

**Report of the Budget and Finance Committee  
Discussing the Mayor's Proposed Budget for 2012-13**

**Your Budget and Finance Committee reports as follows:**

Your COMMITTEE UNANIMOUSLY RECOMMENDS that the City Council APPROVE the following recommendations of your Budget and Finance Committee, which are submitted as changes to the Mayor's 2012-13 Proposed Budget, for adoption of the City's 2012-13 Budget.

**Summary of the Mayor's Proposed Budget**

The Mayor's Proposed Budget for 2012-13 totals \$7.223B, which is a \$351.6M (5.1 percent) increase from the 2011-12 Adopted Budget. General Fund revenues for 2012-13 are projected to be \$4.538B, an increase of \$152.2M (3.5 percent) from the 2011-12 Adopted Budget. The Mayor's Revenue Outlook anticipates revenue growth from current estimated levels in 13 of 18 General Fund revenue categories, with decreases in the remaining five categories. The primary revenue increases are attributed to an increase in Special Parking Revenue Transfer; Documentary Transfer Tax; Parking Fines; Licenses, Permits, Fees and Fines; and Transient Occupancy Tax. The primary revenue decreases are related to a reduction in Interest; Tobacco Settlement; and Power Revenue Transfer.

The City Administrative Officer's Supporting Information to the Mayor's Proposed 2012-13 Budget contains a shortfall of \$238.27M. To close this gap, the following is proposed:

**\$87.50M increase in New/Expanded Revenues, including:**

- Fire Emergency Medical Services Reimbursement (\$15.00M)
- Fire Emergency Medical Services Reimbursement - (one-time) (\$13.50M)
- PW/Engineering Fees (\$0.40M)
- Transportation - Parking Citations (\$10.00M)
- Redirection of ex-CRA Tax Increment Monies (\$48.60M)

**\$44.41M in Special Fund Revenue to offset General Fund expenses:**

- ITA - Reimbursement from Telecommunications Fund (\$4.00M)
- Gas Tax Reimbursement (\$7.84M)
- Special Parking Revenue Fund Transfer (\$32.58M)

**Net \$69.73M decrease in General Fund expenditures from reductions and efficiencies, including:**

- Aging - Administrative Budget Reduction (\$-0.09M)
- Animal Services - Cost Recovery for Spay and Neuter Program (\$-0.17M)
- Animal Services - Deletion of Filled Positions (\$-0.57M)
- Animal Services - Deletion of General Fund Vacancies (\$-0.53M)

- Animal Services - Realignment of Authorized Positions (\$-0.03M)
- Building and Safety - Deletion of General Fund Vacancies (\$-0.09M)
- Building and Safety - Deletion of General Fund Vacancies (\$-0.19M)
- City Administrative Officer - Anticipated Attrition (\$-0.44M)
- City Administrative Officer - Deletion of General Funded Positions (\$-0.43M)
- City Attorney - Deletion of General Fund Vacancies (\$-1.25M)
- City Attorney - One-Time Salary Reduction (\$-1.66M)
- City Attorney - Reduction in Number of Working Days (\$-9.44M)
- City Clerk - Deletion of Filled Positions (\$-0.06M)
- City Clerk - Deletion of Vacant Positions (\$-0.06M)
- City Clerk - Expense Account Deletion (\$-0.02M)
- City Clerk - One-Time Salary Reduction (\$-0.25M)
- Controller - Deletion of General Funded Vacancies (\$-0.47M)
- Controller - Expense Account Reduction (\$-0.11M)
- Controller - One-Time Salary Reduction (\$-0.35M)
- Council - Budget Reduction (\$-0.76M)
- Disability - Community Affairs Activities (\$-0.02M)
- EMD - Deletion of General Funded Vacancies (\$-0.08M)
- Finance - Bank Service Fees (\$-1.00M)
- Finance - Deletion of Filled Positions (\$-0.09M)
- Finance - Deletion of General Fund Vacancies (\$-0.44M)
- Finance - Field Office Closures (\$-0.13M)
- Finance - Miscellaneous Contractual Services Adjustments (\$-0.10M)
- Finance - One-Time Salary Reduction (\$-0.14M)
- Fire - Deletion of Filled Positions (\$-0.80M)
- Fire - Deletion of General Fund Vacancies (\$-0.23M)
- Fire - Drill Tower Training Facility Closure (\$-4.78M)
- General City Purposes - Adult Day Care Centers (\$-0.24M)
- General City Purposes - At the Park After Dark (\$-0.10M)
- General City Purposes - City Volunteer Bureau (\$-0.05M)
- General City Purposes - Clean and Green Job Program (\$-1.08M)
- General City Purposes - Council District Community Services (\$-0.16M)
- General City Purposes - Downtown on Ice (\$-0.11M)
- General City Purposes - El Grito (\$-0.06M)
- General City Purposes - Heritage Month Celebration & Special Events (\$-0.28M)
- General City Purposes - L.A.'s BEST (\$-0.28M)
- General City Purposes - Latino Film Festival (\$-0.04M)
- General City Purposes - Learn and Earn Program (\$-0.03M)
- General City Purposes - Local Agency Formation Commission (\$-0.09M)
- General City Purposes - Office of Small Business Services (\$-0.03M)
- General City Purposes - Pan African Film and Arts Festival (\$-0.04M)
- General City Purposes - Solid Waste Fee Lifeline Rate Program (\$-1.88M)
- General City Purposes - Special Events Fee Subsidy - Citywide (\$-2.03M)
- General City Purposes - Youth Employment Program (\$-0.23M)
- GSD - Alterations and Improvements (\$-0.21M)

- GSD - Deletion of Filled Positions (\$-2.62M)
- GSD - Deletion of General Fund Expense Accounts (\$-0.34M)
- GSD - Deletion of General Fund Vacancies (\$-0.15M)
- GSD - Leasing Account Reduction (\$-0.65M)
- GSD - Public Safety Consolidation (\$-18.10M)
- GSD - Various Adjustments between Programs (\$-2.94M)
- ITA - Adjustments to Expense Accounts (\$-2.41M)
- ITA - Deletion of Filled Positions (\$-0.93M)
- ITA - Deletion of General Fund Vacancies (\$-1.57M)
- Mayor - Budget Reduction (\$-0.27M)
- Personnel - Deletion of Filled Positions (\$-0.73M)
- Personnel - Deletion of General Fund Vacancies (\$-0.27M)
- Personnel - Internal Investigation Unit (\$-0.11M)
- Personnel - Reductions to Various Accounts (\$-1.23M)
- Planning - Citywide Case Management (\$-0.23M)
- Planning - Deletion of General Fund Vacancies (\$-0.13M)
- Police - Deletion of Filled Positions (\$-9.36M)
- Police - Photo Red Light Program (\$-2.76M)
- Police - Public Safety Consolidation (\$16.54M)
- PW/Board of Public Works - Deletion of General Fund Vacancies (\$-0.20M)
- PW/Board of Public Works - Project Restore (\$-0.12M)
- PW/Board of Public Works - Reduction of Operating Supplies Expense Funding (\$-0.07M)
- PW/Contract Administration - Salaries Funding Reduction (\$-0.25M)
- PW/Engineering - Deletion of General Fund Vacancies (\$-0.98M)
- PW/Engineering - Miscellaneous Personnel Adjustments (\$-0.01M)
- PW/Street Services - Deletion of Filled Positions (\$-0.75M)
- PW/Street Services - Deletion of General Fund Vacancies (\$-0.59M)
- PW/Street Services - Street Improvement Expense Reductions (\$-1.17M)
- Transportation - Deletion of General Fund Vacancies (\$-2.07M)
- Transportation - Transportation Reorganization (\$-0.02M)
- Zoo - Los Angeles Zoo Enterprise Trust Fund (\$-3.54M)

Other Reductions Through Various Changes and Adjustments (\$-57.69M), including:

- Building & Safety - Funding Realignment (\$-1.85M)
- Building & Safety - Transportation Cost Adjustment (\$-0.11M)
- CIEP - Amount required to reach 1% of General Fund Budget (\$-38.87M)
- CIEP - Public Buildings and Facilities (\$0.50M)
- CIEP - Street & Highway Transportation (\$0.50M)
- City Attorney - Consumer Protection Funding (\$-0.60M)
- City Attorney - Housing Special Funds (\$-0.13M)
- City Attorney - Sewer Construction and Maintenance Fund Support (\$-0.01M)
- City Attorney - Solid Waste Resources Litigation Support (\$-0.08M)
- Citywide - Human Resources Consolidation - Phases I and II (\$0.17M)
- GSD - Figueroa Plaza Contractual Services Adjustment (\$0.09M)
- ITA - TDA Funding Realignment (\$-2.17M)

- ITA - TEAMS II Support (\$-0.10M)
- Personnel - Funding source Adjustments (\$0.39M)
- Planning - Funding Source Adjustment (\$-0.33M)
- Police - Consent Decree Systems Support (\$0.10M)
- Police - Cost of Living Adjustment (\$0.09M)
- Police - Firearms and Ammunition (\$0.17M)
- Police - Funding Source Adjustment (\$-3.40M)
- PW/Board - Program and Funding Source Adjustments (\$-0.04M)
- Transportation - Funding Source Adjustments (\$-11.90M)

#### Obligatory Changes

The Proposed Budget includes \$135.53M for obligatory changes. Costs are projected to increase for the following obligatory items:

- 2011-12 Employee Compensation Adjustment (\$2.56M)
- 2012-13 Employee Compensation Adjustment (\$44.09M)
- Full Funding for Partially Financed Positions (\$134.52M)
- Labor Provisions (\$2.60M)
- MOU Negotiated Payouts (\$1.11M)

These cost increases are projected to be offset by the following obligatory reductions:

- Salary Step Plan and Turnover Effect (\$-8.80M)
- Change in Number of Working Days (\$-7.61M)
- Early Retirement Incentive Program Payout (\$-21.00M)
- Negotiated Unpaid Holiday Hours (\$-0.76M)
- Deletion of 2011-12 Equipment (\$-0.69M)
- Deletion of Funding for Resolution Authorities (\$-46.52M)
- Deletion of One-Time Expense Funding (\$-8.91M)
- Deletion of One-Time Funding (\$-0.06M)
- Deletion of One-Time Unappropriated Balance (\$-21.68M)
- 2012 Tax & Revenue Anticipation Notes (\$-34.96M)
- Capital Finance Administration Fund (\$8.01M)
- Capital Improvement Expenditure Program (\$38.87M)
- Human Resources Benefits (\$39.50M)
- Water and Electricity (\$0.50M)
- Library - Charter Required Change from 2011-12 to 2012-13 (\$13.06M)
- Recreation & Parks - Charter Required Change from 2011-12 to 2012-13 (\$1.71M)

Within the 2012-13 Proposed Budget, the Mayor recommended funding for the following new, expanded or continuing initiatives:

#### Continuation of Existing Services and 2012-13 Savings

- CAO - Financial Management System (\$0.13M)
- CAO - Inspector General of Citywide Collections (\$0.16M)
- CAO - Office of Public Accountability (\$1.22M)
- City Attorney - Citywide Nuisance Abatement Revocations Program (\$0.24M)

- City Attorney - Community Law Enforcement and Recovery (\$0.16M)
- City Attorney - Department of Water and Power Land Use Support (\$0.16M)
- City Attorney - Department of Water and Power Support (\$0.36M)
- City Attorney - Enhanced Revenue Support (\$0.29M)
- City Attorney - Gang Prosecution Program (\$0.47M)
- City Attorney - Harbor Department Support (0.67M)
- City Attorney - Housing Authority Support (\$0.50M)
- City Attorney - LACERS and Pensions Support (\$0.16M)
- City Attorney - Los Angeles World Airports Support (\$0.25M)
- City Attorney - Neighborhood Council Support (\$0.18M)
- City Attorney - Neighborhood Prosecutor Program (\$1.77M)
- City Attorney - Outside Counsel Oversight Support (\$0.47M)
- City Attorney - Pitchess Motions Support (\$1.12M)
- City Attorney - Police-Related Litigation (\$2.09M)
- City Attorney - Police Transition Agreement (\$0.18M)
- City Attorney - Safer City Initiative (\$0.33M)
- City Attorney - Tobacco Enforcement Program (\$0.92M)
- City Attorney - Workers' Compensation Support (\$1.02M)
- Controller - Financial Management System Maintenance (\$2.41M)
- EMD - Community Emergency Management Division (\$0.12M)
- EMD - Emergency Management Administrative Support (\$0.10M)
- Finance - Centralized Accounts Receivable Reporting (\$0.22M)
- Finance - LATAX Programming and PowerBuilder Support (\$0.25M)
- Finance - Tax Discovery and Assessment (\$0.15M)
- Finance - Treasury Services (\$0.07M)
- Fire - Constant Staffing Overtime (\$32.52M)
- Fire - Deployment Plan (\$11.56M)
- Fire - Homeland Security Enhancements (\$0.19M)
- Fire - Professional Standards Division (\$0.93M)
- General City Purposes - Annual City Audit/Single Audit (\$0.16M)
- General City Purposes - Financial Management System Maintenance (\$-9.75M)
- General City Purposes - Gang Reduction & Youth Development Office (\$22.72M)
- General City Purposes - Medicare Contributions (\$1.52M)
- General City Purposes - Social Security Contribution (\$0.18M)
- General City Purposes - South Bay Cities Association (\$0.01M)
- General City Purposes - Southern California Association of Governments (\$0.02M)
- General Services - Emergency Generator Equipment Support (\$0.88M)
- General Services - FMS/SMS Interface Support (\$0.10M)
- General Services - Petroleum Products (\$4.00M)
- Information Technology Agency - Financial Management System Support (\$5.02M)
- Information Technology Agency - Public Safety Systems Project (\$0.13M)
- Information Technology Agency - Public Safety Systems Support (\$0.30M)
- Information Technology Agency - Supply Management System Support (\$2.48M)
- Mayor - Gang Reduction & Youth Development Office (\$-16.11M)
- Personnel - Public Safety Bureau (\$1.51M)

- Police - Air Support Division (\$0.02M)
- Police - ARRA COPS (\$3.00M)
- Police - Digital In-Car Video System (\$0.39M)
- Police - Grant Administration (\$0.08M)
- Police - Handheld Radio Maintenance (\$0.53M)
- Police - Helicopter Armor System (\$0.08M)
- Police - Scientific Investigation Division Expenses (\$0.50M)
- Police - Sworn Hiring Plan (\$-7.99M)
- Police - Uniform Allowance (\$10.05M)
- PW/Contract Administration - Contract Compliance Services (\$0.14M)
- PW/Contract Administration - Los Angeles Airport Inspection Program (\$3.08M)
- PW/Contract Administration - Port of Los Angeles Inspection and Compliance (\$1.27M)
- PW/Contract Administration - Public Right of Way Enforcement Program (\$0.59M)
- PW/Engineering - Los Angeles River Revitalization Master Plan (\$0.12M)
- PW/Street Services - Public Right of Way Construction Enforcement (\$0.37M)
- Transportation - Five Year Parking Operations and Management Plan (\$0.15M)
- Transportation - Los Angeles Unified School District Construction (\$0.09M)
- Transportation - Water Trunk Line Construction Program (\$0.45M)
- Unappropriated Balance - Alterations, Equipment and Improvements (\$3.58M)
- Unappropriated Balance - Deferred Entry of Judgment Program (\$0.33M)
- Unappropriated Balance - Neighborhood Council Funding (\$0.08M)
- Unappropriated Balance - Outside Counsel incl. Workers' Compensation (\$3.00M)
- Unappropriated Balance - Strategic Advisor for Technology Services (\$0.50M)

#### Increased Services

- Arts and Cultural Facilities and Services Trust Fund (\$1.66M)
- CAO - Actuary Services (\$0.05M)
- CAO - Debt Management Support (\$0.10M)
- CAO - Grants Management Database (\$0.10M)
- CAO - Performance Budget Implementation (\$0.12M)
- Controller - Payroll System Replacement (\$0.02M)
- Controller - Payroll System Replacement (\$0.08M)
- Disability - ADA Compliance Officer and Monitoring (\$0.16M)
- Fire - Fire Station Alerting System Consultant (\$0.25M)
- General City Purposes - Economic Development Initiative (\$2.50M)
- General City Purposes - LACERS/Pensions Audit (\$0.83M)
- General City Purposes - LAPRA/LAFRA Audit (\$0.18M)
- General City Purposes - Los Angeles Bi-Annual Homeless Count (\$0.35M)
- Other Special Fund Adjustments (\$2.02M)
- Unappropriated Balance - Fire Station Alerting System Consultant (\$0.25M)
- Unappropriated Balance - Fire Third Party Review of Resource Deployment (\$0.75M)
- Unappropriated Balance - Payroll System Study (\$0.10M)

#### New Services/New Facility Expenses

- Disability - Voluntary Compliance Agreement (\$0.09M)
- Finance - LATA Oracle Database Management Licenses (\$0.26M)
- Fire - Emergency Medical Services Captains (\$1.55M)
- Fire - Engine Company Restoration (\$1.85M)
- Fire - Fuel Vehicle Management System (\$0.08M)
- Fire - LAX Airport Security - Blue Ribbon Panel (\$0.19M)
- Fire - Risk Management (\$0.07M)
- Fire - Variable Staffed Ambulances (\$2.30M)
- GSD - Building Emergency Education Program (\$0.14M)
- GSD - Capital Projects Materials Testing Support (\$1.62M)
- GSD - New Facility Maintenance (\$0.31M)
- ITA - LATA Enhancements (\$0.07M)
- ITA - PaySR Development and Support (\$0.05M)
- Personnel - Deferred Compensation Plan Administration (\$0.10M)
- Personnel - Firefighter Hiring (\$0.67M)
- Planning - Housing Element Update (\$0.25M)
- Planning - Metro Transit Oriented Districts Grant (\$1.52M)
- PW/Contract Administration - Compliance Services to Other Departments (\$0.46M)

#### Other Changes or Adjustments

- City Clerk - Primary Nominating and General Municipal Elections (\$16.99M)
- Unappropriated Balance - Bank Fees (\$2.10M)
- Unappropriated Balance - GSD - Petroleum Products (\$9.00M)

#### **Discussion and Overall Issues in the Proposed 2012-13 Budget**

From April 27, 2012 through May 15, 2012, nearly 40 hours of public hearings were held by the Budget and Finance Committee to discuss the details of the Mayor's Proposed 2012-13 Budget.

Throughout the proceedings, the Chair and Members of your Budget and Finance Committee posed a series of questions to staff and requested more detailed reports on numerous items. The CAO responded in writing with over 190 memos to the Committee, and the CAO, Mayor, CLA, and department staff provided verbal responses where appropriate.

Chairman Krekorian began the hearings by stating that the Committee's task is to identify the City's core services and evaluate every idea or suggestion put forth relative to improving the City's budget condition. The Chair noted that the City is still in an extraordinary period of uncertainty with the slow pace of the economic recovery.

The Chair then asked the Mayor's Office to present an overview of the 2012-13 Proposed Budget. The Mayor's Office discussed the highlights of the budget changes and the budget balancing actions. The Mayor's Office noted that the Proposed Budget funds the Reserve Fund at the highest level in the City's history, and the Proposed Budget also contains a proposal to reform the civilian pension system.

The City Administrative Officer (CAO) presented an additional overview of the Proposed Budget by emphasizing the continuing importance to reduce the structural deficit and find ongoing solutions rather than one-time solutions. The CAO noted the City's progress in finding structural solutions as the current projected deficit for 2013-14 is approximately \$199 million, whereas in January 2010 the projected deficit for 2013-14 was \$1.071 billion. The CAO indicated that although General Fund revenue has increased and total Citywide positions have decreased, the City continues to have a structural deficit based on rising expenditure growth. The CAO stressed the importance of exploring alternative service delivery models and cautioned against assuming any speculative revenue for budgeting purposes.

The CLA submitted to the Committee a comprehensive Overview of the 2012-13 Proposed Budget. The CLA notes that the Mayor's 2012-13 Proposed Budget begins with a projected deficit of \$238.27M in 2012-13. The CLA summarized the following major components of the Proposed Budget for closing the deficit for 2012-13:

- The Mayor's Proposed Budget recognizes \$48.6M in former CRA Tax Increment funds as revenue in the 2012-13 Fiscal Year. This is made up of two components: a one-time payment of \$30.0M from the City's share of funds set aside as the payment to the State if the CRA continued to exist and unencumbered carryover funds; and, \$18.6M representing the City's share of annual ongoing tax increment funds resulting from the CRA dissolution. It is important to note that receipt of these funds has a degree of uncertainty, and it will be necessary to continue to monitor receipt of the tax increment funds throughout the year.
- One-time savings of \$32.58M are transferred from the Special Parking Revenue Fund to balance the Proposed Budget. Use of these funds will impact parking projects intended to be funded in the Department of Transportation Five-Year Plan. Other special fund revenue from Gas Tax and the Telecommunications Development Fund (\$11.84M) is also proposed to be used to offset General Fund expenditures for related costs.
- One-time (\$13.5M) and ongoing (\$15.0M) revenue from Fire Emergency Medical Services reimbursements are included in the Proposed Budget. These reimbursements represent both one-time (prior year) and ongoing Federal reimbursements for medical transports and improved ongoing revenue collection due to better billing practices and use of hand-held billing devices.
- Additional new or expanded revenue (\$10.40M) is proposed for 2012-13. The main component of this is a continuation and expansion of the part-time traffic officer program (\$10.0M), which has resulted in increased revenue in 2011-12. Revenue is anticipated from the Bureau of Engineering (\$0.40M) from increased fees for special services.
- Additionally, increases in revenue are projected over the 2011-12 revised estimates, including property, sales, and business tax (\$52.5M).



- Departmental Efficiencies and Reductions in Public Services are applied in nearly all departmental budgets and result in \$69.73M in General Fund savings. Deletions in these categories include the elimination of vacant General Fund position authorities; realignment of authorized positions; one-time salary reductions; expense reductions; reductions to General City Purposes accounts; and deletions of filled positions. Additionally, other changes and adjustments includes \$57.69M in General Fund savings, primarily due to the Capital Improvement Expenditure Program. Savings of \$38.87M are realized by making an exception to the one-percent Capital Improvement Expenditure Policy contained in the City's Financial Policies.
- The Mayor's Proposed Budget anticipates savings of \$23.7M from the elimination of 669 positions, of which 269 are currently filled. Most of these positions are civilian positions in the Police Department (159), with other reductions in various other departments, including Animal Services (11), Fire (12), General Services (12), Information Technology (11), Personnel (11) and Street Services (37). Elimination of filled positions will likely result in layoffs, although the actual number is yet to be determined and will depend on other vacancies which may occur.
- Reductions of 15 percent are made in various General City Purposes accounts, with a few notable exceptions. No reductions are made to the Gang Reduction and Youth Development Program (GRYD), which includes a General Fund increase of \$6.9M to replace lost grant dollars. Funding for Downtown on Ice (\$0.114M), the Citywide Special Events Fee Subsidy program (\$2.03M) and the At the Park After Dark program (\$0.97M) are eliminated. Other reductions are made to the Youth Employment Program and lifeline reimbursement program.
- The Proposed Budget assumes savings that would result from Human Resources Benefits. This must be resolved by July 1 in order for these savings to be achieved.
- To address the rising costs of pensions and health care, the Mayor has proposed a Pension Reform Plan which would apply to new civilian employees. This Plan increases the retirement age to 67, reduces the maximum retirement allowance and makes a number of other changes to reduce long-term retirement costs for civilian employees. The Proposed Budget instructs to the City Administrative Officer to prepare recommendations by July 1, 2012 for a new civilian retirement tier for Mayor and Council consideration. Various proposals have been discussed by the City Council in the past two years.

The 2012-13 Proposed Budget projects a \$210.51M Reserve Fund, consisting of a \$124.79M Emergency Reserve and a \$85.72M Contingency Reserve. This equates to 4.64 percent of General Fund revenues on July 1, 2012. The 2011-12 Adopted Budget Reserve Fund was \$177.22M, which equated to 4.04 percent of General Fund revenues. However, the actual Reserve Fund on July 1, 2011 was \$197.7M or 4.52 percent of the General Fund. The projected Reserve Fund at the end of fiscal year 2012-13 is \$176.5M or approximately 4.1 percent of General Fund Revenues.

In March 2011, voters approved Charter Amendment P which requires the establishment of two accounts within the Reserve Fund. The Emergency Reserve Account must be no less than 2.75% of General Fund receipts. Expenditures from this Account have limits detailed in Charter Amendment P. A separate Contingency Reserve Account must also be created as part of the Reserve Fund, with funding in this Account used to cover shortfalls in City revenue or pay for unexpected expenses.

The Emergency Reserve Account in the 2011-12 Proposed Budget is \$124.8M, which equates to 2.75% of General Fund Revenues and, therefore, complies with the requirements of Charter Amendment P. Separate from Charter Amendment P, the City's Reserve Fund Policy provides for a phase-in of increasingly larger percentages of the General Fund to be deposited into the Reserve Fund, to reach a goal of five percent of General Fund revenues within ten years. A Budget Stabilization Fund has also been created as a means to prevent overspending during prosperous years and provide resources to help maintain services during lean years. The Budget Stabilization Fund contains \$500,000 in 2012-13.

#### Budget & Finance Committee Hearings

On April 27, 2012, City departments and members of the public began testifying before the Committee on all aspects of the FY 2012-13 Proposed Budget.

The City Controller addressed the Committee and indicated that the Proposed Budget is a sustainable and responsible budget. The Controller emphasized the need for a strong Reserve Fund and the importance of realistic revenue assumptions. The Controller stated that layoffs should be a last resort for balancing the budget due to the likelihood of reduced City services. The Controller noted the success of the Waste, Fraud and Abuse unit which has returned savings to the City's budget over the past few years. The Controller noted that a 28 percent reduction in staff over the past three years has impacted accounting and payroll functions.

The City Attorney addressed the Committee and expressed support for the Proposed Budget while accepting the continuation of furloughs as an unavoidable burden that is preferable to layoffs. The City Attorney highlighted the Office's recent legal successes, but cautioned that staffing shortages severely limit the Office's ability to prepare ordinances. Committee Members asked the City Attorney to look at reducing the caseload of workers' compensation attorneys, and hiring investigators to help fight workers' compensation fraud and abuse.

The Director of Finance testified before the Committee on the Department's efforts to collect business taxes and other tax revenues, including delinquent debt. The Committee asked the Director to describe the anticipated impact to customer service of the proposed closure of two field offices. The Director asked the Committee to consider restoring certain positions proposed for deletion that are directly responsible for collecting revenue. The Chair asked the Director to quantify the positive impact on revenues that would occur if the Council restored those positions.

The General Manager of the Los Angeles City Employees Retirement System (LACERS) presented the status of the City's retirement funds and the department's investment practices. The Committee asked LACERS' to describe the pension fund's performance relative to comparable benchmarks. Committee Members also explored LACERS' method of selecting fund managers and asked the department to look at revising their methods in order to increase the number of local fund managers.

The General Manager of the Fire and Police Pensions Department described the anticipated impact to the City's required pension contribution of the new Tier 6 plan for sworn employees. Committee Members asked the General Manager to describe the types of programs that are in place, or under consideration, that are intended to improve pension members' health. The Chair asked that both Pensions and LACERS submit reports showing the rate of return on their investment portfolios, and provide a comparison to other public retirement funds, such as CalPERS.

The Chief of Police indicated support of the Police Department's budget and acknowledged the difficulty of the proposed civilian layoffs while hiring police officers to attrition. The Chief stated that the reduction in civilian positions will translate to some reduced services, such as report and records processing, but the Department's core mission of public safety will be preserved. The Committee discussion focused on the proposed consolidation of the Office of Public Safety (OPS) from the General Services Department into the Police Department. The Chief indicated that the current functions of OPS will be maintained without any reductions in service. The Chief noted that the Department will work with each impacted departments to draft a Memorandum of Agreement regarding the services to be maintained. The Proposed Budget provides funding for new vehicles and the Chief indicated that funding for new vehicles has not been provided for the past 3 years. The Committee also addressed various items including the status of the in-car video system, the costs associated with maintaining the Department's handheld radios, and ways to mitigate rising health care costs.

The Fire Chief acknowledged that the Proposed Budget adds some resources to the Fire Department and that the Department is committed to its budget. The Committee addressed the factors leading to increased revenue from reimbursements for ambulance services from the federal government, which is enabled through the adoption of AB 678 at the state level. The Committee indicated that restoring the Fire Department is a top priority if additional revenues are realized. The Committee addressed the impact of proposed the proposed civilian layoffs and how they will be mitigated. The Department indicated that it is working on a Standards of Cover document which will contain a strategic plan for deployment. The Committee also highlighted the need for continuing reliance on performance metrics to achieve better comparisons with fire departments in other large cities.

The Committee expressed that the Department of Recreation and Parks' programs are a large part of the City's public safety measures by providing recreational youth opportunities throughout the City. In addressing water and power conservation, the Department reported that 1 billion gallons of water, at a savings of approximately \$2 million, has been saved since implementation of various water conservation methods. Power conservation would require a significant capital investment, but the Department continues to work closely with the Department of Water and Power to slowly achieve power conservation goals. The Committee stressed the need for increased public-private partnerships to fill funding gaps. The Department explained that although they have very generous

partners, such as playground equipment manufacturers and private donors, the sign ordinance continues to hinder the Department's ability to recognize advertisers and donors. The Board of Recreation and Parks Commission President stressed that if partners and donors cannot be recognized, the Department's recreation programs will be eliminated, and the Department will be able to fund parks only. The Department detailed its increasing requirement to reimburse the General Fund for utilities and services.

The Library Department indicated satisfaction with the Proposed Budget and plans to expand services with a 24-hour website, free tutoring, access to emerging technologies, and research materials including books and periodicals. The Department explained that by mid-October, it will restore staff and hours to all branch libraries. For FY 2012-13, the Department will restore two evenings and Friday morning hours to its current reduced schedule. In future years, the Department will eventually begin to purchase books and materials and restore Sunday service at a limited number of branches.

The Department of Cultural Affairs stated that the Proposed Budget provides sufficient resources for Fiscal Year 2012-13. The Department reported that increased collections of Transit Occupancy Tax over the last two years have enabled it to fund ongoing costs without General Fund support. While the Department noted a fairly positive outlook for the upcoming fiscal year, it noted that it has reduced staff and programming in recent years due to the ongoing economic crisis. The Committee discussed reductions in the Special Event program and requested additional information on the distribution of Department grant resources in the City, including the San Fernando Valley. The Department also discussed existing efforts to partner with other organizations to promote Cultural Affairs facilities to the public.

The General Services Department (GSD) briefly discussed the reduction to its budget and number of positions and the anticipated impact on the department and its service levels. The Committee inquired about several issues and requested reports on fuel usage and tracking; the status of asset management tracking and the Los Angeles Mall; home-garaged vehicles and Voyager Cards; and the Sweat-Free Monitoring Program. The Committee discussed the status of backup generators and requested more information in a report. The Committee also discussed the proposed OPS consolidation and asked GSD how it would ensure a smooth transition of personnel to the LAPD and ensure that service levels are maintained for previous OPS client departments.

The General Manager of the Information Technology Agency (ITA) presented an overview of ITA's budget and noted the net reduction of 41 positions in the Proposed Budget. The Committee asked for reports on ITA's long-term strategy to address changes in its decreasing workforce; the status of ongoing efforts to upgrade the City's technology infrastructure; and the process for accepting technology donations. The Committee discussed the reduced funding for Channel 36 operations in the Proposed Budget and the costs for remote public testimony. The Committee also discussed the proposed Customer Relationship Management (CRM) System and requested a detailed implementation plan from the department.

The Committee discussed the proposed Human Resources Consolidation and explored Personnel's requests for position transfers from various departments and the addition of an Assistant General Manager Position in the Proposed Budget. The Committee also discussed and requested additional information on the rising workers' compensation costs and the need for reform through legislation, alternative healthcare plans and the potential to obtain reduced rates, and the impact of unemployment costs. The Committee discussed firefighter hiring and the need for allocating additional funds for advertising to solicit potential candidates.

The Board of Public Works stated that reductions in the Proposed Budget for graffiti abatement were due to reductions in the Community Development Block Grant. The CAO noted that the Proposed Budget reflects the reductions previously approved by Council as part of the 38<sup>th</sup> Year Consolidated Plan. The Board reported that reductions in services would be distributed citywide. Committee Members inquired as to whether the Board has made efforts to secure grants or researched the feasibility of implementing fees, such as spray-can fees. The Board indicated that State law currently prohibits the City from adopting such fees.

The Bureau of Sanitation reviewed the scope of its activities and highlighted the \$1.4 million reduction in the Watershed Protection Program, although it was stated that there will be no impact to current service levels. The Committee discussed the Bureau's priority for flood control activities and coordination with the Department of Transportation and Bureau of Street Services relative to traffic hazards during storms. The Committee discussed options to reduce and/or eliminate the General Fund support for the lifeline subsidy for the Solid Resources Fee. The Bureau mentioned its work with the County to develop a new clean water fee that would provide revenue to the City.

The Bureau of Street Services reported that the Proposed Budget increases funding from the prior year by approximately \$18.4 million while reducing General Fund obligations by \$1.3 million. The Proposed Budget includes additional funding from Measure R for the Pavement Preservation Plan that will increase the program goal from 735 miles to 800 miles, which enables the pavement condition index of the City street network to be maintained. Additionally, the number of potholes to be repaired will increase from 300,000 to 350,000. The Committee discussed the funding reductions for Multi-Family Bulky Item Enforcement, tree trimming, bus pad installations, alley paving, weed abatement, street investigations, debris removal, cleaning of alleys, and illegal dumping activities. The Committee stated that these are core services and requested funding options to maintain these activities. The Bureau reviewed the Proposed Budget's recommendation to contract the Bureau's weed abatement function, similar to the Fire Department's brush clearance program.

With the Bureau of Engineering, the Committee noted the decline in performance metrics over the past several years for the completion of projects under the Capital Improvement Program. The Bureau responded that the metrics are based on the dollar amount and number of projects each year and is a function of the Bureau's annual work plan. The Bureau also reviewed their permit issuance metrics. The Committee considered the Bureau's work on alternative project delivery methods. The Committee briefly discussed the feasibility of creating an enterprise fund in the Bureau of Engineering.

With the Bureau of Street Lighting, the Committee asked whether revenue to the Street Lighting Maintenance Assessment Fund will continue to receive sufficient revenue to maintain the existing capital program. The Bureau responded that there should be sufficient funds for at least the next three years and the acceleration of the five-year LED conversion program for the City's street lights will realize savings that should delay the need for assessment adjustments. The Bureau provided a status of the accelerated LED conversion program. The Bureau explained that the finalized performance-based budgeting plan will be completed by the end of the current fiscal year. In FY 2012-13, the Bureau will work with the Mayor's Office to incorporate the strategic plan in future year budgeting efforts and will create a template for other City departments. The Bureau also reported on measures taken to reduce the ongoing problem with copper wire theft.

The Bureau of Contract Administration discussed its responsibility to ensure that contractors who perform work pursuant to City-awarded contracts comply with various City contracting ordinances such as Equal Benefits and Living Wage. After a discussion of these requirements, the Committee requested a report on the feasibility of increasing the minimum contract thresholds which activates the provisions of these ordinances.

The Department of Transportation (DOT) noted that the Proposed Budget includes an expansion of the part-time traffic officer pilot program from 100 to 150 officers, which began in FY 2011-12. DOT's presentation provided an assessment of the program and the CAO provided data on the cost-benefit analysis of full-time and part-time traffic officers. The Committee discussed deployment differentials, attrition rates, duties, overall staffing levels, issuance levels and revenue impacts between full-time and part-time traffic officers. The Committee also reviewed funding in the Proposed Budget for implementation of the City's Bicycle Plan and positions in the Department's bicycle program.

Relative to the Special Parking Revenue Fund (SPRF), the Department described the surplus transfer of \$32.58 million and impacts to the Five-Year Operations and Maintenance Plan for the City's off-street parking facilities and parking meter system. The Department reported that 95 percent of the parking meters have been upgraded and the remainder will be completed in FY 2012-13.

For Measure R funding, DOT noted that additional Measure R funds have been provided to increase the Pavement Preservation Plan's miles and increase the number of small asphalt repairs (potholes). The CAO noted that a long-term funding strategy needs to be developed to maintain the street system at the current level beyond FY 2013-14 due to the expiration of the City's State Proposition 1B Infrastructure Bond funds, which will be fully expended by June 2013.

The Planning Department reported it has experienced significant downsizing and has initiated a major restructuring to become more efficient with given resources. Despite these efforts, the Department reported that it has been experiencing delays in processing in processing times which is largely due to not having resolution authority to hire additional staff. The Department reported that funding is available from special funds to support additional staff and that these positions will have no impact on the General Fund. The Committee instructed the CAO to work with the Department to identify additional positions that could be special funded, including positions needed relative to the dissolution of the Community Redevelopment Agency (CRA/LA).

The Department of Building and Safety reviewed differences between the current Proposed Budget and past adopted budget years through comparing detailed construction trends and growth patterns. The Department highlighted the substantial addition of resolution authority positions which will mitigate the amount of days it takes for inspections. Committee Members asked various questions to the Department pertaining to code enforcement response times and case load increases for plan check. Committee Members made several instructions for additional reports such as best practices for code enforcement, plan check, and inspections.

The Department of Animal Services discussed the deletion of 11 filled positions including three Animal Control Officers. The Department's General Manager explained that more officers provide for more revenue from animal licensing. The Department noted the impact of the proposed deletion of filled positions, and ensured the Committee that all emergency activities will be occur in the same amount of time that they do currently. Non-emergency requests, however, will realize slower response times. Overall, the Department reports that animal intake and euthanasia is declining while adoptions are increasing. The CAO reported that the contract with Best Friends Animal Society for the operation of the Northeast Valley Animal Care Center costs the City \$250,000 per year which represents a savings for the City since to operate the center would otherwise be \$2 million per year. The Department added that Best Friends Animal Society benefits the City and has contributed to the increased number of adoptions.

The Emergency Management Department addressed the need to continue developing community emergency management programs in areas throughout the City. The Department discussed adoption of emergency plans for all City departments and how to enhance preparedness of City employees. The Department indicated that it is working to address issues raised by the disabled community in the City's emergency plans.

El Pueblo reported that the Proposed Budget provides sufficient resources for the next fiscal year. The Department indicated that the upcoming fiscal year will be the second year where the Department is able to operate without the need for General Fund support. The Committee discussed the status of merchant leases and the lease with the Methodist Church. The Department noted that all merchant lease agreements have been executed, the new lease agreements have not resulted in any loss of tenants and, the number of visits and tours has increased. The Department noted that it has been coordinating with the Los Angeles Tourism and Convention Board (formerly LA, Inc.) and the Cultural Affairs Department relative to plans to market El Pueblo as a cultural resource.

The Committee discussed the Zoo Department's one dollar admission increase in the proposed budget and the revenue difference per dollar increase. The Department reported that admission was raised two dollars in FY 2011-12, and with another increase, it puts the LA Zoo's admission rates higher than most zoos around the country. The Committee confirmed that the Department would encourage annual membership rates, administered by the Greater Los Angeles Zoo Association, to complement the new admission price. The Department reported that FY 2011-12 has realized higher revenues and attendance. The Department's General Manager explained the difficulty in hiring employees in open positions because the Zoo's future is uncertain as to whether it will continue to be operated by the City or an outside entity. The CAO gave the status of the two reports currently in progress: (1) the Request for Proposals selection to operate the Zoo; and (2) revenue increasing

ideas should the Zoo remain operated by the City. The Department expressed the need for resources to market the Zoo which would result in higher revenues. Currently, the majority of its annual marketing budget is only spent on new exhibit openings.

The Department of Aging began the transition from Adult Day Health Care, which has continued to be diminished by the State's budget cuts, to Evidence-Based Programs. The Department explained that although there has been a reduction in funds, the new programming has resulted in an increase in services now serving three times as many seniors than the previous model. The Department reported that Congress recently approved the use of Older Americans Act funds, which are a large percentage of the Department's budget, for Evidence-Based Programs. The Department assured the Committee that its partnership with the County is very strong and both entities work together on a daily basis to improve their services and communicate with various philanthropy groups.

The Department of Disability reported that the Department has hired an Americans with Disabilities Act (ADA) Compliance Officer and that the Department plans to hire an AIDS Coordinator by the end of May 2012. These two positions will be instrumental in the City's efforts relative to ADA compliance. The Department further requested funding for updated Citywide TTY deaf devices and new LAPD video phones for further ADA compliance efforts. The Committee requested that the CAO identify potential funding sources for these devices and identify the cost for ongoing maintenance. It was noted that funding for these devices is already available.

The Department of Neighborhood Empowerment reported that the two proposed position reductions included in the FY 2012-13 Proposed Budget will impact on the Department's ability to provide needed support to Neighborhood Councils since the Department has already experienced reductions in staff. An ordinance authorizing the transfer of Neighborhood Council elections from the City Clerk to the Department is pending final review and approval by Council. The Department is planning to conduct Neighborhood Council elections in FY 2012-13 and the Proposed Budget includes four new positions for this purpose. The Department plans to provide administrative support for Neighborhood Council elections and the Department requested assistance to hire election-related personnel in an expedited manner. The Committee requested the CAO to identify funding to restore the deleted positions, including surplus funds in the Neighborhood Empowerment Fund, and funding sources for Neighborhood Council election outreach efforts.

The Los Angeles Convention Center presented data comparing event attendance, revenues generated, overall economic impacts to the surrounding areas, with other convention centers. Committee Members asked for the impacts of additional hotel developments which the proposed stadium project may bring to the area and the associated benefits to the Convention Center. Additional issues such as the new parking control system and rising electricity costs were also discussed.



The Executive Director of Los Angeles World Airports (LAWA) detailed the financial operations of LAX, Ontario, and Palmdale. The Committee asked for an overview of major projects at each facility, including an update on Bradley Terminal. LAWA stated that all projects are on track, and the north gates of Bradley will open in September 2012, with the remainder completed by the end of 2013. The Committee also asked for an update on efforts to extend the Green Line to LAX, and a briefing on the issue of transferring Ontario airport to the City of Ontario. Committee Members agreed with LAWA that regional cooperation among airports in Southern California is critical to success.

The General Manager of the Department of Water and Power (DWP) presented the Department's preliminary 2012-13 budget to the Committee. The presentation described both the Power System and Water System budgets, and major capital projects currently underway in both systems. The General Manager noted the Department's efforts to meet state-mandated renewable energy requirements, and the need to replace aging water system pipes. The Chair asked about the preliminary plans for rate increases, and how the City's rates compare with other cities. The DWP's new Ratepayer Advocate also commented on the Department's preliminary budget proposal, as well as plans for staffing the Office to fulfill its mission.

The Executive Director of the Harbor Department presented an overview of the five-year strategic plan recently adopted by the Harbor Commission which emphasizes competitive operations and retaining market share. The strategic plan also contains performance standards and metrics tied to Harbor's budget. Harbor noted its strong reliance on City services by spending more on City services than outside contractors. Committee Members discussed ways to make the Port area a tourist attraction through the development of the San Pedro Waterfront Plan and Wilmington Waterfront Plan. The Committee also discussed the dredging project which will enable the Main Channel and wharves to accommodate larger ships, which will help maintain the Port's competitiveness with other global ports.

The Community Development Department reported that the General Fund does not contribute to its related costs. The Department explained the reduction of the Community Development Block Grant (CDBG) allocation due to new census data used to calculate the allocation formula. The Committee inquired about various CDBG programs including Family Worksource Centers, Day Laborers and programming at the Vera Davis Center. The CAO discussed the City's forthcoming Economic Development Strategy and explained that the strategy was not intended to replace the dissolved Community Redevelopment Agency, even though it is being created in response to the dissolution. The CLA clarified that the Economic Development Strategy was not incorporated into the Proposed Budget.

The Department reported that even with the declines in the economy, production of affordable housing units in the City are on pace to closely match production goals outlined in the Mayor's 2008-2013 Five-Year Housing Plan. The Department is also responding to a number of legal issues surrounding the transfer of housing assets and functions of the former CRA/LA. The State Department of Finance has released opinions relative to their interpretation of AB1x26, which contradicts the Department's original interpretation of the legislation. As a result, the Department will not receive funds that were anticipated for the implementation of the housing functions and

oversight of the housing assets of the former CRA/LA. The Committee requested reports on the possibility of the City recognizing “Granny Flats” and bringing them to code, an analysis of the collection of fee penalties, and further requested that the Department work with ITA for development systems needs.

The Los Angeles Homeless Services Agency (LAHSA) reported that there are no changes from the 2011-12 LAHSA budget as compared with the 2012-13 budget. To provide greater service to the homeless population, LAHSA is seeking to create a network of providers by connecting City, County, and other homeless service providers with each another. Outreach is also being conducted with services such as 211 or 311 that service calls relative to the homeless. The Department further reported that Veteran homeless services are concentrated around the Veterans Affairs Office in West Los Angeles. To address this, Veterans Affairs has released an RFP to contract with veteran homeless service providers which could spread these services Citywide.

The Housing Authority of the City of Los Angeles (HACLA) reported it has received cuts in Federal funding and has implemented furloughs and an Early Retirement Incentive Program in order to avoid layoffs. HACLA is also working on strengthening relationships with LAPD and GRYD in order to address safety concerns in public housing developments and is seeking creative uses of Section 8 vouchers in order to service the homeless and veterans.

The Executive Director of the City Ethics Commission gave an overview of the Commission’s functions and responsibilities. The Ethics Commission noted the inability to complete Charter-mandated functions of the Commission if the positions identified for layoff in the Proposed Budget were to occur. Committee Members asked the Commission to consider reviewing fee assessments as a potential source to increase revenue to further support the Commission.

The Committee reviewed the City Clerk’s budget briefly and discussed a comparative review of election data compared with other jurisdictions which have election administration authority. Committee Members explored methods to encourage the establishment of additional Business Improvement Districts as a method to generate additional revenue.

Discussion of the City Administrative Officer’s budget highlighted the addition of the Office of Public Accountability and an increase in debt management support. The Committee discussed issues relating to implementation of identified budget efficiencies, performance-based budget implementation; and the appropriation for the actuarial study. Additional discussion occurred regarding the Reserve Fund and methods to take further advantage of interest-generating opportunities.

Discussion relative to the General City Purposes Fund focused mainly on the Gang Reduction and Youth Development (GRYD) program. The Committee specifically expressed interest in obtaining additional information on the decline of grant funds, the Saturday Night Lights program, assessment of target zones, a detailed review of unencumbered funds from previous years, and a break down of proposed line item costs for the program. Committee Members discussed issues pertaining to funding for the Youth Employment Program, Clean and Green, as well as the new Economic Development Initiative.

The CAO presented each of the proposed allocations in the 2012-13 Unappropriated Balance. Committee Members asked detailed questions of the CAO, the Mayor's office, and City departments regarding each item, such as the federal benchmark used to predict the petroleum budget, and efforts to reduce bank-service fees.

Throughout the 2012-13 budget hearings, the issue of the City's Reserve Fund was discussed. Various questions were raised as to the anticipated impact on the City's credit rating if changes are made to the City's Reserve Fund, and the financial impact if our rating is downgraded. The CAO invited one of the City's financial advisors from Public Resources Advisory Group (PRAG) to give first-hand comments on this issue. The representative from PRAG noted that, while rating agencies do not use a single criteria to determine ratings, the recent experiences of the City of San Diego and San Jose noted the critical nature of a strong, and growing, Reserve Fund. Rating agencies publicly touted the City of San Diego's achievement of reaching - and exceeding - its goal to have an eight percent Reserve Fund, while criticizing and downgrading the City of San Jose for spending its reserves to address their budget deficit. The Committee noted that it was critical to continue in the direction of reaching the City's five percent Reserve Fund goal.

The CAO noted that the 2012-13 Proposed Budget includes MICLA authorization totaling \$213 million, which is a five percent increase from the prior fiscal year. This MICLA authorization includes funding for LAFD's dispatch system, the purchase of "black-and-whites" for the LAPD, and the purchase of fleet vehicles for GSD. The Committee questioned the use of MICLA funding for the purchase of black-and-white vehicles, noting that this differs from past practices. The CAO confirmed that this proposal would be a deviation from the Council's debt management policy. Committee Members agreed that the LAPD black-and-white vehicles are definitely needed, but questioned whether the issuance of debt is the most economic and efficient way to purchase them. The Committee instructed that, if the Council approves this recommendation, a note be included in the Budget that this is a one-time deviation from Council's debt policy as it relates to vehicle purchases. The Chair also asked the CLA to further review the availability of Forfeited Assets Trust Fund revenues to pay for LAPD vehicles. The Committee instructed that the budget include a footnote to require Council approval prior to the expenditure of any of the authorized MICLA funds in the 2012-13 Budget.

The Committee briefly discussed the Capital Improvement Expenditure Program and staff provided an overview of the three categories: Municipal Facilities, Physical Plant and Clean Water System Improvement Program. The Committee also held a brief discussion regarding Measure R funds and inquired about the factors involved in designating certain projects to be funded by Measure R. The Committee noted the difference between the FY 2011-12 Adopted Budget and the projected actual figure and inquired about the reason for the difference. Staff indicated that projects are multi-year and often do not get completed in one year, requiring a rollover of the funds. The Committee stated that Council should be able to periodically check in with staff or receive updates on whether appropriated funds have been fully expended for projects.

The CAO explained that the City issues Tax and Revenue Anticipation Notes (TRAN) in order to prepay the City's pension and retirement contribution amounts, and to fund the Controller's \$400 million cash flow request. According to the CAO, prepayment will save \$30.3 million in discounts, and will generate a net savings to the city from TRAN issuance of \$19.1 million. The CAO anticipates issuing \$1.24 billion for 2012-13. The CAO also noted that the favorable interest rates that the City achieves on its TRAN issues is one of the major indicators of the financial market's view of the City. The Chair asked staff to explore changes the City can make in its revenue stream to help reduce the amount of TRANs that will need to be issued, such as the timing of power revenue transfer or revised business tax payment schedules.

The Committee held an extensive discussion of the instructions in Exhibit H of the Proposed Budget, requesting clarification of various items. The Committee expressed concern regarding the City Attorney's ability to prepare revenue-generating ordinances called for in Exhibit H within the 60-day time period. The City Attorney testified that each Exhibit H ordinance will receive the highest priority. The Committee also asked about the proposed ordinances regarding auto parks and parking tax payments; full-cost recovery for planning appeals; proposed changes to the Special Parking Revenue Fund; and the proposed cap on customers receiving lifeline subsidies. The Committee asked the CAO to explore options for recouping subsidies that had already been paid to customers that were subsequently found to be ineligible during the re-certification process.

The Coalition of City Unions was invited by the Budget & Finance Committee to present its report "A Better Way Forward" to the Committee and the public. Union representatives described this three-part report, which detailed the Coalition's past efforts to help generate budgetary savings, and offered ten 'solutions' that the Coalition believed could generate up to \$100 million in savings. The Chair and Committee Members welcomed the Coalitions active participation in the 2012-13 budget hearings and the "thorough, thoughtful, measured, reasonable approach" in their suggestions. The Chair instructed the CAO to review each of the Coalition's proposed budget solutions to determine the feasibility of each solution.

### **Budget and Finance Committee Recommendation**

On May 15, 2012, the CLA presented to your Budget and Finance Committee a report outlining recommended changes to the Mayor's Proposed Budget for Fiscal Year 2012-13. The changes were in response to specific directions from the Committee and instructions to the CLA's Office to evaluate areas of concern and provide recommendations to address those issues.

The CLA indicated that the Mayor's Proposed Budget, 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. 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. The CLA stated it is imperative that the City continue to implement long-term structural solutions to its budget deficits to ensure fiscal stability in the future.

The CLA noted revenue projections contained in the Proposed Budget reflect the modest economic recovery that the City is experiencing. Revenue projections are relatively conservative and no adjustments are recommended. The CLA recommended careful monitoring of revenues in three areas. First, with regard to the \$48.6 million in Property Tax receipts resulting from the CRA dissolution, the Designated Local Agency 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, the City will not receive any of this funding until January 2013. 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. 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 liability for collections prior to the passage of Proposition S in 2008.

The CLA recommended a variety of changes to the Proposed Budget, including:

- Recognition of approximately \$6.725 million in additional revenue.
- Funding has been identified, primarily from the Forfeited Assets Trust Fund, for the 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, and various other adjustments related to HRB consolidation.
- 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, the CLA calculated that the Gang Reduction and Youth Development (GRYD) Office 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 could be reprogrammed. The Committee, however, with input from the Mayor's Office reduced GRYD funding in the Proposed Budget by \$3.5 million. Additional General Fund dollars were placed in the Unappropriated Balance with a request to the Mayor's Office to provide requested information regarding GRYD contracts, funding, and expenditures.

The CLA also presented an Addendum Report which identified additional sources of revenue, including a revised property tax growth estimate from the County Auditor-Controller for FY 2012-13.

The Committee considered the proposals in both the CLA Recommended Changes Report and the CLA Addendum Report. Relative to the proposed layoffs of the remaining 209 filled positions eliminated in the Proposed Budget, the Budget & Finance Committee identified \$8 million in savings to be placed in the Unappropriated Balance to provide six months funding for positions proposed for layoff. Further, the Budget & Finance Committee recommended that the City Council instruct that no layoff of these positions will occur prior to January 1, 2013 until subsequent action by the Council.

To effectuate this action, the Budget & Finance Committee recommended restoring into the respective departments resolution authority for six months for all 209 filled positions proposed for layoff in the Mayor's 2012-13 Proposed Budget. The Committee also instructed CAO and CLA to report to the Committee before the start of FY 2012-13, based on priorities established by the Budget & Finance Committee and the City Council, with service restoration proposals as well as recommendations for strengthening the City's reserves, including a policy to begin capitalizing the Budget Stabilization Fund.

Regarding additional revenues, the Committee adopted the revised Auditor-Controller revenue estimate of \$5.8 million in additional property tax revenue, and a \$5 increase in parking fines, with a \$10 increase in disabled parking violations, resulting in an additional \$2.4 million in revenues.

The Committee also increased the Reserve Fund by \$7.5 million to provide flexibility in making service restorations during 2012-13. The Committee emphasized working collaboratively with employee unions in finding budgetary solutions and the need to evaluate the status of the budget on a continuous basis.

Your Budget and Finance Committee unanimously approved the CLA's recommended changes to the Mayor's Proposed Budget, with the amendments described above and noted on Attachment 1, and now forwards these recommendations to the City Council for consideration.

Respectfully submitted,

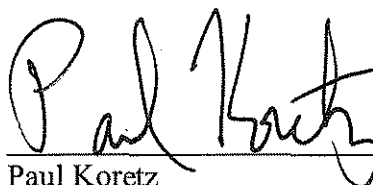


Paul Krekorian, Chair  
Budget and Finance Committee

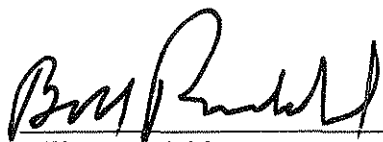


Mitchell Englander  
Councilmember, 12<sup>th</sup> District

Tony Cardenas  
Councilmember, 6<sup>th</sup> District



Paul Koretz  
Councilmember, 5<sup>th</sup> District



Bill Rosendahl  
Councilmember, 11<sup>th</sup> District

Attachment

**Budget and Finance Committee Recommendations on  
the Fiscal Year 2012-13 Proposed 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 \$238M. 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.



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 addressed 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 of communities and our senior and disabled population.

Looking ahead, the projected deficit for 2013-14 is \$199.2M based on current factors. The City Administrative Officer projects shortfalls will 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.

### **That the City Council (Recommendations 1- 16, 76-84, 95-96, and R1-R97)**

#### Global Recommendations

1. Labor Negotiations. Discussions with bargaining units have resulted in agreements which have made structural improvements to the City's budget. The Budget & Finance Committee recommends that the Council instruct the City Administrative Officer to continue these negotiations with instruction from the Executive Employee Relations Committee and to 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.
2. Layoffs. The Mayor's Proposed Budget eliminates approximately 231 filled positions and assumes full-year savings from this reduction. It is anticipated that layoffs may eventually result, so the Budget & Finance Committee recommends that Personnel Department commence the layoff process.

However, the Budget & Finance Committee revised the number of filled positions eliminated to 220, provided layoff avoidance of 11 positions, and identified \$8,000,000 in savings to provide six months funding for the remaining 209 positions proposed for layoff by the Mayor's Budget. **Therefore, the Budget & Finance Committee recommends that the City Council instruct that no layoff of these 209 positions will occur prior to January 1, 2013 until subsequent action by the Council. The Budget & Finance Committee proposes a series of actions detailed below, including Recommendation 30 regarding layoffs, that, if approved, will effectuate this action.**

3. Infrastructure. The Budget and Finance Committee expressed concern regarding the deferral of capital infrastructure improvements and the lack of a long-term infrastructure plan and recommends including additional funding for some higher priority capital items. These include modest increases in funding for paving/repaving of alleys and tree trimming. The Committee Report also contains recommendations for reports regarding a long-term infrastructure plan and a long-term financial plan for the Bureau of Sanitation.

4. Continue a "Hard Hiring Freeze" effective upon adoption of the 2012-13 Budget, with the following supplemental instructions:
  - a. 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.
  - b. 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.
  - c. For the most part, vacancies in common classifications will be filled first by transfer.
  - d. 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.
5. 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.

#### Policy Recommendations

Establish policies that:

6. Should AB 678 revenue exceed amounts programmed in the 2012-13 Budget, that the Funds be allocated to restoration of fire services.
7. The CAO ensure that future year funding for the Special Events Fee Subsidy be funded from revenues equivalent to a 1% Transient Occupancy Tax that are deposited into the Arts and Cultural Facilities and Services Trust Fund.

#### 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:

8. 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.
9. 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.

10. 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.
11. 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:
  - a. 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.
  - b. Expenditures: Actual expenditures by department and program; comparison to expenditure plan; recommendations for any remedial action necessary to remain within budget.
  - c. 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.
  - d. 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.
  - e. 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.
  - f. Employment under Charter Section 1164(b): Department and number of retired individuals employed under 120-day returns to work.
  - g. Functional Consolidations: Status of functional consolidations and functional transfers included the Budget, as well as those approved on an interim basis.
  - h. 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.
  - i. Pending Managed Hiring requests, including those which are under review by the City Administrative Officer.

12. Request the City Attorney to report on a quarterly basis to the Budget and Finance Committee on risk by department, including 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

#### **That the City Council makes the following findings with regard to the 2012-13 Proposed Budget's compliance with the City's Financial Policies:**

13. Reserve Fund: The actions of the Budget & Finance Committee increase the Reserve Fund above the amount proposed in the Mayor's 2012-13 Budget by \$7.48M to \$217.98M or to 4.79%. The Emergency Account of the Reserve Fund is set at 2.75% or \$125.2M with the remaining balance of \$92.78M in the Contingency Account.
14. 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.
15. 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.

16. Budget Stabilization Fund: 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.

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.

**That the Council, subject to the approval of the Mayor (Recommendations 17- 75 and 85-94, only):**

## **REVENUE CHANGES**

### Property Taxes

17. Recognize increased property tax receipts for 2012-13. On May 15, 2012, the County Auditor-Controller reported to the Board of Supervisors that estimated property tax in 2012-13 will be 1.14% rather than 0.5%.

\$5,800,000

### Parking Fines

18. Recognize additional 2012-13 receipts from increasing parking fines by \$5 and increasing the Los Angeles Municipal Code and California Vehicle Code parking violations associated with disabled parking by \$10, including, but not limited to: LAMC Section 22500(1)-blocking disabled access ramps; 22507.8(a)-disabled parking on street; 22507.8(b)-disabled parking obstruct access; 22507.8( c)-disabled parking boundaries; 22511.56(b)-misuse of disabled person parking privileges; and 22522-parking near sidewalk access ramps.

\$2,437,755

### Licenses, Permits, Fees and Fines

19. CAO: Recognize 2011-12 receipts for the L.A. Triathlon agreement

\$160,000

20. City Clerk: Recognize additional reimbursements for fiscal year 2011-12 (\$441,484) and 2012-13 (\$324,913) relative to Los Angeles Unified School District and Los Angeles Community College District elections.

\$766,397

21. General Services: Recognize revenues for surplus property sales anticipated for 2012-13.  
\$100,000
  22. Personnel Human Resources Benefits: Recognize reimbursements for the administration of the Deferred Compensation Plan.  
\$385,000
  23. Public Works - Contract Administration - Add receipts for Proposition C - Metro Rail and Expo Authority reimbursements  
\$303,380
  24. Public Works Engineering - Recognize Proposition C reimbursement revenues for Metro Rail and Expo Authority work  
\$1,009,945
  25. Recreation and Parks: recognize additional General Fund cost reimbursements inadvertently omitted from the Proposed Budget  
\$534,113
  26. CAO: Recognize additional 2012-13 reimbursement revenues for the Seismic Bond Program.  
\$30,000
  27. 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).  
\$300,000
- Other
28. Recognize additional receipts from Supplemental Law Enforcement Services Funds.  
\$1,000,000
  29. Recognize additional year-end election reversions based on three-year average reversion amount.  
\$2,000,000

## EXPENDITURE CHANGES

### Layoff Avoidance

30. Approve the following actions for layoff avoidance:
- a. Restore into the respective departments resolution authority for six months for all 209 filled positions proposed for layoff in the Mayor's 2012-13 Proposed Budget
  - b. Instruct the CAO and CLA to report to the Budget & Finance Committee before the start of FY 2012-13, based on priorities established by the Budget & Finance Committee and the City Council, with service restoration proposals as well as recommendations for strengthening the City's reserves, including a policy to begin capitalizing the Budget Stabilization Fund.
  - c. Provide \$8M in the Unappropriated Balance to fund the first six months of FY 2012-13. Necessary funds will be transferred to departments via the Financial Status Reports from the CAO.
- \$8,000,000

### Capital Improvement Expenditure Program

31. Reduce General Fund revenues to the Capital Expenditure Program, as follows:
- a. Utilize Proposition 2 Police Bond savings for eligible capital improvements to various Police facilities.

(\$400,000)
  - b. Fund eligible roofing projects at Public Works Bureau of Sanitation yards with Solid Waste Resources Revenue Funds.

(\$252,000)

### City Administrative Officer

32. Add funding for Attorney Conflicts Panel to address issues arising from the Community Redevelopment Agency dissolution.
- \$250,000

### City Clerk

33. 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. (\$50,999 direct cost/\$23,674 indirect cost)
- \$74,673



Community Development Department

34. Continue funding for the Vera Davis Art Center pending the release of a Request for Proposals for public-private partnerships for cultural facilities. \$70,000
35. 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. \$250,000

Ethics

36. Add regular 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. Reappropriate up to \$245,000 in 2011-12 funds for direct and indirect costs from the Special Prosecutor, Salaries General, and Contractual Services accounts to fund this restoration. This will result in the reduction of one potential layoff. \$-0-

Finance

37. Add regular authority and funding to restore two Clerk Typist positions (\$91,496 direct cost/\$44,654 indirect cost), and delete regular authority and funding for two vacant Accounting Clerk II positions (\$113,002 direct cost savings/\$50,168 indirect cost savings). This will result in the reduction of two potential layoffs, and a net increase to the General Fund. (\$21,506 direct/\$5,514 indirect) (\$27,020)

Forfeited Assets Trust Fund

38. Revise Schedule 3 (Forfeited Assets Trust Fund) and authorize the direct purchase of LAPD black-and-white vehicles in an amount not to exceed \$5,625,843, as follows:
- a. Authorize the Police Department to expend \$1,500,000 to purchase black-and-white vehicles from LAPD Forfeited Assets Trust Fund No. 44D, Department 70, Appropriation account number 701-1402, Supplemental Police Account. \$-0-
  - b. Recognize \$1,538,000 in unencumbered and unprogrammed funding available at year end fiscal year 2011-12 which will be reappropriated in fiscal year 2012-13 for the purchase of black-and-white vehicles. \$-0-
  - c. Recognize \$360,000 in additional revenue receipts for Forfeited Assets Trust Funds. \$-0-
  - d. Appropriate \$500,000 of the \$3,600,000 for technology to purchase black-and-white vehicles.
  - e. Appropriate \$1,727,843 of the Capital Finance Administration Fund within the Forfeited Assets Trust Fund to the purchase of these black and white vehicles. \$-0-
39. Appropriate \$1,000,000 from the General Fund for the direct purchase of black-and-white vehicles. \$1,000,000

General City Purposes

40. Restore funding with a 30 percent reduction over fiscal year 2011-12 for the Special Events Fee Subsidy in order to support community and neighborhood events citywide. \$1,417,500
41. Add funding for 11,400 applicants on a waiting list for the Solid Waste 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 Mayor's Proposed Budget, to 51,400. \$1,400,000

42. Gang Reduction and Youth Development Office: Provide funding for the GRYD Program, based on 2011-12 total estimated expenditures based on the following changes:
- a. Forgo the HACLA loan adopted pursuant to CF 11-1879.  
(\$1,300,000)
  - b. Reduce Office and Other costs by 10 percent of fiscal year 2011-12 expenditure levels.  
(\$248,000)
  - c. Transfer to the Unappropriated Balance the incremental increase in funding for GRYD relative to 2011-12 (\$5,348,825) pending a report from the Mayor's Office detailing 2011-12 revenues and expenditures for the program, as requested by the Budget & Finance Committee.  
\$-0-
43. Reduce funding for the Economic Development Initiative from \$2.5 million to \$500,000.  
(\$2,000,000)
44. Restore funding for the annual Downtown on Ice event, with a 15 percent reduction from fiscal year 2011-12.  
\$100,000

Human Resources Benefits Fund

45. Reduce funding for Unemployment Insurance based on fewer filled positions eliminated in the fiscal year 2012-13 Budget.  
(\$480,000)

### Human Resources Consolidation

46. 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)
- a. Delete regular authority and six months funding for one Clerk Typist in the Department of Building and Safety, and add position authority and six months funding to the Personnel Department (\$29,000 for direct and indirect costs).  
\$-0-
  - b. Restore position authority and six months funding for one Personnel Analyst II in the Community Development Department 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 (\$75,000 for direct and indirect costs)  
\$-0-
  - c. Add regular position authority and funding for one Senior Clerk Typist to the General Services Department and transfer this restored position, along with one additional Senior Clerk Typist (two total), to the Personnel Department. This will result in the reduction of one potential layoff (\$74,673 for direct and indirect costs).  
\$74,673
  - d. Delete regular authority and funding for one Senior Clerk Typist from the Bureau of Streets Services and add the authority and funding to the Personnel Department, with no net impact to the General Fund (\$53,000 for direct and indirect costs).  
\$-0-
  - e. Add regular position authority and funding to the Bureau of Street Lighting for one Clerk Typist that was erroneously transferred to the Personnel Department as part of the HR Consolidation, deleting the position authority and funding from the Personnel Department, with no net impact to the General Fund (\$48,000 for direct and indirect costs)  
\$-0-
  - f. Delete one Assistant General Manager position in the Personnel Department for Human Resources Consolidation  
(\$225,000)
  - g. 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

47. Restore one Graphic Designer III (\$77,318 direct cost) to be fully offset by savings through the deletion of one Programmer Analyst III (\$93,229 direct cost). This results in the reduction of one layoff.
- (\$15,911)

Neighborhood Empowerment

48. Restore funding and resolution authority for 1 Senior Accountant II (\$79,296 direct cost/\$31,202 indirect cost) and 1 Neighborhood Empowerment Analyst (\$75,228 direct cost/\$29,602 indirect cost) for the Neighborhood Council funding program and liaison to Neighborhood Councils. (\$154,524 direct cost/\$60,804 indirect cost)
- \$215,328

Personnel

49. Delete funding for firefighter recruitment outreach and advertising.
- (\$279,000)

Public Works - Street Services

50. Add funding to the Bureau of Streets Services for contract tree trimming services for 5,000 trees.
- \$500,000

Recreation and Parks

51. Restore funding for the CLASS Parks Program at the following five recreation centers: Central, Denker, Lincoln Heights, Oakwood and Wabash. The programs at these recreation centers were deleted in the Mayor's Proposed Budget.
- \$231,000
52. Increase funding for Children's Play Equipment.
- \$534,000
53. Increase funding for As-Needed Salaries for bathroom and trash maintenance at park facilities on weekends and two extra weekdays per week.
- \$500,000
54. Revise funding for programming and maintenance of various new, expanded and renovated facilities based on updated construction schedules and postponed opening dates for new facilities.
- (\$678,000)

Telecommunications Development Account

55. Modify the allocations in the Telecommunications Development Account, as follows:
- a. Restore funding for Grants to Third Parties for Channel 36 operations \$255,000
  - b. Eliminate contract funding for remote testimony (\$20,976)
  - c. Recognize unexpended prior year appropriations (\$174,000)
  - d. Transfer funding for the Customer Relationship Management (CRM) project to the Unappropriated Balance, with \$750,000 to be funded by special funds and \$250,000 to be funded by the Telecommunications Development Account (TDA). This will allow \$750,000 in TDA funds originally allocated to the CRM project to be used for other eligible General Fund activities. (\$750,000)

Transportation

56. Delete funding and position authority for one Assistant General Manager (\$154,011 direct cost/\$50,085 indirect cost). (\$204,096)

Unappropriated Balance

57. Restore the General Account for miscellaneous reimbursements to City departments, including reimbursement for offsite Council and Committee meeting costs. \$50,000
58. Reduce funding for the Third Party Review of the LAFD's deployment from \$750,000 to \$500,000 (\$250,000)
59. Eliminate contingency funding from the UB for the consultant to help draft the RFP for a new Fire Station Alerting System, leaving \$250,000 in the LAFD's budget for this purpose. (\$250,000)

## OTHER CHANGES

### Building & Safety

60. Increase departmental overtime by \$21,000 for off-hour inspection at Sunshine Canyon, to be fully reimbursed by the Sunshine Canyon Trust Fund.
- \$-0-

### Controller

61. Reappropriate up to \$500,000 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 \$230,000 to be provided to the Salaries As-Needed Account for continuation of the Accounting Resource Pool.
- \$-0-

### Emergency Management

62. Add \$116,000 for one-time contractual services for comprehensive emergency management activities, with full reimbursement to be provided during fiscal year 2012-13 by the 2012 Emergency Management Performance Grant.
- \$-0-

### General Services

63. 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 (\$106,000 direct and indirect costs)
- \$-0-
64. 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, with no net impact to the General Fund. (\$144,000 direct and indirect costs)
- \$-0-
65. Restore funding and regular position authority for one Delivery Driver I to be offset by the deletion of one Clerk, with no net impact to the General Fund.
- \$-0-

### Library

66. Recognize \$150,000 in unspent funds from fiscal year 2011-12 to provide a dedicated funding source for the Central Library Parking Validation Program. \$-0-
67. Reallocate \$303,000 in 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-

### Measure R and Public Works - Street Services

68. Provide funding for an alley paving program, as follows:
- a. Eliminate the appropriation to the Wilshire Bus Lane project in the Capital Improvement Expenditure Program, as these funds are not requested in 2012-13 (\$-500,000)
  - b. Reduce the allocation for the Pavement Preservation Set Aside (\$-1,450,000)
  - c. Provide funding to the Bureau of Street Services for alley paving, repaving or green alley projects (\$1,950,000)
  - d. Instruct the Bureau of Sanitation and the Bureau of Street Services, in coordination with 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. \$-0-

### Measure R and Transportation

69. Reduce funding in the Measure R appropriation for Pedestrian Plan/Program, per Council action (C.F.11-1872):
- a. Add nine months funding and resolution authority for one Pedestrian Coordinator, per Council action (C.F.11-1872) (\$52,727 direct cost/\$18,087 indirect cost)
  - b. Add nine months funding and resolution authority for one Project Assistant, per Council action (C.F.11-1872) (\$40,043 direct cost/\$15,647 indirect cost). \$-0-

### Public Works - Engineering

70. Add funding and resolution authority for one Building Electrical Engineer to coordinate critical fire life safety projects, to be fully funded from Fire Life Safety General Obligation Bond funds (\$61,293 direct cost/\$19,734 indirect cost). \$-0-



Public Works - Sanitation

71. Add partial year funding and resolution authority for one Principal Project Coordinator for regulatory compliance, to be fully funded by the Solid Waste Resources Revenue Fund, the Stormwater Pollution Abatement Fund and other appropriate special funds (\$52,727 direct cost/\$18,087 indirect cost) and one Chief Financial Officer, to be fully funded from special funds (\$117,372 direct cost/\$30,518 indirect cost). \$-0-
72. Instruct the Bureau of Sanitation to report to the Energy and Environment and Budget and Finance Committees within 60 days after the hiring of a Chief Financial Officer with a long-term infrastructure plan, that includes a Five-Year Financial Plan for the Bureau's special funds; the establishment, role and responsibilities of the position; administration and oversight of special funds; transition to an enterprise fund; cost recovery and full reimbursement of the Bureau's General Fund costs. Status reports on these efforts shall also be included in the City Administrative Officer's Financial Status Reports.
73. 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 by reducing the funding for Commercial Recycling Development/Capital Costs (\$74,166 direct cost/\$22,210 indirect cost). \$-0-

Sewer Construction and Maintenance Fund

74. Recognize a \$4.63M appropriation for fleet replacement needs inadvertently omitted from the Proposed Budget. \$-0-

## **Instructions and Technical Adjustments**

### Exhibit H

75. Adopt recommendations contained in Exhibit H with the following changes:

- a. 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 below.
- b. 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.
- c. 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 below.
- d. 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 below.
- e. 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 been included below.
- f. 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 below.
- g. 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 below.

- h. 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 below.
- i. 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 below.
- j. 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 below.
- k. 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 below.
- l. 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 below.

- m. 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 below.
- n. 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 below.
- o. 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 below.
- p. 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 below.
- q. 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 below.
- r. 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 below.

- s. 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 below.
- t. 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 below.
- u. 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.
- v. 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.
- w. 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 below.
- x. 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 and principals of the company 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.
- y. 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**

76. 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.
77. Instruct all Departments to ensure immediate invoicing for all grant reimbursements.
78. 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
79. Instruct the CAO to monitor and ensure timely data entry of budget adjustments by City Departments
80. 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.
81. 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.
82. 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 below and included in the instructions throughout this report, further instruct the City Clerk to ensure the referral of various memoranda and reports.
83. Request the City Attorney to transmit all implementing ordinances no later than June 30, 2012.
84. Authorize the CLA and CAO to make minor and technical adjustments to accomplish the intent of the changes proposed herein.

## **Technical Adjustments**

### Animal Services

85. Add regular authority without funding to restore three Animal Control Officers to increase license sales, to be cost neutral and one Management Analyst II for administrative and budgetary functions.

\$-0-

City Clerk

86. Add regular authority, without funding, to restore one Office and Engineering Technician II. This will result in the reduction of one potential layoff.

- \$0-

General City Purposes

87. 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

88. Add resolution authority without funding for the following positions:

Administration/Technology

- a. One Geographic Information Systems Supervisor I
- b. Two Management Analyst II
- c. One Senior Systems Analyst I
- d. Two Systems Analyst II

Case Processing - Plan Implementation Division

- e. Three City Planning Associate

Accounting/Administration and Technology

- f. One Geographic Information Systems Specialist

Support of planning approval process

- g. Two Associate Zoning Administrator
- h. Two City Planning Associate

Major Projects, previously approved by Council

- i. One Accountant II
- j. One City Planner
- k. One City Planning Associate

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

- l. One City Planning Associate
- m. One Structural Engineering Associate III
- n. One Senior Clerk Typist

\$-0-

Public Works - Contract Administration

89. Add regular authority without funding to restore one Senior Clerk Typist in the Administrative Services Division. -\$0-

Public Works - Engineering

90. Add one regular authority without funding to restore one Clerk Typist and one Clerk in the Development Services Program. \$-0-

Zoo

91. Add regular authority without funding to restore one Zoo Curator position for coordination and management of the Zoo's animal collection. \$-0-
92. Add regular authority without funding to restore one Principal Animal Keeper to supervise various animal keeper positions and ensure proper training for animal care. \$-0-
93. Add regular authority without funding to restore one Zoo Veterinarian II position for animal medical treatment. \$-0-
94. Add regular authority without funding to restore one Zoo Veterinarian III position for animal medical treatment and American Zoo Association quarantine requirements coordination. \$-0-

**CLOSING RECOMMENDATIONS**

95. Instruct the Office of the City Administrative Officer to prepare and present to the City Council within 30 days a listing of all resolutions, substitute, and in-lieu positions needed to fulfill the intent of the Council's action on the 2012-13 Budget.
96. Authorize the Chief Legislative Analyst and the Office of the City Administrative Officer to make minor and technical adjustments to fulfill the intent of the Budget actions, and request the City Attorney, with the assistance of the CLA and the CAO, to prepare and present a resolution for the adoption of the 2012-13 Budget for the General Government of the City of Los Angeles as submitted by the Mayor on April 20, 2012, as modified by this report.



## REQUESTED REPORTS

### Aging

- R 1. 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

- R 2. 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.
- R 3. 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.
- R 4. 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.
- R 5. 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.
- R 6. 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.
- R 7. 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.
- R 8. 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.

- R 9. 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.
- R 10. 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

- R 11. 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.
- R 12. 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.
- R 13. 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 and other equipment.
- R 14. 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.
- R 15. 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.
- R 16. 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 infrastructure.

- R 17. 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; 8) Share the Risk of Future Retirement Cost Increases with Employees; 9) Pay bonuses as cash; and 10) Prevent CPI banking of COLAs.
- R 18. 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.
- R 19. 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.
- R 20. 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.
- R 21. 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.
- R 22. 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.

- R 23. 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.
- R 24. 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.
- R 25. 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.

- R 26. 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.
- R 27. Instruct the City Administrative Officer, with the assistance of the Fire Department and the Chair of the Public Safety Committee, 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), EMS Captains, and the 10<sup>th</sup> member on a task force.

- R 28. 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.
- R 29. 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.
- R 30. 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.
- R 31. 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.
- R 32. 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.
- R 33. 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.
- R 34. 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.
- R 35. 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.

- R 36. 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.
- R 37. 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.
- R 38. 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 Code Section 22710.
- R 39. Instruct the City Administrative Officer to report to Mayor and Council with a proposal for instituting a comprehensive citywide long term Capital Plan.

#### City Attorney

- R 40. Request the CAO and City Attorney to report in 30 days with funding and position authority for additional Workers' Compensation Investigators.

#### Controller

- R 41. 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.
- R 42. 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

- R 43. 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

- R 44. 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

- R 45. 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

- R 46. 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

- R 47. 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.
- R 48. 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.
- R 49. 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.
- R 50. Request the City Ethics Commission to review and report to the Rules, Elections and Intergovernmental Relations Committee with regard to revising fees associated with lobbyist and client registration.

### Finance

- R 51. 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.
- R 52. 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

- R 53. 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.
- R 54. 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.
- R 55. 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.
- R 56. 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.
- R 57. 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.
- R 58. 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.



- R 59. 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.
- R 60. Instruct the Fire Department to report to the Public Safety Committee with a review of the proposed False Alarm Fee, pursuant to Council File 12-0122.

#### General Services

- R 61. 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 .
- R 62. 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.
- R 63. 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.
- R 64. 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

- R 65. 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.

- R 66. 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.
- R 67. 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.
- R 68. 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

- R 69. 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.
- R 70. Instruct the Information Technology Agency, with the Los Angeles Police Department to report to the Public Safety Committee with a data storage policy for the In-Car Video program in order to reduce the costs associated with data storage.
- R 71. Instruct the Information Technology Agency to report to Information Technology and General Services Committee on an comprehensive project plan and recommended funding sources 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.
- R 72. 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.

- R 73. 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.
- R 74. 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.
- R 75. Instruct the Information Technology Agency to report to the Information Technology and General Services Committee on potential strategic partnerships with the private sector for funding opportunities that could be used towards Channel 36 operations.
- R 76. Instruct the Information Technology Agency to report to the Information Technology and General Services Committee on the ways in which direct broadcast satellite providers are making television programming easy and accessible to the viewer.

Los Angeles City Employees Retirement System

- R 77. 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

- R 78. 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

- R 79. 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

- R 80. 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.

- R 81. 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.
- R 82. Instruct the Planning Department to report to the Planning and Land Use Management Committee on assuming the Plan Check and Inspection functions from the Department of Building and Safety.

Public Works - Contract Administration

- R 83. 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

- R 84. 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.
- R 85. Instruct the Bureau to report on the status of the waitlist for the Solid Waste Lifeline Reimbursement Program.
- R 86. 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.
- R 87. 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

- R 88. 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

- R 89. 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.

- R 90. 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.
- R 91. 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

- R 92. 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.
- R 93. 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.
- R 94. 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

- R 95. 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

- R 96. 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.
- R 97. Refer Memo 190 regarding the Department of Water and Power's response to numerous topics to the Budget and Finance Committee for further discussion.