing and collections. Additionally, in 2011 voters approved Charter Amendment G which established a new pension tier for sworn personnel, helping to mitigate rising long-term pension costs. Pension reform for the City's civilian workforce would also help to mitigate budgetary shortfalls in the long-term. The Mayor lays out a civilian Pension Reform Plan in his Proposed Budget, incorporating many elements previously discussed by the Council.

Engaging our labor partners is an important and necessary component in solving the City's deficit and in finding solutions which address persistent structural issues. The budget before you contains approximately \$83M in one-time solutions that will not be available to balance future years. Structural changes will still be necessary. The Mayor and Council should continue to seek suggestions and solutions through collaboration with our labor partners.

At the same time, it is important to explore all options to improve revenues and collections and take necessary steps to develop and invest in programs which will result in improved delivery of service and create a more robust local economy benefitting all Los Angeles residents.

The following is an overview of the Mayor's Proposed Budget:

Budget Gap	-\$238.27M
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Proposed Solutions:

New/Expanded Revenue	\$87.50M
Special Parking Revenue Fund Transfer	\$32.58M
Other Special Fund Offsets	\$11.84M
Efficiencies/Reductions	\$69.73M
Other Changes and Adjustments	\$57.69M
Increased Services	\$-9.50M
New Services	<u>\$-11.57M</u>
Total	\$238.27M

The Mayor proposes to balance the deficit with \$131.9M in revenue and \$106.4M in expenditure changes. However, the Proposed Budget contains a number of one-time balancing solutions and other reductions that are not permanent.

**2012-13 Proposed Budget**  
**Budget and Finance Committee Changes, as Proposed by the CLA**

		Reserve
Increase	Decrease	Fund Impact

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We note that of the \$131.9M in revenue, over half or \$72.1M carries with it a certain amount of risk. For example, the City's share of tax increment revenue resulting from the dissolution of the Community Redevelopment Agency accounts for \$48.6M. It is not clear whether the City will receive this revenue in the 2012-13 fiscal year. Additionally, a total of \$23.5M is assumed revenue resulting from the passage of Assembly Bill 678, which would reimburse the City for medical transports. This reimbursement is dependent upon a federal appropriation of funds, which to our best knowledge, has not occurred. Additionally, \$44.4M is assumed from special fund revenue offsets, of which \$32.6M is from a transfer of Special Parking Revenue Funds.

Proposed balancing measures include the elimination of 669 positions, of which 231 are currently filled, various reductions and efficiencies, new revenues, and other changes. Many of these reductions result in one-time savings and do not assist in addressing the overall structural problem in the budget. Additionally, because 231 positions deleted are identified as filled, the Mayor's Proposed Budget would result in layoffs, which are assumed to be effective on July 1, 2012. The recommendations contained in this report reduce the number of filled positions eliminated by approximately 12. It is important to note that the overall number of possible layoffs will likely decrease, as placement opportunities are identified and individuals separate from the City, for example, through retirement.

In expressing concern over the continuing structural deficit and the impact to the delivery of services through budget reductions, the Budget and Finance Committee, through its hearing process, articulated goals to address long-term issues. First and foremost is the recognition that the City cannot continue to stay on its current track without further eroding the delivery of services provided to Los Angeles residents by our City workforce. While the City has made great strides in putting the City on the path of fiscal health, there is still more that must be done.

The Budget and Finance Committee established an increased focus on identifying and replicating best practices, performance management, and other efficient methods of delivering service. The Budget and Finance Committee also expressed its desire to continue efforts with our labor partners to work collaboratively to find long-term solutions. These solutions may include identifying new sources of revenue, reviewing long-standing City practices in the hopes of developing innovative, yet fiscally sound, approaches to budgeting, continued bargaining and increasing focus on ongoing capital infrastructure improvements. The Committee continues to recognize that patchwork budgeting is not a practical approach to improving fiscal health, enhancing service delivery throughout the City and ensuring that those services continue to be delivered in the most efficient way possible.

The CLA recommendations address these goals, in part, by providing options to restore public services; identifying funding to address infrastructure improvements and other quality of life issues such as pavement of alleys and tree trimming; providing additional recreational programming; funding for jobs directed toward youth; and, restoring funding for subsidies in support communities and our senior and disabled population.

## **2012-13 Proposed Budget**

### **Budget and Finance Committee Changes, as Proposed by the CLA**

	Reserve	
Increase	Decrease	Fund Impact

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Looking ahead, the projected deficit for 2013-14 is \$199.2M based on current factors. The City Administrative Officer projects shortfalls continue through 2016-17, although all estimates are subject to change. While these projections reflect measures which have already been taken and are dramatically better than they were one to two years ago, they still indicate a lingering structural problem. Significant changes continue to be necessary now and budget reform must continue into the future. Approximately 90 percent of the City's budget is salary related, 72 percent of the City's General Fund revenue is devoted to Police and Fire services and the City has very limited options to increase revenue. Every effort must be made to lower the salary base while maintaining its workforce and improving the delivery of services. It is imperative that all parties work together to find solutions to improve the City's financial strength and ability to provide services to our communities.

#### **Global Recommendations**

- ◆ **Labor Negotiations.** Discussions with bargaining units have resulted in agreements which have made structural improvements to the City's budget. The City Administrative Officer should continue these negotiations with instruction from the Executive Employee Relations Committee and develop solutions which balance the need to reduce costs in the short-term, but not at the expense of long-term impacts on the pension funds.
- ◆ **Implement Layoffs.** The Mayor's Proposed Budget eliminates approximately 231 filled positions and assumes full-year savings from this reduction. It is anticipated that layoffs will result. In order to achieve the \$21M in savings incorporated into the Proposed Budget, the Personnel Department must commence the layoff process immediately.
- ◆ **Infrastructure.** The Budget and Finance Committee expressed concern regarding the deferral of capital infrastructure improvements and the lack of a long-term infrastructure plan. Our recommendations include the addition of funding for some higher priority capital items identified by Committee members. These include modest increases in funding for paving/repaving of alleys and tree trimming. This report also contains recommendations for reports regarding a long-term infrastructure plan and a long-term financial plan for the Bureau of Sanitation.
- ◆ **Continue a "Hard Hiring Freeze" effective upon adoption of the 2012-13 Budget.** Generally, only positions which are directly responsible for revenue generation, are fully grant- or special-funded, provide public safety services, perform DNA analysis, are of a unique classification (e.g. traffic officer, tax auditor, helicopter pilot) or high priority need, will be considered for unfreeze. Furthermore, the Managed Hiring Committee will establish an expedited unfreeze process for positions in the following categories: revenue producing, fully grant- or special- funded, elections (including systems), Library, hiring hall, seasonal recreation programs, accounting, summer youth employment, Zoo and layoff avoidance.

For the most part, vacancies in common classifications will be filled first by transfer. Following a CAO review of the requested position for critical necessity, revenue generation and availability of funding, the hiring request must be submitted to the Managed Hiring Committee and unanimously approved by its representatives.

# 2012-13 Proposed Budget

## Budget and Finance Committee Changes, as Proposed by the CLA

	Reserve	
Increase	Decrease	Fund Impact

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- ◆ Authorization of substitute positions for which other positions in the department are not being held vacant and will result in additional salary cost, with the exception of layoff avoidance, shall require Council approval, effective July 1, 2012.

### Evaluating Budgetary Compliance and Control

The following budgetary reporting process and protocols are recommended to assist the Budget and Finance Committee in its efforts during the fiscal year and on a go-forward basis:

- ◆ Instruct all departments with pending fee increases that are included in the Proposed Budget, with the assistance of the City Attorney, to report to Council no later than June 30, 2012 with ordinances to effectuate the change in fees. This is to ensure that estimated revenue included in the 2012-13 Budget is realized, in accordance with the Annual Fee Studies Policy. Further, instruct all departments to review their fee structures annually and to report to the Budget and Finance Committee by January 1, 2013 with ordinances, status reports or negative replies concerning fee adjustments for the 2013-14 fiscal year.
- ◆ Instruct all City department and bureau heads to promptly notify the CAO of shortfalls in their budget or revenues so that they may be reported in the CAO's financial status reports.
- ◆ Instruct the CAO to provide quarterly or more frequently, if necessary, financial status reports on revenues and expenditures, the status of the Reserve Fund, departmental hiring, projected shortfalls and recommendations to protect the City's fiscal health:
  - > Revenue: Actual revenue collections; projections of potential shortfalls or surplus revenue, as compared to the Budget; date on which adjusted fees were effective; departments which have not submitted ordinances necessary to implement adjusted fees included in the Adopted Budget; and recommendations for remedial action to achieve revenue projections, if necessary.
  - > Expenditures: Actual expenditures by department and program; comparison to expenditure plan; recommendations for any remedial action necessary to remain within budget.
  - > Use of Overtime: Highlight departments' overtime usage including detail, by department, the purposes (function/program, etc.) for which overtime was expended; the dollar amount and number of hours expended for each purpose; dollar amount budgeted vs. dollar amount remaining for the fiscal year; any projected shortfalls or surpluses, based on actual experience.
  - > Programmatic or functional outcomes: Actual outcomes, by department, program or function during the reporting period, as compared to plan; an analysis of any deviation and recommendation for remedial action, as necessary.
  - > Employment Level: By department, actual vs. authorized, net of positions to be held vacant in order to achieve budgeted savings. Also include the number hired, classification and activity/program to which personnel are assigned - include reason for exception to the hard hiring freeze.
  - > Employment under Charter Section 1164(b): Department and number of retired individuals employed under 120-day returns to work.

## 2012-13 Proposed Budget

### Budget and Finance Committee Changes, as Proposed by the CLA

	Reserve	
Increase	Decrease	Fund Impact

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> **Functional Consolidations:** Status of functional consolidations and functional transfers included the Budget, as well as those approved on an interim basis.

> **New or Increased Revenues:** Define new revenues and how these are proposed to be incorporated into the budget, giving consideration to priorities outlined by the Council, including funding capital improvement projects, increasing allocations to the Budget Stabilization Fund, and bolstering the Reserve Fund.

> **Pending Managed Hiring requests,** including those which are under review by the City Administrative Officer.

- ◆ **Request the City Attorney to report on a quarterly basis to the Budget and Finance Committee on the status of liability claims and outside legal counsel costs, the latter to include proprietary department expense.** Such reports to include the following: available balance; encumbered balance; expenditures to date; projected needs for balance of fiscal year; and, if more funds are needed, specify the corrective actions being taken to contain costs.

#### Financial Policies Compliance

- ◆ **Reserve Fund:** The actions contained in this report increase the Reserve Fund by \$7.72M or to 4.81%. The Emergency Account of the Reserve Fund is set at 2.75% or \$125.0M with the remaining balance of \$93.2M in the Contingency Account.
- ◆ **Capital and Infrastructure Funding Policy:** The Capital and Infrastructure Funding Policy states that "To the extent possible, the City shall annually budget one percent of General Fund revenue to fund capital or infrastructure improvements." With the City facing serious financial constraints, the Mayor's Proposed Budget provided \$7.51M for capital projects and infrastructure improvements, which equates of 0.17% of the General Fund according to the CAO Supporting Documents.
- ◆ **One-Time Revenue For One-Time Expenditure Policy:** The City's Budgetary Policies state that, "To the extent possible, current operations will be funded by current revenues. The use of unencumbered prior year balances in all funds shall be scrutinized and carefully limited to be used primarily for one-time expenditures. One-time revenues will only be used for one-time expenditures. The City will avoid using temporary revenues to fund on-going programs or services." The Mayor's 2012-13 Proposed Budget includes \$85.81M in one-time revenue, other funds and expenditure deferrals and \$2.7M in one-time expenditures.

One-time revenues are anticipated from the redirection of former-CRA Tax Increment monies (\$30M), the transfer of surplus Special Parking Revenue Funds (\$14.58M, with an additional \$18M considered ongoing revenue), and \$13.5M in reimbursements for ambulance billings; one-time expenditure deferrals (\$19.9M), savings from deferring projects in the Capital Improvement Expenditure Program (\$37.87M). Therefore, there is more than \$83M in one-time financial resources supporting on-going expenses.

# 2012-13 Proposed Budget

## Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
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<p>◆ <b>Budget Stabilization Fund:</b> As part of the 2008-09 Budget, the Council approved, in concept, a new chapter to the City's Financial Policies to create a Budget Stabilization Fund (BSF). The intent of the BSF is to prevent overspending during prosperous years and to provide resources to help maintain service levels during lean years.</p> <p>The Council instructed the CAO and CLA to submit a formal BSF policy for enactment into the City's Financial Policies. As originally envisioned, this policy would require compulsory saving when the economy is strong and actual revenue exceeds the projected revenue target, would restrict expenditures from the Fund to those fiscal years when actual revenue is less than the projected revenue target at the time the budget is adopted. In 2009-10, \$500,000 was initially deposited into the BSF, and the 2012-13 Proposed Budget retains that \$500,000 cash balance.</p>			
<b>Revenue Changes</b>			
Licenses, Permits, Fees and Fines			
◆ CAO: Recognize 2011-12 receipts for the L.A. Triathlon agreement	0.160		
◆ City Clerk: Recognize additional reimbursements for fiscal year 2011-12 (\$441K) and 2012-13 (\$325K) relative to Los Angeles Unified School District and Los Angeles Community College District elections.	0.766		
◆ General Services: Recognize revenues for surplus property sales anticipated for 2012-13	0.100		
◆ Personnel Human Resources Benefits: Recognize reimbursements for the administration of the Deferred Compensation Plan	0.385		
◆ Public Works - Contract Administration - Add receipts for Proposition C - Metro Rail and Expo Authority reimbursements	0.303		
◆ Public Works Engineering - Recognize Proposition C reimbursement revenues for Metro Rail and Expo Authority work	1.010		
◆ Recreation and Parks: recognize additional General Fund cost reimbursements inadvertently omitted from the Proposed Budget	0.534		
◆ CAO: Recognize additional 2012-13 reimbursement revenues for the Seismic Bond Program.	0.030		
◆ Fire: Include nine months of revenue from Fire Plan Review fees previously approved by Council; request the City Attorney to prepare and present the necessary ordinance (CF 11-1443).	0.300		
◆ Recognize additional receipts from Supplemental Law Enforcement Services Funds.	1.000		
Reversions			
◆ Recognize additional year-end election reversions based on three-year average reversion amount.	2.000		
	<hr/> 6.588	0.000	6.588 <hr/>

**2012-13 Proposed Budget**  
**Budget and Finance Committee Changes, as Proposed by the CLA**

	Increase	Decrease	Reserve Fund Impact
<b>Expenditure Changes</b>			
Capital Improvement Expenditure Program			
◆ Utilize Proposition 2 Police Bond savings for eligible capital improvements to various Police facilities.		(0.400)	
◆ Fund eligible roofing projects at Public Works Bureau of Sanitation yards with Solid Waste Resources Revenue Funds.		(0.252)	
City Administrative Officer			
◆ Add funding for Attorney Conflicts Panel to address issues arising from the Community Redevelopment Agency dissolution.	0.250		
City Clerk			
◆ Restore regular position authority and funding for one Senior Clerk Typist in the Index Section to support City Council activities. This will result in a reduction of one potential layoff.	0.075		
City Attorney			
◆ Increase the number of furlough days for City Attorney to thirty-six (36) days per year for attorney positions directly or indirectly funded from the General Fund and add funding and resolution authority for five investigator positions in the Workers' Compensation Division to address fraud and risk management issues.	0.490	(0.560)	
Community Development Department			
◆ Continue funding for operation of an additional art center pending release of a Request for Proposals for public-private partnerships for cultural facilities	0.070		
◆ Add funding for a minimum of 125 youth jobs in a Community Youth Summer Hiring Program to be administered by the Community Development Department, with input from the City Council.	0.250		
Ethics			
◆ Reappropriate 2011-12 funds to restore position authority and funding for three positions as follows: one Paralegal II; one Auditor I, and one Management Analyst II for expedited Statement of Economic Interest processing and compliance assistance. This will result in the reduction of one potential layoff.	0.245	(0.245)	
Finance			
◆ Restore funding and regular position authority for two Clerk Typists for customer service purposes and delete two vacant Accounting Clerk II positions. This will result in a reduction of two potential layoffs.	0.136	(0.163)	



**2012-13 Proposed Budget**  
**Budget and Finance Committee Changes, as Proposed by the CLA**

	Increase	Decrease	Reserve Fund Impact
<hr/>			
Forfeited Assets Trust Fund			
◆ Direct Purchase 117 Black and White Vehicles:			
> Revise Schedule 3 to authorize the Los Angeles Police Department to expend \$1.5M to purchase black and white vehicles from LAPD Forfeited Assets Trust Fund No. 44D, Department 70, Appropriation account number 70H402, account entitled "Supplemental Police Account."	1.500	(1.500)	
> A total of \$1.538M was unencumbered and unprogrammed at year end fiscal year 2011-12 and will be reappropriated in fiscal year 2012-13 for the purchase of black and white vehicles.	1.538	(1.538)	
> Recognize additional revenue receipts for Forfeited Assets Trust Funds.	0.360	(0.360)	
> Revise Schedule 3 to reflect \$500K of the \$3.6M for technology to purchase black and white vehicles.	0.500	(0.500)	
> Appropriate necessary funding within the fund for the purchase of these vehicles.			
General City Purposes			
◆ Restore funding with a 15 percent reduction over fiscal year 2011-12 for the Special Events Fee Subsidy in order to support community and neighborhood events citywide.	1.720		
◆ Add funding for 11,400 applicants on a waiting list for the Lifeline Reimbursement Program. This program provides subsidies for low income seniors and persons with disabilities. This would raise the number of participants from 40,000 in the Proposed Budget to 51,000.	1.400		
General City Purposes - Gang Reduction and Youth Development Office			
◆ Provide current year programmatic funding for the GRYD Program, based on 2011-12 expenditures, with the following changes:			
> Forgive the HACLA loan adopted pursuant to CF 11-1879.			
> Reduce Office and Other costs by 10 percent of fiscal year 2011-12 expenditure levels.			
> Defer evaluation costs.			
> Recognize additional revenues for a pending grant (\$500K) and funds already contained in the Proposed Budget (\$288K).			
> The resulting change is a \$3.6M increase in the 2011-12 General Fund appropriation.			
		(3.256)	
Human Resources Benefits Fund			
◆ Reduce funding for Unemployment Insurance based on fewer filled positions eliminated in the fiscal year 2012-13 Budget.			(0.480)

**2012-13 Proposed Budget**  
**Budget and Finance Committee Changes, as Proposed by the CLA**

	Increase	Decrease	Reserve Fund Impact
<hr/>			
Human Resources Consolidation			
◆ Make corrections to various Department budgets to reflect additional resources required to implement the Human Resources Consolidation approved by the Mayor and City Council (CF 11-0261 and CF 11-0261-S1)			
> Delete position authority and six months funding for one Clerk Typist in the Department of Building and Safety. Add position authority and six months funding for one Clerk Typist in the Personnel Department.	0.029	(0.029)	
> Community Development: Restore position authority and six months funding for one Personnel Analyst II related to EEO, Workers' Compensation and labor relations issues deleted from the Proposed Budget and transfer this position to the Personnel Department. This position is fully funded from the Community Development Block Grant.	0.075	(0.075)	
> General Services: Restore regular position authority and funding for one Senior Clerk Typist deleted from the General Services Department and transfer this position, along with one additional Senior Clerk Typist (two total), to the Personnel Department. This will result in the reduction of one potential layoff.	0.075		
> Street Services: Transfer regular position authority with funding for one Senior Clerk Typist from the Bureau of Street Services to the Personnel Department.	0.053	(0.053)	
> Street Lighting: Restore position authority and funding to the Bureau of Street Lighting for one Clerk Typist that was transferred to the Personnel Department for Human Resources Consolidation. Funding is from the Street Lighting Maintenance and Assessment Fund.	0.048		
> Personnel: Delete position authority and funding for one Clerk Typist in the Personnel Department that was erroneously transferred to the Bureau of Street Lighting for the Human Resources Consolidation.		(0.048)	
> Delete one Assistant General Manager position for Human Resources consolidation.		(0.255)	
> Instruct the Personnel Department to ensure Shared Services Agreements are mutually negotiated and executed with all impacted departments and include provisions to comply with grant requirements, to ensure proper allocation and accounting of grant resources.			
Information Technology Agency			
◆ Restore one Graphic Designer III position to be fully offset by savings through the deletion of one Programmer Analyst III. This results in a reduction of one layoff.	0.077	(0.093)	
Neighborhood Empowerment			
◆ Restore position authority and funding for 1 Senior Accountant II and 1 Neighborhood Empowerment Analyst for the Neighborhood Council funding program and liaison to Neighborhood Councils. This results in a reduction of two layoffs.	0.215		
Personnel			
◆ Delete funding for firefighter recruitment outreach and advertising.		(0.279)	
Public Works - Street Services			
◆ Add funding for contract tree trimming services for 5,000 trees.	0.500		

**2012-13 Proposed Budget**  
**Budget and Finance Committee Changes, as Proposed by the CLA**

	Increase	Decrease	Reserve Fund Impact
Recreation and Parks			
◆ Revise funding for programming and maintenance of various new, expanded and renovated facilities based on anticipated opening dates.		(0.678)	
◆ Restore funding for the CLASS Parks Program at the following five recreation centers: Central, Denker, Lincoln Heights, Oakwood and Wabash.	0.231		
◆ Increase funding for Children's Play Equipment.	0.534		
◆ Restore funding for the annual Downtown on Ice event with a 15 percent reduction from fiscal year 2011-12.	0.100		
Telecommunications Development Account			
◆ Restore funding for Grants to Third Parties for Channel 36 operations, as follows:	0.255		
> Eliminate remote testimony, resulting in a General Fund savings of \$21K and special fund savings of \$25K		(0.021)	
> Recognize unexpended prior year appropriations		(0.174)	
◆ Place funding for the Customer Relationship Management project in the Unappropriated Balance, with \$750K to be funded by special funds and \$250K by the Telecommunications Development Account (TDA) with the remaining TDA Funds to be used for eligible General Fund activities.	0.250	(1.000)	
Transportation			
◆ Delete funding and position authority for one Assistant General Manager.		(0.204)	
Unappropriated Balance			
◆ Restore General Account for miscellaneous reimbursements to City departments, including reimbursement for offsite Council and Committee meeting costs.	0.050		
<b>SUBTOTAL EXPENDITURE CHANGES</b>	<b>11.026</b>	<b>(12.163)</b>	<b>(1.137)</b>

**2012-13 Proposed Budget**  
**Budget and Finance Committee Changes, as Proposed by the CLA**

	Increase	Decrease	Reserve Fund Impact
<b>Other Changes</b>			
<b>Building and Safety</b>			
◆ Increase departmental overtime for off-hour inspection at Sunshine Canyon, to be fully reimbursed by the Sunshine Canyon Trust Fund.	0.021	(0.021)	
<b>Controller</b>			
◆ Reappropriate up to \$500K in unencumbered remaining balances in Controller Fund 100/26 accounts for fiscal year 2011-12 which would normally revert to the Reserve Fund, to accounts to be determined by the Controller, with a minimum of \$230K to be provided to the Salaries As-Needed Account for continuation of the Accounting Resource Pool.	0.500	(0.500)	
<b>Emergency Management Department</b>			
◆ Add contract funding for comprehensive emergency management with full reimbursement to be provided during fiscal 2012-13 from the 2011 Emergency Management Performance Grant.	0.116	(0.116)	
<b>General Services</b>			
◆ Restore nine months funding and regular position authority for one Tire Repairer Supervisor I and one Construction Equipment Service Worker for Bureau of Sanitation fleet support to be fully funded by the Solid Waste Resources Revenue Fund.	0.106	(0.106)	
◆ Restore nine-months funding and regular position authority for one Helicopter Mechanic and one Helicopter Mechanic Supervisor I to be offset by the deletion of two Machinists and reduction in overtime.	0.144	(0.144)	
◆ Restore funding and regular position authority for one Delivery Driver I to be offset by the deletion of one Clerk.	0.060	(0.060)	
<b>Library</b>			
◆ Recognize unspent funds from fiscal year 2011-12 to provide a dedicated funding source for the Central Library Parking Validation Program.	0.150	(0.150)	
◆ Reallocate funding included in the Office and Administrative Expense account to the Contractual Services account to reflect proper allocation of funds for alterations and improvements at the Library.	0.303	(0.303)	

**2012-13 Proposed Budget**  
**Budget and Finance Committee Changes, as Proposed by the CLA**

	Increase	Decrease	Reserve Fund Impact
<hr/>			
Measure R and Public Works - Street Services			
◆ Provide funding for an Alley Paving Program as follows:			
> Reduce the appropriation to the Capital Improvement Expenditure Program for the Wilshire Bus Lane, as these funds are not required in the 2012-13 fiscal year.		(0.500)	
> Reduce the allocation for the Pavement Preservation Set Aside.		(1.450)	
> Provide funding to the Bureau of Street Services for alley paving, repaving or green alley projects.	1.950		
> Instruct the Bureau of Sanitation and the Bureau of Street Services, with coordination from the Department of Water and Power, to report on the feasibility of implementing green alley projects to address the remaining 18 miles of dirt alleys or any appropriate alley in the City.			
◆ Reduce funding in the Measure R appropriation for the Safe Routes to School Assessment Study line item and reallocate funds as follows, per Council action (CF 11-1872) to coordinate pedestrian safety issues.		(0.127)	
> Add nine months funding and resolution position authority for one Pedestrian Coordinator.	0.071		
> Add nine months funding and resolution position authority for one Project Assistant.	0.056		
Public Works - Engineering			
◆ Add resolution authority and funding for one Building Electrical Engineer II to coordinate critical fire life safety projects, to be fully funded from Fire Life Safety General Obligation Bond funds.	0.081	(0.081)	
Public Works - Sanitation			
◆ Add nine months funding and resolution authority for two positions: one Project Coordinator for regulatory compliance, to be fully funded by the Solid Waste Resources Revenue Fund, the Stormwater Pollution Abatement Fund and other special funds as appropriate and one Chief Financial Officer to be fully funded from special funds.	0.219	(0.219)	
> Instruct the Bureau of Sanitation to report to the Energy and Environment and Budget and Finance Committees within 60 days after hiring of a Chief Financial Officer (CFO) with a long-term Infrastructure plan including a Five-Year Financial Plan for the Bureau's special funds. The report shall address the establishment, role and responsibilities of the CFO, administration and oversight of special funds, transition to an enterprise fund, cost recovery and full reimbursement to the General Fund. Status reports shall be included in the City Administrative Officer's Financial Status Reports.			
◆ Restore funding and resolution authority for one Environmental Engineer for the Solid Waste Integrated Resources Plan, to be fully funded by the Citywide Recycling Trust Fund. Reduce funding in the Citywide Recycling Trust Fund (Schedule 32) line item for Commercial Recycling Development/Capital Costs.	0.096	(0.096)	

**2012-13 Proposed Budget**  
**Budget and Finance Committee Changes, as Proposed by the CLA**

	Increase	Decrease	Reserve Fund Impact
◆ Sewer Construction and Maintenance Fund			
> Recognize an appropriation for fleet replacement needs inadvertently omitted from the Proposed Budget.	4.630	(4.630)	
<b>SUBTOTAL OTHER CHANGES</b>	<b>8.503</b>	<b>(8.503)</b>	<b>0.000</b>
<b>Net Change to the Reserve Fund</b>			<b>7.725</b>
<b>Plus Mayor's Proposed Reserve Fund</b>			<b>210.507</b>
<b>BUDGET AND FINANCE COMMITTEE PROPOSED RESERVE FUND</b>			<b>218.232</b>

**Instructions and Technical Adjustments**

Exhibit H

- ◆ Adopt recommendations contained in Exhibit H with the following changes:
  - > Delete the instruction requesting the City Attorney to prepare and present an ordinance to amend Subsection 7 of Section 5.117 of the Los Angeles Administrative Code to eliminate Special Parking Revenue Fund loan repayment requirements on surplus funds transferred to the General Fund.
  - > Delete the instruction requesting the Bureau of Street Services, with assistance from the City Administrative Officer, City Attorney, and any other necessary departments, to report to Mayor and Council on recommendations to implement a modified Weed Abatement Program given the City's limited resources, as an amended instruction to report to the Public Works Committee has been included in Attachment 1.
  - > Delete the instruction to the Managed Hiring Committee to continue enforcement of a "Hard Hiring Freeze" as a general policy instruction has been provided in this report.
  - > Delete the instruction to the City Administrative Officer to prepare recommendations regarding the Pension Reform Plan, as an amended instruction to report has been included in Attachment 1.
  - > Delete the instruction to the City Administrative Officer to report on potential ballot measures for the March 2013 election, as an amended instruction to report has been included in Attachment 1.
  - > Delete the instruction to the City Administrative Officer to report to Mayor and Council with a proposal for instituting a comprehensive citywide long-term Capital Plan, as an instruction to report has already been included for the Bureau of Sanitation.
  - > Delete the instruction to the City Administrative Officer, with the assistance of the City Attorney and Personnel, to report to Mayor and Council with a proposal to allocate liability costs to the responsible departments in order to increase accountability and reduce future liability claims, as an instruction to report has been included in Attachment 1.
  - > Delete the instruction to the City Administrative Officer to coordinate and update departmental performance metrics based on the fiscal year 2012-13 adopted budget and fiscal year 2011-12 actual results and to begin regular reporting to Mayor and Council on departments' progress in meeting budgeted goals and objectives; and instruct the City Administrative Officer to continue the transition to a performance-based budgeting process, as an amended instruction to report has been included in Attachment 1.

## **2012-13 Proposed Budget**

### **Budget and Finance Committee Changes, as Proposed by the CLA**

	Reserve	
Increase	Decrease	Fund Impact

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> Delete the instruction to the City Administrative Officer to guide, facilitate and collect citywide departmental strategic planning elements and incorporate it into the budget beginning in the fiscal year 2013-14 Budget development process. An instruction to report is included in Attachment 1.

> Delete the instruction to the City Administrative Officer to coordinate and prepare a response to Mayor and Council on the Neighborhood Council Budget Advocates white paper "A Culture of Excellence: Recommendations for a Sustainable Future," including how the City is presently addressing issues raised and recommendations for further actions the City may take, as an amended instruction to report is included in Attachment 1.

> Delete the instruction to the City Administrative Officer, with the assistance of the Office of Finance, to coordinate and prepare responses to Mayor and Council on the Commission on Revenue Efficiency (CORE) Final Reports, including how the City is presently addressing issues raised and recommendations for further actions the City may take, as an amended instruction to report is included in Attachment 1.

> Delete the instruction to the City Administrative Officer, with the assistance of the Convention Center, Zoo, Animal Services, and Cultural Affairs to provide a report to Mayor and Council on the status of the efforts to engage in public private partnerships along with benefits obtained from existing partnerships and further instructing the City Administrative Officer, with the assistance of Recreation and Parks (RAP), to include in that report the areas in which public private partnerships could provide value to the City's RAP programs such as golf course operation and management and other programming, as an amended instruction to report has been included in Attachment 1.

> Delete the instruction to the City Administrative Officer, with the assistance of Planning and the City Attorney, along with all other relevant City departments, to report to the Mayor and Council on recommendations relative to increasing the City's revenue from advertising, signage, and naming at City facilities. This report shall include, but not be limited to, findings on what other cities have done; the potential use of a Municipal Marketing firm to assist the City; and, a comprehensive review of the City's current and potential advertising, signage, and naming revenues, including, but not limited to those at the Los Angeles International Airport, Los Angeles Department of Transportation, Los Angeles Zoo, the Recreation and Parks Department, and the Los Angeles Convention Center, as an instruction to report has been included in Attachment 1.

> Delete the instruction to the City Administrative Officer and the Chair of the City's Joint Labor Management Benefits Committee (JLMBC) to develop healthcare plan design changes for Mayor and City Council approval that will achieve additional structural savings beginning in the Program Year 2013 FLEX Benefits Program, as an instruction to report has been included in Attachment 1.

> Delete the instruction to the City Administrative Officer, with the assistance of the Fire Department, to draft a Request for Proposals and secure an outside consulting firm to conduct a third party review of the Fire Department's deployment of resources, which will include an analysis of platoon duty and special duty staffing levels, the Constant Staffing deployment model, and response times of fire and emergency medical services citywide. An amended instruction is included in Attachment 1.



# 2012-13 Proposed Budget

## Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
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> Delete the request to the Controller, with assistance from the City Administrative Officer, to provide a report to the Mayor and Council on the challenges and operational issues facing the City's Departments in regards to their accounting and auditing functions which shall include, but not be limited to, the level of staffing currently available and the feasibility of reorganizing / consolidating these functions to increase efficiencies, as a request to report has been included in Attachment 1.			
> Delete the request to the Controller to conduct an audit of the Los Angeles Fire Relief Association (LAFRA) and the Los Angeles Police Relief Association (LAPRA) to 1) verify that City subsidy funds and member contributions were properly accounted for and disbursed for the benefit of members; and, 2) determine whether LAFRA and LAPRA are in compliance with applicable laws and regulations pertinent to non-profit organizations, as a request to conduct this audit is included in Attachment 1.			
> Delete the instruction to the City Ethics Commission to analyze and report on projected costs and estimated public funding needs for the next four years in order to determine funding needs for the Matching Campaign Trust Fund in accordance with Charter Amendment H requirements, as a request to report has been included in Attachment 1.			
> Delete the instruction to the Office of Finance and City Administrative Officer, with the assistance of the City Attorney, and all regulatory permitting City departments, to develop and report to Mayor and Council with a proposal for an ordinance authorizing the revocation or denial of a City regulatory permit issued to or requested by a business that has any delinquent tax, including Business Tax. An instruction to report has been included in Attachment 1.			
> Delete the instruction to the Information Technology Agency to report to Mayor and Council on an overall plan to implement a Citywide Customer Relationship Management System, as an instruction to report has been included in Attachment 1.			
> Delete the instruction to the Bureau of Sanitation, with the assistance of the Controller, City Attorney and City Administrative Officer, to report to the Mayor and Council on the feasibility and costs of converting the Solid Waste Resources Revenue Fund from a special fund to an enterprise fund, as an instruction to report has been included in Attachment 1.			
> Delete the instruction to the City Administrative Officer, with the assistance of its independent financial advisors, to review opportunities relative to the Special Parking Revenue Fund (SPRF) to increase the financial returns to the City which shall include, but not be limited to the following: 1) defeasing the existing parking revenue bonds and reducing overall debt service costs through various alternative financing structures; 2) eliminating the SPRF which will increase the City's ongoing General Fund revenues (net of ongoing parking system operating and maintenance costs and necessary long term investments); and 3) maximizing the efficiencies of the City's parking facilities and meter systems through further improvements in operations management and appropriate infrastructure investments.			
> Amend the request to the City Attorney to prepare and present all revenue-generating ordinances as expeditiously as possible, but no later than thirty (30) days after final budget adoption.			

## 2012-13 Proposed Budget

### Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
<hr/>			
> Amend the request for the City Attorney, with the assistance of the Bureau of Sanitation, to prepare and present an ordinance to amend Subdivision (3) of Subsection (b) of Section 66.41 of the Los Angeles Municipal Code to reduce the maximum number of customers who may receive the lifeline reduction to the Solid Waste Collection, Transfer, Recycling, Recover of Waste Resources and Disposal Fee from 58,910 to 51,400 (an increase of 11,400 participants over the number included in the Mayor's Proposed Budget), to reflect recommendations made in this report.			
> Amend the instructions that propose to suspend the Financial Policy regarding an annual contribution of 1% of the General Fund for capital or infrastructure improvements, to read as follows: Suspend the annual contribution of one percent of General Fund revenue for capital or infrastructure improvements for fiscal year 2012-13. An instruction to the City Administrative Officer and the Chief Legislative Analyst to report on revisions to the Financial Policies has been included in Attachment 1.			
> Amend the instructions regarding an ordinance stating that any Auto Park that has any delinquent taxes, including Business Tax and Parking Occupancy Tax, or any unregistered or non-permitted Auto Park be required to install permanent Revenue Control Equipment (RCE), having the capacity to accept various forms of payments, including credit/debit cards, as a condition for the granting or renewal of a Police permit for the operation of an Auto Park to be expanded to include an instruction to amend the Los Angeles Municipal Code to require all Auto Park operators to post a bond to satisfy delinquent parking occupancy tax. Further suspend Auto Park permit upon finding of withholding of funds or preventing City auditors from inspecting/auditing parking activity, and hold suspension until specified conditions are met.			
> Amend the instructions that instruct the City Attorney, with the assistance of the Office of Finance/Treasurer to prepare an ordinance regarding businesses conducting any automobile parking space, storage lot or storage place to define the ordinance more specifically to those who pay a parking tax.			

#### General Instructions

- ◆ Instruct all Departments to ensure that all receipts, including settlements and liability claims, are properly deposited into the General Fund, and further request the Controller to ensure that Departments are adhering to this instruction.
- ◆ Instruct all Departments to ensure immediate invoicing for all grant reimbursements.
- ◆ Instruct all departments to process FMS transactions resulting from Mayor/Council fiscal actions within 10 working days from the approval date as recorded by the Mayor and City Clerk
- ◆ Instruct the CAO to monitor and ensure timely data entry of budget adjustments by City Departments

# 2012-13 Proposed Budget

## Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
◆ Reaffirm the instruction from the 2009-10 Adopted Budget that all projects proposed for MICLA financing must be approved by the Council before expending MICLA Commercial Paper proceeds. Further, to the extent that special funds are being used to support MICLA projects, that the City Administrative Officer reevaluate the use and report on the need for special funds.			
◆ Instruct the CLA and CAO to work with Council leadership to schedule a "Revenue Day" in Council during the month of August 2012, to consider new or enhanced revenue options in time to meet deadlines for placement on the March 2013 Primary Nominating Election ballot.			
◆ Instruct the City Clerk to open Council Files for all pending and outstanding report requests made by the Budget and Finance Committee during its consideration of the Mayor's Proposed 2012-13 Budget, as shown in Attachment 1 and to ensure the referral of various memoranda and reports.			
◆ Request the City Attorney to transmit all implementing ordinances no later than June 30, 2012.			
◆ Authorize the CLA and CAO to make minor and technical adjustments to accomplish the intent of the changes proposed herein.			

### Technical Adjustments

#### Animal Services

- ◆ Restore position authority without funding for three Animal Control Officers to increase license sales, to be cost neutral and one Management Analyst II for administrative and budgetary functions.

#### City Clerk

- ◆ Restore position authority, without funding, for one Office and Engineering Technician II. This will result in the reduction of one potential layoff.

#### General City Purposes

- ◆ Amend Item 36, page 741 of the Detail of Department Programs, Volume II, Economic Development Initiative, to remove the word "under-served" from the description of this item.

#### Planning

- ◆ Add 20 resolution authorities without funding as follows:
  - > Six resolution authorities for Technology and Administration.
  - > Three resolution authorities for Case Processing and Plan Implementation.
  - > One resolution authority for Accounting/Administration and Technology.
  - > Four resolution authorities to support the planning approval process.
  - > Three resolution authorities for Major Projects, previously approved by the Council (CF 11-0023-S8).
  - > Three resolution authorities for a new Planning Condition Compliance Unit for proactive enforcement of zoning restrictions and usage conditions. To be funded from renewal filing fees in the Planning Case Processing Fund.

**2012-13 Proposed Budget**  
**Budget and Finance Committee Changes, as Proposed by the CLA**

	Increase	Decrease	Reserve Fund Impact
Public Works - Contract Administration			
◆ Restore position authority without funding for one Senior Clerk Typist in the Administrative Services Division.			
Public Works - Engineering			
◆ Restore position authority without funding for one Clerk Typist and one Clerk in the Development Services Program			
Zoo			
◆ Restore regular authority, without funding, for one Zoo Curator position for coordination and management of the Zoo's animal collection			
◆ Restore regular authority, without funding, for one Principal Animal Keeper to supervise various animal keeper positions and ensure proper training for animal care			
◆ Restore regular authority, without funding, for one Zoo Veterinarian II position for animal medical treatment.			
◆ Restore regular authority, without funding, for one Zoo Veterinarian III position for animal medical treatment and American Zoo Association quarantine requirements coordination.			

## Summary of Requested Reports

### Aging

- ◆ Instruct the Department of Aging to report to the Arts, Parks, Health and Aging Committee on metrics for various senior programs, dollars spent per senior, and return on investment.

### Building and Safety

- ◆ Instruct the Department of Building and Safety and City Administrative Officer to report to the Planning and Land Use Management and Budget and Finance Committees regarding the creation of a fee similar to the Systematic Code Enforcement Program (SCEP) in Building & Safety to address code enforcement issues.
- ◆ Instruct the Department of Building and Safety to report to the Planning and Land Use Management and Budget and Finance Committees by August 15, 2012 regarding best practices of other jurisdictions, including the County of Los Angeles to include the following information: 1) fees, fines and penalties for violations; 2) escalation of fees for non-compliance; 3) effectiveness of other jurisdiction's fee, fine and penalty structure; 4) how services are tailored to public priorities, and not entirely complaint driven; and, 5) innovative programs and the use of part-time Code Enforcement Officers.
- ◆ Instruct the Department of Building and Safety to report to the Planning and Land Use Management and Budget and Finance Committees by September 15, 2012 regarding best practices for plan check services, which would include the following information: 1) workload indicators; 2) plan check turnaround and verification timelines; 3) construction valuation; 4) plan check and permit fees; 5) staffing; 6) codes adopted and process to ensure compliance; 7) electronic plan check; and, 8) innovative plan check enhancements.
- ◆ Instruct the Department of Building and Safety to report to the Planning and Land Use Management Committee by August 15, 2012 regarding best practices for the test lab.
- ◆ Instruct the Department of Building and Safety to report to the Planning and Land Use Management Committee by August 15, 2012 on the feasibility of establishing other types of code enforcement programs, such as the use of part-time code enforcement officers.
- ◆ Instruct the Department of Building and Safety to report to the Planning and Land Use Management Committee by August 15, 2012 on best practices for code enforcement.
- ◆ Instruct the Department of Building and Safety and the City Administrative Officer to report to the Planning and Land Use Management and Budget and Finance Committees by August 15, 2012 on Code Enforcement Fees, with the goal of full cost recovery for these services.
- ◆ Instruct the Department of Building and Safety and the City Administrative Officer to report to the Planning and Land Use Management and Budget and Finance Committees by July 15, 2012 regarding Code Enforcement full cost recovery efforts.
- ◆ Instruct the Department of Building and Safety to report to the Planning and Land Use Management and Budget and Finance Committees regarding the inspection process, with an emphasis toward adopting best practices that will result in efficiencies and an overall improvement to the inspection process.

## City Administrative Officer

- ◆ Instruct the City Administrative Officer to develop and present to the Budget and Finance Committee by July 15, 2012 a list of mid-year reductions and triggers for those reductions to ensure that the budget remains balanced throughout the fiscal year, without using the Reserve Fund.
- ◆ Instruct the City Administrative Officer to conduct an analysis of Compensated Time Off and banked overtime for all civilian and sworn positions and provide recommendations to the Budget and Finance Committee on how to address this issue. Identify the departments which have the most issues in this area.
- ◆ Instruct the City Administrative Officer, General Services, Fire Department and other applicable agencies to report to the Public Safety and Information Technology and General Services with recommendations regarding a policy that would allow efficiencies in purchasing mobile radios.
- ◆ Instruct the City Administrative Officer to identify efficiencies in departments and offices, determine the cost to implement and potential savings generated and consider a policy to allow borrowing against a future revenue stream to allow earlier implementation.
- ◆ Instruct the City Administrative Officer, Office of Finance and other appropriate departments to report to the Budget and Finance Committee on the options for improving the City's cash flow, with the goal of reducing the need for Tax and Revenue Anticipation Notes (TRANS). Consider such items as quarterly payment of business taxes, earlier receipt of DWP transfer, and other possible items.
- ◆ Instruct the City Administrative Officer and the Chief Legislative Analyst to report to the Budget and Finance Committee with recommendations for revising the City's Financial Policies for 2013-14 to redefine the definition of "contributions for capital or infrastructure improvements" to appropriately include in that annual calculation all tangible expenditures that are eligible for Municipal Improvement Corporation of Los Angeles (MICLA) financing, including, but not limited to, expenditures on capital repair, infrastructure and technology.
- ◆ Instruct the City Administrative Officer to prepare a recommendation for Mayor and Council approval by July 1, 2012, to create a sustainable pension tier for NEW civilian (non-sworn) City employees that shall include the following major components: 1) Changes to Retirement Age; 2) Reduce the Retirement Factor; 3) Cap the Maximum Retirement Allowance; 4) Restructure how "Final Compensation" is Calculated to Prevent "Pension Spiking;" 5) Reduce Pension Cost of Living Adjustments (COLAs); 6) Obtain Better Control of Retiree Health Costs; 7) Ensure Cost Neutrality of the Government Service Buyback Program; and 8) Share the Risk of Future Retirement Cost Increases with Employees.
- ◆ Instruct the City Administrative Officer and Chief Legislative Analyst to present a comprehensive report to the Mayor and Council on potential ballot measures to be considered for the March 2013 Primary Nominating Election to provide additional funding for public services.
- ◆ Instruct the City Administrative Officer, with the assistance of the City Attorney, to report to the Budget and Finance Committee with a proposal to allocate liability costs to the responsible departments in order to increase accountability and reduce future liability claims.

## City Administrative Officer (continued)

- ◆ Instruct the City Administrative Officer to coordinate and update departmental performance metrics based on the fiscal year 2012-13 adopted budget and fiscal year 2011-12 actual results and begin regular reporting to Mayor and Council on departments' progress in meeting budgeted goals and objectives. Such reports should be at least quarterly and metrics corresponding to particular functions or clusters of government programs should be grouped, aligned and presented to corresponding Council Committees (e.g. Public Safety, Transportation, etc.). In addition, a working group of Mayor, City Administrative Officer, Controller, and Chief Legislative Analyst shall be formed to provide oversight to implementation of this citywide performance management process. Further instruct the City Administrative Officer to continue the transition to a performance-based budgeting process.
- ◆ Instruct the City Administrative Officer to guide, facilitate and collect citywide departmental strategic planning elements and incorporate it into the budget beginning in the fiscal year 2013-14 Budget development process.
- ◆ Instruct the City Administrative Officer to coordinate and prepare a response to Mayor and Council on the Neighborhood Council Budget Advocates white paper "A Culture of Excellence: Recommendations for a Sustainable Future," including how the City is presently addressing issues raised and recommendations for further actions the City may take. The report should specifically address each issue raised in the white paper.
- ◆ Instruct the City Administrative Officer, with the assistance of the Office of Finance, to coordinate and prepare responses to Mayor and Council on the Commission on Revenue Efficiency (CORE) Final Reports, including how the City is presently addressing issues raised and recommendations for further actions the City may take. The report should specifically address each issue raised in the CORE reports.
- ◆ Instruct the City Administrative Officer, with the assistance of the Convention Center, Zoo, Animal Services, and Cultural Affairs, to provide a report to Mayor and Council on the status of the efforts to engage in public private partnerships along with benefits obtained from existing partnerships. Further instruct the City Administrative Officer, with the assistance of Recreation and Parks (RAP) and the Department of Aging, to include in that report the areas in which public private partnerships could provide value to the City's RAP programs such as golf course operation and management and other programming and to the Department of Aging with regard to senior programs.
- ◆ Instruct the City Administrative Officer, with the assistance of Planning and the City Attorney, along with all other relevant City departments, to report to the Planning and Land Use Management, Arts, Parks, Health and Aging, and Budget and Finance Committees with recommendations relative to increasing the City's revenue from advertising, signage, and naming at City facilities. This report shall include, but not be limited to, findings on what other cities have done; the potential use of a Municipal Marketing firm to assist the City; and, a comprehensive review of the City's current and potential advertising, signage, and naming revenues, including, but not limited to those at the Los Angeles International Airport, Los Angeles Department of Transportation, Los Angeles Zoo, the Recreation and Parks Department, and the Los Angeles Convention Center.  
Further instruct the City Administrative Officer, with assistance from the Planning Department and Controller, in conjunction with the overall report regarding a sign ordinance, to report to the Planning and Land Use Management and Budget and Finance Committees on the feasibility of creating a special fund for Sign Regulation Studies.



## City Administrative Officer (continued)

- ◆ Instruct the City Administrative Officer and the Chair of the City's Joint Labor Management Benefits Committee to develop healthcare plan design changes for Mayor and City Council approval that will achieve additional structural savings beginning in the Program Year 2013 FLEX Benefits Program.
- ◆ Instruct the City Administrative Officer, with the assistance of the Fire Department, to draft a Request for Proposals (RFP) and secure an outside consulting firm to conduct a third party review of the Fire Department's deployment of resources, which will include an analysis of platoon duty and special duty staffing levels, the Constant Staffing deployment model, response times of fire and emergency medical services citywide, mandatory responses, dispatch protocol (Clawson protocol), and the 10th member on a task force.
- ◆ Instruct the City Administrative Officer, with the Controller, Mayor, City departments and representatives from the Coalition of City Unions, to report to the Budget and Finance Committee prior to the mid-year Financial Status Report on a new approach to address prior year encumbrances. The report should be submitted to the City Council with ample time to consider a policy change prior to submission of the Mayor's 2013-14 Proposed Budget.
- ◆ Instruct the City Administrative Officer, with the Chief Legislative Analyst to prepare a letter to the Board of Commissioners for the Fire and Police Pensions System and the Los Angeles City Employee Retirement System, reiterating the request to fund the actuarial studies for the Five Year Forecast of City Contributions.
- ◆ Instruct the City Administrative Officer and the Fire Department to report by January 1, 2013 on the Voluntary Subscription and Treatment/No Transport programs that have been proposed in previous budgets. The report should contain information about the experience other cities have had with similar programs.
- ◆ Instruct the City Administrative Officer, with the assistance of the City Attorney and other applicable departments, to report to the Budget and Finance Committee with a strategy for reducing liability in the City and how a strategic approach to risk management may assist in this effort.
- ◆ Instruct the City Administrative Officer to monitor revenue received from federal reimbursement of EMS ambulance services, through AB 678, and report to the Budget and Finance Committee in the mid-year Financial Status Report with the actual amount received and updated revenue projections.
- ◆ Instruct the City Administrative Officer, with the assistance of the Bureau of Sanitation and the Bureau of Street Services, to report to the Energy and Environment, Public Works and Budget and Finance Committees, regarding the feasibility and potential efficiencies of consolidating the bulky item pickup and debris removal programs within one agency.
- ◆ Instruct the City Administrative Officer, with the assistance of the Department of Recreation and Parks and the Department of Water and Power, to report to the Arts, Parks, Health and Aging and Energy and Environment Committees on charging fees for the use of rights of way and other facilities that exist on parkland. The report should address the impact to the Department of Water and Power budget and include information about other energy savings opportunities that may be developed and/or funded by the Department of Water and Power.
- ◆ Instruct the City Administrative Officer to report to the Executive Employee Relations Committee regarding the impact of Tier 6 on the recruitment of firefighters and police officers.

## City Administrative Officer (continued)

- ◆ Instruct the City Administrative Officer and the Chief Legislative Analyst to report to the Rules, Elections and Intergovernmental Relations Committee on potential legislative proposals for Workers' Compensation reform.
- ◆ Instruct the City Administrative Office and the Personnel Department to report on the potential for obtaining alternative healthcare plans in an effort to provide lower cost options to City employees.
- ◆ Instruct the City Administrative Officer, with the Department of Transportation, to report to the Transportation Committee on the establishment of a Los Angeles County Abandoned Vehicle Abatement Service Authority in accordance with State Vehicle Cost Section 22710.

## Controller

- ◆ Request the Controller, with assistance from the City Administrative Officer, to provide a report to the Audits and Governmental Efficiency and Budget and Finance Committees on the challenges and operational issues facing the City's Departments in regards to their accounting and auditing functions which shall include, but not be limited to, the level of staffing currently available and the feasibility of reorganizing / consolidating these functions to increase efficiencies.
- ◆ Request the Controller to conduct an audit of the Los Angeles Fire Relief Association (LAFRA) and the Los Angeles Police Relief Association (LAPRA) to 1) verify that City subsidy funds and member contributions were properly accounted for and disbursed for the benefit of members; and, 2) determine whether LAFRA and LAPRA are in compliance with applicable laws and regulations pertinent to non-profit organizations.

## Cultural Affairs

- ◆ Instruct the Department of Cultural Affairs to report to the Arts, Parks, Health and Aging Committee, within 60 days on efforts to generate more visitors to Hollyhock House, Watts Towers and other Cultural Affairs facilities.

## Disability

- ◆ The Proposed Budget includes position authority and funding for one Senior Project Coordinator to assist in monitoring the Voluntary Compliance Agreement with the Department of Housing and Urban Development. The Department reports that this position will be housed in and report to the Mayor. Instruct the Department on Disability to report to the Council to determine the reporting relationship of this position.

## El Pueblo

- ◆ Instruct the El Pueblo Historic Monument to continue discussions with the Los Angeles Tourism and Convention Board (formerly LA INC) to market El Pueblo as a tourist destination and report to the Arts, Parks, Health and Aging Committee within 60 days on the status of items which include, but are not limited to the following: grant funding for Olvera Street businesses to promote local artwork; advertisements and display exhibits at Los Angeles World Airports; methods to enhance the El Pueblo Visitor Information Center; joint exhibits with Cultural Affairs; installation and rotation of exhibits in the City's main library; FlyAway bus wraps with "Follow me to Olvera Street;" and, existing facilities to promote El Pueblo.

### Emergency Management

- ◆ Instruct the Emergency Management Department to report to the Public Safety Committee on its efforts to coordinate the development of emergency plans for all City departments, the number of departments with current emergency plans and compliance with Executive Directive 15.

### Ethics Commission

- ◆ Request the Ethics Commission, with assistance of the City Attorney, to review feasibility of charging the Los Angeles Unified School District for its share of compliance activities performed by the Ethics Commission.
- ◆ Request the Ethics Commission to review and report to the Rules, Elections and Intergovernmental Relations Committee on the possibility of adding a registration fee for new campaign committees and for a value added tax for those who are part of the election process.
- ◆ Request the City Ethics Commission to analyze and report to the Rules, Elections and Intergovernmental Relations committee on projected costs and estimated public funding needs for the next four years in order to determine funding needs for the Matching Campaign Trust Fund in accordance with Charter Amendment H requirements.

### Finance

- ◆ Instruct the Office of Finance/Treasurer to report to the Budget and Finance Committee with options for more aggressive investment of the City's Reserve Fund dollars.
- ◆ Instruct the Office of Finance and City Administrative Officer, with the assistance of the City Attorney, and all regulatory permitting City departments, to develop and report to the Budget and Finance Committee with a proposal for an ordinance authorizing the revocation or denial of a City regulatory permit issued to or requested by a business that has any delinquent tax, including Business Tax.

### Fire

- ◆ Instruct the Fire Department to report to the Public Safety and Budget and Finance Committees regarding the Department's dispatch policy and efforts made to ensure adequate station coverage. The report should address overall deployment and budgetary impact.
- ◆ Instruct the Fire Department to report to the Public Safety and Budget and Finance Committees regarding the restoration of Engine Company 69 in the Pacific Palisades. Any consideration of the restoration of fire resources should be cost neutral.
- ◆ Instruct the City Administrative Officer, with the assistance of the Fire Department and Los Angeles World Airports, to report to the Budget and Finance Committee on the feasibility of full cost reimbursement, including reimbursement of secondary costs, for services provided to the Airports. The report should address Federal Aviation Administration concerns and steps that might be taken to ensure full cost recovery.
- ◆ Instruct the Fire Department to report to the Public Safety and Information Technology and General Services Committees on progress made in maintaining the Fire Department fleet apparatus, how the purchase of new apparatus impacts the maintenance of the fleet, the cost/benefit of adding new equipment versus providing resources for staff who perform fleet maintenance, and the funding that would be necessary to complete the backlog of fire apparatus repairs.
- ◆ Instruct the Fire Department to report to the Public Safety and Budget and Finance Committees on the feasibility of charging the County of Los Angeles for hospital transports of inmates provided by the City.

## Fire (continued)

- ◆ Instruct the Fire Department to report to the Public Safety and Budget and Finance Committees with a Three- to Five-Year Plan detailing a priority list of critical resources to be restored should revenues increase.
- ◆ Instruct the Fire Department and the General Services Department to submit to the Proposition F Administrative Oversight Committee up to \$1M in Alterations and Improvement request for electrical improvements, fire station roof replacements, a new floating dock at Fire Station 110, and other needs, to be considered for funding from Proposition F accrued savings.

## General Services

- ◆ Instruct the General Services Department to report to the Information Technology and General Services Committee on the status of emergency generators, including a list of generators citywide, their warranties, the departments responsible for maintenance and how the duties of staff will be prioritized .
- ◆ Instruct the General Services Department to report to the Information Technology and General Services Committee on the number of home-garaged vehicles by department, the number of issued voyager cards, and the monitoring system in place to ensure appropriate use of the voyager cards.
- ◆ Instruct the General Services Department to report to the Public Safety Committee regarding Los Angeles Police Department handheld radios, the initial purchase agreement and warranty information.
- ◆ Instruct the General Service Department to report to the Information Technology and General Services Committee on the Asset Management tracking program and system, and the long-term plan for the Los Angeles Mall.

## Housing Authority

- ◆ Instruct the Los Angeles Housing Department and request the City Attorney to review the Mello Act and report to the Housing, Community and Economic Development Committee regarding adoption of a permanent Mello Ordinance and a requirement for all new housing developments to provide affordable housing. The report should include information about the practices of other cities. Note that a report request is included in CF 11-0600-S51.

## Housing Authority (continued)

- ◆ Instruct the Los Angeles Housing Department, with the assistance of Building and Safety, Planning Department and City Attorney, to report to the Housing, Community and Economic Development and Planning and Land Use Management Committees regarding auxiliary dwelling units ("granny flats"), including a way to deal with the concept and legislation that can be introduced to protect renters living in illegal use properties, ways to bring units to code without evicting tenants, what other cities have done to prevent units from being torn down or lost, and ways to prevent the loss of affordable housing. Additionally, indicate if the City has looked at a better process to prevent tenants from reporting their landlords for illegal use violations then seeking relocation expenses from landlords. The report should also include information about the practices of other cities. Note that a report request is included in CF 11-0600-S50.
- ◆ Instruct the Los Angeles Housing Department to report to the Housing, Community and Economic Development Committee regarding pursuing liens against delinquent properties and the current efforts made by the Housing Department to collect fines and penalties. The report should include information about the practices of other cities.

## Housing

- ◆ Instruct the Los Angeles Housing Department, in collaborate with the Information Technology Agency, to consolidate technology items within the context of the information technology strategic plan.

## Information Technology Agency

- ◆ Instruct the Information Technology Agency, with the Los Angeles Police Department to report to the Public Safety Committee regarding the in-car video program, with the intent to achieve cost savings. The report should incorporate a review of the history of the program.
- ◆ Instruct the Information Technology Agency to report to Information Technology and General Services Committee on an comprehensive plan to implement a Citywide Customer Relationship Management System. The plan shall include, but not be limited to, reporting on the timing and elements of Phase I which will be receiving \$250K in funding in fiscal year 2012-13 from the Telecommunications Development Account and \$750K from special funds.
- ◆ Instruct the Information Technology Agency to provide quarterly reports to the Information Technology and General Services Committee on the ongoing efforts to upgrade the City's technology infrastructure.
- ◆ Require that all technology equipment donated to the City first be reviewed by the City's Procurement Technology Request process prior to acceptance by the City. This will ensure that technology will not be an added burden or cost to the City and that the technology is compatible with the City's infrastructure.
- ◆ Instruct the Information Technology Agency to report to the Information Technology and General Services Committee with an update on the Request for Proposals for the Strategic Advisor for technology services.

## Los Angeles City Employees Retirement System

- ◆ Instruct the Los Angeles City Employees Retirement System to report to the Budget and Finance Committee regarding its practices regarding the tracking of minority- and women-owned business enterprise managers.

## Mayor

- ◆ Request the Mayor to identify a sponsor to make amendments to the California Penal Code to allow Office of Public Safety security officers to work for the Los Angeles Police Department without impact to their status as peace officers.

## Personnel

- ◆ Instruct the Personnel Department to report to the Personnel and Animal Welfare and Public Safety Committees regarding recruitment issues related to ramping up Firefighter recruitment efforts, including details on the existing interest list of 17,000 potential candidates.

## Planning

- ◆ Instruct the Planning Department, with the assistance of the City Administrative Officer and the City Attorney, to report to the Planning and Land Use and Budget and Finance Committees regarding a full cost recovery fee for first and second level planning appeals. The report should address possible differentiation between meritorious and frivolous appeals cases, as well as the proximity of communities of interest.

- ◆ Refer Memo 192, entitled Planning Department - CRA Responsibilities and Positions, to the Housing, Community and Economic Development Committee for consideration in the broader context of the Community Redevelopment Agency dissolution.

#### Public Works - Contract Administration

- ◆ Instruct the Bureau of Contract Administration to work with the City Administrative Officer and City Clerk to determine minimum contract amounts that would trigger various City contracting requirements.

#### Public Works - Sanitation

- ◆ Instruct the Bureau of Sanitation to explore the options for addressing potential fraud regarding those who knowingly received the Solid Waste Lifeline discount when they did not qualify for the discount.
- ◆ Instruct the Bureau of Sanitation, with the assistance of the Controller, City Attorney and City Administrative Officer, to report to the Energy and Environment and Budget and Finance Committees on the feasibility and costs of converting the Solid Waste Resources Revenue Fund from a special fund to an enterprise fund.
- ◆ Instruct the Bureau of Sanitation to report to the Energy and Environment and Budget and Finance Committees regarding a comparison of blue bin recycling with cities that have adopted a black bin sorting system. The report should include the value of recycling dollars from each.

#### Public Works - Street Lighting

- ◆ Instruct the Bureau of Street Lighting, with the assistance of the Los Angeles Police Department to find alternative solutions to prevent copper wire theft from City street lights and to report to the Public Works Committee with their findings.

#### Public Works - Street Services

- ◆ Instruct the Bureau of Street Services, with the City Administrative Officer, Department of Water and Power and the Department of Recreation and Parks to report to the Public Works Committee with a plan for the restoration and consolidation of the Urban Forestry function to improve coordination and reduce liability.
- ◆ Instruct the Bureau of Street Services with assistance from the City Administrative Officer, City Attorney, and Fire Department, to report to the Public Works Committee with recommendations to implement a modified Weed Abatement Program given the City's limited resources. The report should include, but not be limited to, a fee schedule for inspections, non-compliance, and administrative processing to support program costs, as well as recommendations relative to the appropriate utilization of contract services. Further instruct the Bureau to continue weed abatement activities on an as needed basis until the program can be continued through contract or other means.
- ◆ Instruct the Bureau of Street Services, with the assistance of the Department of Building and Safety and the Bureau of Contract Administration to report by August 1, 2012 to the Planning and Land Use Management and Budget and Finance Committees on how City departments that are responsible for code enforcement can coordinate or consolidate functions to improve operations and/or achieve cost savings.

#### Recreation and Parks

- ◆ Instruct the Department of Recreation and Parks to report to the Arts, Parks, Health and Aging Committee regarding maintaining Venice Beach and transitioning to a stand-alone unit. Note that there is a similar request under Council File 11-0600-S81.
- ◆ Instruct the Department of Recreation and Parks to report to the Arts, Parks, Health and Aging Committee regarding options for enhancing programs at recreational facilities. The report should include sponsorships from groups such as non-profit organizations, neighborhood councils or other civic groups.
- ◆ Instruct the Department of Recreation and Parks to report to the Arts, Parks, Health and Aging and Budget and Finance Committees on the final costs relative to the City Hall Park restoration.

#### Transportation

- ◆ Instruct the Department of Transportation to report to the Transportation Committee on the Five-Year Parking Operations and Maintenance Plan prior to declaring a surplus in the Special Parking Revenue Fund. The report should also address the status of the ordinance to establish meters in other areas of the City.

#### Water & Power

- ◆ Instruct the Department of Water and Power, with assistance from other City Departments, as appropriate, to provide an update to the City Solar Program. The report should include what City buildings are candidates for the program, what the cost would be and how the program works with private parties.
- ◆ Refer Memo 190 regarding the Department of Water and Power's response to numerous topics to the Budget and Finance Committee for further discussion.