

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0220-04440-0000
C.F. No. 08-0685

Date: August 26, 2008

To: Honorable Members of the City Council

From: Raymond P. Ciranna, Interim City Administrative Officer *RC*
Gerry F. Miller, Chief Legislative Analyst *GFM*

Subject: **PARKING VALIDATION EXPENDITURES**

SUMMARY

On March 25, 2008, a Motion (Greuel-Parks) was introduced instructing the City Administrative Officer (CAO) and the Chief Legislative Analyst (CLA) to report back to the Council regarding the amount of funding that every department and commission is budgeted for and spends annually on parking validations; the source of funds used to purchase parking validations; and, directing departments and commissions to cease further parking validation expenditures in order to use these funds to offset other City expenditures (C.F. 08-0685).

In response to the Motion, all City departments and commissions were requested to provide information regarding their parking validation expenditures for fiscal year 2007-08 as part of the CAO's year-end instructions. The attached summary of the departmental responses reveals that, with the exception of a few City departments, most do not budget for parking validations, rather, expenditures are made on an as-needed basis from various expense accounts. Departments reported a total of \$750,118 in parking validation expenditures for fiscal year 2007-08 (as of May 2008) from the following funding sources: \$197,909 in General Fund and \$552,209 in special funds. Additionally, the Convention Center estimates approximately \$4,320 per year in forgone parking fees.

Due to the City's current economic constraints, the Motion suggested the possibility of ceasing further expenditures for parking validations to generate savings. However, discontinuing this practice across all departments and commissions may not be feasible. Approximately \$205,000 of the \$750,118 in reported expenditures for fiscal year 2007-08 is attributed to the Central Library Parking Validation Program, which was established via ordinance for the purpose of increasing public access to the Central Library. The Central Library parking validations are paid out of the Special Parking Revenue Fund as authorized by the Los Angeles Administrative Code (LAAC) Sec. 5.117. Therefore, any changes to this program would require an amendment to the LAAC via ordinance. Another large portion (\$267,523) of parking validation expenditures are attributed to the Department of Building and Safety, which are paid out of the Building and Safety Building Permit Enterprise Trust Fund. According to the department, these costs are fully recovered by building permit fees.

The departmental responses further indicated that over ninety percent of parking validation expenditures paid with General Fund monies is attributed to the Department of General Services (GSD), Bureau of Sanitation, and Police Department. GSD budgets \$30,000 annually

to purchase parking validations for the Mayor's Office volunteers at outlying parking lots in the Civic Center area. Although the Police Department does not have a budget for parking validations, \$125,000 has been spent each year for the past three years on validations, and the cost has been absorbed within budgeted accounts. Similarly, the Bureau of Sanitation does not budget for parking validations, but spends from its existing accounts on an as-needed basis.

In addition, departments such as El Pueblo and the Los Angeles Convention Center operate their own parking facilities and report that they are not budgeted for parking validations. However, these departments indicate that Commissioners/Board Members, City representatives and volunteers do not pay for parking when attending City business related meetings or other similar activities. Although these departments do not identify this practice as a cost to the City because the City owns and operates these parking lots, there is potential for forgone revenue to the General Fund or related special funds. The Convention Center estimates approximately \$4,320 per year in forgone parking fees. Estimates for El Pueblo are not available at this time.

We do not recommend that departments be directed to cease parking validation expenditures at this time as the potential for additional savings appears to be minimal. However, departments providing parking validations, and/or reimbursement for parking, should be instructed to primarily do so for volunteers, including commissioners. Further, City employees from outlying sites should be required to use public transportation whenever feasible. If public transportation is not an option, then employees should carpool to the extent that it is practical.

RECOMMENDATIONS

That the Council:

1. Instruct all General Managers to ensure that parking validations are issued primarily to volunteers providing City services, including commissioners or when there is a documentable business reason for doing so; and,
2. Instruct General Managers to ensure that all City employees carpool or use public transportation to attend offsite meetings/training and any other city-related matters whenever feasible.

FISCAL IMPACT

Approval of the above recommendations is expected to reduce the impact of parking validation expenditures on the General Fund and Special Funds in an amount unknown at this time. These actions are in compliance with the City's Financial Policies.

Attachments

- 1) Motion Greuel-Parks
- 2) Parking Validation Expenditures for 2007-08

TRANSPORTATION

~~MAR 25 2008~~

MOTION

The City Administrative Officer has recently released updated financial information for the remainder of 2007-08 and overall projections for 2008-09. As the City's revenues continue to stay flat or decrease and expenditures continue to grow, the budget gap continues to become larger and the City must cut expenditures to balance the budget. Expenditure reductions are often in direct conflict with the City's customer-service goals, and reductions in certain areas must be taken to maintain service levels in other areas.

One example of this conflict is the City's provision of parking validations. The City currently spends approximately \$500,000 in parking validations annually. While it is very important for City departments to be customer-service oriented and one can argue that parking validations make it easier for citizens to do business, parking validations are not a requirement. Various departments use parking validations, especially in leased facilities. At this time when the City is facing decisions between layoffs or expenditures, it would be helpful to know how much City departments and commissions pay for parking validations and how they fund this cost.

At this time, these funds can be better spent providing direct service to customers rather than for parking validations.

I THEREFORE MOVE that the Council request that the City Administrative Officer and the Chief Legislative Analyst report back to the Council on the following items in 30 days:

1. The amount of money that every department and commission is budgeted for and spends annually on parking validations;
2. The source of funds used to purchase parking validations; and
3. Direct the appropriate departments and commissions to cease further expenditures for parking validations and direct those funds back to the originating fund to cover other expenditures.

PRESENTED BY:

Wendy Greuel
WENDY GREUEL
Councilmember, 2nd District

MAR 25 2008

SECONDED BY:

Paul C. Loh

MAR 26 2008

MAR 26 2008 *Connected Referral*
TRANSPORTATION *KE*
BUDGET & FINANCE

Parking Validation Expenditures for 2007-08

DEPARTMENT	RESPONSE	2007-08 Projected Expenditures (As of May 2008)		
		General Fund	Special Funds	Total
Aging	According to the department, parking validations are purchased primarily to support the building of community-partner coalitions, conferences for additional grant seeking partners, resource sharing partners; and Senior Employment Training Program enrollees coming to the office for training and reporting on program activities. The validations are paid out of the Contractual Services Account. The Department has made two bulk purchases of parking validations totaling \$14,940. The purchases were primarily made through the use of grant funds. Specifically, the following amounts have been spent: \$11,231 in grant funds and \$3,709 in General Fund monies.	\$ 3,709	\$ 11,231	\$ 14,940
Animal Services	The Department is not budgeted for parking validations. However, validations are provided on an as-needed basis and paid out of existing accounts. Approximately \$3,000 has been spent on validations in fiscal year 2007-08 which has been paid out of the Office and Administrative Account.	\$ 3,000	\$ -	\$ 3,000
Building and Safety	LADBS does not have a specific budget line item for parking validations. However, validations are provided on an as-needed basis and paid out of existing accounts. During fiscal year 2007-08 \$267,523 was spent on parking validations from the Building Permit Enterprise Fund 48R.	\$ -	\$ 267,523	\$ 267,523
CAO	The CAO does not purchase or issue parking validations.	\$ -	\$ -	\$ -
City Attorney	The City Attorney's Office spends about \$700 per year for parking validations which are paid with General Fund monies.	\$ 700	\$ -	\$ 700
City Clerk	The City Clerk reports that it does not purchase or issue parking validations.	\$ -	\$ -	\$ -
Com. Children, Youth & Their Families	CCYF does not have a separate fund or expense category for parking validations and makes parking arrangements only for visitors who park in City Hall East. The Commission encourages guests to find their own parking.	\$ -	\$ -	\$ -
Com. Status of Women	CSW reports that it does not purchase or issue parking validations.	\$ -	\$ -	\$ -
Community Development	CDD will spend approximately \$20,000 for parking validations in 2007-08. These validations are paid with grant funding, predominantly CDBG, WIA and CSBG. Validations are used for visiting agencies, the public and CDD staff who are located off-site when they have business in the CDD main office building. No savings are projected.	\$ -	\$ 20,000	\$ 20,000
Controller	Response has not been received as of this writing.	\$ -	\$ -	\$ -

Parking Validation Expenditures for 2007-08

DEPARTMENT	RESPONSE	2007-08 Projected Expenditures (As of May 2008)		
		General Fund	Special Funds	Total
Convention Center	The Convention Center owns and operates its entire parking operations in support of events hosted at the LACC. There is no line item or budget allocation for parking validations. However, the Convention Center typically hosts two commission meetings a month. In addition to board members, meetings are typically attended by other City staff. The Commissioners and the City representatives do not pay for parking, estimated at approximately \$4,320 per year of parking fees not charged. There is no direct cost to the General Fund.	\$ -	\$ -	\$ -
Cultural Affairs	Parking validations are provided for Commissioners, Executive Office guests and public art proposers. To date, \$15,080 has been spent from special funds for parking validations.	\$ -	\$ 15,080	\$ 15,080
Disability	On average, the Department spends about \$2,000 on parking validations a year which it pays out of its Governmental meetings or Office and Administrative Accounts. However, the Department reports that due to budget constraints, it is discontinuing parking validations in 2008-09.	\$ -	\$ -	\$ -
El Pueblo	The Department provides 87 parking permits, key cards, and validations to the parking lots under its control to groups that provide volunteer services or make significant contributions to El Pueblo, including Commissioners, Las Angellitas, Italian Hall, and Chinese American Museum. The Department also provides 24 evening parking passes to GSD construction for work performed between 7:30 pm and 8:00 am. While the Department does not identify these as costs to the General Fund, there is potential for forgone General Fund revenue. The Department was unable to quantify the potential General Fund losses.	\$ -	\$ -	\$ -
Emergency Management	The Department reports that it does not purchase or issue parking validations.	\$ -	\$ -	\$ -
Employee Relations	The Department reports that it does not purchase or issue parking validations.	\$ -	\$ -	\$ -
Environmental Affairs	The Department reports that it does not purchase or issue parking validations.	\$ -	\$ -	\$ -
Ethics Commission	The Ethics Commission reports that it does not purchase or issue parking validations. Parking may be arranged in City Hall East when the Commission has to make special and specific accommodations. However, the Department advises that this seldom occurs.	\$ -	\$ -	\$ -
Finance	Parking validations average less than \$500 annually, and are paid out of the Office and Administrative Expense Account. No additional purchases are planned for this fiscal year. Finance provides parking validations only at the Office of Finance Wilshire office to City employees who visit this location for the purpose of conducting City business.	\$ 500	\$ -	\$ 500
Fire	The Department reports that it does not purchase or issue parking validations.	\$ -	\$ -	\$ -

Parking Validation Expenditures for 2007-08

DEPARTMENT	RESPONSE	2007-08 Projected Expenditures (As of May 2008)		
		General Fund	Special Funds	Total
General Services	GSD does not purchase parking validations for customers or visitors. However, the Asset Management Division purchases parking validations for the Mayor's Office volunteers at outlying parking lots in the Civic Center area. GSD budgets \$30,000 per year for these validations as part of a larger parking contract within the Leasing Account. General Fund money is used from the Leasing Account to pay for the validations.	\$ 30,000		\$ 30,000
Housing	Parking validations are used by all Department staff and validations are funded with special funds totaling \$32,000 as follows: CDBG - \$6,615; HOME - \$1,715; RENT - \$4,165; and, CODE - \$19,505).	\$ -	\$ 32,000	\$ 32,000
Human Relations	The Commission does not have a budget for parking validations.	\$ -	\$ -	\$ -
ITA	The Department reports that it does not purchase or issue parking validations.	\$ -	\$ -	\$ -
Library	A Central Library Parking Validation Program was instituted in 1995. This program enables thousands of residents visiting the Central Library to receive discounted parking per LAAC Sec. 5.117. (See Department of Transportation for Special Parking Revenue Fund Expenditures for the Central Library Parking Validation Program)	\$ -	\$ -	\$ -
Neighborhood Empowerment	DONE reports that it does not have a parking validations budget and there is no associated annual expenditure. No parking validations were purchased using any funding source or departmental appropriation account.	\$ -	\$ -	\$ -
Personnel	The Personnel Dept. reports that it is not budgeted for parking validations.	\$ -	\$ -	\$ -
Planning	The Department of City Planning does budget for parking validation expenses and uses its existing Office and Administration Account, to make such purchases. The Department was recently informed by Commuter Options Parking Services that parking lots around the Van Nuys Civic Center would not be available under permit to staff and, therefore, the Department was required to purchase parking validations for the one parking lot under the control of GSD. As such, the Department purchased validation stickers in the amount of \$1,375. There is no balance remaining in unspent funds for this purpose.	\$ -	\$ 1,375	\$ 1,375
Police	The Department reports that it does not have a budget for parking validations. However, over the past 3 years, the Department has spent an average of \$125,000 per year on validations. The costs are absorbed within their budgeted accounts.	\$ 125,000	\$ -	\$ 125,000
PW/Board	The Department reports that it does not purchase or issue parking validations.	\$ -	\$ -	\$ -

Parking Validation Expenditures for 2007-08

DEPARTMENT	RESPONSE	2007-08 Projected Expenditures (As of May 2008)		
		General Fund	Special Funds	Total
PW/Contract Administration	The Department reports that it does not purchase or issue parking validations.	\$ -	\$ -	\$ -
PW/Engineering	No funds are budgeted for parking validations, no sources of funds are allocated for parking validations, and no unspent funds are remaining in BOE's budget for parking validations.	\$ -	\$ -	\$ -
PW/Sanitation	There is no specific amount budgeted for parking validations within the Department. Funds are spent from its existing accounts on an as-needed basis. To date the Bureau has spent \$21,000 in 2007-08 on parking validations. Year End Expenditures are projected at \$25,600.	\$ 21,000	\$ -	\$ 21,000
PW/Street Lighting	The Bureau has no annual budget for parking validations. Parking validations are purchased on an as-needed basis. Total expenditures for the last six years are as follows: 2002-03 (\$2,605), 2003-04 \$0, 2004-05 (\$1,530), 2005-06 (\$2,000), 2006-07 (\$0), and 2007-08 (\$0).	\$ -	\$ -	\$ -
PW/Street Services	The Bureau of Street Services is not budgeted for parking validations; however, BSS spends approximately \$1,000 annually on parking validations. The source of funds used to purchase parking validations is the General Fund. There are no unspent funds remaining in the current fiscal year since BSS is not budgeted for parking validations.	\$ 1,000	\$ -	\$ 1,000
Recreation and Parks	The Department has no line item budget for parking validation. It is necessary to issue parking validation to specific individuals attending Community, Board, and needs assessment meetings at the Garland Building. The department identified internal savings from the Office and Administrative Account to cover this expense. The amount spent this fiscal year is approximately \$13,000.	\$ 13,000	\$ -	\$ 13,000
Transportation	LADOT does not directly provide parking validations, but in 2007-08 \$205,000 was transferred from the Special Parking Revenue Fund to the Library Trust Fund for parking validations. (See Library)	\$ -	\$ 205,000	\$ 205,000
Treasurer	Department reports that it does not validate parking.	\$ -	\$ -	\$ -
Zoo	The Zoo reports that it does not provide or utilize parking validations, nor does the Zoo receive budgeted funds for parking validations.	\$ -	\$ -	\$ -
TOTAL		\$ 197,909	\$ 552,209	\$ 750,118