

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: April 22, 2014

TO: Honorable Paul Krekorian, Chair
Honorable Mitchell Englander, Vice Chair
Honorable Paul Koretz, Member
Honorable Bob Blumenfield, Member
Honorable Mike Bonin, Member
Budget and Finance Committee

FROM: Enrique C. Zaldivar, Director
Bureau of Sanitation



SUBJECT: LA SANITATION – MAYOR’S PROPOSED BUDGET FOR FISCAL YEAR 2014-15

In concert with the Mayor's efforts to establish long-term fiscal sustainability for the City, LA Sanitation and its nearly 2800 employees recognize and are proud to be part of the City family's collective participation in developing a livable and sustainable City. Mayor Garcetti's proposed budget addresses the Bureau's budget priorities, with the following minor comments:

Watershed Protection Program

The proposed funding reduction for our Watershed Protection Program-related activities (Blue Book Volume II, Page 479 – Item 10) will have impacts to the current service levels. While the move of \$500,000 from Salaries - General to Salaries - Overtime will assist Sanitation in performing the most critical activities to protect human life and personal property from flooding, the additional \$903,371 reduction to Salaries - General will negatively impact Sanitation's ability to provide service in three major areas:

1. Operation Healthy Streets and Healthy Streets Citywide – While the proposed budget contains funding in General City Purpose (\$3 million) and the Unappropriated Balance (\$5 million) for this work, the fact that this funding is on a reimbursement basis means that the positions performing the Watershed Protection portion of this work must use existing Watershed Salaries for front-funding, resulting in a reduction to the current service levels for core watershed services, such as maintaining stormwater inlets (catch basins).
2. Proposition O facilities operation and maintenance – While the construction of the Proposition O facilities has been a resounding success, the optimization phase funded by Proposition O is ending for many facilities in Fiscal Year 2014-15. Without the ability to continue funding operations and maintenance positions from the Stormwater Pollution Abatement Fund (SPAF), the very continued operation of the facilities could be jeopardized.
3. Potential El Niño weather pattern – Within the past month, the forecast for a strong El Niño weather pattern in Fiscal Year 2014-15 has increased to more than 50%. This increases the likelihood of flooding throughout the City. Existing staff levels are not

sufficient to provide an acceptable response to rain events resulting from an El Niño weather pattern.

To avoid these impacts, Sanitation requests the restoration of \$903,371 to Salaries – General. In order to increase the funding in the SPAF to support this restoration of salaries, Sanitation supports the recommendation in Exhibit H of the Proposed Budget calling for the application of the Stormwater Pollution Abatement Charge to governmental agencies, which could provide more than \$9 million annually.

Solid Resources Program

Operation Healthy Streets and Healthy Streets Citywide – While the proposed budget contains funding in General City Purpose (\$3 million) and the Unappropriated Balance (\$5 million) for this work, the fact that this funding is on a reimbursement basis means that the positions performing the Solid Resources portion of this work must use existing Solid Resources Salaries for front-funding, potentially resulting in a reduction to the current service levels for core services. To prevent this, Sanitation requests that Salaries – General be increased by \$2,151,167 from \$78,103,921 to \$80,255,088, which equates to a reduction in the salary savings rate for the Solid Resources program from 5.6% to 3%.

Thank you in advance for your continued support of LA Sanitation. If you have any questions or would like to discuss any of these items further, please feel free to contact myself at (213) 485-2210 or Lisa B. Mowery, the Bureau's Acting Chief Financial Officer at (213) 485-2374.

ECZ/LBM:cp

c: Members of the City Council
Ana Guerrero, Chief of Staff, Mayor's Office
Rick Cole, Deputy Mayor, Mayor's Office
Doane Liu, Deputy Mayor, Mayor's Office
Greg Good, Dir. of Infrastructure Services, Mayor's Office
Kevin James, President, BPW
Barbara Romero, Commissioner, BPW

Gerry F. Miller, CLA
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