

REPORT OF THE CHIEF LEGISLATIVE ANALYST

May 12, 2017

To: Honorable Members of the Budget and Finance Committee

From: Sharon M. Tso *SMT*
Chief Legislative Analyst

2017-18 Proposed Budget Budget and Finance Committee Changes, as Proposed by the CLA

Transmitted herewith are our recommended changes to the Mayor's 2017-18 Proposed Budget. These recommendations reflect the discussion during the Committee hearings, City Administrative Officer Memos, Departmental requests, communications from Councilmembers and additional analysis by this Office.

Upon initial review, the Budget provides funding for many programs of interest to the Council. As further analysis showed, the Proposed Budget also contained a number of problem areas, assumed revenues for policies still under discussion, limited Council flexibility, and did not fund other priority areas. The Budget and Finance Committee directed our Office to address these concerns. The CLA recommends changes, more than usual, primarily because of the way the Proposed Budget was formulated.

Additionally, the Committee and Council should remain aware of areas of concern that can significantly alter the fiscal landscape in the 2018-19 fiscal year and beyond. These include:

- **Pension Costs.** Should the City's two pension systems make downward adjustments to their assumed rates of return (currently 7.5 percent) the increase in the City contribution could range from \$80 million to \$200 million per year, depending on the amount and timing of the change.
- **Liability Costs.** Liability costs have increased sharply in the past year. While the Proposed Budget includes a \$20 million contingency for increased costs, this is an area that will require continuous monitoring.
- **Workers' Compensation Costs.** These costs have also risen and this trend is continuing.
- **Labor Agreements.** A number of City labor agreements expire in 2018. No increases for these labor agreements are included in future year forecasts.

- **Revenues.** The Proposed Budget contains revenue from sources which have not yet received policy approval from the City Council (billboards, linkage fees) and others under further consideration (short-term rentals, franchise fees for natural gas). Depending on Council action, adjustments may be required at mid-year which may exceed the funds set aside for such contingencies.
- **Federal Grants.** There is some uncertainty with regard to a variety of federal sources of funding (for example, funds for public safety, transportation, environmental, workforce, housing and community development).

The expenditure changes contained in this report reflect the priorities articulated by the Budget and Finance Committee, meet the City's Financial Policies, bolster reserves for future economic downturns and provide a prudent approach for additional contingent revenue. Generally, the CLA recommendations address the following:

- Recognizes net revenue and savings in the amount of \$50M.
- Recognizes the use of special funds, reductions based on anticipated savings and other adjustments.
- Provides funding to maintain current levels or address high priority areas.
- Corrects errors in the Proposed Budget which were raised during the course of the Budget and Finance Committee hearings.
- Limits funding for new positions to six months and sets aside certain funds in contingent or unallocated accounts in order to give Council the flexibility to consider policy issues or other concerns.
- Provides funding for filled positions which were deleted and for fully special funded activities.
- Sets aside additional funds for economic uncertainties and meets or exceeds financial policies by making modest increases to the Budget Stabilization Fund and Reserve Fund.

The CLA also notes that the City Council must continue to discuss revenue from Measure M, Measure R and the Special Gas Tax for Vision Zero/Street Reconstruction as well as Measure H and Proposition HHH for Homeless Services and housing, and their respective allocations to ensure City residents are benefitting the most from each dollar spent. The recommendations contained herein will allow for a greater conversation on transportation funding priorities and address concerns expressed by LAHSA relative to additional needs and the timing of revenue receipts.

The most significant changes from the Proposed Budget contained in our recommendations are as follows:

- Transfer Vision Zero/Street Reconstruction funding (\$47M) to the unallocated balance in various funding schedules until a policy determination can be made as to the funding plan for this program.
- Transfer funding to the Unappropriated Balance for 52 additional Sworn Officers to backfill full-time officers assigned to the Transit Security Bureau (\$2.5M) to allow for policy discussion.
- Reallocate funding for certain homeless programs (\$1.97M) and provide a bridge loan in anticipation of receipt of Measure H funding from the County of Los Angeles (\$.644M).
- Restore position authority and partial funding for Gardener Caretakers and Senior Gardeners in the Department of Recreation and Parks (\$2.750M).
- Add funding for brush clearance activities at the Department of Recreation and Parks (\$.750M).
- Provide funding for Fire-related programs: citywide construction/plan check (\$.362M); Firefighter/Emergency Incident Technicians (\$.239M); and, Position Control (\$.132M). Set aside funding contingent upon receipt of revenue: Restoration of two Engine Companies (\$1.074M); and, Advanced Provider Response Units (\$.684M). Add position authority for one Fire Psychologist.
- Allocate Proposition F funding for the construction of the Fire Department's Operations Valley Bureau.
- Increase funding for targeted firefighter recruitment and outreach (\$.223M).
- Provide funding for the following Police-related programs: Police Latent Print Unit (\$.815M); Firearm Analysis backlog reduction (\$.114M); DNA analysis; and, Mobile Base Field Reporting (\$1M).
- Restore funding for salaries, expenses and educational outreach related to the Animal Services No-Kill rate policy goal (\$.431M).
- Restore funding to the Office of City Attorney salaries to achieve a 2 percent salary savings rate (\$1.545M), add position authority for litigation and litigation support and provide funding for a salary restoration plan (\$1.361M).
- Add position authority and funding for the Controller to conduct a Special Fund balance reconciliation.
- Reallocate funding to mitigate a potential shortfall in Workers' Compensation benefits and claims (\$5.5M) and set aside funds for the Alternative Dispute Resolution Program for police (\$1.6M).

- Add position authority and funding for the Ethics Commission to conduct audits, education and outreach (\$.168M).
- Add funding for Municipal Election outreach and voter awareness (\$.253M).
- Add funding for various technology projects or enhancements: procurement automation to digitize construction contracting (\$.600M); LATAX replacement project (\$.250M); PaySR risk mitigation (\$.270M); Voice over Internet Phone Systems at four Valley police stations (\$.684M); and, reserve funding for projects contingent upon receipt of revenue Computer Aided Dispatch and Automated Vehicle Locator upgrades (\$1.7M).
- Correct errors and omissions including the restoration of funding for Aging Evidence-Based Health Programs (\$.084M) and non-nutrition services (\$.192M); CIEP Arroyo Seco Urban Runoff project (\$.612M); one-time funding for Los Angeles Regional Initiative Social Enterprise (LA RISE) (\$2M); Los Angeles Neighborhood Initiative (LANI) (\$.550M) and Materials Testing for the General Services Department (\$.630M).
- Restore funding for continuing programs which provide access or services to the disabled community (\$.194M); pupil services and attendance counselors at three FamilySource Centers (\$.580M); and, programs which address race relations and other community engagement activity (\$.702M).
- Add funding for various studies (Public Works Trust Fund nexus study - \$.060M; Basic Car Area Boundary Study - \$.224M).
- Restore position authority for various programs across departments, including those for which filled positions were eliminated.
- Address various technical adjustments including unfunded position authorities for numerous programs and departments.
- Add \$3.2M to the Proposed Reserve Fund, an increase to 5.11%.
- Add \$1.5M to the Budget Stabilization fund for a total of \$97.3M.
- Add \$21.3M to a new Reserve for Mid-Year Adjustments - Contingent Revenues, to be programmed conditional upon receipt of those revenues.
- Add \$10M to the Reserve for Mid-Year Adjustments for other budgetary shortfalls which may occur during the fiscal year.

We believe the recommendations contained in this report address the highest priorities of the Budget and Finance Committee, preserve the ability for Council to conduct a detailed review of major policy issues and positions the City to respond to potential shortfalls, revenue changes and other issues. However, the budget will need to be closely monitored during the course of the fiscal year, especially as it relates to the City pension systems, revenue and receipt of federal grants.

SMT:KEK
Attachment

2017-18 Proposed Budget

Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Mayor's Proposed Reserve Fund			294.422

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 negotiations with bargaining units with expired or soon to be expired contracts, 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. Much progress has been made recently with our labor partners in this regard. Opportunities to continue this momentum will be present over the course of the next few months and into the coming year.
- ◆ Infrastructure. The Budget and Finance Committee expressed concern over aging technology systems and deferred capital improvements. Our recommendations include the addition of funding for some higher priority technology upgrades identified by Committee members, as well as modest increases in funding for maintenance on City facilities.

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, 2017 with ordinances to effectuate the change in fees. This is to ensure that estimated revenue included in the 2017-18 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, 2018 with ordinances, status reports or negative replies concerning fee adjustments for the 2017-18 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.

2017-18 Proposed Budget

Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
◆ Instruct the CAO to continue 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, projected shortfalls and all other elements previously included by the CAO in these financial status reports. Financial status reports should also include the status of liability claims for each of the Liability Payout categories in the Proposed Budget, detailing for each the amount budgeted, available balance, payouts to date, projected payouts for the fiscal year, variance between budget and actual, and, in cases where additional funds will be needed, a brief explanation of the underlying causes for exceeding the budgeted amount and corrective actions being taken to control costs. The reports should include recommendations to protect the City's fiscal health.			
◆ Instruct the CAO to provide an update to the Four-Year Outlook following adoption of the 2017-18 Budget by the City Council and Mayor. This update may include recommendations to revise the City's Financial Policies to ensure that they align with stated budgetary goals and are not in conflict with one another.			
◆ Request the City Attorney to report on a quarterly basis to the Budget and Finance Committee on the status of liability claims and outside legal counsel costs, the latter to include proprietary department expense. Such reports to include the following: available balance; encumbered balance; expenditures to date; projected needs for balance of fiscal year; and, if more funds are needed, specify the corrective actions being taken to contain costs.			

Financial Policies Compliance

- ◆ **Reserve Fund:** The actions contained in this report increase the Reserve Fund to \$297.755M or 5.11% of the General Fund. The Emergency Account of the Reserve Fund is set at 2.75% or \$160.221M with the remaining balance of \$137.534M 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 \$74.58M for capital projects and infrastructure improvements, which equates to 1.29 percent of the General Fund according to the CAO Supporting Documents.
- ◆ **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.

2017-18 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
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The anticipated balance in the Fund at the end of the current fiscal year is projected to be \$94.64M. The Mayor's Proposed Budget does not make a transfer into the Fund, leaving the current balance, plus interest, for a projected 2017-18 amount of \$95.84M. A deposit into the Fund is required when the combined growth rate of the seven major revenue categories exceeds 3.4 percent. The Proposed Budget estimates that the combined growth rate will be 5.3 percent, which should trigger that deposit requirement. However, the CAO has reported that excess tax revenues were used to fund streets, sidewalks, and other infrastructure needs. The recommendations in this report would increase the Budget Stabilization Fund by a modest \$1.5M.

2017-18 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Revenue Changes			
Business Tax			
◆ Increase receipts based on current collection rate (\$3.3M in 2016-17 and 2017-18)	6.600		
Grant Receipts			
◆ Recognize grant receipts for two Unappropriated Balance line items related to Fire services	1.852		
Licenses, Permits, Fees and Fines			
◆ Recognize 2016-17 receipts for the reimbursement of prior year consumer protection costs (\$1.057M) and additional 2017-18 revenue from litigation related costs (\$0.425M)	1.482		
◆ Recognize additional receipts from DWP for Controller costs.	0.600		
◆ Increase receipts for Fire Inspection Restitution fees.	0.470		
◆ Recognize Medi-Cal Intergovernmental Transfer Program Funds for Fiscal Year 2016-17 emergency services. These revenues will be used as a source of funds for the Fire Department. New allocations are added to the Unappropriated Balance to enhance Fire Department emergency services, if additional funds are received.	6.000		
◆ Reduce Ambulance Transport Fees based on current collection rate (\$2M in 2016-17 and \$3M in 2017-18)		(5.000)	
◆ Recognize related cost reimbursements for various departmental staff on Proposition F projects	0.635		
◆ Increase the Fire Department reimbursement for prior year services provided to the Port of Los Angeles.	2.059		
◆ Add related cost reimbursements for staff associated with Gas Tax projects in various departments	1.284		
◆ Increase Miscellaneous Police Services revenue in 2016-17 from the LAPD Revolving Training Fund	0.805		
◆ Recognize additional receipts from DWP for PW Contract Administration costs.	0.333		
Parking Occupancy Tax			
◆ Increase receipts based on current collection rates (\$2.8M in 2016-17 and \$2.9M in 2017-18)	5.700		
Property Tax			
◆ Recognize additional receipts based on market trend of increased growth in assessed values.	3.105		
Reversions and Prior Year Encumbrances			
◆ Increase anticipated reversions based on updated year-end projections	5.000		
◆ Recognize additional receipts since the release of the Proposed Budget.	2.000		
Tobacco Settlement			
◆ Recognize additional 2016-17 and 2017-18 receipts based on updated remittances.	0.682		

2017-18 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

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Other Receipts			
◆ Recognize additional receipts from the anticipated lease extension of the Mangrove property to MTA	6.000		
◆ Recognize additional revenue from the pending Linkage Fee.	10.000		
SUBTOTAL REVENUE CHANGES	54.607	(5.000)	49.607

2017-18 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Expenditure Changes			
Aging			
◆ Restore funding for Evidence-Based Health Programs.	0.084		
Animal Services			
◆ Restore funding for Salaries (\$335,000) and Expenses (\$30,000) for educational outreach related to the No-Kill rate policy goal.	0.431		
Attorney Conflict Panel			
◆ Reduce 2017-18 increase from \$1 million to \$800,000.		(0.200)	
Capital Finance Administration Fund			
◆ Reduce funding for refinancing costs.		(1.000)	
Capital Improvement Expenditure Program			
◆ Increase funding for the Arroyo Seco Urban Runoff Project 2.	0.612		
◆ Reduce Contingency for Physical Plant Projects.		(0.100)	
City Attorney			
◆ Restore funding to reflect a two percent salary savings rate.	1.545		
◆ Provide additional funding in accordance with the City Attorney salary restoration plan.	1.361		
City Clerk			
◆ Add funding for Municipal Election outreach and voter awareness.	0.253		
Controller			
◆ Add resolution authority and six months funding for one Senior Management Analyst and one Senior Management Analyst II for the Special Fund balance reconciliation, subject to paygrade approval by the CAO.	0.154		
Disability			
◆ Restore funding as follows:			
> Disabled Employee Assistance	0.080		
> ADA Assistant Contracts	0.010		
> AIDS Coordinator's Office HIV Prevention Contracts	0.029		
> Staff Development Training and Related Travel	0.020		
> CommonLook Office software to check and convert documents for accessibility.	0.055		
Economic and Workforce Development			
◆ Add one-time funding for the Los Angeles Regional Initiative Social Enterprise (LA RISE) job development activities.	2.000		

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Emergency Management			
◆ Restore resolution authority and funding for two Emergency Management Coordinator I positions to be partially offset by the Urban Areas Security Initiative (UASI) grant. These positions are currently filled.	0.278	(0.110)	
◆ Restore funding for the Emergency Management Department internship program.	0.145		
Ethics Commission			
◆ Recognize savings from various 2016-17 accounts to partially offset the following:		(0.105)	
> Add resolution authority and six months funding for one Auditor II assigned to auditing candidate committees for Municipal Elections.	0.057		
> Add resolution authority and six months funding for one Management Analyst to provide Ethics-related education and outreach.	0.061		
> Add funding for as-needed salaries.	0.050		
Finance			
◆ Restore regular authority for one filled Senior Management Analyst I and resolution authority for five Customer Service Specialists with full year funding, to be partially offset by a reimbursement from special funds.	0.587	(0.099)	
Finance and Unappropriated Balance	0.250		
◆ Add funding in the Unappropriated Balance for Cloud Services and software for LATAX replacement project, pending further policy considerations.			
Fire			
◆ Reduce Sworn Salaries and increase Constant Staffing Overtime by a commensurate amount based on historical spending patterns.	2.000	(2.000)	
◆ And resolution authority and three months funding for six Firefighter/Emergency Incident Technician (EIT) positions who assist incident commanders with accountability, situation awareness, resource status and emergency safety procedures during fires.	0.239		
◆ Add resolution authority and six months funding for three Fire Inspector II positions in Fire Development Services to address increased citywide construction activity and plan check workloads to be partially offset by fees generated.	0.362	(0.106)	

2017-18 Proposed Budget
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	Increase	Decrease	Reserve Fund Impact
Fire and Unappropriated Balance			
◆ Add a new line to the Unappropriated Balance for a Position Control Officer in the Fire Department, responsible for managing and facilitating sworn members returning from Injury-on-Duty (IOD) and other types of leave, including maternity leave.	0.132		
◆ Add a new line to the Unappropriated Balance for the Fire Department to provide three months funding for the restoration of two Engine Companies, if additional federal funding is received under the Intergovernmental Transfer Program.	1.074		
◆ Add a new line to the Unappropriated Balance for Computer Aided Dispatch (CAD) and Automatic Vehicle Locator (AVL) upgrades for the Fire Department, if additional federal funding is received under the Intergovernmental Transfer Program.	1.700		
◆ Add a line to the Unappropriated Balance for an Advanced Provider Response Unit at Los Angeles International Airport to be funded by Los Angeles World Airports (LAWA).	0.342	(0.342)	
◆ Add a new line to the Unappropriated Balance for an Advanced Provider Response Unit in the San Fernando Valley to be funded through a public-private partnership.	0.342	(0.342)	
Fire and Police Pension Fund			
◆ Adjust pension contribution based on budgeted sworn salaries.		(0.885)	
General City Purposes			
◆ Delete funding for Purposeful Aging (Unappropriated Balance) to restore funding for the Department of Aging various non-nutrition services.	0.192	(0.200)	
◆ Increase funding for the California Contract Cities and Independent Cities Associations.	0.006		
◆ Add new line item and funding for Government Alliance on Race and Equity membership dues.	0.015		
◆ Add funding for the embRACE LA program to address human relations issues with regard to race, ethnicity, sexual orientation, diversity, and multiculturalism in Los Angeles to be administered by the City Clerk.	0.500		
Housing and Community Investment			
◆ Add funding for Pupil Services and Attendance Counselors at three FamilySource Centers.	0.580		
◆ Restore regular authority and full funding for one Human Relations Advocate and one filled Management Assistant to provide support for commissions and community engagement.	0.202		
◆ Add funding to leverage \$100,000 from Housing Opportunities for People with HIV/AIDS (HOPWA) program funding for the new Case Management/Program Productivity Tracking System.	0.270		
Human Resources Benefits			
◆ Address projected shortfall in Workers Compensation funding, as follows:			
> Revise funding requirements for employee healthcare requirements based on current projections.		(5.228)	
> Eliminate funding in the Unappropriated Balance for Healthcare Reform Act compliance.		(1.000)	
> Increase Workers' Compensation funding.	5.500		

2017-18 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Human Resources Benefits and Unappropriated Balance			
◆ Set aside six months funding in the Unappropriated Balance for implementation of the Alternative Dispute Resolution (ADR) program for police, with initial funding for the ADR Coordinator, Medical Provider Network and four member advocates.	1.600		
> Instruct the Personnel Department to report on savings resulting from potential decreased liability from the ADR program after the program is operational to evaluate the effectiveness of the City's investment.			
> Further instruct Personnel to submit metrics for Council approval that will be used in the program's evaluation.			
Information Technology Agency			
◆ Increase funding for procurement automation to digitize construction contracting.	0.600		
◆ Restore regular authority and funding for one Chief Management Analyst and funding and resolution authority for one Communications Engineer, three Communications Engineer Associate III, and one Communications Electrician Supervisor to maintain service and provide for succession plans. These positions are currently filled.	0.805		
Information Technology Agency and Controller			
◆ PaySR risk mitigation:			
> ITA: Add resolution authority and six months funding for one Systems Analyst II and three Programmer Analyst IV positions.	0.270		
> Controller: Add resolution authority without funding for one Senior Management Analyst II and one Fiscal Systems Specialist I.			
Information Technology Agency and Personnel			
◆ Innovation Fund			
> Add funding for a pilot Mobile Worker Plan to be funded by the Innovation Fund.	0.100	(0.100)	
> Fund the Anytime/Anywhere Testing pilot program contained in the Proposed Budget.		(0.070)	
Information Technology Agency, Police, and Unappropriated Balance			
◆ VoIP Telephone Systems			
> Set aside funding to install VoIP telephone systems at four police stations to be partially financed from Proposition Q.	0.684	(0.387)	
> Instruct the Information Technology Agency to enhance the implementation timeline for installation of VoIP at four police stations.			

2017-18 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Los Angeles Homeless Services Authority			
◆ LAHSA Bridge Funding and Savings Reallocation - Provide additional funding as follows for various LAHSA programs to be funded by savings from 2016-17, with the remainder of the savings for use toward LA RISE, the Hot Weather Program and other programs in the City Budget (see Attachment 1).		(4.173)	
> Provide \$966,500 as follows: Downtown Drop-In Center (\$225,000), HMIS Matching Grant (\$62,500), Planning Matching Grant (\$125,000) and Public Right-of-Way Storage (\$554,000).			
> Authorize LAHSA to retain an additional \$1 million in 2016-17 savings to fund City homeless programs, which may be used for voluntary storage, safe parking and other Council directives.			
> Authorize the Controller to provide a Reserve Fund Loan up to the amount of \$643,928 to LAHSA to cover a shortfall in funding from County Measure H funds, upon CAO request.			
> Create separate line items with respective funding amounts in the LAHSA budget for Safe Parking (\$347,000) and Mobile Showers (\$425,000).			
Neighborhood Empowerment			
◆ Recognize savings from the 2016-17 Neighborhood Empowerment Fund in unspent Neighborhood Council funds to be used for the following:		(0.385)	
> Neighborhood Council Field Support	0.190		
> Contractual Services for mandatory board training user licenses for the e-learning Cornerstone platform	0.168		
> Department on Disability Compliance Officers	0.023		
> Transportation (mileage)	0.004		
> Add resolution authority for three Project Coordinators and one Project Assistant to be funded with 2016-17 savings.			
Personnel			
◆ Increase funding for targeted firefighter recruitment and outreach to improve candidate diversity.	0.223		
◆ Add resolution authority and six months funding for two Background Investigator I and one Background Investigator II positions.	0.165		
Police			
◆ Recognize the use of Forfeited Assets to be used for the implementation of Mobile Base Field Reporting.	1.000	(0.368)	
◆ Add resolution authority and funding for one Criminalist III position to assist in reducing the Firearm Analysis backlog.	0.114		
◆ Add resolution authority and six months funding in the Latent Print Unit as follows: one Forensic Print Specialist IV, two Forensic Print Specialist I, two Forensic Print Specialist III, one Management Analyst, one Senior Administrative Clerk, one Administrative Clerk. These positions will enable the Department to address more property crime cases.	0.815		
◆ Add resolution authority for two Criminalist III positions without funding and delete two Criminalist II positions.			
◆ Reallocate funds with the Police Department budget to add funding for wellness equipment at the Police Administration Building.	0.020	(0.020)	

2017-18 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Police and Unappropriated Balance			
◆ Transfer funding in the Sworn Salaries account for the hiring and training of 52 additional Sworn Officers to backfill full-time officers assigned to the Transit Security Bureau to a new line item in the Unappropriated Balance, pending a report from the department on the potential to hire civilians to backfill officers currently performing civilian duties that could then be reassigned to policing assignments.	2.458	(2.458)	
◆ Create a new line item in the Unappropriated Balance for a Basic Car Area boundary study and instruct the CAO to report to the Public Safety Committee with a Request for Proposals.	0.224		
Public Works - Board			
◆ Add funding for a Nexus Study of the Public Works Trust Fund.	0.060		
◆ Increase funding for the Clean Streets LA program to maintain existing services levels.	0.660		
◆ Office of Petroleum and Natural Gas Administration and Safety > Add resolution authority and six months funding for one Environmental Affairs Officer and one Management Analyst for the Office of Petroleum and Natural Gas Administration and Safety. > Delete regular authority for one Senior Management Analyst I and add regular authority for one Senior Management Analyst II for the Franchise and Contracts section of the Office of Petroleum and Natural Gas Administration and Safety, subject to paygrade determination by the CAO.	0.137		
Public Works - Contract Administration			
◆ Add resolution authority and six months funding for one Management Analyst to support the Local Preference Ordinance.	0.061		
Public Works - Sanitation			
◆ Add resolution authority and six months funding for one Assistant Director of Sanitation position to oversee the Bureau's external affairs, to be partially funded by special funds.	0.140	(0.133)	
Recreation and Parks			
◆ Revise funding for programming and maintenance of various new, expanded and renovated facilities based on anticipated opening dates.		(0.060)	
◆ Restore regular authority with partial funding for 44 Gardener Caretakers and nine Senior Gardeners.	2.750		
◆ Brush Clearance > Add funding for brush clearance activities. > Instruct the Department of Recreation and Parks to seek targeted local hiring candidates and LA RISE program participants if additional personnel is needed.	0.750		
Transportation			
◆ Reappropriate savings from the Cross Avenue Project Account, as the project was completed by a private property owner and funds are no longer needed, and increase funding for parking enforcement.	0.081	(0.085)	

2017-18 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Transportation, Public Works - Street Services and General Services			
◆ Vision Zero/Street Reconstruction Program			
> Create an unallocated line item in Schedule 5 (Gas Tax), Schedule 26 (Prop A), Schedule 49 (Measure R), and Schedule 52 (Measure M) totaling \$47,172,314 with a footnote that funds are not to be spent until policy direction is provided by the Council (See Attachment 2).			
> Provide funding for Los Angeles Neighborhood Initiative (LANI).	0.550	(0.550)	
> Provide funding for GSD materials testing for the existing Pavement Preservation Program.	0.630	(0.630)	
> Instruct the Department of Transportation to report on the resources necessary to maintain the current 7-10 day turnaround for striping workload associated with a new street reconstruction program, to be funded from the unallocated amount discussed above.			
> Instruct the Bureau of Street Services to report on the resources necessary to clean, maintain, and repair bike lanes, to be funded from the unallocated amount listed above.			
> Delete funds for the CIEP project (Street Lighting at Existing Pedestrian Crosswalks Project) that will be funded with transportation special funds through the Vision Zero/Street Reconstruction Program.		(0.493)	
Unappropriated Balance			
◆ Add to the Reserve for Mid-Year Adjustments. This would add \$10M to the \$10M in the Proposed Budget. This will give the Mayor and Council flexibility to use for mid-year adjustments, including Police Sworn Overtime, Workers' Compensation, Liability Claims and revenue shortfalls.	10.000		
◆ Create a new line item entitled Reserve for Mid-Year Adjustments - Contingent Revenues in the event certain revenues in this report, including Linkage Fees, Mangrove lease receipts, and prior-year Port of Los Angeles receipts, are received.	21.285		
New/Expanded Programs			
◆ Reductions to various Departments (see Attachment 3) for new or expanded programs. Reductions are primarily due to funding these programs for six months rather than nine months to achieve budgetary savings for other General Fund programs.		(1.682)	
SUBTOTAL EXPENDITURE CHANGES	68.085	(23.311)	44.774

2017-18 Proposed Budget

Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Other Changes			
Building and Safety			
◆ Lien Processing			
> Add resolution authority without funding for one Administrative Clerk position to support lien processing.			
> Instruct the Department of Building and Safety to report with funding options for the position.			
◆ Restore resolution authority for one Structural Engineering Associate IV to support the Land Use and Subdivision section to be fully reimbursed by the Building and Safety Building Permit Enterprise Trust Fund.	0.076	(0.076)	
◆ Add resolution authority for one Structural Engineering Associate IV, two Structural Engineering Associate III, one Structural Engineering Associate II, one Building Mechanical Inspector, and one Administrative Clerk to establish a new Citywide Business Case Management Unit to be fully reimbursed by the Building and Safety Building Permit Enterprise Trust Fund.	0.380	(0.380)	
Capital Improvement Expenditure Program			
◆ Reallocate funds within the CIEP for repairs and maintenance at the West Los Angeles Municipal Building.	0.250	(0.250)	
Planning			
◆ Historic Preservation Overlay Zone:			
> Set aside funding in the Unappropriated Balance to add resolution authority and six months funding for one City Planner and three City Planning Associates to support the HPOZ Program.	0.261	(0.261)	
> Request the City Attorney, with the assistance of the Planning Department, to prepare and present an ordinance to increase Historic Preservation and Mills Act fees to full cost recovery and adopt new fees for historic preservation services for which fees are not collected.			
Public Works - Board			
◆ Measure M Fund Administration:			
> Transfer nine months funding for one Senior Accountant I position for Measure M fund administration to a new line item in the Unappropriated Balance.	0.083	(0.083)	
> Instruct the City Administrative Officer to report to the Transportation Committee on the appropriate department for Measure M fund administration.			
Public Works - Contract Administration			
◆ Add resolution authority and funding for two Senior Electrical Inspectors, four Senior Construction Inspectors, and four Construction Inspectors to support the Los Angeles World Airport (LAWA) inspection program to be fully reimbursed by LAWA.	1.525	(1.525)	

2017-18 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Public Works - Sanitation			
◆ Add resolution authority and nine months funding for one Principal Environmental Engineer and one Environmental Engineer to implement the City's water recycling projects to be fully funded by the Sewer Construction and Maintenance Fund.	0.292	(0.292)	
Unappropriated Balance			
◆ Delete funding from the Unappropriated Balance and add funding to various Departments/Funds while maintaining each line item footnote, as follows:			
> Transfer Capital Projects funding to the Capital Improvement Expenditure Program.	2.300	(2.300)	
> Transfer Community Engagement funding to the General City Purposes Fund under line item Council Community Projects, and amend titles as necessary.	0.275	(0.275)	
> Transfer Network Hardware Replacement funding to the Information Technology Agency.	0.900	(0.900)	
> Transfer Tree Trimming and Alleys funding to the Bureau of Street Services.	1.000	(1.000)	
> Transfer Project Restore funding to the Project Restore Trust Fund.	0.340	(0.340)	
SUBTOTAL OTHER CHANGES	7.682	(7.682)	0.000
Net Change to the Proposed Budget			4.833

2017-18 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
BUDGET STABILIZATION FUND IMPACT			
Transfer Portion of the Net Change to the Budget Stabilization Fund	1.500		
Plus Mayor's Proposed Budget Stabilization Fund	95.835		
BUDGET AND FINANCE COMMITTEE PROPOSED BUDGET STABILIZATION FUND	97.335		
RESERVE FUND IMPACT			
Transfer Remaining Portion of Net Change to Reserve Fund	3.333		
Plus Mayor's Proposed Reserve Fund	294.422		
BUDGET AND FINANCE COMMITTEE PROPOSED RESERVE FUND	297.755		
% of General Fund	5.11%		

2017-18 Proposed Budget

Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Instructions and Technical Adjustments			
Exhibit H			
<ul style="list-style-type: none"> ◆ Delete Exhibit H in its entirety and replace with Attachment 4. Various instructions were deleted for the following reasons: (1) it was not required for implementation of the Budget; (2) an instruction has already been provided by the Council; or (3) a similar report has been requested by the Budget and Finance Committee. 			
General Instructions			
<ul style="list-style-type: none"> ◆ Instruct all Departments to ensure that all receipts, including settlements and liability claims, are properly deposited into the General Fund, and further request the Controller to ensure that Departments are adhering to this instruction. ◆ Instruct all Departments to ensure immediate invoicing for all grant reimbursements. ◆ Instruct all departments to process FMS transactions resulting from Mayor/Council fiscal actions within 10 working days from the approval date as recorded by the Mayor and City Clerk. ◆ Instruct the CAO to monitor and ensure timely data entry of budget adjustments by City Departments. ◆ 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. ◆ Authorization of substitute positions other than for layoff avoidance and or for which adequate savings within a department's budget has not been identified, shall require Council approval, effective July 1, 2017. The use of substitute authorities shall be restricted only to limited duration or critical uses. ◆ 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 2017-18 Budget (see Attachment 5 - Requested Reports and Special Studies), and as noted in this report, to ensure the referral of various memoranda and reports. ◆ Request the City Attorney to transmit all implementing ordinances no later than June 30, 2017. ◆ Authorize the CLA and CAO to make minor and technical adjustments to accomplish the intent of the changes proposed herein. 			

2017-18 Proposed Budget

Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Technical Adjustments			
Capital Finance Administration Fund			
◆ MICLA Issue Financing - Add projects to the 2017-18 MICLA Program as follows: Fire Station Diesel Exhaust Capturing System (\$2.39M) and Warner Grand Theater (\$1.5M).			
City Attorney			
◆ Add resolution authority without funding for two Deputy City Attorney III positions in the Employment Litigation Division.			
◆ Restore resolution authority without funding for three Paralegal III and one Investigator II for litigation support.			
Cultural Affairs			
◆ Add resolution authority without funding for one Arts Manager II and one Performing Arts Coordinator II to be assigned to the Performing Arts Division, and assist with the implementation of the Central Ticketing System.			
Fire			
◆ Operations Valley Bureau			
> Allocate funding through Proposition F for the construction of the Fire Department's Operations Valley Bureau headquarters.			
> Instruct the Fire Department to report to the Public Safety Committee on potential locations for the Operations Valley Bureau and the status of a bike lane through the project area, prior to the expenditure of funds.			
> Add resolution authority without funding for 14 positions in three departments (Bureau of Engineering, Bureau of Contract Administration and Board of Public Works/Office of Accounting) to oversee the Operations Valley Bureau project as well as the Fire Station 39 and North Central Animal Shelter.			
◆ Add resolution authority without funding for one Fire Psychologist.			
General Services			
◆ Add regular authority without funding for one Plumber Supervisor.			
◆ Add regular authority without funding for one Helicopter Mechanic to support Fire and Police Department helicopters.			
Housing and Community Investment Department			
◆ Restore resolution authorities without funding for 11 positions as follows: two Accounting Clerks, two Senior Administrative Clerks, one Management Assistant, one Systems Analyst, three Management Analysts, one Senior Project Coordinator, and one Housing Planning and Economic Analyst.			
Public Accountability			
◆ Delete regular authority for one Executive Administrative Assistant III and add regular authority for one Executive Legal Secretary II.			

2017-18 Proposed Budget

Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Public Works - Board			
◆ Metropolitan Transit Authority (MTA):			
> Add resolution authority without funding for a Senior Civil Engineer to serve as MTA Coordinator.			
> Instruct the City Administrative Officer and the Board of Public Works to report to the Transportation Committee on funding options for the MTA Coordinator position, including whether MTA can fund the position.			
◆ Correct contractual services line items Graffiti Abatement Services and Clean and Green to reflect the appropriate allocations.			
Public Works - Engineering			
◆ Sixth Street Bridge			
> Add resolution authority without funding for: one Senior Civil Engineer to perform project/construction management for the Sixth Street Viaduct Landscape Project; one Civil Engineer for project management of the Downtown LA Arts District Pedestrian and Cyclist Safety Project; and one Senior Civil Engineer for additional engineering project support for Recreation and Parks projects.			
> Instruct the Office of the Chief Legislative Analyst to report to the Public Works Committee and the Budget and Finance Committee on the status and eligible funding sources for the Sixth Street Bridge Project, including landscaping construction and the Art Plaza.			
Public Works - Street Lighting			
◆ Correct the fleet replacement Equipment List.			
Unappropriated Balance			
◆ Reappropriate up to \$100,000 in unspent funds for General and Offsite Council and Committee Meetings for the same purpose in 2016-17.			
Budget Notes			
◆ Amend the Proposed Budget Detail of Department Programs, Page 519, Item 24, "Additional Support for the Office of Wage Standards" to add " <i>and the Fair Chance Initiative for Hiring Ordinance</i> " to the description.			
◆ Amend the Proposed Budget in the Unappropriated Balance Minimum Wage and Wage Theft Enforcement footnote to add " <i>and the Fair Chance Initiative for Hiring Ordinance</i> " to the description.			
◆ Amend the Proposed Budget to change the title of the metric provided in the Blue Book, Page 568, to indicate the following: Citywide <i>Landfill</i> Diversion Rate (percentage).			
◆ Revise the Departmental Footnote for City Attorney to reappropriate up to \$400,000 for outside counsel costs.			
◆ Add a Non-Departmental Footnote in the General City Purposes section as follows: Authorize the transfer of funds from the General City Purposes (GCP) Intergovernmental Relations Program Accounts to the Travel Accounts for Council's budgets to pay for, or reimburse these offices for travel related to the governmental oriented organizations Contract Cities Association and Independent Cities Association.			

2017-18 Proposed Budget

Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
◆ Add a Non-Departmental Footnote in the GCP section as follows: No funds are to be expended from the General City Purposes budget in support of the Justice Fund until and unless the City Council has made a policy decision that the City is to participate, and under what circumstances the City will participate.			
◆ Amend the Proposed Budget to adjust funding for Economic Workforce and Development, El Pueblo, General Services, Housing and Community Investment, City Planning, and Transportation by program and/or account to correct negative balances. There will be no net change to the overall funding provided to the departments.			
◆ Amend the Proposed Budget to adjust position authorities for Economic Workforce Development and Housing and Community Investment to correct negative full-time equivalents by program. There will be no net change to the overall funding or positions provided to the departments.			
◆ Amend the Proposed Budget to adjust the Reserve Fund exhibit to reflect that the 2016-17 Revenue Surplus will be used to offset the 2016-17 year-end expenditure shortfall by reducing "Unallocated Revenue" line item by \$14,950,000 and reducing "Transfers-Contingencies" line item by \$14,950,000. These changes will have no net impact to the June 30, 2017 balance, July 1, 2017 balance or the June 30, 2018 balance.			
◆ Amend the Proposed Budget to transfer funds for City Planning from the Construction Services Trust Fund to the Development Services Trust Fund, in accordance with CF 15-0316, which renamed and changed the fund.			
> Transfer appropriations of \$1,012,000 (3040 Contractual Services account) from Fund 438 Construction Services Trust Fund to Fund 58V Development Services Trust Fund.			
> Transfer appropriations of \$600,000 (6010 Office and Administrative account) from Fund 438 Construction Services Trust Fund to Fund 58V Development Services Trust Fund.			

LAHSA Budget Summary

Savings Calculation

Savings from FY 2016-17	\$6,139,750
New Funding Requests FY 2017-18:	
Downtown Drop In Center	\$225,000
HMIS Matching Grant	\$62,500
Planning Matching Grant	\$125,000
Public Right-of-Way Storage	\$554,000
	<u>\$966,500</u>
Net Savings Available	\$5,173,250

Bridge Funding Calculation

LAHSA's Proposed 2017-18 Budget	\$17,023,297
<u>Bridge Funding Need (1st Quarter)</u>	
LAHSA's Bridge Funding Request (1st Quarter of 2017-18)	\$8,697,935
Fully Funded 2017-18 Budget Line Items*	<u>-\$2,880,758</u>
Net LAHSA Bridge Funding Need	\$5,817,178
Net Savings Available	\$5,173,250
<u>Net Bridge Funding Need / Reserve Loan</u>	
Net LAHSA Bridge Funding Need	\$5,817,178
Net Savings Available	<u>\$5,173,250</u>
Reserve Loan	\$643,928

Recommended Budget and Finance Committee actions to address LAHSA's Bridge Funding Request

- 1) Upon CAO request, authorize the Controller to provide a Reserve Fund Loan of \$643,928 to LAHSA to cover a shortfall in funding from County Measure H revenue
- 2) Upon receipt of County Measure H funds, the \$5.17M net savings (identified above) will be available for reprogramming. The reprogramming includes authorizing LAHSA to retain \$1M in FY 2016-17 savings to fund City homeless programs, such as voluntary storage, safe parking and other Council directives with the remainder to be used for other General Fund programs.
- 3) Instruct LAHSA and the CAO to immediately report to Council when the County Board of Supervisors adopts Measure H funding recommendations for FY 2017-18

Footnote

* See CAO Budget Memo 77. Of the LAHSA 2017-18 Budget line items anticipated to receive Measure H funding, three are also receiving City funding and therefore will have funds available for LAHSA to use as Bridge funding. These items are as follows: Administration (\$790,721); Coordinated Entry System (CES) for Singles & Youth, Crisis and Bridge Housing (\$1,990,038); and CES/Regional Coordinators (\$99,999).

Proposed Budget Street Reconstruction/Vision Zero Program

Schedule 5 Special Gas Tax Improvement Fund

<u>Appropriation</u>	<u>Amount</u>
Street Reconstruction (unspecified)	\$ 15,000,000
Vision Zero Traffic Signal Installation (DOT)	\$ 6,000,000
Subtotal	\$ 21,000,000

Schedule 26 Proposition A Local Transit Assistance Fund

Vision Zero Bus Stop Security Lighting (BSL)	\$ 495,000
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Schedule 49 Measure R Traffic Relief and Rail Expansion Fund

Vision Zero (DOT contractual services for HIN speed surveys; community outreach; campaign messaging)	\$ 700,000
Great Streets (DOT)	\$ 1,500,000
Great Streets/Vision Zero (BOE)	\$ 450,513
Subtotal	\$ 2,650,513

Schedule 52 Measure M Local Return Fund

Street Reconstruction/Vision Zero (unspecified)	\$ 20,000,000
Vision Zero Education (DOT)	\$ 500,000
Subtotal	\$ 20,500,000
TOTAL	\$ 44,645,513

CLA Revised Street Reconstruction/Vision Zero Program

Add a new line item in each of the following Schedules entitled "Unallocated" that will replace the appropriations identified in the Proposed Budget with a footnote that funds are not to be spent until policy direction is provided by the Council.

	<u>Appropriation</u>	<u>Amount</u>
Schedule 5 Special Gas Tax Improvement Fund	Street Reconstruction	\$ 15,000,000
	Vision Zero Traffic Signal Installation	\$ 6,000,000
	Subtotal	\$ 21,000,000
Schedule 26 Proposition A Local Transit Assistance Fund	Vision Zero Bus Stop Security Lighting	\$ 495,000
Schedule 49 Measure R Traffic Relief and Rail Expansion Fund	Vision Zero	\$ 700,000
	Great Streets (DOT)	\$ 1,500,000
	Great Streets/Vision Zero (BOE)	\$ 450,513
	Subtotal	\$ 2,650,513
Schedule 52 Measure M Local Return Fund	Street Reconstruction/Vision Zero	\$ 20,000,000
	Vision Zero Education	\$ 500,000
	Subtotal	\$ 20,500,000
Additional receipts from revised SB 1 projected revenue (Gas Tax).		\$ 4,668,617
Reappropriate savings from the Grand View Drive Bulkhead project (Measure M).		\$ 415,000
Reappropriate savings from the median island maintenance contract (Measure R and/or M).		\$ 400,000
	TOTAL	\$ 50,129,130
Provide funding for L.A. Neighborhood Initiative (LANI).		\$ 550,000
Provide funding for GSD materials testing for the existing Pavement Preservation Program.		\$ 630,000
Provide funding for the Street Lighting at Existing Pedestrian Crosswalks Project		\$ 493,000
Increase reimbursements to the General Fund		\$ 1,283,816
	REVISED TOTAL	\$ 47,172,314

Instruct the Department of Transportation to report on the resources necessary to maintain the current 7-10 day turnaround for striping workload associated with a new street reconstruction program.

Instruct the Bureau of Street Services to report on the resources necessary to clean, maintain, and repair bike lanes.

2017-18 Proposed Budget New/Expanded Programs

Purpose: To reduce new and/or expanded program funding to six months to generate savings for other priority program.

Department	Blue Book Number	Description	Blue Book Amount	Savings	Related Costs	Total
Finance	18	Customer Support	334,033	156,880	45,056	201,936
	8	Payment Card Industry Operations Support	29,660	24,386	7,004	31,390
Fire	48	Emergency Response Systems Enhancement	252,893	84,298	24,210	108,508
General Services	29	Payment Services Group	154,310	77,155	22,159	99,314
	31	Procurement Reform Services	127,086	42,362	12,166	54,528
Public Works Board	20	Petroleum Administration	301,089	70,959	20,379	91,338
Public Works - Engineering	32	Pavement Preservation Survey Support	204,422	67,459	19,374	86,833
Public Works - Sanitation	49	Trash Receptacle Program Expansion	1,388,223	248,328	66,999	315,327
	50	Clean Streets Los Angeles - Fifth Team	1,298,570	172,027	48,133	220,160
	51	Fifth HOPE Team	528,981	72,457	19,549	92,006
	52	Sixth HOPE Team	1,087,869	322,457	19,549	342,006
Transportation	22	One Stop Metro Development Support	90,814	30,271	8,694	38,965
			\$ 5,797,950	\$ 1,369,039	\$ 313,272	\$ 1,682,311

Exhibit H - Ordinance Changes

- H1. Authorize the issuance of an amount not-to-exceed \$1.5 billion in Tax and Revenue Anticipation Notes to address short-term cash flow needs and to make the full annual contribution payments to the Los Angeles City Employees' Retirement System Fund and to the Los Angeles Fire and Police Pension Fund.
- H2. Request the City Attorney, with the assistance of City Planning, to prepare and present an ordinance establishing the policy for revenue generated by digital billboards to be deposited into the General Fund.
- H3. Request the City Attorney, with the assistance of the Economic and Workforce Development Department (EWDD), to prepare and present an ordinance amending the Los Angeles Municipal Code Chapter II, Article 1.17 (Enterprise Zone Hiring Tax Credit Voucher Application Fees) to allow for EWDD to expend the balance of collected Enterprise Zone Tax Credit (EZTC) Voucher fees for economic development activities.
- H4. Request the City Attorney to prepare and present an ordinance amending the Los Angeles Administrative Code Section 5.142, Creation of Store Revolving Fund, to release existing surpluses and encumbrances remaining within the account in the amount of \$4.29 million in 2017-18, and authorize the Controller to transfer the like amount to the General Fund as 2017-18 revenue. This provision shall sunset at the conclusion of Fiscal Year 2017-18.
- H5. Request the City Attorney, with the assistance of the City Administrative Officer, to prepare and present an ordinance to establish the Measure M (Transportation) Local Return Fund, for the receipt and expenditure of Measure M (Transportation) Local Return monies.
- H6. Request the City Attorney to prepare and present an ordinance amending the Los Angeles Administrative Code Section 23.144 and any other relevant sections to establish the Office of Public Accountability (OPA) as a separate and independent City department and provide that the administrative support needs of the OPA will be performed by the City Clerk instead of the Office of the City Administrative Officer (CAO).
- H7. Request the City Attorney, with assistance from the Bureaus of Sanitation and Street Services, to prepare and present ordinances to amend the Los Angeles Municipal Code and the Los Angeles Administrative Code to increase illegal dumping fines and enable residents to better report illegal dumping activities to allow the City to recover its costs for enforcing illegal dumping activities and remediating illegal dumping violations.
- H8. Request the City Attorney to prepare and present an ordinance to eliminate Section 5.523 of the Los Angeles Administrative Code and allow for a transfer of the cash assets in the Bus Bench Advertising Program Revenue Fund No. 43S, as well as any new revenue generated through the Martin Outdoor Media contract, to the General Fund.

- H9. Authorize the Controller and the General Services Department to transfer funds from the Motion Picture Coordination Fund No. 417 to GSD fund 100/40, Salaries General Account No. 1010, Salaries Overtime Account No. 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.
- H10. Authorize the Controller to appropriate and transfer funds pursuant to the terms of any approved Memoranda of Understanding between the Department of Transportation and the General Services Department for the maintenance and operating 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, 2017.
- H11. Request the City Attorney to expeditiously prepare and present an ordinance providing the Board of Recreation and Parks Commissioners with authority to keep restrooms of the Board's choosing at Venice Beach open 24 hours per day all year long.
- H12. Request the City Attorney to prepare and present an ordinance to amend Los Angeles Administrative Code Section 10.2 to change the first paragraph language to increase the amount for contracts required to be in writing from \$1,000 to \$5,000 and to add the following exception for contracts which require City Attorney approval: (4) Contracts for the payment of membership dues budgeted in the General City Purposes Section of the Budget; and for the payment of subscriptions for media such as newspapers, professional journals, on-line information and research services."
- H13. Request the City Attorney to prepare and present an ordinance to increase the Zoo admission fee by \$1 effective July 1, 2017 and to instruct the Zoo Department to take necessary steps for the Greater Los Angeles Zoo Association (GLAZA) to increase membership fees commensurate with existing discounts and incentives.

Animal Services

- R 1. Instruct the Department of Animal Services to report to the Personnel and Animal Welfare Committee on opportunities to use technology to promote animal adoption.
- R 2. Instruct the Department of Animal Services, with the assistance of the City Attorney, to report to the Personnel and Animal Welfare Committee on how the Administrative Citation Enforcement Program has worked to generate revenue.
- R 3. Instruct the Department of Animal Services to report to the Personnel and Animal Welfare Committee regarding what measures are taken to ensure pet licenses are renewed. The report should include whether the Department can place pet owners that have failed to renew pet licenses on lists for improved enforcement, including the Administrative Citation Enforcement program.
- R 4. Instruct the Department of Animal Services to report to the Personnel and Animal Welfare Committee on how the no-kill policy has reduced the amount of City resources spent on the Employee Assistance Program for employees who have to euthanize animals.
- R 5. Instruct the Department of Animal Services to report to the Personnel and Animal Welfare Committee on the increased resources required to provide enforcement and maintain the no-kill policy. The report should include what percent of the City's General Fund budget this represents as well as a cost-benefit analysis on how increased funding for this purpose would lower long-term costs of animal care and control.

Building and Safety

- R 6. Instruct the Department of Building and Safety to report to the Planning and Land Use Management Committee with a timeline for the completion of the BuildLA system. The report should include project milestones and additional resources required.

City Administrative Officer

- R 7. Instruct the City Administrative Officer to report to the Innovation, Grants, Technology, Commerce and Trade Committee and the Budget and Finance Committee with recommendations for a policy that addresses a minimum annual investment in digital infrastructure.
- R 8. Instruct the City Administrative Officer to report to the Budget and Finance Committee regarding whether Transient Occupancy Tax revenues are later reconciled with actual revenues and whether the Department of Cultural Affairs receives the difference.

City Administrative Officer (continued)

- R 9. Instruct the City Administrative Officer, with assistance from the Information Technology Agency and the City Attorney, to report to the Innovation, Grants, Technology, Commerce and Trade Committee on the proposed Bring Your Own Device policy and how this compares to the Mobile Worker policy with regard to the Voice over Internet Protocol (VoIP). The report should include an analysis of potential data security or liability issues the proposed Bring Your Own Device policy could have.
- R 10. Instruct the City Administrative Officer to report to the Budget and Finance Committee with a comparative analysis of the variance in the annualized increase in retiree health care for LACERS, Fire and Police Pension Plan, Department of Water and Power and existing active employees over the past ten years. The report should discuss the practices implemented by each system to determine best practices and lessons learned.
- R 11. Instruct the City Administrative Officer to report to the Budget and Finance Committee on best practices implemented by pension funds in other jurisdictions regarding the reduction of costs and maximizing return on investment to determine which practices are being used by the City's systems.
- R 12. Instruct the City Administrative Officer to report to the Public Works and Gang Reduction Committee on the continued implementation of the PACE program (see CF 14-1082-S1).
- R 13. Instruct the City Administrative Officer, with assistance from the Department of Water and Power and the City Attorney, to report to the Energy and Environment Committee on whether the Department of Recreation and Parks can receive a large-user discount, thereby reducing water and electricity costs.
- R 14. Instruct the City Administrative Officer to report to the Budget and Finance Committee on the history of chargebacks to City departments, including the Department of Recreation and Parks. The report should indicate how significantly the chargebacks have grown over time, what impact they have had on services provided by Departments, and whether the policy of chargebacks is mandated or is a policy decision to be made by the Council.
- R 15. Instruct the City Administrative Officer to report to the Budget and Finance Committee on the timeline for implementation of the Revenue Commission.
- R 16. Instruct the City Administrative Officer to report to the Transportation Committee on the anticipated amount of local return from the new Gas Tax (SB1) for 2018-19 and beyond. The report should include whether a percentage can be allocated for Vision Zero.
- R 17. Instruct the City Administrative Officer to report to the Transportation Committee on the availability of Measure M funding in the current year for projects related to California State University – Northridge (CSUN), including the operation of DASH service aligned with student schedules and the relocation of the Northridge Station to Reseda Boulevard.

City Attorney

- R 18. Request the City Attorney to report to the Budget and Finance Committee on how the 26 attorney positions spread over five enforcement programs (Administrative Citation Enforcement, Measure D, Proposition 47, Neighborhood Prosecutor and Nuisance Abatement) are coordinated within the City Attorney's Office.

City Clerk

- R 19. Instruct the City Clerk, with the assistance of the Chief Legislative Analyst, to report to the Rules, Elections, Intergovernmental Relations and Neighborhoods Committee on the online voting system and how it compares to other cities. The report should include a discussion of best practices.

Convention and Tourism Development

- R 20. Instruct the Convention and Tourism Development Department to report to the Economic Development Committee on establishing a guiding policy for the LACC Private Operator Reserve Account within the Convention Center Revenue Fund. The report should include a discussion of how this account is funded and for what purposes it will be used.

Cultural Affairs

- R 21. Instruct the Department of Cultural Affairs to report to the Arts, Parks and River Committee on the amount of Arts Development Fee monies that have been refunded to contractors. The report should address whether the Department is working actively with Council Offices to ensure the funds are spent on time and should include actual expenditures over the past two years.
- R 22. Instruct the Department of Cultural Affairs to report to the Arts, Parks and River Committee and the Budget and Finance Committee on opportunities to earmark additional funds for the Arts and Cultural Facilities and Services Fund from the Airbnb portion of Transient Occupancy Tax for services in underserved communities. The report should include the criteria for defining an underserved community.
- R 23. Instruct the Department of Cultural Affairs to report to the Arts, Parks and River Committee on a potential revenue source for two resolution authority positions that currently do not have funding.

Disability

- R 24. Instruct the Department on Disability to report to the Budget and Finance Committee on the steps that can be taken locally to mitigate misuse of disabled parking spaces and placards. The report should include whether there are sufficient disabled spaces and what penalties can be applied to those that misuse placards.

Disability (continued)

- R 25. Instruct the Department on Disability to report to the Homelessness and Poverty Committee on potential funding sources available, including Measure H, to fund the AIDS Coordinator Program contracts in consideration of potential federal cuts.

Economic and Workforce Development

- R 26. Instruct the Economic and Workforce Development Department to report to the Economic Development Committee on the metrics used for economic development programs and the jobs created through the adult and youth workforce development programs.
- R 27. Instruct the Economic and Workforce Development Department to report to the Economic Development Committee on the Department's ability to use the Assistant Chief Grants Administrator position in the Citywide Economic Development Team to leverage grants.
- R 28. Instruct the Economic and Workforce Development Department to report to the Economic Development Committee on the status of 10 properties that were transferred to the City after the Community Redevelopment Agency was eliminated. The report should include the status of the excess bond proceeds and the CRA Option Properties, and whether additional resources are necessary for the City to effectively leverage this program.
- R 29. Instruct the Economic and Workforce Development Department to report to the Economic Development Committee on how many youth will be served in fiscal year 2017-18, by Council District, through the Youth Employment Program funded in the General City Purposes Budget.

Finance

- R 30. Instruct the Office of Finance, with the assistance of the Los Angeles Police Department, to report to the Public Safety Committee and the Budget and Finance Committee on security updates and enhancements needed to secure cash operations.

Fire

- R 31. Instruct the Fire Department and the Personnel Department to report to the Public Safety Committee and the Personnel and Animal Welfare Committee on the responsibilities of the proposed Position Control Officer, whether it should be a civilian or sworn position, and report on a regular basis with a metric for the Return to Work Unit and the Position Control Officer to further ensure that returns to work from maternity leave for firefighters is adequately addressed.
- R 32. Instruct the Fire Department to report to the Public Safety Committee on full restoration of fire service. The report should include a priority listing of restorations and a plan to accomplish this.

Housing and Community Investment

- R 33. Instruct the Housing and Community Investment Department to report to the Housing Committee on the service impacts and options available if federal funding is eliminated.
- R 34. Instruct the Housing and Community Investment Department to report to the Housing Committee on the options available to develop housing for human trafficking victims. The report should include a discussion of Measure HHH, Affordable Housing Trust Funds, and other available funds.
- R 35. Instruct the Housing and Community Investment Department to report to the Housing Committee on the Department's ability to track and enforce affordability covenants for conduit financed projects.
- R 36. Instruct the Housing and Community Investment Department to report to the Housing Committee on how to address the funding needs of Domestic Violence organizations.
- R 37. Instruct the Housing and Community Investment Department to report to the Housing Committee on the timeframe required for approval of cargo container or similar modular housing projects.

Los Angeles Homeless Services Agency

- R 38. Instruct the Los Angeles Homeless Services Agency (LAHSA) to report to the Homelessness and Poverty Committee on plans to release another list of properties for storage and/or housing, the status of the Request for Proposals, and whether there is a comprehensive list of properties citywide.
- R 39. Instruct the Los Angeles Homeless Services Agency (LAHSA) to report to the Homelessness and Poverty Committee on the process to distribute travel vouchers to homeless individuals to be connected to a legitimate housing opportunity. The report should include how the process can be expedited.

Mayor

- R 40. Request the Mayor to report to the Public Works and Gang Reduction Committee with historical data and metrics for the Gang Reduction and Youth Development (GRYD) Program.

Neighborhood Empowerment

- R 41. Instruct the Department of Neighborhood Empowerment, with assistance from the City Administrative Officer, to report to the Rules, Elections, Intergovernmental Relations and Neighborhoods Committee on the cost to appropriately provide translation services to Neighborhood Councils that require them. The report should include the feasibility of funding this from the Neighborhood Empowerment Fund.

Personnel

- R 42. Instruct the Personnel Department to report to the Public Safety Committee with a historical analysis of how long the Police and Fire hiring process takes. The report should discuss how the Department prioritizes sworn candidates for hiring and a discussion of lateral hires from other agencies and Reserve Officers.
- R 43. Instruct the Personnel Department to report to the Personnel and Animal Welfare Committee regarding how the number of workers' compensation claims and injury on duty hours compare to other cities.
- R 44. Instruct the Personnel Department to report to the Personnel and Animal Welfare Committee with metrics for the Police Sworn Alternative Dispute Resolution Program, including how many sworn are being diverted from Workers' Compensation and how many sworn are back to work after being on Workers' Compensation.
- R 45. Instruct the Personnel Department to report to the Personnel and Animal Welfare Committee with specific implementation, benchmarks and hiring goals for the Targeted Local Hiring and Strategic Workforce Development Task Force.
- R 46. Instruct the Personnel Department and the City Administrative Officer to report to the Personnel and Animal Welfare Committee with recommendations on the conversion of as needed positions to regular positions.
- R 47. Instruct the Personnel Department and the City Administrative Officer to report to the Personnel and Animal Welfare Committee on how to make departmental vacancy information more transparent and readily available.

Planning

- R 48. Instruct the City Planning Department to report to the Planning and Land Use Management Committee with the increased Citywide interest in planning matters. The report should include whether there are plans to create and formalize community and Neighborhood Council training as a function of the outreach team, and whether the outreach team is adequately funded.
- R 49. Instruct the City Planning Department to report to the Planning and Land Use Management Committee on hiring a biologist to provide advice on the Ridgeline Ordinance and biodiversity efforts, including wildlife corridors.

Police

- R 50. Instruct the Police Department, with the assistance of the City Administrative Officer, to report to the Public Safety Committee on the Police Service Representative (PSR) staffing requirements necessary to comply with the October 2017 Text-to-911 state mandated implementation timeline. The report should include trend lines on call response times and the resources required to bring the response times down to the baseline. The report should also include the civilian hiring needs for detention, security and property officers.
- R 51. Instruct the Police Department to report to the Public Safety Committee on the cost and potential funding options to train vice officers and eventually all officers on a victim-centered approach to their response to human trafficking situations.
- R 52. Instruct the Police Department, with the assistance of the Information Technology Agency, to report to the Public Safety Committee with an analysis of the Department's computer replacement needs and recommendations regarding development of an immediate and long-term plan for modernizing the Department's computers.
- R 53. Instruct the Police Department to report to the Public Safety Committee with a latent fingerprint metric, including a goal of the number of prints per division that would be effective to solve less-than-violent crimes.

Public Accountability

- R 54. Instruct the Office of Public Accountability to report to the Energy and Environment Committee on the Office's annual budget for the prior five years and how it compares to the Charter-mandated Department of Water and Power sales of water and power.

Public Works, Board

- R 55. Instruct the Board of Public Works to report to the Budget and Finance Committee on citywide graffiti abatement, including all budgeted funds for this purpose.

Public Works, Sanitation

- R 56. Instruct the Bureau of Sanitation, with the Los Angeles Homeless Services Authority (LAHSA) and the Police Department to report to the Homelessness and Poverty Committee on metrics to measure the success of HOPE teams. The report should include the Bureau of Sanitation's data on tonnage removed and businesses impacted and assisted; LAHSA's data on individuals referred to services or added to the Coordinate Entry System; and, the Police Department's data on the number of arrests made. Other relevant data should also be included.
- R 57. Instruct the Bureau of Sanitation to report to the Energy and Environment Committee on the remediation of the San Fernando Valley groundwater aquifer utilizing treatments, as noted in CF 14-0338-S1.

Public Works, Sanitation (continued)

- R 58. Instruct the Bureau of Sanitation, with the City Attorney, to report to the Energy and Environment Committee and the Budget and Finance Committee on efforts that can be made to improve personnel and potential safety issues at the Hyperion Treatment Plant.

Public Works, Street Lighting

- R 59. Instruct the Bureau of Street Lighting to report to the Public Works and Gang Reduction Committee on the location of street lights with remote monitoring systems.
- R 60. Instruct the Bureau of Street Lighting to report to the Innovation, Grants, Technology, Commerce and Trade Committee on the build out of a small cell network in streetlights, including options to increase coverage in disadvantaged areas or areas where the free market is not providing coverage and high-speed service.

Public Works, Street Services

- R 61. Instruct the Bureau of Street Services to report to the Budget and Finance Committee on the current status of spending related to the Sidewalk Program, including the work done surrounding City facilities. The report should include a cost comparison between using City crews and contractors for sidewalk work.
- R 62. Instruct the Bureau of Street Services to report to the Public Works and Gang Reduction Committee and the Personnel and Animal Welfare Committee on the Bureau's participation in the Targeted Local Hire Program. The report should include the positions that have been designated and hired through this program and what other opportunities are available to expand the use of this program.
- R 63. Instruct the Bureau of Street Services to report to the Transportation Committee on the overlap between High Injury Network (HIN) streets and "D" and "F" streets, by Council District.
- R 64. Instruct the Bureau of Street Services to report to the Transportation Committee on relaxed street sweeping parking enforcement in school zones during drop-off (see also CF 14-0367).

Recreation and Parks

- R 65. Instruct the Department of Recreation and Parks to report to the Arts, Parks and River Committee on the Summer Night Lights Program and how it has incorporated identification of human trafficking victims into its training program.
- R 66. Instruct the Department of Recreation and Parks to report to the Arts, Parks and River Committee on the use of energy efficient variable speed pumps at Recreation and Parks pools.

Recreation and Parks (continued)

- R 67. Instruct the Department of Recreation and Parks to report to the Rules, Elections, Intergovernmental Relations and Neighborhoods Committee on a possible ballot measure to create a lower rate or a separate tier for Recreation and Parks for water and electricity costs.
- R 68. Instruct the Department of Recreation and Parks to report to the Arts, Parks and River Committee regarding on the status of the Woodland Hills Recreation Center.
- R 69. Instruct the Department of Recreation and Parks to report to the Arts, Parks and River Committee on options for using grey water and/or recaptured stormwater at Recreation and Parks facilities.
- R 70. Instruct the Department of Recreation and Parks, with the assistance of the General Services Department, to report on the plan for regular maintenance of drought-tolerant landscaping at City facilities.

Transportation

- R 71. Instruct the Department of Transportation to report to the Transportation Committee on the timeframe to complete the review of Metro traffic plans and non-Metro plans. The report should include recommendations for streamlining the processes and the resources necessary to reduce turnaround time.
- R 72. Instruct the Department of Transportation to report to the Transportation Committee regarding the High Injury Network (HIN) and what percentage of deaths are related to a lack of radar enforcement. The report should include what it will take to post correct traffic signs on 100 percent of HIN streets so traffic officers can give citations and save lives.
- R 73. Instruct the Department of Transportation to report to the Transportation Committee on a plan for coordination between the Department of Transportation and the Bureau of Street Services for Vision Zero and street reconstruction work in the High Injury Network (HIN).
- R 74. Instruct the Department of Transportation, with the assistance of the Bureau of Street Services and the Bureau of Engineering to report to the Innovation, Grants, Technology, Commerce and Trade Committee on improvements to the grant process to ensure that the City receives as much as possible from various funding sources. The report should include whether the Department has the resources necessary to capture and spend available grant funds, information on when prior grants were awarded, original budget and scheduled/projected completion date, final cost and completion date, any extensions received from funding entities and whether any funds were returned. The report should also include transportation grants administered by the Bureau of Street Services and the Bureau of Engineering.

Transportation (continued)

- R 75. Instruct the Department of Transportation to report to the Transportation Committee on how the City's bikeshare program compares to those in other cities with regard to performance and plans for improvement.

Zoo Department

- R 76. Instruct the Zoo Department to report to the Arts, Parks and River Committee on whether there is a Joint Labor/Management Committee to address succession planning issues at the Zoo. The report should include a feasibility analysis of creating a Joint Labor/Management Committee.

Budget Memos

- R 77. Refer Budget Memo 31 to the Energy and Environment Committee and instruct the City Administrative Officer and the Bureau of Sanitation to report on the creation of a Construction Services Team within the Bureau, including how the team would be structured. The report should include funding options.
- R 78. Instruct the Police Department to separately account for and provide monthly status reports to the Public Safety Committee regarding operational overtime and overtime tracking related to the contract with the Metropolitan Transit Authority. In addition, the Police Department is instructed to report on progress made in the redeployment of sworn officers and the method of reporting for detention officers and other civilian classifications that redeploy sworn officers.
- R 79. Instruct the Bureau of Street Maintenance to report to the Budget and Finance Committee regarding whether the Bureau has adequate resources to take advantage of transportation grant opportunities, including Active Transportation, Cap and Trade and Measure M.
- R 80. Refer Budget Memo 66 to the Arts, Parks and River Committee, the Energy and Environment Committee and the Budget and Finance Committee, and instruct the City Administrative Officer, the Department of Water and Power, the Department of General Services, the Department of Recreation and Parks, and other departments, as necessary, to report on a chargeback policy or other policy options to reduce the impact on Department of Recreation and Parks operations. Other policy options should include the feasibility of a parcel tax to support Recreation and Parks programs.

Exhibit H Reports

- R 81. Instruct the Fire Department, with the assistance of the City Administrative Officer and the City Attorney as necessary, to develop an agreement with the Port of Los Angeles for the reimbursement of haul-out, repair and maintenance costs for the City's fire boats.

Exhibit H Reports (continued)

- R 82. Instruct the City Administrative Officer to work with the Police, Fire and General Services Departments, and the proposed Chief Procurement Officer, to develop a comprehensive long-range plan on fleet replacement (including helicopters), maintenance and repairs which will maximize savings to the City and improve services. The plan should include, but not be limited to: funding options (own vs. lease); sharing of best practices across City departments, the County of Los Angeles and private sector and, additional salvage options.
- R 83. Instruct the Bureau of Sanitation and the City Administrative Officer, and request the City Attorney, to conduct a comprehensive review of the costs related to the Clean Streets Program and to report by June 30, 2017 with recommendations on an appropriate strategy for the allocation of funds that will maximize the use of special funds for 2017-18 and beyond. The report should include whether a Proposition 218 notice is required to support a recommendation on the use of special funds, and the necessary steps to initiate such a notice.

Added by the Budget and Finance Committee

- R 84. Instruct the City Administrative Officer, the Chief Legislative Analyst and the Department of Transportation to report to the Budget and Finance Committee with five-year plans for Proposition A, Proposition C, Measure R, Measure M, SB 1 and the Special Parking Revenue Fund (SPRF) that would eliminate any transportation special fund subsidy to the pavement preservation/reconstruction programs and the SPRF transfer to the General Fund.
- R 85. Request the Los Angeles Homeless Services Agency (LAHSA) to re-issue a Request for Proposals (RFP) for the management and operation of Safe Parking Program modeled after the framework of the program in the City of Santa Barbara.
- R 86. Instruct the Department of Neighborhood Empowerment and the City Clerk to report to the Rules, Elections, Intergovernmental Relations and Neighborhoods Committee with recommendations on postponing Neighborhood Council elections from 2018 to 2019, and in odd-numbered years thereafter, in order to realign with the City Clerk's administration of Municipal Elections which will be conducted during even-numbered years.
- R 87. Instruct the Department of Neighborhood Empowerment and the City Clerk, to report to the Rules, Elections, Intergovernmental Relations and Neighborhoods Committee and the Budget and Finance Committee with recommendations consistent with those requested by Motion (Krekorian-Huizar, CF15-1022-S2), including the budgetary impacts of the proposed Neighborhood Council online voting platform.