

REPORT OF THE CHIEF LEGISLATIVE ANALYST

Date: May 14, 2013

To: Honorable Members of the Budget and Finance Committee

From: Gerry F. Miller, Chief Legislative Analyst

Subject: **FISCAL YEAR 2013-14 BUDGET**

On April 22, 2013, the Mayor submitted to the City Council his Proposed Budget for fiscal year 2013-14. The Proposed Budget reflects the moderate economic recovery we are experiencing and recognizes improvement in the City's on-going revenue generation. However, the Proposed Budget also reflects continued significant deficits over the next several years. Increased and new services, and the use of one-time revenues for ongoing expenditures, do not continue the progress we have made over the last number of years in controlling expenditures. Additionally, we note significant risks in future year expenditure projections that could cause deficits to grow materially.

Attached you will find recommended changes to the Proposed Budget. These changes are in response to specific directions from your Committee as well as instructions to this office to evaluate some areas of concern and provide recommendations on how to address those issues. The recommendations to follow are designed to ensure our financial strength during fiscal year 2013-14 and make material progress in dealing with continued significant budget gaps in 2014-15 and beyond.

Calculation of the Deficit:

In his Proposed Budget, the Mayor recognizes a 2013-14 deficit of \$215.51 million. This amount is \$23 million less than the \$238.3 million General Fund deficit the City faced in the 2012-13 Budget, but \$16 million more than the projected 2013-14 deficit from one year ago. The City has made substantial progress in its efforts to achieve structural balance in the General Fund. However, the City continues to face budgetary pressures in fiscal years 2014-15 and beyond. The City Administrative Officer (CAO) projects a General Fund budget deficit of \$159 million in 2014-15 and \$114 million in 2015-16. While the CAO projects a very small surplus in 2017-18, as discussed below, there are a number of risks associated with the Proposed Budget that could significantly increase future year deficits and delay achieving structural balance. It is imperative that the City continue to implement long-term structural solutions to its budget deficits to ensure fiscal stability in the future.

Summary of Budget Balancing Actions:

Among the actions proposed to reduce the deficit are new and expanded on-going revenue (\$106 million), one-time revenue (\$145 million), pension savings in both the sworn and civilian pension plans (\$51.17 million), a transfer from the Special Parking Revenue Fund (SPRF) to the General Fund (\$32.58 million), specified efficiencies and expense reductions (\$17.53 million), and other changes and adjustments (\$14 million). With regard to these actions, of particular note are the following:

- \$53.54 million is transferred from the Budget Stabilization Fund, which represent 77% of the balance.
- A total SPRF transfer of \$32.58 million is proposed, which is 8% above the 2012-13 amount and \$13.6 million above the base-level surplus.
- \$42.6 million in delayed reimbursements from transportation grants is recognized.
- \$23.6 million in prior year AB678 reimbursements is projected. These funds were planned in the current year budget but to date have not been received.
- The Proposed Budget includes \$57.4 million in net one-time budget actions, or 26% of the deficit solution. This is consistent with the budget balancing target of 70% on-going and 30% one-time solutions that has been used over the last several years. However, as discussed further below, we do not believe that this target continues to be applicable.

It should be noted that, if the City funded only obligatory increases and increases necessary for continuation of current services, the projected 2013-14 deficit would be almost entirely covered with new ongoing revenues, pension savings and efficiencies and other changes. However, the Proposed Budget adds \$119 million in increased and new services. We recognize that some of the proposed service enhancements are appropriate to avoid future costs. For example, Fire Department recruit training (\$4.25 million) is important because it will mitigate rising overtime costs due to attrition and constant staffing requirements. Additionally, replacement of Police vehicles not eligible for debt financing (\$15 million) is important to avoid increasing maintenance costs and out-of-service vehicles which would impact deployment levels. That notwithstanding, careful consideration should be given relative to which increased expenditures are essential in 2013-14 and efforts should be made to delay investments in increased or new services until such time as our ongoing revenue grows to better match our ongoing expenditures.

Revenue Issues:

For the most part, the revenue projections in the proposed budget appear reasonable and reflect the continued economic recovery. As explained more fully below, however, some

revenue sources can be very volatile and, with significant projected deficits in future years, we urge careful monitoring of a few revenue sources that may pose greater risk to the City.

The General Fund revenue contained in the Proposed Budget is projected to be \$4.872 billion, which is 7.1% above the 2012-13 budgeted amount of \$4.550 billion. The CAO's revised current year General Fund revenue estimate is \$4.633 billion, or \$83 million above plan. Accordingly, 2013-14 revenue is projected to be 5% above the projected current year actual receipts.

Property related taxes show strong performance. Projected 2013-14 Property Tax receipts are \$1.574 billion which is 4.5% above current year projections. 2013-14 Documentary Transfer Tax (DTT) receipts are projected to total \$160 million, or 10% above current year projections. Current year DTT receipts are more than 30% above plan and projected 2013-14 DTT receipts are still more than 25% under the DTT peak in 2005-06, so these projections appear reasonable. However, the DTT is very volatile and it is difficult to accurately project receipts beyond the near term.

The Transient Occupancy Tax (TOT) has continued its strong performance. The 2013-14 Proposed Budget estimates that this revenue source will grow by 5% over revised current year estimates. Given that current year receipts are projected to be 5% above plan, the incremental increase appears reasonable.

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

The Communication Users' Tax (CUT) is projected to drop by \$2.7 million, or 1.2% from current year projected receipts. Based on performance since 2009-10 this projection may be too optimistic. While most revenue sources experienced growth over the current fiscal year and exceeded initial projections, the 2012-13 CUT receipts are 6.4% below projections. Since 2009-10, CUT receipts have dropped by \$34 million, with an average annual decline of nearly 6%. If CUT receipts decline by the average annual drop over the last several years rather than the 1.2% projection, this revenue source may be short by approximately \$11 million.

Risk Factors:

Union Concessions - The Proposed Budget assumes that the 5.5% Cost of Living Adjustment (COLA) for the Coalition of City Unions, scheduled for January 1, 2014, is eliminated. Future year budget gap projections assume the COLA elimination is carried forward to future years and that there are no other COLAs for any civilian and sworn personnel during that time. Additionally, the Proposed Budget assumes that all employees begin paying 10% of

their healthcare premiums by January 1, 2014 and those payments are carried forward to future years. Failure to achieve these concessions would cause the 2014-15 deficit to grow dramatically to well over \$200 million and the increased deficits would be carried forward to 2015-16 and beyond.

Police Overtime - The total Police overtime liability now exceeds \$100 million and that figure grows annually with overtime accruing as compensated time off ("Comp. Time"). While the Proposed Budget begins to address this issue by allocating \$15 million to buy down a portion of that liability, overtime obligations have been growing annually by more than that amount. Unless paid down earlier, the accrued Comp. Time will have to be paid out when the officers retire. It would be inadvisable to allow that obligation to continue to grow. Required time off would have negative impacts on service levels, so the City must be prepared to at least return to the practice of paying most overtime in cash, and efforts should be made to identify one-time funding in future years to pay down the current obligation. The department's notable success in controlling overtime must continue.

Litigation - The City faces potentially significant liabilities in some areas, particularly with regard to the Ardon case relating to the CUT and American with Disabilities Act (ADA) compliance issues. While the issuance of Judgement Obligation Bonds is an option for unusually large liability payments, those bonds consume debt capacity that would better be used for capital investments.

Street Maintenance Funding - We are facing declining funding in various non-General Fund areas that has been used over the last number of years for preventative maintenance (re-paving and slurry sealing) of City streets. It is essential that those streets that have not fallen into the D and F categories be sufficiently maintained so that they do not add to the backlog of failed streets. For the most part, these costs are not eligible for debt financing, so the City must identify alternative funding sources or be prepared to invest General Fund money in future years to offset the loss of other funding sources.

Federal Budget - The impacts of the sequestration are just now being felt, so it is difficult to accurately assess the implications to the City's budget. To the extent that the continued sequestration cuts impact consumer confidence and purchasing behavior, sales tax could be negatively impacted. As has been discussed during your hearings, federal funding for certain social services programs will have service impacts, and the City will be faced with the potential for having to back-fill lost federal funds with the General Fund to maintain base service levels. Finally, any budget plan that is ultimately approved to replace the sequestration cuts may have revenue or expenditure impacts on the City. For example, one area of ongoing concern is the discussion of eliminating the tax exemption on municipal bonds. If that occurs, the increased interest costs to the City would have a material impact on the City's budget.

Recommended Changes to the Proposed Budget:

In assisting your Committee in developing the Council's 2013-14 Budget, we have sought to identify as many structural revenue initiatives and expenditure reductions as feasible. You will find in the attached some use of one-time budget balancing solutions which we believe are unavoidable at the current time. We strongly recommend that the City continue its multi-year budget planning to implement long-term, on-going budget reductions and use great caution in restoring or adding new services until the growth in our ongoing revenues can fund such services.

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

- We have identified a net of \$49 million in additional revenue and \$12.7 million in expenditure reductions.
- Funding is deleted in General City Purposes for the Museum of Contemporary Art (MOCA) and redirected to provide for senior programs, including meals and elder abuse prevention.
- Adjustments are made reflecting the delay in implementing the establishment of the new Department of City Planning and Development until January 2014.
- Six months funding (\$2.5 million) has been reprogrammed from General City Purposes for the new Economic Development initiative. The funding was provided for initial staffing and administrative costs related to contracting with a new or existing not-for-profit economic development corporation to partner with the City for project delivery. We recommend proceeding as soon as possible with the establishment of the contract, and this action should in no way suggest that the Council is changing course in its efforts to implement a new economic development strategy. However, it is unlikely that the non-profit will be selected and incurring start-up costs before January of 2014. The remaining \$2.5 million has been moved to the Unappropriated Balance. Additionally, the Reserve Fund loan of \$2 million in the current fiscal year, which remains in the Unappropriated Balance, will revert to the Reserve Fund.
- We provide two options to address marketing and promotion issues at the Zoo. During your hearings, the Committee was presented with an executed Memorandum of Understanding (MOU) between the Zoo and the Greater Los Angeles Zoo Association (GLAZA) to oversee the marketing, promotion and special events activities at the Zoo. The Administrative Code authorizes the Director to enter into such MOUs with GLAZA provided they are consistent with the five-year marketing and promotion plan ("the Plan") approved by the Council. The Plan will not be submitted to the Council until late in the calendar year. Accordingly, we cannot at this time advise as to whether the MOU is consistent with the Plan and whether the MOU is in the City's interests.

- A total of \$55 million is proposed to be deposited into the Budget Stabilization Fund, bringing the total projected 2013-14 balance to \$69.4 million. The actions included in the attached will result in a 2013-14 Reserve Fund of \$260 million, or 5.27% of the General Fund.

Budget Balancing Strategy:

While not an adopted policy, it has been the City's practice over the last several years to target budget balancing actions at 70% ongoing revenue and expenditure reductions, and 30% one-time revenue used for ongoing expenditures. This target is appropriate in an environment in which revenue is declining rapidly. When revenue falls quickly, the City cannot reduce ongoing expenditures at the same pace. The 70%/30% target provides additional time for ongoing expenditure reductions to be implemented, mitigates rapid and drastic service level reductions, and provides time for a turn-around in revenue such that it becomes realigned with ongoing expenditures.

In an environment in which revenue is expanding, the 70%/30% budget balancing target is inappropriate. If the City continues to use such a budget balancing strategy, the City would, in effect, be locking in perpetual structural imbalances. A significant contributing factor to the City's difficulties in maintaining its fiscal strength during the recent recession was the fact that, in the several years before the economic downturn, the City's ongoing expenditures were growing at a faster rate than its ongoing revenue. We recognize there is likely to be some one-time revenue which is applied to ongoing expenditures in any given year and in certain circumstances that may be appropriate. However, in an environment of increasing revenue the City's policy should be that all service restorations, enhancements, additions, compensation adjustments, etc. should be 100% funded with ongoing revenue.

Attachment

2013-14 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

| | Increase | Decrease | Reserve Fund Impact |
|-------------------------------|----------|----------|---------------------------|
| Mayor's Proposed Reserve Fund | | | 255.155 |

Budget Overview

On April 22, 2013, the Mayor's Proposed 2013-14 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 2013-14 to be \$215.51M. 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, reductions in various expenditures, 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. A new Pension Tier for the City's civilian workforce was approved by the Mayor and City Council in November 2012 and will go into effect on July 1, 2013.

While these efforts have reduced the projected deficit dramatically -- in 2010, the projected deficit for fiscal year 2013-14 was anticipated to be in excess of \$1B -- a structural deficit persists. Efforts to eliminate the structural problem must continue. Opportunities to do so should not be missed.

One such opportunity presents itself with the budget for 2013-14. Revenues in 2013-14 are projected to be higher than in previous years, the Council and Mayor together have taken action to build a more sizeable Budget Stabilization Fund, and actions over the past two to three years have taken a bite out of the structural deficit. However, the economy is in the early stages of recovery, and this recovery period can be fragile. This would be a good time to exercise fiscal restraint and remain on a path that leads to improved fiscal health and service delivery for Los Angeles residents. However, the Mayor's Proposed Budget utilizes the increased revenues (\$106M), one-time revenue (\$145M), three-quarters of the Budget Stabilization Fund (\$53.5M) and all of the projected savings (\$131M), including yet-to-be negotiated concessions, and adds back over \$200M in one-time and ongoing expenditures. If all of the new revenue and savings were taken without the add-backs, the budget gap would be eliminated and there would be a surplus. Because of the ongoing nature of the revenue and the reductions, these changes would be structural.

It is reasonable to expect that some services will be restored in 2013-14. These would be for important needs such as public safety services (Fire) and capital expenditures (tree trimming, street resurfacing and other infrastructure improvements). But other ongoing costs should be carefully examined. Focus should be placed on net additions in the Proposed Budget totaling over \$56M, resolution position authorities over \$25M and the addition of unfunded position authorities. If these net additions are addressed, more progress may be made in reducing the structural problem.

2013-14 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

| Increase | Decrease | Reserve Fund Impact |
|----------|----------|---------------------------|
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Furthermore, focus should continue to be on future years. The Mayor's Proposed Budget projects the fiscal year 2014-15 budget gap to be \$159M. While this is a significant improvement over earlier projections, it is still driven by salary and pension costs, as well as economically sensitive revenues. The projections assume revenue growth of two to four percent in most revenue categories, eight percent in the Documentary Transfer Tax and five percent in the Transient Occupancy Tax. Potential policy changes with regard to the Gross Receipts Tax (Business Tax) are not reflected in the projections. The projections also assume the continuation of yet-to-be negotiated union concessions and do not include the continuation of unfunded positions added to the Proposed Budget. Together, these and other expenditure assumptions could increase the 2014-15 budget gap to over \$200M. Because the City will be dealing with the next year's shortfall in less than 11 months, this Budget may be viewed as a two-year, transitional Budget.

We note that there are other future year issues that need to be addressed. The Mayor's Proposed Budget includes a Pavement Preservation Plan which continues funding for an 800-mile program. Funding for the plan has been from Federal American Recovery and Reinvestment Act (ARRA) dollars and California Transportation Bond Program (Proposition 1B) funds. But these funds are no longer available. The Pavement Preservation Plan is proposed to be funded in 2013-14 through use of one-time revenue, Measure R, Proposition C and General Funds. Future years will require the allocation of alternative sources of funding to maintain this program at its funded level. Additionally, structural issues are anticipated to arise in other funding sources traditionally used for streets and transportation-related projects, as well as for other purposes. These other special funds include the Stormwater Pollution Abatement Fund and Proposition C. The Solid Waste Resources Revenue Fund is also at risk of structural problems and may require rate changes in the near future. These issues need to be addressed in the near term.

Any efforts employed in 2013-14 with regard to reduce ongoing expenditures, limit use of one-time funds for ongoing expenditures, growing the economy and increasing the Budget Stabilization Fund and Reserve Fund will have a positive impact not only in 2013-14, but in future years, as well.

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

| | |
|---|----------|
| Budget Gap (\$M) | (215.51) |
| <u>Proposed Solutions</u> | |
| New/Expanded Revenue | 106.31 |
| One-Time Revenue | |
| Budget Stabilization Fund Transfer | 53.54 |
| Delayed Reimbursements from Transportation Grants | 42.56 |
| Parking Users' Tax Discovery Program | 0.40 |
| Police Overtime Reimbursement | 1.00 |
| Prior Reimbursement for AB 678 | 23.60 |
| Special Parking Revenue Fund Transfer | 13.64 |
| Tax Amnesty Program | 5.50 |
| Telecommunication Development Account | 5.22 |
| Net Revenues | 251.77 |

2013-14 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

| | Increase | Decrease | Reserve Fund Impact |
|-------------------------------|----------|----------|---------------------------|
| Expenditure Changes | | | |
| Pension Savings | (51.17) | | |
| Efficiencies/Reductions | (17.53) | | |
| Other Changes and Adjustments | (13.98) | | |
| Increased Services | 90.76 | | |
| New Services | 28.18 | | |
| Net Expenditure Changes | 36.26 | | |
| Total | 215.51 | | |

In expressing concern over the continuing structural deficit and the impact that past year budget reductions have had on the delivery of services, the Budget and Finance Committee, through its hearing process, articulated its goal to address long-term issues. First and foremost is the recognition that the City should remain on its current track with regard to improving the City's financial position. 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 emphasized its desire to look beyond a one-year budget by focusing on adjustments to the 2013-14 fiscal year which will benefit not only 2014-15, but future years. The Budget and Finance Committee articulated its goal to eliminate the ongoing structural problem, while making sensible adjustments in spending which will have the most impact on the efficient delivery of the highest priority services. The Budget and Finance Committee reiterated its desire to maintain a strong Reserve Fund and to build a robust Budget Stabilization Fund to mitigate future year fluctuations in the economy. Focus was also placed not only on the General Fund, but in ensuring Special Funds do not face the structural problems that have beset the General Fund. The Budget and Finance Committee also expressed its desire to continue efforts with our labor partners to work collaboratively to find long-term solutions and to continue to recognize and support the work of Neighborhood Councils.

The CLA recommendations address these goals, in part, by providing funds to build the Budget Stabilization Fund, adjusting ongoing and one-time expenditures to more closely reflect the established policy regarding use of one-time funds, by limiting the number of new or unfunded positions only to those of high priority, and by including funding for recognized needs, such as public safety, infrastructure improvements, and services to seniors.

Global Recommendations

- ◆ Labor Negotiations. Discussions with bargaining units have resulted in agreements which have made structural improvements to the City's budget. The City Administrative Officer should continue these negotiations with instruction from the Executive Employee Relations Committee and develop solutions which balance the need to reduce costs in the short-term, but not at the expense of long-term impacts on future year costs, including the pension funds. The coming year presents a significant opportunity as approximately 40 labor agreements will be open within the next year.

2013-14 Proposed Budget Budget and Finance Committee Changes, as Proposed by the CLA

| | Increase | Decrease | Reserve Fund Impact |
|--|----------|----------|---------------------------|
| <p>◆ Infrastructure. The Budget and Finance Committee expressed concern regarding the years of deferred capital infrastructure improvements and the lack of a long-term infrastructure plan. Our recommendations include the addition of funding for some higher priority capital items identified by Committee members. These include modest increases in funding for maintenance on City facilities, one-time technology needs, and tree trimming. This report also contains recommendation for the development of a comprehensive plan for the renovation, repair and replacement of City swimming pools.</p> <p>◆ Continue a "Hard Hiring Freeze" effective upon adoption of the 2013-14 Budget. Generally, only positions which are directly responsible for revenue generation, are fully grant- or special-funded, provide public safety services, perform DNA analysis, are of a unique classification (e.g. traffic officer, tax auditor, helicopter pilot) or high priority need, will be considered for unfreeze. Furthermore, the Managed Hiring Committee will continue an expedited unfreeze process for Departments with 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, and layoff avoidance.</p> <p>For the most part, vacancies in common classifications will be filled first by transfer. Following a CAO review of the requested position for critical necessity, revenue generation and availability of funding, the hiring request must be submitted to the Managed Hiring Committee and unanimously approved by its representatives. Departments with positions in the above-mentioned categories may submit a hiring plan upon approval of the budget which will be considered for unfreeze. This will enable many departments to limit Managed Hiring requests only to those not included in the approved hiring plan and provide flexibility for departments to hire for base level needs.</p> <p>◆ Authorization of substitute positions other than for layoff avoidance, shall require Council approval, effective July 1, 2013.</p> | | | |

Evaluating Budgetary Compliance and Control

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

- ◆ Instruct all departments with pending fee increases that are included in the Proposed Budget, with the assistance of the City Attorney, to report to Council no later than June 30, 2013 with ordinances to effectuate the change in fees. This is to ensure that estimated revenue included in the 2013-14 Budget is realized, in accordance with the Annual Fee Studies Policy. Further, instruct all departments to review their fee structures annually and to report to the Budget and Finance Committee by January 1, 2014 with ordinances, status reports or negative replies concerning fee adjustments for the 2014-15 fiscal year.
- ◆ Instruct all City department and bureau heads to promptly notify the CAO of shortfalls in their budget or revenues so that they may be reported in the CAO's financial status reports.

2013-14 Proposed Budget **Budget and Finance Committee Changes, as Proposed by the CLA**

| | Increase | Decrease | Reserve Fund Impact |
|---|----------|----------|---------------------------|
| <p>◆ Instruct the CAO to provide quarterly or more frequently, if necessary, financial status reports on revenues and expenditures, the status of the Reserve Fund, status of the Budget Stabilization Fund, departmental hiring, projected shortfalls and recommendations to protect the City's fiscal health:</p> <p>> 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.</p> <p>> Expenditures: Actual expenditures by department and program; comparison to expenditure plan; recommendations for any remedial action necessary to remain within budget.</p> <p>> 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.</p> <p>> 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.</p> <p>> 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.</p> <p>> Employment under Charter Section 1164(b): Department and number of retired individuals employed under 120-day returns to work.</p> <p>> Functional Consolidations: Status of functional consolidations and functional transfers included the Budget, as well as those approved on an interim basis.</p> <p>> 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.</p> <p>◆ Request the City Attorney to report on a quarterly basis to the Budget and Finance Committee on the status of liability claims and outside legal counsel costs, the latter to include proprietary department expense. Such reports to include the following: available balance; encumbered balance; expenditures to date; projected needs for balance of fiscal year; and, if more funds are needed, specify the corrective actions being taken to contain costs.</p> | | | |

2013-14 Proposed Budget **Budget and Finance Committee Changes, as Proposed by the CLA**

| | Increase | Decrease | Reserve Fund Impact |
|--------------------------------------|----------|----------|---------------------------|
| Financial Policies Compliance | | | |

- ◆ **Reserve Fund:** The actions contained in this report increase the Reserve Fund to \$259.964M or 5.27% of the General Fund. The Emergency Account of the Reserve Fund is set at 2.75% or \$135.287M with the remaining balance of \$124.677M in the Contingency Account.
- ◆ **Capital and Infrastructure Funding Policy:** The Capital and Infrastructure Funding Policy states that "To the extent possible, the City shall annually budget one percent of General Fund revenue to fund capital or infrastructure improvements." The Mayor's Proposed Budget provided \$52.1M for capital projects and infrastructure improvements, which equates of 1.07% of the General Fund according to the CAO Supporting Documents.
- ◆ **One-Time Revenue For One-Time Expenditure Policy:** The City's Budgetary Policies state that, "To the extent possible, current operations will be funded by current revenues. The use of unencumbered prior year balances in all funds shall be scrutinized and carefully limited to be used primarily for one-time expenditures. One-time revenues will only be used for one-time expenditures. The City will avoid using temporary revenues to fund on-going programs or services." The Mayor's 2013-14 Proposed Budget includes \$145.5M in one-time revenue and includes identifies \$88M in one-time expenditures, suggesting that \$57M is for ongoing expenditures.

One-time revenues are anticipated from the transfer of Budget Stabilization Funds (\$53.5M), prior-year reimbursements for Fire emergency medical services (AB 678) (\$23.6M), transfer of surplus Special Parking Revenue Funds (\$13.6M, with an additional \$21M considered ongoing revenue), a tax amnesty program (\$5.5M), transportation grants reimbursement (\$42.6M), Police overtime reimbursement (\$1M), Telecommunications Development Account transfer (\$5.22M) and Parking Users' Tax discovery program (\$0.4M). Therefore, there is more than \$57M in one-time financial resources supporting ongoing expenses.

- ◆ **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 moderate fluctuations in revenue, prevent overspending during prosperous years, and provide resources to help maintain service levels during lean years. In March 2011, the voters enacted Measure P, which codified the requirement to create such a Fund.

The CAO and CLA submitted a formal BSF policy for enactment into the City's Financial Policies. This proposed policy would require saving when the economy is strong and actual revenue exceeds the projected revenue targets, would restrict expenditures from the Fund to no more than 25% of the Fund in any one fiscal year during which there is no declared fiscal emergency, and would allow the City to use funds which are in excess of 15% of the General Fund budget for one-time uses. In 2009-10, \$500,000 was initially deposited into the BSF. Through various actions by the Council and Mayor during 2012-13, the anticipated balance in the Fund at the end of the current fiscal year is projected to be \$69.5M. The Mayor's Proposed Budget transfers \$53.5M of the balance (77%) for programming in the 2013-14 fiscal year.

2013-14 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

| | Increase | Decrease | Reserve Fund Impact |
|--|---------------|----------------|---------------------------|
| Revenue Changes | | | |
| Interest Income | | | |
| ◆ Correct inadvertent error in the 2013-14 estimate | 0.380 | | |
| Licenses, Permits, Fees and Fines | | | |
| ◆ Recognize additional related cost reimbursements from the Transportation Grant Fund | 2.264 | | |
| ◆ Recognize additional related cost reimbursements from Measure R projects pending review by the Department of Transportation. | 3.000 | | |
| ◆ Correct error in Schedule 27 - Proposition C Reimbursement of General Fund cost. | | (1.557) | |
| ◆ Increase City Clerk reimbursements for 2013 election costs for the City of Burbank | 0.200 | | |
| ◆ Increase 2012-13 related cost reimbursements for Housing grant Program | 0.076 | | |
| ◆ Anticipate reimbursements from Pension System for litigation expense | 0.032 | | |
| ◆ Recognize receipt of settlement revenues to offset the cost of the sign ordinance support, litigation and enforcement costs in the City Attorney's Office | 0.262 | | |
| ◆ Adjust for less than anticipated escheatment revenue in 2012-13 | | (0.136) | |
| ◆ Additional reimbursement for the Los Angeles Marathon | 0.090 | | |
| ◆ Increase 2012-13 related costs for various bond programs | 0.061 | | |
| Property Tax | | | |
| ◆ Increase property tax revenues due to CRA dissolution based on recent estimates from the Department of Finance | 31.434 | | |
| State Gas Tax | | | |
| ◆ Recognize additional receipts based on resumption of normal State allocations | 3.000 | | |
| Telecommunications Development Account | | | |
| ◆ Add footnote to Schedule 20 of the Budget, as follows: "Prior to the 2013-14 transfer to the General Fund as contemplated in the Adopted Budget, any reallocation of Telecommunications Development Account Funds from 1% PEG fees to 5% Franchise Fees for this purpose is subject to the approval of the Mayor and Council." | | | |
| Tobacco Settlement | | | |
| ◆ Increase 2012-13 receipts based on receipts to date for a one-time payment from the State (\$4.979M) plus additional 2012 receipts (\$1.376M), and increase 2013-14 receipts based on continuation of normal revenue pattern (\$1.5M) | 7.855 | | |
| Forfeited Assets Trust Fund | | | |
| ◆ Recognize current-year receipts in the Forfeited Assets Trust Fund for eligible Police Department expenses | 0.180 | | |
| SUBTOTAL REVENUE CHANGES | 48.834 | (1.693) | 47.141 |

2013-14 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

| | Increase | Decrease | Reserve Fund Impact |
|--|----------|----------|---------------------------|
| Expenditure Changes | | | |
| Aging | | | |
| ◆ Restore funding and regular position authority for one Management Analyst I in the Program Management Division to address the increase in workload that will result from the federally mandated sequestration reductions to the department's older adult and family caregiver services. | 0.074 | | |
| Animal Services | | | |
| ◆ Add funding for 4 Animal Care Technicians (bringing funded total to 16) and delete funding for contract security. This action is consistent with previous Council action (CF 13-0345-S1). | 0.280 | (0.280) | |
| Capital Finance Administration Fund | | | |
| ◆ Reduce the budget allocation to reflect the use of available funds in the debt service reserve account. | | (2.731) | |
| Capital Improvement Expenditure Program | | | |
| ◆ Budget funds within the Capital Improvement Expenditure Program based on anticipated expenditure levels during FY 2013-14, with the understanding that the remainder of the funds for project completion will be required in FY2014-15, and reallocate a portion of these funds for City facilities maintenance, to maintain compliance with the City's Capital and Infrastructure Funding Policy, as follows: | | | |
| > Celes King III Pool | | (1.000) | |
| > Lincoln Park Pool | | (1.400) | |
| > Watts Towers Conservation | | (0.500) | |
| >City Facilities Maintenance and Improvements | 2.000 | | |
| City Clerk | | | |
| ◆ Restore regular position authority and funding for one filled Senior Clerk Typist in the Index Section to support City Council activities. This will result in a reduction of one potential layoff. | 0.090 | | |
| ◆ Add regular position authority and nine months funding for one Management Analyst position for Council administrative services support. | 0.068 | | |

2013-14 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

| | Increase | Decrease | Reserve Fund Impact |
|---|----------|----------|---------------------------|
| City Planning and Development | | | |
| ◆ Reflect a six-month plan of consolidation of the Departments of Building and Safety and Planning, and certain Code Enforcement programs in the Departments of Transportation and Engineering to allow for more thorough review of the policy matters regarding this proposed consolidation. | | | |
| > Fire Plan Check: Restore funding and regular position authority to the Fire Department for seven Fire Inspector II positions deleted in the Proposed Budget that perform safety engineering plan check functions. | 1.293 | | |
| > Fire Plan Check: Delete funding and regular position authority in the Department of Building and Safety for four Engineering Associate IV and one Senior Clerk Typist and restore these positions and funding to the Fire Department. | 0.727 | (0.727) | |
| > Land Development Planning Services: Delete position authority and six months funding for four positions in the City Planning and Development Department and restore position authority and funding to the Bureau of Engineering. | 0.287 | (0.287) | |
| > Land Development Planning Services: Delete position authority and funding for one Civil Engineering Associate III from the City Planning and Development Department and restore same authority and full-year funding to the Bureau of Engineering, in order to comply with the Los Angeles Municipal Code and the California Government Code. | 0.103 | (0.103) | |
| > Transportation Planning: Delete position authority and six months funding for 20 regular positions transferred to the City Planning and Development Department and restore same authority and six months funding to the Department of Transportation | 1.460 | (1.460) | |
| > Transportation Planning: Delete three resolution authorities and funding added to the City Department of Planning and Development and restore resolution authority for two positions to the Department of Transportation (one position is an off-budget authority). | 0.390 | (0.390) | |
| > Building and Safety: Delete regular authority for one Deputy Superintendent of Building II. | | | |
| > Building and Safety: Restore resolution authority with no funding for one Deputy Superintendent of Building I and delete resolution authority for one Chief Financial Officer. | | | |
| ◆ Add funding in the Unappropriated Balance for a Management Consultant to assist in the effective realignment of planning and development functions, to be funded by the Building and Safety Enterprise Fund | 0.300 | (0.300) | |
| Cultural Affairs | | | |
| ◆ Reduce funding for the Citywide Mural Project and move remainder to the Unappropriated Balance until a policy and implementation plan for the Mural Program is approved by the City Council. | 0.750 | (1.750) | |
| ◆ Delete regular position authority and funding for one Art Center Director II for Operations Support, as this is a potentially exempt position and should be reviewed in the overall context of the Charter cap. | | (0.027) | |

2013-14 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

| | Increase | Decrease | Reserve Fund Impact |
|---|----------|----------|---------------------------|
| Economic Development Department | | | |
| ◆ Reduce funding to reflect a three percent salary savings rate. | | (0.591) | |
| ◆ Provide funding and position authority to support the new Economic Development Department in accordance with CF08-3050, as approved by the Mayor and Council, as follows: | | | |
| > On July 1, 2013, transfer funding within the General City Purposes - Office of Small Business Services line item to the new Economic Development Department | 0.186 | (0.186) | |
| | | (0.687) | |
| > Delete resolution authority and funding for five new positions (2 Project Coordinator, 2 Senior Project Coordinator, 1 Principal Project Coordinator) included in the Proposed Budget for the Economic Development Initiative, as these positions are not in accordance with establishment of the new Economic Development Department approved by the Council and Mayor (CF 08-3050). | | | |
| > Delete as needed authority for Administrative Intern positions and replace with one resolution authority. | | | |
| > Add resolution authority for three positions (2 Management Analyst, 1 Senior Management Analyst) to support the new Economic Development Department, to be funded by the GCP transfer above. | | | |
| ◆ Economic Development Initiative | | | |
| > Reduce funding for the Economic Development Initiative in the General City Purposes account by \$5M and add \$2.5M to the Unappropriated Balance. | 2.500 | (5.000) | |
| > Allow \$2M in 2012-13 funding for the Economic Development Initiative to revert for purposes of repayment of a Reserve Fund loan, in accordance with Council instruction (CF 12-0600-S154). | | | |
| Fire | | | |
| ◆ Reduce Sworn Salaries and increase Constant Staffing Overtime by a commensurate amount based on historical spending patterns. | 10.000 | (10.000) | |
| Fire and Police Pension Fund | | | |
| ◆ Adjust pension contribution based on budgeted sworn salaries | | (4.440) | |
| General City Purposes | | | |
| ◆ Meals for Seniors | | | |
| > Replace loss of federal funds as a result of sequestration to provide 111K home-delivered and 88K congregate meals for senior citizens, and services related to the Family Caregiver Program, Elder Abuse Prevention Program and other Older American Support Programs. Funding is partially offset by a reappropriation of 2012-13 savings. | 1.275 | (0.368) | |
| > Delete one-time funding for free admission and transportation for children K through 12 to the Museum of Contemporary Art (MOCA). | | (1.250) | |
| ◆ Delete funding for a new Office of Contractor Relations. | | (0.450) | |
| ◆ Add funding to increase the City's match to 25 percent for the U.S. Department of Housing and Urban Development (HUD) Homeless Management Information System (HMIS). | 0.009 | | |
| ◆ Relative to Performance Based Budgeting - FMS Module Funding: | | (1.000) | |
| > Reduce funding for the Performance Based Budgeting module for FMS, as this is a multi-year program and not all funds will be required during FY2013-14. | | | |
| > Provide additional contractual services funds to the CAO for implementation of this module. | 0.100 | | |
| > Place remainder of funds in the Unappropriated Balance pending completion of an implementation plan | 1.000 | (1.000) | |

2013-14 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

| | Increase | Decrease | Reserve Fund Impact |
|---|----------|----------|---------------------------|
| General Services | | | |
| ◆ Delete regular position authority and funding for one new Procurement Analyst II. | | (0.115) | |
| Housing and Community Investment | | | |
| ◆ Continue funding for operation of an additional art center pending release of a Request for Proposals for public-private partnerships for cultural facilities. | 0.086 | | |
| Human Resources Benefits Fund | | | |
| ◆ Reduce funding for Unemployment Insurance as no layoffs will be included in the Adopted Budget. | | (1.400) | |
| Library | | | |
| ◆ Delete General Funding for the Integrated Phone System inasmuch as the Library will have sufficient 2012-13 savings to fund this cost. | | (0.420) | |
| Neighborhood Empowerment | | | |
| ◆ Restore position authority and funding for one filled Senior Accountant II for the Neighborhood Council funding program and one filled Neighborhood Empowerment Analyst serving as liaison to Neighborhood Councils, offset by the reduction of one Senior Project Coordinator. This results in a reduction of two potential layoffs. | 0.212 | (0.116) | |
| ◆ Delete as needed authority for one Project Assistant and replace with as needed authority for one Management Assistant to assist with Neighborhood Council elections. | | | |
| ◆ Reappropriate up to \$250K in salary and Neighborhood Council election savings for as needed salaries to begin a new Neighborhood Council checking account funding program. | 0.250 | (0.250) | |
| ◆ Add funding in support of two neighborhood council events, Budget Day and the Congress of Neighborhoods. | 0.020 | | |
| Personnel Changes | | | |
| ◆ The Budget and Finance Committee expressed its intent to limit the number of new, high level, upgrades and potentially exempt positions which are added to the budget in this transition year. While additions and deletions to the budget must be balanced together, a few recommended deletions are summarized as follows. Others are contained in the Department sections of this report. A more detailed list is included in Attachment 1. | | | |
| ◆ Executive Staff | | | |
| Seven new Assistant General Manager-level positions have been reflected in the Proposed Budget: Building and Safety (1); Economic Development (2); Finance (1); Housing (1); Recreation and Parks (1) and Transportation (1). Two are reclassified and transferred as a result of the creation of the Economic Development Department. One is reclassified and transferred as a result of the consolidation of the Housing and the Community Development Departments. One is currently filled in substitute authority (Recreation and Parks). One is the result of a paygrade upgrade (Finance). Two are new (Building and Safety, Transportation). | | | |
| > Delete one new Assistant General Manager position and restore position authority for one Environmental Affairs Officer in the Department of Transportation. | | | |

2013-14 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

| | Increase | Decrease | Reserve Fund Impact |
|---|----------|----------|---------------------------|
| <p>◆ Paygrade Upgrades</p> <p>A number of paygrade upgrades have been included in the Proposed Budget. The position upgrades and any applicable incremental funding, estimated to be at least \$151K, are recommended for deletion with the paygrade requests referred to the CAO for further review, in accordance with standard practice. Adjustments are typically made through the Personnel Authority Resolution, subject to approval by the Council.</p> <p>> Finance. Delete four position upgrades (one Investment Officer III and three Investment Officer II) and increased funding for the upgraded positions. The Investment Officer III is an Assistant General Manager-level position. The original positions and respective paygrades will remain.</p> <p>> Cultural Affairs. Delete one position upgrade for an Arts Manager II. The Arts Manager I will remain.</p> <p>> Transportation. Delete one position upgrade for a Fiscal Systems Specialist II and one upgrade from a Data Base Architect to a Senior Systems Analyst II. The original position authorities will remain.</p> | | | |
| <p>◆ New Positions</p> <p>The Proposed Budget includes at least 150 new position authorities, excluding Police and Fire, totaling over \$15M in direct and related costs. Some position additions are offset by balancing deletions. New position authorities should be kept to a minimum during this transition year. Some deletions are shown in various department sections.</p> | | | |
| <p>◆ Position Reallocations</p> <p>A number of position reallocations are included in the Proposed Budget. Position reallocations are subject to review and approval by the Personnel Department and the Civil Service Commission. All such reallocations are recommended for deletion, subject to review through the appropriate channels. Adjustments are typically made through the Personnel Authority Resolution, subject to Council approval.</p> | | | |
| <p>◆ Exempt Authorities</p> <p>The Proposed Budget appears to add at least 30 new and potentially exempt position authorities. Given the Charter-mandated cap on the number of exemptions allowable, each of these position authorities should be carefully reviewed for appropriateness and within the context of the existing cap. Several are recommended for deletion and these are noted within the departmental sections.</p> | | | |
| <p>◆ Instruct the Personnel Department, with the City Administrative Officer to review operating department management structures with the goal of right-sizing executive and middle-management position authorities to an appropriate level given department size, breadth of responsibility and other relevant factors.</p> | | | |
| <p>◆ Instruct the City Administrative Officer to reconcile all position changes and funding prior to July 1, 2013, adjust funding as appropriate given funding source, and make necessary adjustments to position authority in the Personnel Authority Resolution.</p> | | | |
| Public Works - Engineering | | | |
| <p>◆ Delete funding and regular position authority for one Community Affairs Advocate.</p> | | | (0.120) |
| Public Works - Street Services | | | |
| <p>◆ Provide additional funding for tree trimming. This would increase the number of trees trimmed funded by the General Fund from 35,000 to 40,000 trees.</p> | | 0.500 | |

2013-14 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

| | Increase | Decrease | Reserve Fund Impact |
|--|---------------|-----------------|---------------------------|
| Recreation and Parks | | | |
| ◆ Restore funding for the CLASS Parks Program through a reduction in the General Fund Cost Reimbursement for the Department | 0.900 | | |
| ◆ Recognize additional 2012-13 savings within the Department of Recreation and Parks Budget to fund the following programs: | | | |
| > Provide funding to keep Hubert Humphrey, Peck and Glassell Park pools open year-round. | 1.220 | (1.220) | |
| > San Julian Park | 0.150 | (0.150) | |
| > Provide funding to reinstate programming services at Trinity Recreation Center. | 0.097 | (0.097) | |
| > Continue funding added by the Council in FY2012-13 for supplemental maintenance at park facilities | 0.500 | (0.500) | |
| ◆ Revise funding for programming and maintenance of various new, expanded and renovated facilities based on anticipated opening dates. | | (0.180) | |
| ◆ Delete resolution authority for one unfunded Principal Project Coordinator, as this is potentially exempt position and should be reviewed in the overall context of the Charter cap. | | | |
| Transportation | | | |
| ◆ Delete resolution authority for two Project Assistant positions for Bicycle Planning and Outreach, as these are potentially exempt positions and should be reviewed in the overall context of the existing Charter cap. Add resolution authority for two Management Assistant positions. | | | |
| ◆ Delete resolution authority and funding for one Principal Project Coordinator for Public Relations and Community Outreach, as this is a potentially exempt position and should be reviewed in the overall context of the existing Charter cap. | 0.103 | (0.103) | |
| Unappropriated Balance | | | |
| ◆ Provide funding for one-time information technology needs. | 1.000 | | |
| SUBTOTAL EXPENDITURE CHANGES | 27.930 | (40.598) | (12.668) |

2013-14 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

| | Increase | Decrease | Reserve Fund Impact |
|--|--------------|----------------|---------------------------|
| Other Changes | | | |
| Economic Development Department | | | |
| ◆ Delete contractual services funding from the Enterprise Zone Tax Credit Voucher Fund pending approval of a proposed fee increase | 0.600 | (0.600) | |
| Ethics | | | |
| ◆ Reappropriate 2012-13 funds to restore position authority and funding for two Auditor 1 position to address audits for the 2013 elections. Ongoing revenues have been identified for future year costs, if necessary. | 0.160 | (0.160) | |
| General City Purposes | | | |
| ◆ Transfer funding in the Green Retrofit and Workforce Program, and add one resolution authority and funding for a Management Assistant in the Economic Development Department, as this function is more appropriately housed in the new Department. | 0.075 | (0.075) | |
| Public Works - Board | | | |
| ◆ Delete two positions funded by special funds inasmuch as the Board has three existing vacancies. | | | |
| Zoo | | | |
| ◆ See Attachment 2 regarding Zoo MOU with GLAZA. Options are presented for Committee to consider | | | |
| SUBTOTAL OTHER CHANGES | 0.835 | (0.835) | 0.000 |
| Net Change to the Proposed Budget | | | 59.809 |

| | |
|--|---------------|
| BUDGET STABILIZATION FUND IMPACT | |
| Transfer Portion of the Net Change to the Budget Stabilization Fund | 55.000 |
| Plus Mayor's Proposed Budget Stabilization Fund | 15.960 |
| Less Recent Transfer Approved by Council (CF13-0545) | (1.560) |
| BUDGET AND FINANCE COMMITTEE PROPOSED BUDGET STABILIZATION FUND | 69.400 |

| | |
|--|----------------|
| RESERVE FUND IMPACT | |
| Transfer Remaining Portion of Net Change to Reserve Fund | 4.809 |
| Plus Mayor's Proposed Reserve Fund | 255.155 |
| BUDGET AND FINANCE COMMITTEE PROPOSED BUDGET STABILIZATION FUND | 259.964 |
| % of General Fund | 5.27% |

2013-14 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

| | Increase | Decrease | Reserve Fund Impact |
|---|----------|----------|---------------------------|
| Instructions and Technical Adjustments | | | |

Exhibit H

- ◆ Adopt recommendations contained in Exhibit H with the following changes:
 - > **Delete** the provision requesting the City Attorney, with the assistance of the Department of Cultural Affairs and the City Administrative Officer, to prepare and present an ordinance amending Section 5.115.4 of the Administrative Code to add that fees collected for various services provided by the Department of Cultural Affairs be counted as revenue to the Arts and Cultural Facilities and Services Trust Fund. The increased revenue receipts associated with the change will provide additional funding for the support and operation of cultural programs and special events within the Department of Cultural Affairs and throughout the City.
 - > **Delete** the instruction to request the City Attorney, with assistance from the Bureau of Engineering and the Department of Transportation, to prepare and present ordinances no later than July 1, 2013, to amend all applicable sections of the Los Angeles Municipal Code and Los Angeles Administrative Code to reflect the consolidation of engineering land management and transportation planning into the Planning Department, as this proposed consolidation is anticipated to take place on January 1, 2014, subject to approval of the Council and the Mayor.
 - > **Delete** the instruction to request the City Attorney, with assistance from the Department of Building and Safety, the Fire Department, and the Planning Department, to prepare and present ordinances no later than October 31, 2013 to amend all applicable sections of the Los Angeles Municipal Code and Los Angeles Administrative Code to reflect the consolidation of development services programs into the City Planning and Development Department, as this proposed consolidation is not expected to occur until January 1, 2014, subject to approval of the Council and Mayor.
 - > **Delete** the instruction authorizing the City Administrative Officer to instruct all City departments to review various revenue generation and cost-recovery ideas, inasmuch both the Council and the Mayor have already issued similar directives.
 - > **Delete** the instruction to authorize the Controller to appropriate and transfer funds pursuant to the terms of any approved Memorandum of Agreement between the Department of Building and Safety and the City Planning and Development Department to facilitate the transfer of services from the Department of Building and Safety to the City Planning and Development Department, with specific instructions for the transfer of funds provided to the Controller's Office by November 30, 2013, as this proposed consolidation is not expected to occur until January 1, 2014, subject to approval of the Council and Mayor.
 - > **Delete** the instruction to the Personnel Department, with the assistance of the City Attorney and the City Administrative Officer, to report to the Mayor and Council on increasing the maximum number of exempt positions as allowed in Charter Section 1001(b)(4) to one percent of the regular authorized positions in the City workforce.
 - > **Delete** the instruction requesting a report on converting the Solid Waste Revenue Fund into an Enterprise Fund, inasmuch as this policy change should first be examined by the Council's Policy Committee.

2013-14 Proposed Budget Budget and Finance Committee Changes, as Proposed by the CLA

| Increase | Decrease | Reserve Fund Impact |
|----------|----------|---------------------------|
| | | |

> **Amend** the instruction regarding elimination of positions at the Convention Center to read: In the event civil service and exempt positions are eliminated from the Convention Center, instruct the General Manager of the Personnel Department to identify transfer opportunities to other City departments for impacted civil service and civil service exempt employees; instruct the City Administrative Officer to create and release substitute positions for those employees who elect to transfer from the Convention Center as a result of position eliminations.

> **Add** an instruction authorizing the Controller and the General Services Department (GSD) to transfer funds from the Motion Picture Coordination Fund No. 417 to GSD fund 100/40, Salaries General Account No. 1010, Salaries Overtime Account 1090, As-needed Account No. 1070, Hiring Hall Account No. 1100, Construction Projects Account No. 1014, Hiring Hall Construction Account No. 1101, Hiring Hall Fringe Benefits Account No. 1120, Construction Hiring Hall Fringe Benefits Account No. 1121, Construction Overtime Hiring Hall Account No. 1191, Maintenance Materials Account No. 3160, Construction Materials Account No. 3180, Office and Administrative Account No. 6010 and Operating Supplies Account No. 6020.

> **Add** an instruction authorizing the Controller to appropriate and transfer funds pursuant to the terms of any approved Memoranda of Understanding between the Department of Transportation (DOT) and General Services Department (GSD) for the maintenance and operation of parking facilities. The appropriation and transfer of funds, if applicable, will be from the Contractual Services Special Purpose Fund Appropriation of the Special Parking Revenue Fund 363/94. Specific instructions for the transfer of funds will be provided by DOT and GSD to the Controller's Office by July 31, 2013.

> **Add** an instruction to request the City Attorney to prepare and present an ordinance to amend Section 10.2.1(a) of the Los Angeles Administrative Code to include an exemption for AB1290 allocations from a written contract if the amount is \$5,000 or less.

> **Add** an instruction requesting the City Attorney, in preparing ordinances regarding the new Economic Development Department, to change the name of the department to the "Economic and Workforce Development Department."

> **Add** an instruction requesting the City Attorney to prepare and present the necessary ordinances to eliminate the Community Development Department.

> **Add** an instruction to the Bureau of Sanitation to immediately process eligible Lifeline participants to the maximum level permitted by ordinance during Fiscal Year 2013-14, with necessary allocations made through the Financial Status Reports.

General Instructions

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

2013-14 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

| Increase | Decrease | Reserve Fund Impact |
|----------|----------|---------------------------|
|----------|----------|---------------------------|

- ◆ Instruct the CAO to monitor and ensure timely data entry of budget adjustments by City Departments
- ◆ Reaffirm the instruction from the 2009-10 Adopted Budget that all projects proposed for MICLA financing must be approved by the Council before expending MICLA Commercial Paper proceeds. Further, to the extent that special funds are being used to support MICLA projects, that the City Administrative Officer reevaluate the use and report on the need for special funds.
- ◆ Instruct the CLA and CAO to work with Council leadership to schedule a "Revenue Day" in Council during the fall of 2013, to consider new or enhanced revenues.
- ◆ 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 2013-14 Budget, as shown in **Attachment 3 and 3-A** (Summary of Requested Reports - Special Study Reports) to ensure the referral of various memoranda and reports.
- ◆ Request the City Attorney to transmit all implementing ordinances no later than June 30, 2013.
- ◆ Authorize the CLA and CAO to make minor and technical adjustments to accomplish the intent of the changes proposed herein.

Technical Adjustments

Convention Center

- ◆ Restore position authority without funding for one filled Project Assistant. This will result in a reduction of one potential layoff.

General City Purposes

- ◆ Amend Item 36, page 743 of the Detail of Department Programs, Volume II to denote that this program will be administered by the Economic Development Department.
- ◆ Amend Item 37, page 743 of the Detail of Department Programs, Volume II to denote that this program will be administered by the Economic Development Department.
- ◆ Amend Item 40, page 744 of the Detail of Department Programs, Volume II to denote that this program will be administered by the City Administrative Officer.

Unappropriated Balance

- ◆ Amend Item 14, page 803 of the Detail of Department Programs, Volume II to read "City Disaster Planning Study - ADA Compliance Issues."

Zoo

- ◆ Add resolution authority, without funding, for one full-time Animal Keeper and one half-time Animal Keeper to support the new Rainforest of the Americas exhibit.

Summary of Position Changes

Attachment 1

Summary of Deleted Positions / Paygrades

| Department | Classification | Number | 2013-14 Budget Impact \$ Millions | Comments |
|--|--------------------------------------|---------|--------------------------------------|--|
| Building and Safety | Chief Financial Officer | (1) | 0.000 | High-level executive position. Exempt authority. Impact on Charter cap. |
| | Deputy Superintendent of Building II | (1) | 0.000 | Due to proposed consolidation of Building and Safety and Planning |
| | Arts Manager II | (1) | (0.027) | Paygrade to II level deleted. Subject to CAO review and approval. |
| Cultural Affairs | Art Center Director II | (1) | (0.027) | Exempt authority. Impact on Charter cap. |
| | Principal Project Coordinator | (1) | (0.687) | New positions. Not in accordance w/ Council/Mayor approved establishment of department |
| Economic Development | | | | |
| | | | | |
| General City Purposes | Senior Project Coordinator | (2) | | |
| | Project Assistant | (2) | | |
| | Not available | unknown | | |
| General Services | Procurement Analyst II | (1) | (0.450) | New Office of Contractor Relations |
| | Investment Officer III | (1) | (0.115) | Exempt authority. Impact on Charter cap. |
| Finance | | | | |
| | | | | |
| Neighborhood Empowerment | Investment Officer II | (1) | (0.094) | Paygrade to Assistant General Manager-level deleted. Subject to CAO review and approval. |
| | | (3) | | Paygrade to level II deleted. Subject to CAO review and approval. |
| | Senior Project Coordinator | (1) | (0.116) | Exempt authority. Impact on Charter cap. Offsets restoration of two filled positions which were deleted. |
| Public Works - Engineering Recreation & Parks Transportation | | | | |
| | Community Affairs Advocate | (1) | | Exempt authority. Impact on Charter cap. |
| | Principal Project Coordinator | (1) | (0.120) | Exempt authority. Impact on Charter cap. |
| | Assistant General Manager | (1) | 0.000 | High-level executive position. Environmental Affairs Officer authority restored. |
| | Project Assistant | (2) | (0.020) | Exempt authority. Impact on Charter cap. Replaced with Management Assistants. |
| Total | Fiscal Systems Specialist II | (1) | 0.000 | Paygrade to II level deleted. Subject to CAO review and approval. |
| | Principal Project Coordinator | (1) | (0.021) | Exempt authority. Impact on Charter cap. |
| | | (22) | (1.780) | |

Summary of New Positions Added

| Department | Classification | | 2013-14 Budget Impact \$ Millions | Comments |
|----------------------|-------------------------------------|------|--------------------------------------|--|
| Aging | Management Analyst II | 1 | 0.074 | Workload need. Paygrade subject to review and approval by CAO. |
| Animal Services | Animal Care Technician | 4 | 0.000 * | Per Council instruction CF13-0345-S1. |
| City Clerk | Management Analyst I | 1 | 0.068 | Workload need. |
| Building and Safety | Superintendent of Building | 1 | 0.000 | Temporary until consolidation occurs. |
| Economic Development | Senior Management Analyst | 1 | 0.000 | Office of Small Business transfer. |
| | Management Analyst | 2 | | |
| | Deputy Superintendent of Building I | 1 | 0.000 | Temporary until consolidation occurs. |
| Ethics | Auditor I | 2 | 0.000 * | Savings offset cost of restoration. |
| Transportation | Management Assistant | 2 | 0.000 | Replaces two deleted Project Assistants. |
| Zoo | Animal Keeper | 1.5 | 0.000 | Workload related to new exhibit. |
| Total | | 16.5 | 0.142 | |

* Costs are offset by an ongoing source of revenue.

Note: List does not include positions added back for layoff avoidance and continuation of existing program/service.

**Budget and Finance Committee
Consideration of the 2013-14 Proposed Budget**

**Memorandum of Understanding (MOU)
between the Los Angeles Zoo and the
Greater Los Angeles Zoo Association (GLAZA)**

Background

- The Proposed Budget contemplates the Zoo entering into a MOU with GLAZA for Marketing and Public Relations and authorization to market, negotiate and oversee the rental of the Zoo property.
- The MOU provides for revenue sharing agreements between the Zoo and GLAZA.
- During the discussions on the Proposed Budget, it was determined that the MOU had already been signed by the respective parties. However, pursuant to the Los Angeles Administrative Code, any MOU executed by the Zoo must conform with a Five Year Marketing Plan and Business Plan. These Plans must be approved by Mayor and Council. Because neither of these Plans have been prepared or transmitted, the MOU cannot be officially ratified until the Plans have been submitted and approved.
- Without the Marketing and Business Plans, it is not possible to ascertain whether this new MOU will be consistent with the Plans and, more importantly, whether the MOU itself will be in the best interest of the City. While we understand that GLAZA has committed to provide significant resources to market the Zoo in order to increase attendance and generate revenues to offset the General Fund subsidy, we are not able to determine whether the same outcome could be accomplished by Zoo staff. If so, the revenues generated by the Zoo could remain with the Zoo as opposed to diminishing the amount to be received by the Zoo under a revenue sharing arrangement.

Proposed Budget

The Proposed Budget assumes the MOU is effective and therefore deletes Zoo funding for public relations and marketing. However, there is a timing problem. The Budget will be effective on July 1, 2013. The MOU will not be ratified by that time and, in the interim, the Zoo plans on implementing the terms of the MOU. We do not believe it is in the City's best interest to presume the approval of such a significant change in the operation of the Zoo.

**Budget and Finance Committee
Consideration of the 2013-14 Proposed Budget**

**Memorandum of Understanding (MOU)
between the Los Angeles Zoo and the
Greater Los Angeles Zoo Association (GLAZA)**

Options

To address the Zoo marketing and public relations within the context of the Proposed Budget, there are various options to allow time for a more thorough review of the related documents, eliminate any confusion during this interim period of uncertainty as to the entity vested with marketing and public relations responsibilities, to ensure that this proposal is in the best interest of the City, and, most all, to protect the Zoo as a treasured City asset:

Option A

1. Approve the Proposed Budget for Zoo as submitted by the Mayor.
2. Modify the instruction in Exhibit H of the Proposed Budget relative to the preparation of an ordinance for admission fee increases, to increase the fee by \$1 at this time. Delete any reference to future fee increases.
3. Prior to the beginning of the FY2013-14, Council should consider the MOU in greater detail and make a final determination by June 30, 2013 as to whether the MOU should be implemented or deferred until the Marketing and Business Plans are submitted to Mayor and Council for approval. Because of the many policy impacts of the MOU, it may be appropriate to hear this matter in the Budget and Finance Committee, Personnel and Animal Welfare Committee and the Arts, Parks, Health and Aging Committee.
4. Instruct CAO and CLA staff to report on the required budgetary adjustments to the Zoo Department, if necessary, and provide any other recommendations consistent with Council's action in this matter.

Option B

1. Reject the MOU pending the transmittal and approval of the Business and Market Plan, as required by the Los Administrative Code.
2. Modify the instruction in Exhibit H of the Proposed Budget relative to the preparation of an ordinance for admission fee increases, to increase the fee by \$1 at this time. Delete any reference to future fee increases.
3. Instruct the Zoo Department to continue to conduct the marketing and public relations responsibilities.
4. Instruct the CAO and CLA to include in the Financial Status Report a transfer of up to \$800K for Zoo marketing and public relations, if additional funds are required. This amount could be offset by Zoo revenues as a result of the proposed \$1 increase in admission fees and increased attendance for new exhibits opening in 2013-14.
5. Reconsider the MOU and all other operating agreements between the Zoo and GLAZA upon submittal of the Business and Marketing Plans.

SUMMARY OF REQUESTED REPORTS

Special Study Reports

Animal Services

ASSIGNED TO: ANIMAL SERVICES

- 1 Report back on future goals, projections and metrics for next year, to include increasing number of licenses issued, live releases, volunteer hours and spay and neuters. What is the Department doing to meet these goals? Include budgetary impacts to achieve these goals.

Report To: Budget and Finance Committee

- 2 Report back on how we think the Public Private Partnership is working out with Best Friends of the North East Valley shelter.

Report To: Personnel and Animal Welfare Committee

- 3 Report back on how we are in progress of achieving a "No Kill City"?

Report To: Personnel and Animal Welfare Committee**Capital Finance Administration (MICLA)**

ASSIGNED TO: CITY ADMINISTRATIVE OFFICER

- 4 Report back on the status of the RFP for the Fire Station Alerting System.

Report To: Budget and Finance Committee

- 5 Report back on the City's current debt capacity. How much have we used?

Report To: Budget and Finance Committee

- 6 When planning large capital expenditures, do we consult with DWP or the Federal government to realize energy efficiencies?

Report To: Budget and Finance Committee**Capital Improvement Expenditure Program (CIEP)**

ASSIGNED TO: CITY ADMINISTRATIVE OFFICER

- 7 Report back on the funding strategies for the City's swimming pools. Provide a policy regarding the closing of pools.

Report To: Budget and Finance Committee**Arts, Parks, Health and Aging Committee**

Special Study Reports

City Administrative Officer

ASSIGNED TO: CITY ADMINISTRATIVE OFFICER

- 8 What is the status of the TIGER Funding, how much have we receive, what is the time frame and what how will these funds be used?
**Report To: Budget and Finance Committee
Transportation Committee**
- 9 Report back on potential revenue for 2012-13 and 2013-14 from passage of Measure D.
Report To: Budget and Finance Committee
- 10 Report back on establishing a liaison for the Public Health/Health Department related agencies.
Report To: Arts, Parks, Health and Aging Committee
- 11 Report back on the status of the request made to vendors to reduce contracts by 10%. Quantify the contract reductions achieved. What have other cities done to reduce city contract appropriations?
Report To: Budget and Finance Committee
- 12 Report back on the success of friends support groups, to include RAP, Cultural Affairs, Fire, Police, Zoo, etc.
Report To: Budget and Finance Committee
- 13 Report back on the Coalition of City Unions Report Recommendation 4 - ACE pilot license collection program.
Report To: Budget and Finance Committee
- 14 Report back on the Coalition of City Unions Report Recommendation 10 - global contracting issues.
Report To: Budget and Finance Committee
- 15 Report back on the Coalition of City Unions Report Recommendation 12 - LAPD appropriate use of civilian employees.
**Report To: Budget and Finance Committee
Public Safety Committee**
- 16 Report back on the Coalition of City Unions Report Recommendation 13 - municipal marketing.
Report To: Budget and Finance Committee
- 17 Report back regarding LAFCO and issues related to annexation.
Report To: Rules, Elections & Inter-Governmental Relations

Special Study Reports

- 18 IG Presentation - Consideration 1 - Report back on adding funding (\$750k) for project management and software needs in the UB.
Report To: Budget and Finance Committee
- 19 IG Presentation - Consideration 2 - Report back on EMS performance review. How is this impacted by the affordable care act?
Report To: Budget and Finance Committee
Public Safety Committee
- 20 IG Presentation - Consideration 3 - Report back on a midyear review of potential revenue increases from collection reform and impact on the outlook.
Report To: Budget and Finance Committee

City Attorney

ASSIGNED TO: CITY ATTORNEY

- 21 Report back on policy or procedural suggestions that the City Attorney may recommend on how to improve the Workers Compensation and Disability claims process with regard to training and risk reduction, including the possibility of bringing in experts to review Workers Compensation.
Report To: Budget and Finance Committee
- 22 What can be done to change the split of revenues in the City Attorney's Consumer Protection Trust Fund?
Report To: Budget and Finance Committee

City Clerk

ASSIGNED TO: CITY CLERK

- 23 Report back on AB1290 recommendation to increase contracting threshold to the \$5000 level, similar to the process for GCP, to avoid backlog.
Report To: Budget and Finance Committee

Citywide

ASSIGNED TO: CITY ADMINISTRATIVE OFFICER

- 24 Report on potential areas where indirect cost reimbursements to the General Fund may be missed, and in departments where additional accounting, auditing and support staff are needed to ensure proper transfers are being made.
Report To: Budget and Finance Committee

Special Study Reports

Controller

ASSIGNED TO: CONTROLLER

- 25 Report back on the proposal to coordinate audit function. Report back on what specific auditing functions in what specific departments are you proposing for consolidation. What impact will that have on the offices of the elected officials? What is the impact on independence of the auditors? What is done in other cities?

Report To: Budget and Finance Committee

Convention Center

ASSIGNED TO: CITY ADMINISTRATIVE OFFICER

- 26 Report back and provide ownership of parcels in and around the Convention Center.

Report To: Budget and Finance Committee

ASSIGNED TO: CONVENTION CENTER

- 27 Report back on options for the Department to provide more hiring flexibility during the RFP process.

Report To: Personnel and Animal Welfare Committee

Cultural Affairs

ASSIGNED TO: CITY ATTORNEY

- 28 Report back on broadening the usage of the arts development fee funds.

Report To: Arts, Parks, Health and Aging Committee

ASSIGNED TO: CULTURAL AFFAIRS

- 29 Report back on the impact of arts programs on tourism.

Report To: Arts, Parks, Health and Aging Committee

- 30 Report back on the murals ordinance, and allowing murals funds to be used for the creation, maintenance, restoration, and presentation of murals. Also report back on the plan to replenish funds for murals after the amount included in the proposed budget has been exhausted.

Report To: Arts, Parks, Health and Aging Committee

Disability

ASSIGNED TO: DISABILITY

- 31 Report back on addressing disabled issues through regional areas rather than by Council District using Census information to gather information on population concentration.

Report To: Arts, Parks, Health and Aging Committee

Special Study Reports

Economic Development Department

ASSIGNED TO: CITY ADMINISTRATIVE OFFICER

- 32 Report back on how the Department intends to help individuals with job placement and increasing training and look at best practices in other cities?

Report To: Jobs and Business Development Committee

El Pueblo de Los Angeles

ASSIGNED TO: CITY ADMINISTRATIVE OFFICER

- 33 Report back on permit kiosks over the 101 freeway between the Mall and El Pueblo.

Report To: Arts, Parks, Health and Aging Committee

- 34 Report back on the current status and plans for the leasable facilities at El Pueblo, specifically the Pico-House, Masonic Hall and Hellman-Quan and whether the Economic Development Department can assist with this plan.

Report To: Arts, Parks, Health and Aging Committee

ASSIGNED TO: EL PUEBLO DE LOS ANGELES

- 35 Provide a report on how filming impacts El Pueblo and vice versa.

Report To: Arts, Parks, Health and Aging Committee

Emergency Management

ASSIGNED TO: EMERGENCY MANAGEMENT

- 36 Report back on the work being done with the Homeland Security Grants? What do the grant-funded positions do? Have we looked at best practices in other cities? Report back on what are being done regarding the Homeland Security Grant. What duties/responsibilities that are performed by the seven positions.

**Report To: Budget and Finance Committee
Public Safety Committee**

- 37 Report back on the best practices implemented for emergency management in other cities.

Report To: Public Safety Committee

- 38 Report back on modifications that may be necessary in the operation of the Department in regards to the disabled and also the application of these recommendations to actual or potential litigation.

Report To: Budget and Finance Committee

- 39 Report back on options for a tsunami warning system?

**Report To: Budget and Finance Committee
Public Safety Committee**

Special Study Reports

Ethics Commission

ASSIGNED TO: ETHICS COMMISSION

- 40 Report back on the possibility of a fee structure to pursue cost recovery for additional as-needed staff support.

Report To: Budget and Finance Committee

Finance

ASSIGNED TO: FINANCE

- 41 Provide an overview of the progress of departments that need more improvement in their collections effort.

Report To: Budget and Finance Committee

ASSIGNED TO: MAYOR

- 42 Mayor's Office to respond regarding Budget Memo 107 (Office of Finance - Treasury Accountant, Tax Auditor, and Tax Compliance Officer upgrades)

Report To: Budget and Finance Committee

Personnel and Animal Welfare Committee

Fire

ASSIGNED TO: CITY ADMINISTRATIVE OFFICER

- 43 Report back on the status of the Fire Hydrant Trust Fund.

Report To: Budget and Finance Committee

ASSIGNED TO: CITY ATTORNEY

- 44 Please provide a written opinion on the possible requirement to "meet and confer" or engage in some type of impact bargaining with UFLAC and the Chief Officers Association prior to the implementation of this plan.

Report To: Executive Employee Relations Committee

ASSIGNED TO: FIRE

- 45 Why is a third ambulance not being added to a structure fire response assignment for additional manpower, when the two closest ambulances are already included on all structure fire responses under the current staffing configuration? Does this reduce the overall manpower provided to a structure fire assignment?

Report To: Public Safety Committee

- 46 What response time improvements do you expect in Fire Station 69's district under this deployment plan?

Report To: Public Safety Committee

Special Study Reports

- 47 Does this plan consider geographic isolation issues with respect how quickly additional Light Force and fire company support units will be able to arrive on scene of an emergency incident if the new BLS ambulance assigned to one of the 11 stations is not available? (i.e. Fire Station 69 in Pacific Palisades)
Report To: Public Safety Committee
- 48 The 405 Construction Project is projected to take another year to complete. This is also one of the driest years on records. How does your new Ambulance Augmentation Plan enhance the Fire Department's response capabilities to fight a fire in the Palisades?
Report To: Public Safety Committee
- 49 Has consideration been given to the safe housing of the 11 new ambulances at City fire stations? Some of the stations slated to receive this additional ambulance already have to park emergency vehicles in their side yard. Will some of these ambulances have to be housed in a public street or sidewalk?
Report To: Public Safety Committee
- 50 Please provide a report on the replacement cycle for vehicles, including aerial trucks and ambulances.
Report To: Public Safety Committee
- 51 Has an analysis been done since the 2006 Controller's audit to evaluate if a civilian or hybrid staffing model in the Fire Dispatch Center will produce significant savings?
Report To: Budget and Finance Committee
- 52 Provide a status report on the proposed restoration plan for Fire Services including resources and potential staffing requirements for future budget years
Report To: Budget and Finance Committee
Public Safety Committee
- 53 Report back on adding three engineers to Engine Company 9 and the associated costs.
Report To: Budget and Finance Committee
Public Safety Committee
- 54 Report back regarding the feasibility of creating a new call system that would allow for citizens to directly connect with the Fire Department dispatch, instead of having all calls be directed first to the LAPD dispatch center and subsequent transferred to Fire (See CF 13-0282).
Report To: Budget and Finance Committee
Information Technology & General Services

Special Study Reports

- 55 Report back on whether its data analysis considers the following when making resource and staffing decisions: geographic isolation; distance between stations; ability to provide quick and adequate station backfill; response times to concurrent calls isolated fire station districts; routine traffic conditions; traffic mitigation and control devices; specific street by street access issues.

Report To: Public Safety Committee

General Services

ASSIGNED TO: GENERAL SERVICES

- 56 Report on efforts to transition to the next stage of fuel efficiency with a focus on more environmentally friendly options which rely on sources other than fossil fuel. Include electric, fuel cell, hybrid and other vehicle technologies.

Report To: Information Technology & General Services

- 57 Report back on efforts to reduce unnecessary idling of City vehicles.

Report To: Information Technology & General Services

Information Technology Agency

ASSIGNED TO: INFORMATION TECHNOLOGY AGENCY

- 58 Report back with more detailed statistics regarding the 3-1-1 call volume and how to maximize staffing deployment.

Report To: Information Technology & General Services

Los Angeles City Employee's Retirement System

ASSIGNED TO: LOS ANGELES CITY EMPLOYEE'S RETIREMENT SYSTEM

- 59 Report back on the status of reducing fees, impact of fees on net rate, rate of return, and how our fee expenditures compare to CalStrs, CalPers and other municipal agencies.

Report To: Budget and Finance Committee

Neighborhood Empowerment

ASSIGNED TO: CITY ADMINISTRATIVE OFFICER

- 60 Report back on the suggestions made by the Budget Advocates.

Report To: Budget and Finance Committee

ASSIGNED TO: NEIGHBORHOOD EMPOWERMENT

- 61 What are all the groups that support City services? How to streamline the information given to these groups?

Report To: Education and Neighborhoods

Special Study Reports

- 62 Report back on how to address the equity of funding between neighborhoods considering the disparate levels of resources available to communities.
Report To: Education and Neighborhoods
- 63 Report back on other forms of neighborhood councils that exist around the world. What best practices can be applied in Los Angeles?
Report To: Education and Neighborhoods

Personnel

ASSIGNED TO: PERSONNEL

- 64 Report back on the cost, pros and cons of implementing a Citywide Wellness Program and potentially adding three full time positions to the Personnel Department.
**Report To: Arts, Parks, Health and Aging Committee
Personnel and Animal Welfare Committee**
- 65 Report on diversity of LAFD testing candidates to reflect the City's diversity.
Report To: Personnel and Animal Welfare Committee
- 66 Report back on the steps taken to reduce discrimination, worker's compensation and disability claims and the City's risks by training to supervisors or otherwise?
Report To: Personnel and Animal Welfare Committee
- 67 Report back on the overall cost of Workers Compensation and how has it changed over the past 5 years and how does it compare to other cities' WC comp costs per employee. Union related Worker's Comp ADR carve-out process-- what is the process and cost to implement Citywide.
Report To: Personnel and Animal Welfare Committee

Police

ASSIGNED TO: POLICE

- 68 What can be done to assist with funding SID and Fingerprinting and what can be done to reduce the backlog.
Report To: Public Safety Committee
- 69 What can be done to alleviate the use of overtime? What are the key components such as funding opportunities at the state level or efficiencies to reduce the use of overtime. Specifically as it relates to the Court system.
**Report To: Budget and Finance Committee
Public Safety Committee**
- 70 The impact of state budget custody realignment on the Department's budget.
Report To: Budget and Finance Committee

Special Study Reports

- 71 Report back to the Budget and Finance Committee and Public Safety on the following items: report back on the following items: 1. number of civilian vacancies and a strategy to fill positions. 2. Report back on the impact of the 20% decrease in starting salaries of police officers on attrition rates. What is the cost to the City of training these officers who then leave for other agencies? 3. Report back on cyber crimes and enforcement efforts. 4. What are the future plans for additional Police facilities?

Report To: Public Safety Committee

Public Works, Board

ASSIGNED TO: INFORMATION TECHNOLOGY AGENCY

- 72 Report back on other cities' best practices on web applications to allow citizens to report public works issues.

Report To: Information Technology & General Services

Related Dept: Public Works, Board

ASSIGNED TO: PUBLIC WORKS, BOARD

- 73 Report on the Community Beautification projects for 2013-14. How many community cleanup groups are in existence? Address vining in the long term program for beautification.

Report To: Public Works Committee

Public Works, Contract Administration

ASSIGNED TO: PUBLIC WORKS, CONTRACT ADMINISTRATION

- 74 What are the steps the Department has taken to make the contracting process more streamlined? Please include what additional resources are needed to expand this effort, including additional outreach to ensure the contracting reflects the City's diversity? Also report on streamlining the contracting process through BAVN. Report on the impact of Living Wage and health care reform on contractors; impacts of local preference program to ensure it is broad and diverse; what steps can be taken to increase local procurement with regard to the contracting pool.

Report To: Public Works Committee

Related Dept: General Services

Public Works, Engineering

ASSIGNED TO: PUBLIC WORKS, ENGINEERING

- 75 What is the status of the Fire Life Safety program?

Report To: Public Safety Committee

- 76 Report back on establishing an 80/20 program for Alley repair, similar to the 50/50 Sidewalk Repair Program.

Report To: Public Works Committee

Special Study Reports

Public Works, Sanitation

ASSIGNED TO: CITY ADMINISTRATIVE OFFICER

- 77 Report back on moving street cleaning from the Bureau of Street Services to the Bureau of Sanitation in the 2014-15 Budget to achieve efficiencies to better achieve watershed protection goals and objectives.

**Report To: Energy and Environment
Public Works Committee**

ASSIGNED TO: PUBLIC WORKS, SANITATION

- 78 Report back on National Oceanic and Atmospheric Administration (NOAA) report on baby seals dying along the coast and any correlation to storm water waste or other City functions.

Report To: Energy and Environment

- 79 What steps does the Bureau take now and what can be done to reduce curbside recycling theft? What financial impact does this currently have and what would these changes have on recycling revenue?

Report To: Budget and Finance Committee

- 80 Report on the vacancy rate of Wastewater Collection Workers and the service level impact of the high rate of vacancy.

Report To: Personnel and Animal Welfare Committee

Public Works, Street Lighting

ASSIGNED TO: PUBLIC WORKS, STREET LIGHTING

- 81 Report back on the status of the retrofit of the high voltage lights especially those near fire hydrants. What additional resources are needed to complete this program expeditiously?

Report To: Public Works Committee

- 82 Report back on using the street light poles by installing solar panels to produce energy that will go back to the grid.

Report To: Public Works Committee

- 83 Report back on consolidating Street Lighting with Department of Water and Power.

Report To: Public Works Committee

Public Works, Street Services

ASSIGNED TO: PUBLIC WORKS, STREET SERVICES

- 84 Report on the additional tree trimming services needed per Council District.

Report To: Public Works Committee

Special Study Reports

- 85 Inspectors - how many authorized? Look at modeling after "Senior Lead" system.
Report To: Budget and Finance Committee
Public Works Committee
- 86 Report on the possibility of buying or investing in a cement plant to support sidewalk repair and street resurfacing repair.
Report To: Budget and Finance Committee
Public Works Committee
- 87 Report on the possibility of rehiring or reinstating Street Services Tree Surgeons who were moved to other positions if ongoing funding is found for the Urban Forestry Program.
Report To: Budget and Finance Committee
Public Works Committee
- 88 Report on creating an easy permitting system to allow contractors to employ diamond cutting technology to repair sidewalks. Also report on alternative methods, including other materials, for sidewalk repair.
Report To: Public Works Committee
- 89 Report back on providing a contractor one-sheet contact list that will be able to perform sidewalk/curb repairs.
Report To: Public Works Committee
- 90 Apart from consolidation, what steps need to be taken and are currently being taken to ensure that striping can be done in a timely manner and that traffic loop and stamped crosswalk installation are coordinated? What steps need to be done to transfer the striping function effective January 1, 2014?
Report To: Transportation Committee
Related Dept: Transportation

Recreation and Parks

ASSIGNED TO: RECREATION AND PARKS

- 91 Report back on how we can broaden the use of Quimby funds on a broader geographic basis.
Report To: Budget and Finance Committee
Arts, Parks, Health and Aging Committee
- 92 Report back on the service impact losses associated with the targeted reductions at the HACLA facilities. What is happening to the City Employees assigned to these sites.
Report To: Budget and Finance Committee

Special Study Reports

- 93 What relief can the Department seek to reduce charge back obligations for utilities and other expenses? Dept., CAO, and City Attorney to work on this response. Develop a list of services provided by RAP to other department which could potentially be used to offset the related cost (chargebacks) charges
Report To: Budget and Finance Committee
- 94 CAO to work with LAHSA and RAP and report on the steps necessary and operating costs to restore services for residents of Skid Row at San Julian Park.
Report To: Budget and Finance Committee
- 95 Report back on the proposal to make Venice Beach a stand-alone park and the feasibility of creating a commission authority for Venice Beach, similar to El Pueblo.
Report To: Arts, Parks, Health and Aging Committee
- 96 RAP and DWP report on current conservation efforts and also with plans and a timetable for additional water and energy efficiency studies at City parks, with recommendations for achieving cost savings from decreased usage, including net metering and fee tariff.
Report To: Budget and Finance Committee
Arts, Parks, Health and Aging Committee
Related Dept: Water & Power (DWP)

Reserve Fund

ASSIGNED TO: CITY ADMINISTRATIVE OFFICER

- 97 Report back on how our reserve fund at 5.24 compares to the 10 largest cities in the United States. In addition, where have they trended in the last 5 years?
Report To: Budget and Finance Committee

Transportation

ASSIGNED TO: TRANSPORTATION

- 98 Report back on proposals to address the abuse of handicapped placards by individuals other than the placard was intended for. Also report back on ways to make it easier for the elderly and disabled to pay/dismiss disabled parking placard citations.
Report To: Transportation Committee
Related Dept: Disability
- 99 Report back on the pay station pilot program in CD2 along Ventura Blvd in Studio City. How successful are the pay stations for revenue generation and what are number of complaints that have been received by the Department. (Tickets and parking meter revenues should be included in the report.)
Report To: Transportation Committee

Special Study Reports

- 100 Report back on the Proposition A shortfall - when will it occur and what is the magnitude.
Report To: Budget and Finance Committee
Transportation Committee

Unappropriated Balance

ASSIGNED TO: CITY ADMINISTRATIVE OFFICER

- 101 Report back on the feasibility of reinstating the 50/50 sidewalk program, including options on the flexibility the Council could use their funds for this purpose. Not only large sidewalk repairs, but less expensive methods such as cutting and grinding.
Report To: Budget and Finance Committee
Public Works Committee
- 102 Report back on the impacts to the weed abatement program due to budget cuts.
Report To: Public Works Committee
- 103 Report back on the feasibility of generating revenue from an ambulance fee.
Report To: Budget and Finance Committee
- 104 Report back on the cost of overtime at the time it is earned vs. at the time of retirement. Can we convert the time to dollars? What are the long-term effects on the budget? Request City Attorney to provide an opinion on this issue.
Report To: Budget and Finance Committee
Public Safety Committee
Related Dept: City Attorney

Attachment 3-A

Summary of Requested Reports

City Clerk

105. Instruct the City Clerk to report to the Personnel and Budget and Finance Committees regarding the Business Improvement District transfer and support, prior to the January 1, 2014 transfer date.

City Administrative Officer

106. Instruct the City Administrative Officer, with assistance from the Department of Cultural Affairs, to report to the Budget and Finance Committee regarding the proposal to allow fees collected for various services provided by the Department of Cultural Affairs be counted as revenue to the Arts and Cultural Facilities and Services Trust Fund. The report should include the use of these fees specifically to reimburse related costs.
107. Instruct the City Administrative Officer and the Chief Legislative Analyst to report to the Public Safety Committee with a plan to consolidate the Emergency Management Department into the Fire Department and determine the impact to the City's emergency preparedness programs.
108. Instruct the City Administrative Officer to report to the Budget and Finance Committee to identify other high priority and risk areas to consider for review or audit in the upcoming year with the intent to determine if appropriate reimbursements are being made to the General Fund.

Cultural Affairs

109. Instruct the Cultural Affairs Department to report to the Arts, Parks, Health and Aging Committee regarding a plan to implement Mural Projects, including an instruction to include Council Offices in the development of district plans for use of these funds, should the Mural Program be implemented.

Information Technology Agency

110. Instruct the Information Technology Agency to report to the Information Technology and General Services Committee on the change in call volume and call wait time at the 311 Call Center, and instruct the Information Technology Agency, with the assistance of the Personnel Department and the City Administrative Officer, to develop a plan to address the high absentee rate at the 311 Call Center.

Public Works – Street Services

111. Instruct the Bureau of Street Services and the City Administrative Officer, to report to the Council regarding the transfer of striping functions and coordination of street repaving activities.
112. Instruct the Bureau of Street Services to report to the Council on opportunities to complete one-time, off-budget street repaving work.

Recreation and Parks

113. Instruct the Department of Recreation and Parks to report to the Arts, Parks, Health and Aging Committee and the Budget and Finance Committee with a comprehensive plan for the renovation/repair/replacement of City swimming pools.

Transportation

114. Instruct the Department of Transportation to report to the Transportation Committee on any potential construction shortfall relative to the Expo Phase 2 Bikeway Project, to ensure that the preferred design, which places the maintenance yard driveway outside of the bike path to reduce vehicular and bicycle conflicts at the Exposition Boulevard and Centinela Avenue crossing, is implemented.