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CF Nos: 15-0524 and
15-0389

Honorable Members of the
Los Angeles City Council
c/o Office of the City Clerk
Room 395, City Hall
200 North Spring Street
Los Angeles, CA 90012

Honorable Members:

As requested by this Honorable Body, the Department of Neighborhood Empowerment (Department) submits this report on proposed improvements to the Neighborhood Council system in Council Files 15-0524 and 15-0389. As Council File 15-0389 on the ability of Neighborhood Councils (NCs) and its alliances to have sufficient time to speak before City Council is similar to one of the recommendations noted in Council File 15-0524, this report will also address Council File 15-0389 when responding to the requested actions for Council File 15-0524.

The Board of Neighborhood Commissioners (Commission) has taken action on most of the items in Council File 15-0524 as noted in the motion. In the past several months, the Commission has continued to discuss and take public comment on Council File 15-0524. Their concerns are included in this report.

Community Impact Statements

Commission Proposal: City agendas should include the full text of the NCs brief Community Impact Statement (CIS) with links to any background materials that were provided as support. Any time a CIS is removed from a subsequent agenda, the City Clerk will notify the affected NC.

Analysis: NCs have filed over 250 CISs this fiscal year, and these numbers are expected to grow. If the full text of the CIS were included on the City Council's agendas, it would take up a significant amount of space and would require excessive staff time to manually load the full text onto the agenda.

Another issue that NCs have encountered is once they weigh in on Council Files, when related Council Files or sub-files are created, their CISs do not transfer though they may still be relevant, and the NCs are unaware of the subsequent files even if they are subscribed to the original Council File because there is no notification mechanism. The second part of the Commission's proposal addresses this matter. NCs want to be notified that there has been such a change in the Council File so they can request that their CIS be moved or changed if the issue has taken a different path entirely. To make such a change to their CIS, the NC must take

the matter back to the board for a vote so they require as much notice of such changes to the Council File as possible.

Recommendations:

1. Continue with the current CIS process, which lists on the City Council agendas the names of the NCs that filed a CIS and the NCs' positions on that Council File:

- For
- For if Amended
- Against
- Against unless Amended
- No Position (Council File was discussed and acted upon, but the NC could not muster enough votes either way)
- Neutral Position (Council File was discussed and NC decided to take no action at all)

2. Do not include the full CIS text on the City Council agenda. The Office of the City Clerk has offered to place an instruction on the agenda directing those who want to read the full CIS text to the attached Agenda E-Packet PDF, which they already prepare for each City Council agenda.

3. Standardize procedures for the titling of Council Files, i.e. have a naming protocol, and when a sub-file number is added to a Council File in order to be clear so stakeholders can more easily track the issues. The Department has discussed this matter with the Office of the City Clerk, and they are reviewing possible solutions in the current LACityClerk Connect Council File Management System.

NC City Presentation Time

Commission Proposal: Official NC or NC Alliance representatives addressing the City Council, its committees, City Commissions, and boards should be granted up to five minutes of presentation time separate from general public comment, to present the official view of the NC Board or Alliance. NCs should receive priority as City entities and be called for comment before general public comment.

Analysis: NCs are part of the City family, but when NC board members come to advocate their official actions at City Council, committee, commission and board meetings, they are usually asked to provide their feedback during public comment with the rest of the community members for a total of one or two minutes in the order of the public comment speaker cards. As members of the City family, they should be acknowledged as such and given special consideration when they present the official action of their board or alliance.

While there is general consensus between the Commission, Department and Neighborhood Council board members that NCs and NC Alliances be provided sufficient time to present their official actions at City Council, committee, commission and board meetings, there are differing opinions on how to evaluate the NC Alliances' official actions. Under Article I of the Plan for a Citywide System of Neighborhood Councils, Goals and Objectives of the Neighborhood Council System, the second goal is to "promote and facilitate communication, interaction, and opportunities for collaboration among all Certified Neighborhood Councils regarding their common and disparate concerns. Neighborhood Councils may join together in regional and citywide alliances as means to engage in communication, interaction and collaboration."

There are currently eleven active Neighborhood Council Alliances:

Regional

1. Alliance of River Communities (ARC)
2. Harbor Alliance of Neighborhood Councils (HANC)
3. Los Angeles Neighborhood Council Coalition (LANCC)
4. South Los Angeles Alliance of Neighborhood Councils (SLAANC)
5. Valley Alliance of Neighborhood Councils (VANC)
6. Westside Regional Alliance of Councils (WRAC)

Subject Matter

1. Congress of Neighborhoods (NCCongressLA)
2. DWP Advocacy & Oversight (DWPAdvocacy and DWPMOU)
3. Neighborhood Council Budget Advocates (NCBA)
4. Neighborhood Council Sustainability Alliance (NCSA)
5. Plan Check Neighborhood Council (PlanCheckNC)

There are also at least three other NC Alliances that are forming or reviving as well.

Each of these alliances has different rules and procedures for membership and taking official action. Most of the participants who vote at the alliances are not officially sent by their NCs to represent them so the alliance member may vote differently from the NCs position, but they are treated by the alliance as voting for their NC. Some of the alliances, such as WRAC and NCSA, have non-NC members who vote and participate. Several of the alliances have funding accounts with the City, and others want to establish funding accounts.

The benefits of the alliances, however, are also important to note. Alliances can represent a whole region of the City or weigh in as subject matter experts. They can typically act in a quicker manner than NCs because they have fewer legal requirements to meet and thus are more flexibility. It should be noted, however, that the more "official" NC Alliances become, e.g. funding accounts, special recognition or treatment from City Council, etc., the more likely they could become subject to the same legal requirements as NCs.

Understandably, there have been various opinions on the importance of NC Alliance official actions vis-à-vis a NC's official action. At their June 11, 2015 meeting, the VANC proposed that NC Alliance actions be given priority over individual NC official actions because alliances represent regions. On June 17, 2015, the WRAC submitted a letter to Council File 15-0389 requesting that their three non-NC Community Council members, Pacific Palisades, Brentwood and Westwood, be provided the same treatment as NCs and NC Alliances in CF 15-0389. At their June 15, 2015 meeting, the Commission was split on whether "official actions" from NC Alliances should be considered thus if every NC Alliance member did not first go back to their own NCs to get their official action before the NC Alliance voted.

Recommendations:

1. Set aside separate time for any City Council, committee, commission and board meeting after the presentation of the issues for NCs and NC Alliances to provide feedback and ongoing dialogue with the Council, committee, commission and members of official NC and NC Alliance actions, i.e. the representatives were authorize by their NC or NC Alliance to present official actions at the City meeting. This time should be early in the meeting and separate from public comment. If possible, the feedback opportunity should be set up so that NC and NC Alliance representatives "have a seat at the table."

2. Have the presiding officer of the meeting decide how much time to allocate to the NCs and NC Alliances' representatives rather than provide a standard number of minutes for each NC or NC Alliance to speak. This time allowance would depend on the number of NC and NC Alliance representatives present. NCs and NC Alliances should provide notice to the presiding officer as early as possible that representatives will be attending to present on official actions of the NC and NC Alliance so that the presiding officer can prepare accordingly.

3. Have the City Council, committee, commission and board members determine the relevance and priority of a NC or NC Alliance representative's recommendation in the context of the situation. For instance, if a NC Alliance representative's official action contradicts many individual NC's official action in the same regional area, then less weight could be given to the NC Alliance's opinion.

4. Provide clear feedback to NCs and NC Alliances if the City Council, committee, commission and board members do not follow their recommendations.

5. Keep this opportunity to present at the City Council, committee, commission and board meetings exclusively to NCs and NC Alliances providing official NC actions. Given that the NC system is created in the City Charter and that NC board members take ethics, code of conflict, harassment training and are subject to laws so their actions can be open, transparent, inclusive and fair, the Department does not support WRAC's recommendation that their non-NC Community Councils be granted the same rights as NCs in this regard. By doing so, it undermines the NCs' work throughout the City and opens these rights to any community group, homeowner's association and Chamber of Commerce. While these groups and Community Councils are important, NCs were created to serve a unique civic engagement role in the City and should be accorded certain privileges such as this one exclusively.

NC Funding to City Departments

Commission Proposal: NCs should be allowed to provide funds to City departments provided that it benefits NC stakeholders, and the department provides documentation stating the need of such support. The transfer must be accompanied by an MOU, agreement, or form similar to a Neighborhood Purposes Grant.

Analysis: Every year, NCs pay City departments for work in their local communities.

| | FY 2012-2013 | FY 2013-2014 |
|------------------------------------|---------------------|---------------------|
| Community Development Department | \$ 1,800.00 | \$ 900.00 |
| Cultural Affairs Department | \$ 1,500.00 | \$ - |
| Department of Animal Services | \$ 1,500.00 | \$ - |
| Department of General Services | \$ 3,671.38 | \$ 19,025.93 |
| Department of Recreation and Parks | \$ 22,345.13 | \$ 34,891.37 |
| Department of Transportation | \$ 9,000.00 | \$ - |
| Department of Water and Power | \$ 4,220.75 | \$ 3,532.35 |
| Fire Department | \$ 512.00 | \$ - |
| Library Department | \$ 3,126.00 | \$ 9,460.00 |
| Office of the Mayor | \$ 5,000.00 | \$ - |
| Public Works - Street Services | \$ 2,207.95 | \$ 14,686.61 |
| Grand Total | \$ 54,883.21 | \$ 82,496.26 |

The amounts shown do not include payments to non-profits or City electeds for projects which paid the funds to City departments so the total NC funding is likely higher. NCs are paying for equipment or City services from tree trimming to after school programs to security cameras to the Jaws of Life for their communities. This resulted in concern that City departments were finding workarounds for their annual budgets. There were also issues that department management was unaware that front line workers were requesting these items from NCs. This led to disputes in items purchased, such as all terrain vehicles bought for one NC location was moved by the City department to another location outside the NC boundaries.

When reviewing the Plan, NCs chose to maintain this ability to provide City departments for services in their local areas albeit with higher review standards to ensure all levels of the City department are aware of the funding request and terms.

Recommendations:

1. Continue with the current policy, which allows NCs to provide funds to City departments for their local stakeholders.
2. Build in transparency and accountability at the City departments by having managers sign off on the need for the funding and agree that the funding is to be used locally for the NC. There is an opportunity to partner with the Controller's Office to pilot an online submission form for City departments to post their request and state the public benefit prior to the NC approving the funding.

NC Rollover Policy

The Department requests from the City Administrative Office and Chief Legislative Analyst that consideration for the necessary staffing to track and administer any rollover funds policy be included as this function cannot be supported by the Department's current staff.

NC Donation Ordinance

The Department has been working towards re-establishing the previous donation ordinance (No. 179,545 or Los Angeles Administrative Code Section 22.814) in shifting the NC Funding Program to checking accounts so that NCs could ultimately accept and deposit donations themselves. The Office of the City Attorney has stated that the reinstatement of the previous donation ordinance is possible by removing the sunset clause. Given, however, the necessary staffing to administer that ordinance, which was why it was not implemented initially even though the Department had double the staff at that time, the Department requests additional time to review the previous donation ordinance with the Office of the City Attorney to determine where innovations can be achieved as well as the personnel required to implement a more streamlined donation process.

In the meantime, NCs can continue to use the existing process of accepting donations through the City Council.

Department Roles and Responsibilities

The Department requests from the City Administrative Office and Chief Legislative Analyst that consideration be given for our unique mandate and job requirements when analyzing the roles and responsibilities of the Department personnel. The Department has had difficulty recruiting for existing civil service positions because there are fewer promotional opportunities due to the small size of the department, the highly political work and the need for most staff to work evenings and weekends to support NCs. As a result, the Department has had to use exempt positions to fill vacancies instead, but this is difficult due to the citywide exempt position limits.

This current fiscal year, the Department has been unable to fill seven of the 26 allocated positions due to this issue, which has severely limited our ability to support NCs. Next fiscal year, the Department has been provided additional exempt positions to support the NC Funding Program, but will not be able to hire these positions unless provided the exemption authorities.

After meeting with the Mayor's Office, City Administrative Office, City Attorney's Office and the Personnel Department, it was determined that the Department would best be served with more exempt rather than civil service positions. In order to receive the authorization for the Department's exempt positions, the Department is requesting a change to Ordinance No. 183291, which added Section 4.24 to Article 6, Chapter 1 of Division 4 of the Los Angeles Administrative Code and increased the citywide exempt positions by 50. This change would add an additional subsection that would state that this Department, for the reasons stated above, be allowed the necessary number of exempt positions to perform its City Charter functions. These Department exemptions would not be included in the City's current 200 citywide exempt positions. If this change is adopted by City Council, the Department would be able to more easily hire the necessary personnel to support the NC system.

NC Funding Program Efficiencies

The NC Funding Program switched to checking accounts for the first time this year. This switch was due to the complexity of the previous demand warrant system, which often resulted in payments delayed by two to three months because of the required paperwork and limited funding staff. In addition, audits of the NC funding documents, which were submitted quarterly, could not be supported by the staff either.

By switching to checking accounts this year, NCs took over most of the payment, and the Department focused on monitoring the checking accounts, auditing and approving documentation for Neighborhood Purpose Grants (NPG), Community Improvement Projects (CIP), amounts over \$2500 and NC events. Approval of all NC sponsored or co-sponsored events was a new responsibility for the Department this fiscal year and requested by the City Attorney's Office to monitor liability issues.

Half way through the fiscal year, we checked in with NCs and made updates to forms to increase the efficiencies of the process based on their recommendations. We will also be doing an end of fiscal year review with NCs in July to see how else we can improve the funding process. As a result of our efforts, we have seen the following efficiencies achieved this year:

- Reduction in number of documents required for submission prior to payment from more than nine to three or fewer.
- Reduction in turnaround time of processing requests from 60 - 90 days to a current average of 19 days. Target is ultimately three to five business days.
- Reduction in payment of invoices, grants, and expenses from 30+ days to five to seven days from checking account.
- Elimination of paperwork and pre-approval process for operational expenses and most outreach expenses under \$2,500.
- Creation of a streamlined event approval process to ensure liability and risk are properly addressed prior to NC sponsored or co-sponsored events.
- Increased calendar window for NCs to be able to expend funds from July 1 - May 15 to July 1 - June 30.
- Improvements to funding forms including consolidation of multiple forms and locked auto-calculating fields.
- Introduction of online funding training for both NC funding officers as well as general board members to improve the NC side of funding.

- Coordination with the Controller's Office to modernize process for next fiscal year, including allowing digital signatures, scanned receipts, and reducing other paper waste.

In the third quarter, the Department encountered problems with the bank vendor after it changed operations on their side. This delayed the issuance of bank cards, switching funding officers and also resulted in bounced checks. Our staff has worked to resolve these matters as swiftly as possible, but control of such matters was typically out of their hands and with the vendor. We continue to work to resolve ongoing bank issues for the NCs.

For this fiscal year, the NC Funding Program team of three full time regular authority and five part time positions have completed the following work for the 96 NCs:

- Reviewed 139 events and 388 NPGs
- Reviewed 7,506 bank transactions
- Processed 1,447 bank transactions
- Conducted 184 audits
- Brought the compliance rate of NCs for turning in funding reconciliation reports from fewer than half of the NCs to 94 NCs in compliance
- Conducted 22 funding trainings and workshops, with online training availability, training 1,471 board members for a 92.4% compliance rate

Fiscal Impact of Recommendations

There will be an impact to the General Fund should implementation of recommendations which require additional staffing or technology resources be adopted by the City Council. These additional resources may not only be for the Department, but also for the Controller's Office, City Attorney's Office, City Administrative Office and Office of the City Clerk as we rely on them in providing support to the NCs. The Department can make a better determination as to the approximate amount once more information is known as to the direction of the recommendations.

If you have any further questions, please do not hesitate to contact me.

Sincerely,



Grayce Liu
General Manager
Department of Neighborhood Empowerment

