


REPORT OF THE CHIEF LEGISLATIVE ANALYST

April 27, 2009

To: Honorable Members of the
Budget and Finance Committee

From: Gerry F. Miller 
Chief Legislative Analyst

Overview of the 2009-10 Proposed Budget

As requested by your Committee, we have prepared the attached overview of the 2009-10 Proposed Budget, as submitted by the Mayor on April 20, 2009.

If we can be of further assistance in this matter, please let us know.

Attachment: Overview of the 2009-10 Budget
As Submitted by the Mayor

**OVERVIEW OF THE
2009-10 BUDGET
AS SUBMITTED BY THE MAYOR**

**Presented To
Budget and Finance Committee**

**Prepared By
Gerry F. Miller
Chief Legislative Analyst**

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- **General Fund Base Revenue Change (\$-309.06M)**
 - ▶ 2008-09 Budgeted Revenue (\$4,553.67M)
 - ▶ 2009-10 Revenue Estimate (\$4,244.61M)

 - **Obligatory Expenditure Change (\$32.93M)**
 - ▶ 2009-10 Employee Compensation Adjustments (\$30.04M)
 - ▶ Salary Step Plan Changes (\$19.74M)
 - ▶ Full-year Funding for Partially Financed Positions in the 2008-09 Budget (\$32.85 M)
 - ▶ Elimination of Signing Bonus (\$-1.42M)
 - ▶ Deletion of One-time Expense Funding (\$-39.12M)
 - ▶ Deletion of Funding for Resolution Authorities (\$-72.83M)
 - ▶ Deletion of 2008-09 Equipment (\$-9.85M)
 - ▶ Deletion of One-Time Special Funding (\$-1.25M)
 - ▶ 2009 Tax & Revenue Anticipation Notes (\$15.96M)
 - ▶ Capital Finance (\$37.90M)
 - ▶ Human Resources Benefits (\$12.96M)
 - ▶ Judgement Obligation Bonds Debt Service Fund (\$3.00M)
 - ▶ Water and Electricity (\$4.95M)

 - **Continuation of Existing Services in the 2009-10 Proposed Budget (\$78.36M)**
 - ▶ Animal Services- Shelter Operations Staffing (\$1.38M)
 - ▶ City Attorney - Community Law Enforcement and Recovery (CLEAR) (\$1.01M)
 - ▶ City Attorney - Gang and Crime Reduction (\$5.13M)
 - ▶ City Attorney - Legal Support to Proprietary Departments (\$1.92M)
 - ▶ City Attorney - Pitchess Motion (\$1.52M)
 - ▶ City Attorney - Police Related Litigation (\$2.27M)
 - ▶ Controller- Payroll System Replacement (PaySR) (\$1.00M)
 - ▶ Fire - Emergency Medical Service (EMS) Captains (\$1.42M)
 - ▶ Fire - Homeland Security Plan Enhancement (Phase II) (\$1.71M)
 - ▶ Fire - Network and technology Infrastructure (\$1.24M)
 - ▶ Fire - Recruit Training Program (\$4.03M)
 - ▶ General Services - Full Funding 2008-09 New City Facilities (\$7.19M)
 - ▶ General Services - Office of Public Safety (\$1.57M)
 - ▶ ITA - Payroll System Replacement Support (\$1.68M)
 - ▶ ITA - Public Safety System Project (\$2.74M)
 - ▶ ITA- Supply Management System Support (\$1.55M)
 - ▶ Library - Expanded Service Hours (\$1.05M)
 - ▶ Personnel - Public Safety Bureau Staffing (\$3.74M)
 - ▶ Planning - Case Processing Workload (\$1.19M)
 - ▶ Planning- Expedited Case Processing (\$1.20M)
 - ▶ Planning - New Community Plan Program (\$1.04M)
 - ▶ Police - Audit Division (\$1.06M)
 - ▶ Police - Continued DNA Analysis Staffing (\$1.53M)

Mayor's Budget Shortfall

\$-528.72*

- ▶ Police - Management Systems Re-Engineering (\$1.60M)
- ▶ Bureau of Contract Administration - Port of LA Inspection and Compliance Program (\$1.73M)
- ▶ Bureau of Street Services - Sidewalk Access Ramps (\$1.63M)
- ▶ Bureau of Street Services - Slurry Seal (\$2.37M)
- ▶ Transportation- Busiest Intersection Congestion Relief (\$1.06M)
- ▶ Transportation - Preferential/Overnight Parking Districts Support (\$1.04M)
- ▶ Other (\$20.76M)

- Other Changes and Adjustments (\$108.37M)
 - ▶ Library - Contractual Services Account Adjustment (\$10.93M)
 - ▶ Police - Reduction in Special Fund Revenue (\$8.30M)
 - ▶ Recreation and Parks - Contractual Services Account Adjustment (\$14.02M)
 - ▶ Transportation - Miscellaneous Adjustments (\$23.16M)
 - ▶ General City Purposes (\$22.81M)
 - ▶ Liability Claims (\$9.00M)
 - ▶ Unappropriated Balance (\$13.67M)
 - ▶ Other Special Purpose Funds (\$5.62M)
 - ▶ Other (\$0.86M)

TOTAL BUDGET DEFICIT \$-528.72M

BUDGET BALANCING ACTIONS

- **New/Expanded Revenue Proposed for 2009-10 (\$24.22M)**
 - ▶ Building and Safety Department Fees (\$0.88M)
 - ▶ Fire Department Fees (\$3.06M)
 - ▶ Planning - Fee Increase (\$4.00M)
 - ▶ PW Engineering - Fee Increase (\$0.10M)
 - ▶ Other - AB1290 Revenue (\$10.00M)
 - ▶ Other - Filming Fees (\$0.18M)
 - ▶ Other - Sale of Surplus Property (\$3.00M)
 - ▶ Other - Santa Monica Parkway Closeout (\$3.00M)

- **Special Fund Revenue that Offsets General Fund Expenditures for 2009-10 (\$175.37M)**
 - ▶ Power Revenue Transfer (\$29.00M)
 - ▶ Special Parking Revenue Fund- Transfer to General Fund (\$146.37M)

- **Efficiencies/Reductions Included in the 2009-10 Proposed Budget (\$-80.66M)**
 - ▶ Building and Safety - Staffing Adjustments (\$-1.45M)
 - ▶ City Attorney - City Attorney Five Percent Budget Reduction (\$-4.47M)
 - ▶ Council - Miscellaneous Reductions (\$-1.47M)
 - ▶ GSD - Additional Fleet Reduction (\$-2.74M)
 - ▶ GSD - Alterations and Improvements Program (\$-1.08M)
 - ▶ GSD - Building Maintenance (\$-1.60M)
 - ▶ GSD - Custodial Reduction at Various Facilities (\$-0.87M)
 - ▶ GSD - Enhanced Vapor Recovery Phase II (\$-3.72M)
 - ▶ GSD - Parts Account Reduction (\$-0.56M)
 - ▶ GSD - Petroleum Account (\$-4.48M)
 - ▶ GSD - Procurement Services for Various Departments (\$-1.08M)
 - ▶ GSD - Reorganization of Asset Management Functions (\$-0.69M)
 - ▶ GSD - Street Resurfacing Fleet Support (\$-0.52M)
 - ▶ GSD - Street Resurfacing Standards Support (\$-0.97M)
 - ▶ ITA - 3-1-1 Call Center (\$-1.01M)
 - ▶ ITA - Communications Services Efficiencies (\$-0.90M)
 - ▶ ITA - Enterprise Systems Staff (\$-1.66M)
 - ▶ ITA - Expense Account Reductions (\$-0.94M)
 - ▶ ITA - Network Engineering Staff Reductions (\$-0.84M)
 - ▶ ITA - Office Systems Support Staff (\$-0.69M)
 - ▶ ITA - Public Safety Communications Staff (\$-1.16M)
 - ▶ Library - Library Book Reduction (\$-1.61M)
 - ▶ PW Engineering - Municipal Facilities Program (\$-1.03M)
 - ▶ PW Engineering - Privately Financed Program (\$-0.89M)
 - ▶ PW Engineering - West Los Angeles District Office Consolidation (\$-0.60M)
 - ▶ PW Street Services - Contract Tree Trimming (\$-1.20M)
 - ▶ PW Street Services - Regular Sidewalk Repair (\$-3.90M)
 - ▶ PW Street Services - Street Resurfacing and Reconstruction (\$-2.51M)
 - ▶ Recreation and Parks Reductions (\$-8.11M)

- ▶ Transportation - Enforcement and Traffic Control (\$-1.14M)
- ▶ Transportation - Expense Funding Reductions (\$-0.77M)
- ▶ Transportation - Franchise and Taxi Regulation Staffing (\$-0.50M)
- ▶ Transportation - General Administration Support (\$-1.35M)
- ▶ Transportation - Left-Turn Arrows and New Signals (\$-3.36M)
- ▶ Transportation - Signal Installations and Resurfacing Field Ops (\$-2.09M)
- ▶ Transportation - Special Events Overtime (\$-4.00M)
- ▶ Transportation - Traffic Control Devices Staffing (\$-1.30M)
- ▶ Transportation - Traffic Control Planning Staff (\$-1.02M)
- ▶ Other (\$-12.38M)

- **Other Changes and Adjustments (\$-271.61M)**
 - ▶ General Services - Construction Forces Administrative Staff (\$-1.16M)
 - ▶ General Services - Deletion of Vacant Positions (\$-9.53M)
 - ▶ Treasurer - Bank Service Fees (\$-1.58M)
 - ▶ CIEP - Municipal Facilities (\$-3.69M)
 - ▶ General City Purposes (\$-.57M)
 - ▶ Shared Responsibility and Sacrifice (\$-231.13M)
 - ▶ Other Special Purpose Funds (\$-20.17M)
 - ▶ Other (\$-3.78M)

- **Increased Services in the 2009-10 Proposed Budget (\$17.84M)**
 - ▶ Finance - Audit Penetration Rate (\$0.95M)
 - ▶ Police - Increased DNA Analysis Staffing (\$2.47M)
 - ▶ Police - New Metropolitan Detention Center Staffing (\$1.44M)
 - ▶ Police - Police Hiring (\$5.38M)
 - ▶ Recreation and Parks - As-Needed Salary Adjustment (\$2.60M)
 - ▶ Recreation and Parks - New and Renovated Facilities (\$1.32M)
 - ▶ Other (\$3.68M)

- **New Services/New Facility Expenses in the 2009-10 Proposed Budget (\$5.30M)**
 - ▶ General Services - 2009-10 New City Facilities (\$3.15M)
 - ▶ Police - New and Replacement Facilities (\$1.81M)
 - ▶ Other (\$0.34M)

TOTAL BUDGET BALANCING ACTIONS \$528.72M

[*Estimate based on information from various sources.]

SIGNIFICANT ISSUES

2009-10 AND FUTURE YEARS

The Mayor's 2009-10 Proposed Budget is balanced mostly with new revenue proposals that have been discussed only in concept or are subject to outside approval, and yet to be determined expenditures cuts which are dependent on negotiations with labor unions. Major components of the Mayor's solutions to close the structural budget gap of \$529M include the following:

- ▶ "Shared Responsibility and Sacrifice" (SRS) initiative requires negotiation with labor unions. SRS is relied upon to produce savings of \$231M - the equivalent of approximately 2,800 employees. It has been reported that the Mayor is currently in negotiations with labor unions to mitigate the potential for layoffs with alternative reduction options.
- ▶ Public-Private Partnership Involving Parking Assets - The Mayor proposes a net \$80M from this transaction, which would need to gross \$172M. This concept has only been recently discussed by Council committees and staff was instructed to explore this revenue option. Councilmembers expressed less concern about moving forward on exploring this option for parking lots, but were not as receptive to parking meters. In addition, market conditions have changed since the original estimates were made and it is not certain that, should the City approve a partnership in the future, the necessary revenues will be generated.
- ▶ The Mayor's Proposed Budget balance is also predicated on an increased power revenue transfer which must be approved by the DWP Commission. The Proposed Budget anticipates an additional \$28M for 2008-09 plus \$29M for 2009-10.
- ▶ Proceeds from surplus property sales - Another component of the Mayor's budget balancing solution recognizes 100 percent of proceeds from as-yet unauthorized sales of real property, in the amount of \$3M, presuming the continued deposit of 100 percent of sales proceeds to the General Fund, rather than returning to the historical practice of allocating proceeds 50/50 with council district real property trust funds, as provided in the ordinance adopted in conjunction with the 2008-09 Budget.
- ▶ Stormwater Pollution Abatement Charge Increase - Additional revenue of \$29M from an increased Stormwater Pollution Abatement Charge (SPA) has also been recognized, but implementation is subject to the approval of impacted property owners. In order to meet the County's August 2009 deadline for including this increased fee in the upcoming property tax rolls, the Mayor's Office is proposing to expedite the Proposition 218 approval process.

It is important to note that a significant portion of the proposed budget balancing solutions are not permanent reductions to the City's payroll, which includes not only salaries and overtime but also bonuses, benefits and pensions. Labor costs comprise nearly 90 percent of the City's budget. Absent permanent reductions to on-going labor costs in 2009-10, the CAO's Three-Year Budget Outlook projects that there will be a \$1.0B shortfall in 2010-11, growing to \$1.12B in 2011-12. A \$1.0B shortfall represents approximately 25 percent of the General Fund budget, virtually impossible to overcome without major reductions including layoffs of sworn personnel.

Much of the budgetary shortfall for 2009-10 results from declining revenue and increasing obligatory costs, primarily salaries. However, the projected shortfalls for 2010-11 and 2011-12 largely result not only from increased salaries but from a combined increase in payments for sworn and civilian pensions in the amount of \$572M in 2010-11 and \$125.2M in 2011-12. The shortfalls projected for 2010-11 and 2011-12 highlight the urgent and critical need for permanent, on-going labor cost reductions which must be implemented to take effect in early 2009-10.

The City's annual payments for sworn and civilian pensions are tied to the number and salary level

SIGNIFICANT ISSUES

of active employees. The Proposed Budget includes 200 regular and 186 resolution positions which are new, not continuing authorities. Although some of these positions may be essential, hiring new, ongoing positions will only exacerbate the looming shortfall. Critical workload, as determined by the policymakers, should be filled to the extent possible with existing positions. The City cannot afford its current positions, much less the added costs of new positions. Immediate action must be taken to reduce on-going labor costs to soften the inevitable budgetary impact. The Council and the Mayor cannot control the condition of the economy and the pace at which the economic recovery reaches the City of Los Angeles. The 2009-10 budget must, therefore, reduce on-going expenditures.

- **Shared Responsibility and Sacrifice:** The Mayor's Proposed Budget includes a "Shared Responsibility and Sacrifice" (SRS) line item in all departmental and nearly all special fund budgets which equates to a reduction of \$231M or 10 percent from the General Fund portion of the 2008-09 Adopted Budget. In addition, equivalent reductions were made to Special Fund budgets totaling approximately \$57M. The SRS line item is in addition to a multitude of other reductions in departmental budgets.

The SRS reduction to departments is identified in dollar amounts and the equivalent number of position reductions, but does not specify the number and classification of positions which would be eliminated. The General Fund portion of the SRS equates to approximately 2,800 positions.

In Exhibit H of the Proposed Budget there is an instruction to the CAO to prepare a report to the Executive Employee Relations Committee (EERC) with recommendations to mitigate some of the over 2,800 layoffs that may result from the implementation of the Mayor's Proposed Budget. This instruction states that changes should include, but not be limited to, the following menu of options:

- ▶ Reform the City's retirement system, such as increasing employee contribution rates;
- ▶ Defer or eliminate Cost of Living Adjustments contained in current labor agreements;
- ▶ Defer or eliminate Special Adjustments to salaries for specified employees;
- ▶ Implement work furloughs;
- ▶ Implement no-pay holidays;
- ▶ Change all bonuses to flat amounts rather than percentage of salary;
- ▶ Defer or eliminate compounding bonuses;
- ▶ Defer or eliminate bonuses that are no longer necessary;
- ▶ Eliminate/reduce Injured on Duty window;
- ▶ Reduce Fair Labor Standards Act overtime exemption threshold;
- ▶ Reform mileage payment process/formula;
- ▶ Freeze salary step movement;
- ▶ Change health care plan provisions; and
- ▶ Change overtime calculations to reflect actual work hours.

There is concern with the SRS as proposed and the above options for the following reasons:

- ▶ There is an extremely limited time before July 1, 2009 is upon us and many, if not most, of the above options require negotiation with labor to approve and implement. Therefore, the budgeted savings may not be realized by July 1, requiring additional reductions, the longer we get into 2009-10 without offsetting savings.

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- ▶ A number of the above options do not produce on-going (structural) savings; they are one-time only unless a future decision is made to continue.
- ▶ Some options do not permanently reduce the salary base; therefore, pension contributions are not reduced.
- ▶ According to the Personnel Department, if layoffs are necessary to realize the budgeted savings, several months will be necessary to determine the “bumping” rights of the affected employees. Accordingly, lay-off of 2,800 employees likely will not occur on July 1 and budgeted savings may be overstated, unless other salary reduction actions are implemented which can generate equivalent savings beginning July 1.

The Mayor’s Proposed Budget recognizes the possibility that layoffs will be necessary. Since the layoff procedure is lengthy, the City should take steps now to begin the process in order to mitigate the number of layoffs needed to achieve the budgetary savings, in the event labor negotiations are unsuccessful. SRS savings will not be achieved if the City does not move forward quickly. The Proposed Budget anticipates full year savings from 2800 employees, but given the layoff process, it is likely that more layoffs would be needed to generate the budgeted savings

- **Early Retirement Incentive Program:** An early retirement incentive program (ERIP) has been put forth by labor as a way to reduce the City’s labor cost. The EERC has authorized the CAO to negotiate with labor for an ERIP. Should the Council and Mayor approve an ERIP during 2009-10, it is imperative that it be carefully designed so that the objective of reducing labor costs in the near term is achieved with the least amount of cost impact in the long term. Critical to the cost determination is who will qualify for the ERIP, the number of years offered, and the backfill of vacated positions. To the extent possible ERIP should be targeted such that vacated positions will not be backfilled. Backfilled positions eliminate the savings achieved from the ERIP. It is also important to note that pension contribution impact of a 2009-10 ERIP will not occur until 2011-12, nearly two years after being offered since the City’s contribution is based on an actuarial assessment from the prior fiscal year.
- **Police Sworn Hiring: Police Hiring Plan and Federal Economic Stimulus Funding:** The Proposed Budget adds funding to increase sworn staffing by a net 40 officers, based on an estimated attrition of 520. It is projected that the LAPD sworn deployment will be 9,960 at the end of 2008-09, and that 10,000 officers will be achieved in the recruit class of early July 2009. The Proposed Budget establishes 10,000 officers as the base line “maintenance of effort” (MOE) from which Federal Stimulus Funding would be used to hire additional officers. Due to the additional fiscal challenges on the Pension System when new officers are hired, in addition to the economic outlook for the next few years, the City may not be able to fund a sufficient number of officers to achieve the 10,000 MOE. Under this situation, the City would be unable to access Federal Stimulus Funding. Assuming that this MOE is achieved, the 10,000 officers may not be sustainable due to the fiscal impact.

Accordingly, every effort should be made to ensure that the MOE level is set at a realistic funding level to ensure access to Stimulus Funding. Further, in light of the City’s fiscal situation extreme caution should be used in making the decision to expand the number of police officers and increasing on-going labor costs, since the City will be facing layoffs of many existing employees in an effort to reduce on-going costs in 2009-10 and beyond.

- **Special Parking Revenue Fund (SPRF) Transfer & Parking Concession:** The Proposed

SIGNIFICANT ISSUES

Budget would extend to June 30, 2010 the expiration date of the Los Angeles Administrative Code provision that provides for the collection and expenditures related to the SPRF. This provision allows the City Council to declare a surplus in the SPRF and transfer the amount to the Reserve Fund after providing for the payment of debt service and the cost of operations and maintenance for another year. The Proposed Budget assumes a net surplus transfer to the Reserve Fund of \$146.37M. The Proposed Budget states that a surplus determination can be made after providing for the payment of debt service and the cost of operations and maintenance.

The net surplus is contingent upon \$172.36M to be generated from a parking concession agreement through a public private partnership (P3), the sale of the Mangrove Property (\$44M), the sweeping of existing funds from various projects, and the swapping of \$2M in restricted bond proceeds with 2009-10 debt service appropriations. The Mayor's Office envisions a P3 transaction whereby the City would sell the right to operate certain City-owned parking garages in return for up front payment of all or a portion of the value of that long-term concession agreement. After defeasance of all Series 1999-A bonds that were issued for the Hollywood-Highland project (\$64M) and all Series 2003-A bonds that were issued for the Mangrove Estates project (\$28M), \$80M in net revenues remain. Absent the P3 transaction, the Mangrove property sale, and the fund swap, the 2009-10 surplus would be \$20.3M.

This P3 proposal is in its early stages of development. Council action is pending to authorize an independent financial advisor contract to determine if the proposed P3 transaction would be in the best interest of the City. Since a financial advisor report has not yet been considered, it may be premature to program this revenue.

POLICY CONSIDERATIONS

- Compliance With Financial Policies:** In the CAO's Supporting Information for the Budget and Finance Committee, the CAO reports on the 2009-10 Proposed Budget in comparison with the following areas of the City's Financial Policies:

City Financial Policies		Mayor's Proposed Budget
Reserve Fund	The Reserve Fund shall be 5% of the General Fund Budget. The policy provides for a phasing-in period and requires increasing the percentage deposited into the Reserve Fund beginning in 2006-07.	Reserve Fund rate is 4.25% of General Fund revenues, as compared to 4.23% for 2008-09 Adopted Budget. However, this level may be temporary as it is dependent on the parking P3 transaction as well as an escheatment from the Fire Hydrant Installation and Main Replacement Fund. (See discussion on the Reserve Fund.)
Capital & Infrastructure	To the extent possible, the City shall annually budget 1% of General Fund revenue to fund capital or infrastructure improvements.	Provides 0.21% of General Fund revenue for capital and infrastructure projects (\$9.12M). A 1% investment would require an additional \$35.32M to be appropriated to capital or infrastructure improvements.

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<p>One-Time Revenue</p>	<p>To the extent possible, current operations will be funded by current revenues. The use of unencumbered prior year balances in all funds shall be scrutinized and carefully limited to be used primarily for one-time expenditures. One-time revenues will only be used for one-time expenditures.</p>	<p>A total of \$171.52M in one-time revenue/cash from deferred payments, is programmed in 2009-10. \$162M in one-time revenues consisting of Special Parking Revenue Funds and AB 1290 revenues to be transferred to the General Fund (\$146M and \$10M, respectively), Sale of Surplus Property (\$3M), and revenues from the Santa Monica Transit Parkway Closeout (\$3M) are used to fund one-time expenditures in the amount of \$53.82M. An additional \$9.52M will be made available through one-time expenditure deferrals: Board of Public Works deferrals including Accounting Reduction, Personnel Services, Community Beautification, Project Restore Director, and Operational Efficiency (\$-0.85M), Bureau of Street Services Street Resurfacing and Construction (\$-2.51M), City Attorney and Controller Five Percent Budget Reductions (\$-4.47M and \$-0.82M, respectively), City Clerk General Administration/Support Adjustment and Council/Public Services Fund Adjustments (\$-0.38M), and Information Technology Agency Communications Services Efficiencies (\$-0.50M). Therefore, there is an excess of \$117.7M in one-time financial resources budgeted for ongoing expenditures.</p>
<p>Pension and Retirement Funding</p>	<p>When the required contribution rate falls significantly below the normal cost rate, the City will set aside the incremental rate amount for one-time expenditures only.</p>	<p>A credit has not been earned; therefore funding is not set aside in accordance with this policy.</p>

- **One Time Revenue/Expenditure Deferral:** The Supporting Information to the Budget and Finance Committee states that the Proposed Budget includes \$162M in one-time revenue and \$53.82M in one-time expenditures, and \$-9.52M in one-time expenditure deferrals. As a result, the one-time revenue included in the Proposed Budget exceeds net one-time expenditures by \$117.7M. The use of one-time sources of revenue and cash from deferred payments should be considered very cautiously as the economic downturn will limit growth of on-going sources of revenue. See also the following section in this report on policy considerations and the One-time Revenue Financial Policy.

 - **One Time Revenue** includes funds from the Special Parking Revenue Fund (\$146M) to reimburse the General Fund for eligible costs, which is a continuation of the policy first adopted in 2008-09 and scheduled to sunset on June 30, 2008 unless extended by Council; sale of surplus real property (\$3M); transfer of all new and future AB 1290 funds from the CRA; and funds from the Santa Monica Transit Parkway Closeout (\$3M). Transfer of

SIGNIFICANT ISSUES

Special Parking Revenue Funds and AB 1290 funds may not be possible without impacting some current and future projects.

- ▶ **One-Time Expenditure Deferrals** include one-time savings from efficiencies, and one-time budget reductions in the following departments and bureaus that will become obligatory expenditures in 2010-11: Public Works Board (\$0.85M) for reductions in Office of Accounting, Personnel Services, Community Beautification, Project Restore and for operational efficiencies; PW Bureau of Street Services (\$2.51M) for street resurfacing and reconstruction; City Attorney (\$4.47M) representing a general five percent budget reduction; City Clerk (\$0.38M) resulting from Council and Public Services fund adjustments and General Administration and Support Adjustment; Controller (\$0.82M) representing a five percent budget adjustment; and ITA (\$0.5M) efficiencies in Communications Services.
- ▶ **One-Time Expenditures** include \$58.82M for the following: PW Bureau of Street Services (\$1.63M) for sidewalk access ramps and (\$2.37M) for slurry seal; City Clerk (\$0.06M) for the census project; Controller (\$1M) for the Payroll System Replacement Project; Fire Department (\$0.62M) for ambulance billing, (\$0.40M) for an automatic vehicle locator system, (\$0.20M) for E-commerce, and (\$0.32M) for resource deployment software; ITA (\$2.40M) for the Public Safety System project; Police (\$1.60M) Management Systems Re-Engineering, (\$0.30M) Mobile Data Computer warranty, New and Replacement facilities (\$1.76M), increased DNA Analysis (\$1.50M), and Police Hiring (\$1.79M); Personnel (\$0.20M) On-line Civil Service Testing; Capital Improvement Expenditure Program (\$7.49M); and Unappropriated Balance (\$30.13M).
- **AB 1290 Funds:** The Council adopted a policy which permits the Community Redevelopment Agency to retain AB 1290 Tax Increment funds for use in the project area or Council District in which they were generated. The Mayor has again proposed a major policy shift to transfer AB 1290 funds generated in 2009-10 and beyond, in addition to any carryover funds from 2008-09, to the General Fund. This transfer was proposed in 2008-09 Proposed Budget and was rejected by the Council. The impact in 2009-10 will be \$10.0M; the impact in subsequent years will determined by the amount of property tax revenues generated in project areas.
- **Surplus Property:** The 2009-10 Proposed Budget anticipates the sale of surplus real property to generate \$3M in one-time revenues, but does not include specific details as to the properties to be sold. Exhibit H includes an instruction requesting the City Attorney to draft an ordinance to continue to deposit 100 percent of the proceeds from the sale of surplus real property into the General Fund. Prior to the 2008-09 fiscal year, the net proceeds from the sale of surplus real property were split evenly between the General Fund and the Council Offices' respective Real Property Trust Funds. That policy, however, was suspended for one year as part of the 2008-09 Adopted Budget. This year's 2009-10 Proposed Budget recommends making that change permanent, require 100 percent of the net proceeds from all surplus real property sales, including proceeds which would otherwise have been deposited into the Venice Real Property Trust Fund would now be deposited into the General Fund.
- **State Budget Impact:** In an unusual divergence from past practice, the State has already adopted a budget for 2009-10. This was prompted by a fiscal emergency involving an estimated budget deficit of \$42 billion. After significant and sustained negotiations, the State legislature agreed on a combination of program cuts and revenue enhancements to close the budget deficit that were approved by the Governor. The most significant outcome for the City is that

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Proposition 1A (2004) provisions were not suspended. This means that the City will receive its entitled property and sales tax revenues.

These revenues, however, may not be entirely safe. The balancing act in the 2009-10 State budget relies upon passage of several measures on a special Statewide election on May 19, 2009. Proposition 1A (2009), in particular, provides that certain tax increases approved in the budget would be extended beyond two years. Concern has been raised that if this measure fails and with no place to turn, the legislature would be forced to suspend the provisions in Proposition 1A (2004) and withhold local sales and property tax revenues. Nevertheless, this is not a foregone conclusion because the legislature and Governor could, on their own accord, extend these taxes in the event that Proposition 1A (2009) fails. Passage of Proposition 1A (2009), however, provides additional breathing room in State finances and reduces the likelihood that local revenue protections would be suspended.

REVENUES

- **Measure R:** In November 2008, Los Angeles County voters approved the imposition of an additional one-half cent sales tax over 30 years for improvements. The Los Angeles County Metropolitan Transportation Authority (Metro) will administer Measure R funds on behalf of the County. Collection of Measure R sales tax receipts begin July 1, 2009 and the first disbursement of funds to the City is expected in December 2009/January 2010. The City receives Local Return Funds, which is based on the City's percentage share of the population in Los Angeles County. These funds can be used for major street resurfacing, rehabilitation and reconstruction, pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit services. According to estimates, in the first year of funding, the City will receive \$20.84M in Local Return Funds, with a full year allocation of \$35.53M in 2010-11. In addition, the City receives an allocation from a 20 percent share of the revenue collected for transit capital and operations, which is expected to be \$1.75M for 2009-10.

It is expected that Metro will soon issue program guidelines for Measure R funds, however, they have clearly stated that monies must be used to augment, not supplant, other City transportation programs. The Proposed Budget sets aside \$17.67M to front-load the local match requirement for Metro's Measure R projects in the City of Los Angeles and \$3.17M for the Bureau of Street Services to augment both the City Sidewalk Access Ramp construction program (\$1.72M) and the City Bus Pad and Bus Stop Improvement construction program (\$1.45M). The Proposed Budget also establishes the Measure R Bus Operations Fund to support the City's transit programs and states that the Department of Transportation, working with the Mayor, the Council and the City Administrative Officer, will provide a plan for the use of these funds during 2009-10.

- **Stormwater Pollution Abatement Fund:** 1990, the City adopted a Stormwater Pollution Abatement (SPA) Charge to impose a fee on all properties to generate revenue to treat and abate stormwater under the US EPA's guidelines for stormwater runoff. The State of California Regional Water Quality Control Board (Regional Board) also regulates treatment and abatement of stormwater runoff through the issuance of a National Pollutant Discharge Elimination System (NPDES) permit administered through the County of Los Angeles, and through the establishment of Total Maximum Daily Load (TMDL) standards. The 2009-10

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Proposed Budget provides \$0.07M to renew the City's NPDES permit, as well as its Los Angeles San Gabriel Watershed permit, and also provides \$0.40M for non-capital expenses to maintain compliance with the NPDES permit.

The City's SPA charge has not been adjusted since 1993, however, the Mayor has proposed to increase this charge as part of his 2009-10 Proposed Budget. The Proposed Budget anticipates an increase in the SPA charge from its current level of \$1.92 per month (\$23.04 annually) to \$3.93 per month (\$47.16 annually) in 2009-10, and projects that SPA Funds will increase by \$29M, from \$28.6M in 2008-09 to \$57.6M in 2009-10. Pursuant to Proposition 218, however, voter approval is required before this increase can be implemented. The Mayor's Proposed Budget also anticipates further incremental increases in subsequent years, such that by 2013-14, the SPA charge will rise to \$8.25/month (\$99.00 annually for a typical single family residence). In order to generate the revenue anticipated by the Mayor, a decision to submit the SPA charge increase before the voters must take place prior to Council's consideration of the 2009-10 Proposed Budget, and must then be approved by a majority of the impacted property owners.

The Proposed Budget specifies \$58.8M in expenditures to fund Clean Water Initiative projects and to help the City to meet the State Regional Water Quality Control Board's TMDL standards. Appropriations are also proposed to cover the City's Operational and Maintenance cost for projects implemented through Proposition O, and to reimburse the General Fund for the cost of stormwater-related activities.

- **Fee Increases:** A variety of fee increases are recommended in the 2009-10 Proposed Budget, including the following:
 - ▶ **Department of Building and Safety:** The Department of Building and Safety would be authorized to increase fees for non-compliance, for a total revenue increase of \$0.88M
 - ▶ **Planning Department:** The Department would be authorized to increase Planning and Land Use Fees, resulting in \$4M in additional revenue.
 - ▶ **Board of Public Works:** The Board of Public Works, Bureau of Engineering would be authorized to take actions necessary to increase fees under the jurisdiction of the Board to meet revenue projections for the Bureau of Engineering, for a total revenue increase of \$0.1M
 - ▶ **Fire:** Increase filming fees and establish new fees for Brush Clearance Initial Inspection, Brush Clearance Reinspection and Industrial Building Inspection. These adjustments are expected to generate an additional \$3.24M

Zoo: The General Services Department and City Administrative Officer and the City Attorney are instructed to complete a study on the feasibility of implementing a parking fee at the Los Angeles Zoo and report with the necessary Ordinance to implement the new fee,
- **Property Based Revenue:** Property-related revenues comprise one-third of all General Fund receipts. The Los Angeles housing market has been very volatile. In addition, the national credit markets have deteriorated reducing liquidity to the country and the world. Assessed valuations grew at a 10 percent rate between 2006 and 2008 and were still growing at an eight percent rate in 2009; but for 2010, the assessor projects valuations will decline by more than three percent. Because of this decrease in valuations, a falling collection rate and removal of one-time monies from the tax base, the Proposed Budget anticipates that property tax revenues will fall by nearly seven percent in 2009-10. Perhaps the most volatile tax for the City is the Documentary Transfer Tax. This tax generated \$217M as recently as 2005-06, but is only

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estimated at \$90M for 2008-09. Real estate prices are expected to continue to fall, which will create more opportunity for buyers and increase the volume of real estate sold. The Proposed Budget projects that the cross currents in the local real estate market will keep Documentary Transfer Tax revenue in the range of \$100M through 2009-10.

- **DWP Revenue Transfer:** The transfer from the Power Revenue Fund continues to be based on a percentage of prior-year gross operating power revenue, not to exceed net income. It is our understanding that the 2009-10 Proposed Budget anticipates a one percent increase in the Power Revenue Transfer (as indicated in a footnote in the Reserve Fund page of the Proposed Budget), from 7 percent to 8 percent, which is projected to be \$230M for 2009-10. Approval is required from the Board of Water & Power Commissioners to adjust the transfer rate; however, the Board has yet to consider this action. The proposed one percent adjustment in the rate will result in an additional receipts of \$28M for 2008-09 and \$29M for 2009-10.

As in the last few fiscal years, there is no Water Revenue Transfer anticipated in the 2009-10 Proposed Budget. When the State Supreme Court found that metered charges by a public agency for water consumption are subject to Proposition 218 requirements as "property-related" fees, the City undertook an effort to validate its position that Proposition 218 requirements were met when voters approved the revised Charter in 1999. That validation effort was recently overruled when the Los Angeles Superior Court, on March 25, 2009, issued a tentative ruling that "Proposition 218 prohibits the City and its Department of Water and Power from transferring surplus revenue derived from water service fees to the City's Reserve Fund, General Fund, or any other fund for expenditure on non-water related purposes" voiding the City's \$29.9M proposed transfer for 2006-07. The City is currently considering its legal options.

- **Reserve Fund:** The 2009-10 Proposed Budget projects a \$188.98M Reserve Fund on July 1st, consisting of a \$122.22M Emergency Reserve and a \$66.76M Contingency Reserve. This equates to 4.25 percent of General Fund revenues. The 2008-09 Adopted Budget Reserve Fund was \$192.68M, which equated to 4.23 percent of General Fund revenues. However, due to budget shortfalls and delayed revenue receipts, the actual Reserve Fund on July 1 was \$165.73 or 3.73 percent of the General Fund. The proposed 2009-10 Reserve Fund exceeds the actual 2008-09 Reserve Fund, but is less than the Adopted Budget. The City's Reserve Fund Policy provides for a phase-in of increasingly larger percentages of the General Fund to be deposited into the Reserve Fund, to reach a goal of five percent of General Fund revenues within ten years. It is anticipated that the Reserve Fund will close 2008-09 with a cash balance of \$209.52M. The following chart illustrates the state of the Reserve Fund for the past five years:

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	Actual	Actual	Actual	Actual	Proposed
	2005-06	2006-07	2007-08	2008-09	2009-10
Contingency Reserve	\$77.5M	\$73.9M	\$13.9M	\$40.5M	\$66.8M
Emergency Reserve	<u>\$78.9M</u>	<u>\$108.4M</u>	<u>\$122.0</u>	<u>\$125.2M</u>	<u>\$122.2M</u>
Total on July 1 of FY	\$156.4M	\$182.3M	\$135.9	\$165.7M	\$189M
% of General Fund	4.02%	4.20%	3.06%	3.73%	4.25%
Amount Transferred to Balance the Budget	\$295.3M	\$231.3M	\$85.8M	\$0	\$0

In June 2007, the Council increased the minimum Emergency Reserve Account to 2.75 percent, with the remainder to be allocated to the Contingency Reserve Account, in furtherance of the Financial Policies. The Emergency Reserve Account of \$122.2M in the Proposed Budget equates to 2.75 percent.

Similar to last year's budget, the 2009-10 Proposed Budget does not rely on a Reserve Fund transfer, as had been the case in prior years. These transfers previously averaged \$107.96M annually. The Reserve Fund is considered a one-time revenue source.

It is especially important to note that, while the July 1st balance is not impacted, the health of the Reserve Fund *during 2009-10* can be seriously impacted by two transactions contemplated in the Proposed Budget. The Special Parking Revenue Fund will transfer about \$146M in surplus funds during 2009-10, which will in turn be disbursed to balance the budget. This surplus is contingent on the parking P3 transactions and a number of other actions described in the Special Parking Revenue Fund discussion in this report. In addition, the Proposed Budget anticipates the escheatment of about \$28M from the Fire Hydrant Installation and Main Replacement Fund. As of yet, no details have emerged with regard to this action. If these two transactions are not completed, the Reserve Fund balance could drop to \$15M.

EXPENDITURES

- **Efficiencies/Reductions/Other Changes and Adjustments:** In addition to the Shared Responsibility and Sacrifice reductions already discussed, the Mayor's Proposed Budget includes an additional \$80.70M in reductions and efficiencies affecting a wide variety of programs and \$-40.50M in other changes and adjustments. A few of note include: A five percent reduction of the City Attorney's budget (\$-5.40M); General Services fleet reductions (\$-3.31M), Building Maintenance and Custodial (\$-2.77M), Petroleum (\$-4.48M), and construction forces administrative staff (\$-1.55M); ITA Call Center (\$-1.01M); Library Book Budget (\$-1.61M); Engineering Municipal Facilities Program (\$-1.36M); Street Services Contract Tree Trimming (\$-1.20M), Regular Sidewalk Repair (\$-4.74M), and Street Resurfacing and Reconstruction (\$-18.92M); Recreation and Parks Maintenance and Recreation Program (\$-9.68M); Transportation Enforcement and Traffic Control (\$-1.65M), Left-turn Arrows and New Signals (\$-3.36M), Special Events Overtime (\$-4.0M); Treasurer bank service fees (\$-

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1.58M) and Municipal Facilities portion of the Capital Improvement Expenditure Program (\$-20.17M).

- Potentially Underfunded Accounts:** There are several accounts that may not have sufficient funding based on current expenditure patterns, as indicated in the following chart:

Potentially Underfunded Accounts	2008-09 Adopted Budget	2008-09 Estimated Expenditures	2009-10 Proposed Budget	Comments
Fire Overtime	\$113M	\$123M	\$113M	May be insufficient based on current expenditure patterns
LAPD Overtime	\$102M	\$103M	\$103M	Based on historical usage of 1.6 million hours, this may be sufficient.
Petroleum	\$42M+\$4M in the UB = \$46M	\$46M	\$38M+\$4M in the UB = \$42M	May be insufficient if fuel savings targets not achieved or if prices elevate significantly
Outside Counsel Costs	\$4M	N/A	\$3.8M	The 2009-10 Proposed Budget does not provide an estimate of 2009-09 expenditures
Liability Claims	\$32M	\$35M	\$41M	Should be sufficient based on current expenditure patterns

- Outside Counsel Expenditures:** The Proposed Budget provides \$3.75M in the UB for City Attorney Outside Counsel contracts for both general litigation and Workers' Compensation. In 2008-09, \$4.0M was included in the UB for Outside Counsel including Workers' Compensation, but this amount was reduced by \$0.65M as part of the Mayor's Mid-Year Budget Adjustments approved by Council on December 17, 2008 (08-0600-S34). The balance is currently \$0.03M, which the City Attorney is requesting in the Year-End Financial Status Report for unpaid invoices. The Proposed Budget reduces funding for outside counsel contracts as the City Attorney has indicated it plans to handle more cases in-house than in previous years.
- Liability Claims/ Judgment Obligation Bonds:** A total appropriation of \$41M is proposed for Liability Claims in 2009-10, which is \$9M more than in 2008-09. The increase in this account reflects settlements approved in 2008-09 with obligations due in 2009-10, cases on appeal with potential payouts and those matters still pending. This estimate includes \$2M in funding for Attorney Conflict Panel cases managed by the City Administrative Officer. The Proposed Budget allocates \$7.30M for the Judgment Obligation Bond Debt Service Fund to pay the debt

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service in 2009-10 on bonds issued to finance liabilities resulting from adverse decisions by the California courts in the cases: Kimpel (\$39M); Harper (\$20.50M); and May Day and Bekeredjian (\$17.90M combined). The following chart illustrates the Debt Service Budget for Outstanding Judgment Obligation Bonds:

	2008-09 Budget	2009-10 Proposed Budget	2010-11	2011-12	2012-13
Kimpel Settlement	\$4.30M	\$4.12M	\$1.43M	----	----
Harper Settlement	----	\$2.74M	\$3.74M	\$2.74M	\$2.74M
May Day/ Bekeredjian Settlements	----	\$0.44M	\$2.38M	\$2.38M	\$2.38M
Total	\$4.30M	\$7.30M	\$7.54M	\$5.12M	\$5.12M

- **Partially Funded/Unfunded Positions:** The Proposed Budget includes a total of 202 partially funded and unfunded positions. Of that number, 117 are authorized without funding. It is important to note that full year funding will be required to continue these positions beginning in 2010-11.
- **Changes in Authorized Positions/Deletion of Filled Positions:** The Proposed Budget deletes 1,375 net positions, consisting of 1,284 regular and 91 resolutions authorities. Of the 1,375 positions, 405 are currently filled. Resolution authorities are typically assigned to positions that are limited-term or temporary positions, generally associated with a limited duration project or funding source.
- **Enhanced Services:**
 - ▶ **New Facilities:** Several new or replacement facilities are scheduled to open in 2009-10. Staffing and of the operational costs have been budgeted as follows:
 - ▶ **Police:** The new Metropolitan Detention Center Staffing is scheduled to open in 2009-10 and \$2.02M has been provided to fully staff the facility.
 - ▶ **Police:** There is \$2.5M in the UB for costs related to purchase and build-out a new facility to allow the Police Department Technical Investigation Division to move out of the Parker Center and Piper Technical buildings.
 - ▶ **General Services:** The Proposed Budget adds \$3.64M for maintenance, custodial, and security services at new City facilities scheduled to open in 2009-10.
 - ▶ **Police:** The Proposed Budget provides \$1.81M for relocation costs, new equipment and systems training for the new Police Administration Building, new Main Street Parking Facility, and build out of a replacement Property Division Warehouse.
 - ▶ **Recreation and Parks:** The Proposed Budget includes \$1.41M to provide staffing for recreational programming and maintenance for thirteen new and renovated facilities that are expected to open in 2009-10.
- **Unappropriated Balance:** The Unappropriated Balance (UB) includes funds identified for specific purposes, including contingencies for accounts which may experience shortages, such as petroleum products, or for projects which would need funding during the fiscal year, but are

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not fully developed at the time the budget is adopted. The 2009-10 Proposed Budget includes \$30.13M in the UB, which is an increase of \$13.67M from the 2008-09 allocation of \$16.42M. The 2009-10 Proposed Budget earmarks funds for the following:

- ▶ **Bank Fees** (\$7M) to cover bank fees until a new process by the Treasurer is developed and implemented.
- ▶ **City Clerk** (\$1.8M) for a special election in Council District Two.
- ▶ **Contingency Funds** (\$3.58M) for equipment, expenses, and alterations and improvements.
- ▶ **Financial Management System** (\$2M) for costs that are not eligible for MICLA funding.
- ▶ **GSD - Petroleum Products** (\$4M) for price increases in the volatile petroleum products market.
- ▶ **LAPD Consent Decree** (\$0.33M) for the administration of the LAPD Consent Decree Program.
- ▶ **LAPD Settlement Compliance Program** (\$0.12M) for court-mandated monitoring of the Police Department's compliance with terms of legal settlement agreements.
- ▶ **Litigation Expense Account** (\$0.75M) for outside legal service providers.
- ▶ **City Clerk** (\$4M) for Neighborhood Council elections.
- ▶ **New Police Facilities** (\$2.50M) to purchase and build-out a new facility for the Police Department Technical Investigation Division.
- ▶ **Outside Counsel Including Workers Compensation** (\$3.75M) for outside counsel attorneys to assist in litigation and transactional matters, and for all sworn workers' compensation cases.
- ▶ **Training** (\$0.30M) for supplemental workplace violence prevention training and response and intervention services.

■ Police Department Issues:

- ▶ **Deferred Retirement Option Plan (DROP):** In 2008-09, up to 150 officers who enrolled in the DROP program will have reached the maximum five year period of participation and must retire. In 2009-10, up to 84 officers will have reached the maximum five year period.
- ▶ **Police Vehicles:** The Proposed Budget provides for 70 replacement and eight new vehicles at a total cost of \$3.18M, of which \$2.80M is funded by the Forfeited Assets Trust Fund.
- ▶ **In-Car Video Cameras:** In 2008-09, video cameras were acquired and installed in patrol cars at four stations in South Bureau. Funds totaling \$5.5M were provided in 2007-08. Implementation is expected to occur in September 2009. Phase II in Central Bureau is proposed to be funded through a lease purchase agreement with the vendor, IBM. Debt service of \$2.54 million is included in the Capital Finance Administration Fund.
- ▶ **Consent Decree and TEAMS II:** The Consent Decree is due to terminate in June 2009. The Proposed Budget continues resolution authority for the positions in Consent Decree Bureau and Civil Rights Integrity Division, with six months funding in the LAPD Budget. Six additional months funding in the Unappropriated Balance will allow an evaluation of the proper organization to ensure maintenance of risk management best practices. Eight of 28 positions in the TEAMS II Bureau have been deleted. Because these positions provide technical support to the numerous risk management information systems that feed into TEAMS II, such a significant reduction of staff could create systems maintenance issues.
- ▶ **DNA Backlog:** The Proposed Budget includes \$2.96M in funding for 42 positions (16 continued; 26 new) assigned to DNA analysis. An additional \$1.50M in contractual services funding is also provided to reduce the existing backlog of sexual assault evidence kits.

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■ Personnel Department - Police Related Issues

- ▶ **Recruitment:** The Proposed Budget includes \$5M for 54 positions in the Public Safety Bureau for recruiting, testing, and selection of candidates for the Police Department and Fire Department. The Proposed Budget also provides \$0.40M to advertise for the City's public safety recruitment program.
- ▶ **Workers' Compensation:** The Proposed Budget continues funding, without adding additional funds, to the contract with the Third Party Administrator responsible for administration of sworn Fire and Police workers' compensation claims which would improve cost containment by reducing the caseload handled by each analyst.

■ Fire Department Issues

- ▶ **Firefighter Staffing:** The Proposed Budget provides funding (\$5.25M) for 150 new firefighter recruits, but reduces overall academy training by 100 new recruits from 2008-09 by cancelling two academy classes. This will result in the temporary closure of one of the two drill tower academies.
- ▶ **Deferred Retirement Option Plan (DROP):** In 2008-09, up to 122 firefighters who enrolled in the DROP program will have reached the maximum five year period of participation and must retire. In 2009-10, up to 92 firefighters will have reached the maximum five year period.
- ▶ **Emergency Medical Services (EMS):** The Proposed Budget adds funding (\$1.67M) and resolution authority for nine Emergency Medical Services (EMS) Battalion Captains, and adds resolution authority for nine EMS Captains without funding. These positions provide supervisory oversight in severe emergency incidents, such as those involving shootings or multiple incidents. The 18 positions were restored without funding during 2008-09 after being deleted in the 2008-09 Adopted Budget. The cost of the unfunded positions will be offset with department salary savings.
- ▶ **Constant Staffing Overtime:** The Proposed Budget includes \$113.33M for constant staffing overtime, which is an increase of \$0.34M from 2008-09.
- ▶ **Homeland Security:** The Proposed Budget continues funding (\$2.01M) and resolution authority for 15 sworn and civilian positions.
- ▶ **Fire Vehicle and Equipment Replacement:** The Proposed Budget provides \$18.40M in MICLA financing to continue the Fire Department Fleet Replacement program. Replacement equipment includes 24 ambulances, 3 aerial ladder apparatus, 15 triple combination apparatus, 7 non-emergency alternative fuels sedans, 9 emergency sedans, 15 non-emergency sedans, and 9 emergency suburbans.
- ▶ **Professional Standards Division (PSD):** The Proposed Budget provides funding (\$0.55M) and resolution authority for four positions (three sworn; one civilian) for Phase II of the Professional Standards Division and to achieve the recommended staffing level. The additional sworn positions will ensure that personnel investigations are completed in a timely manner.
- ▶ **Ambulance Billing:** The Proposed Budget provides six-months funding (\$0.85M) and resolution authority for 22 positions assigned to the Ambulance Billing Unit for accounting and clerical support. Funding is provided for six months with the expectation that the new electronic Field Data Capture System will be launched in January 2010 to replace the aging ambulance billing system. Further, the Proposed Budget assumes an additional \$5.40M in revenue generated from ambulance service fees, based on the anticipated launch of the electronic billing devices and the recent policy change to enable referral of ambulance

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billing accounts for outside collection. This represents an increase of approximately nine percent from 2008-09 ambulance billing revenue.

- **Public Works Board:** Personnel functions for all bureaus within the Department of Public Works will be consolidated within the Board Office to increase efficiency, provide greater standardization and reduce costs and overlap in departmental operations. Fourteen regular position authorities are added to administer a department-wide personnel function in the Office of Management Employee Services within the Board of Public Works. A total of 15 positions are proposed for deletion from Contract Administration (6), Bureau of Engineering (8), Street Lighting (2) and Street Services (3) as a result of transferring personnel functions to the Board.
- **Public Works Contract Administration:**
 - ▶ **Wastewater Program** - Construction activity is expected to continue due to the Collections Systems Settlement Agreement and other sewer construction. The program is reduced through the elimination of 17 resolution authorities to inspect and perform compliance services.
 - ▶ **LAWA:** The Los Angeles Airport Inspection Program for labor compliance includes Project Labor Agreements (PLA) and local hiring programs related to projects for the Los Angeles World Airport (LAWA). The Program is continued, but support is significantly reduced through the elimination of 24 resolution positions and the continuation of four additional positions without funding.
- **Public Works Engineering:**
 - ▶ **Office Consolidation** - Funding and eight regular positions are deleted due to the closure of the West Los Angeles District Office. Services will be consolidated with the Central, Valley and San Pedro District Offices.
 - ▶ **Land Records Functional Transfer** - The Bureau is responsible for maintaining the City's base maps, which display a variety of information. To increase efficiencies, this function will be transferred from the City Clerk to the Bureau for administration.
- **Public Works Sanitation:** The first, of a five year phased increase in the Stormwater Pollution Abatement Charge from \$1.92 per month to \$8.25 per month is proposed. To increase this fee a vote through mail-in ballot of property owners is planned. Because of timing and notice requirements, the Mayor's Office is expecting the approval process to take place outside of the normal annual budget process.
- **Public Works Street Lighting:**
 - ▶ **Light Emitting Diode (LED) Conversion Program** - Funding is added to implement a five-year program to convert 140,000 of the 209,000 Citywide street lighting fixtures to energy-saving light emitting diodes (LED). An estimated total of 20,000 street lights will be converted to LED technology in 2009-10. This program was included in the Mid-Year Financial Status Report and was referred back to committee for further discussion.
 - ▶ **Transportation Initiatives**- Engineering positions are continued to expedite completion of ATSAC and Adaptive Traffic Control System projects for signal synchronization to ensure that all Citywide ATSAC projects will be in construction by 2012.
 - ▶ **Stolen Copper Wire** - Additional funding is provided to pay for replacement of copper wire stolen from street lighting facilities, reinforce pullboxes and implement additional security methods at the Bureau's supply yard.

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- ▶ **Street Banner Enforcement** - The responsibility for street banner ordinance enforcement and permit processing is transferred from the Bureau of Street Services and will be performed within existing resources.
- **Public Works Street Services:**
 - ▶ **Sidewalk Repair Program/Citywide Point of Sale Policy** - The 2009-10 Proposed Budget deletes \$4.74M and 41 positions to repair damaged sidewalks. A Citywide Point of Sale Policy is proposed which would transfer the responsibility for repair of damaged sidewalks fronting private property from the City back to the property owner, as was the case prior to 1971. Adoption of an ordinance to amend Section 62.104 of the Los Angeles Municipal Code (LAMC) is necessary.
 - ▶ **Program Eliminations and Reductions** - No funding or positions remain for the Paving of Dirt Streets and Alleys, Off-Grade Gutter Repair and the 50/50 Sidewalk Programs. All dedicated positions for the Newsrack Enforcement and Illegal Sign Enforcement Program have been eliminated. However, it is anticipated that enforcement for these programs will be absorbed by the 63 remaining regular authority positions assigned to public right-of-way investigation and enforcement activities throughout the City.
 - ▶ **Street Resurfacing and Reconstruction Program** - The Proposed Budget deletes \$18.92M and 80 positions that were provided in 2008-09 to add 125 supplemental miles, which will require the Bureau to return to a base budget of 110 miles. If the City receives federal transportation stimulus funding, the Bureau could add supplemental funding to the Program and restore some or all of the deleted positions.
 - ▶ **Slurry Seal** - The Proposed Budget provides \$7.86M and 18 positions for the Slurry Seal Program, an increase of \$0.38M over 2008-09, to maintain the current service level of 400 miles annually.
 - ▶ **Sidewalk Access Ramps** - Funding is continued to construct 900 sidewalk access ramps in conjunction with the Street Resurfacing and Reconstruction Program. Measure R is providing \$1.72M in supplemental funding to construct 660 additional sidewalk ramps, which will increase the number of ramps constructed from 900 to 1,560 in 2009-10.
 - ▶ **Bus Pads and Bus Stop Improvements** - The Proposed Budget increases funding by \$0.23M to \$1.64M to construct 30 concrete bus pads and landings that will improve accessibility at bus stops. Measure R is providing an additional \$1.45M to construct an additional 30 concrete bus pads and landings for a total number to be constructed from 30 in 2008-09 to 60 in 2009-10.
 - ▶ **Street Tree Trimming:** Funding for this activity is not continued in the Proposed Budget (\$-2.7M), which will eliminate contract tree trimming services. Funding for tree trimming by City forces is provided in the base budget for emergency tree trimming and trimming around street lights. Tree trimming around power lines will continue to be performed by the Department of Water and Power.
- **Department of Transportation:**
 - ▶ **Left-turn Arrows and New Signal Construction Program:** Funding is eliminated for the Department's in-house left-turn arrow and new signal construction program. In 2009-10, it is anticipated that the Department will continue to install left turn arrows utilizing off-budget contractors, through ATSAC projects and other qualifying transportation grant funded projects, subject to available funding. The number of left-turn installations for 2009-10 will be dependent upon available funding. If the Department is able to expend Proposition 1B funding for ATSAC projects early in 2009-10, it is estimated that contractors will install

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approximately 100 left-turn arrows in 2009-10. Additionally, if federal transportation stimulus funding is available for left-turn arrows, it is expected that DOT crews will install 85 left-turn arrows over three years, or about 29 left-turn arrows per year.

- ▶ **Speed Hump Program:** No funding is allocated to the Speed Hump Program in 2009-10 due to fiscal constraints in gas tax revenues.
- ▶ **Stolen Vehicle Recovery Program:** The Proposed Budget deletes six traffic officer positions to process non-felony vehicle reports, which effectively eliminates the Program. Traffic officers would continue to perform vehicle abatement activities as part of their regular work assignment.
- ▶ **Traffic Control Devices Program:** The Proposed Budget deletes a total of \$5.13M for 35 positions that perform field operations for signal installation and street resurfacing projects (\$-2.90M) and 30 positions related to the implementation of traffic control devices (\$-2.23M). The elimination of the traffic control device positions could affect the response time for signal and sign replacements, as well as the installation of new signals and traffic signs. If the City receives federal transportation stimulus funding, the Department could restore some or all of the positions that perform field operations for signal installation and street resurfacing projects.
- ▶ **Special Events Overtime:** The Proposed Budget provides approximately \$1M of special event overtime funding for the Department of Transportation and deletes \$4M for overtime costs associated with annual special events. This will allow the Department to provide traffic control only at commercial venues and special events that provide for the reimbursement of labor costs. The \$1M reflected in the Proposed Budget is intended for special events such as, First Amendment events and emergency situations that require traffic control. Over the last four years, the Department has expended an average of \$5.2 million in overtime on special events. In 2007-08, special events at the large commercial venues, including Dodgers Stadium, Staples Center, Hollywood Bowl, and the Greek Theatre, cost approximately \$2.5 million. On December 16, 2008, the City Council adopted a Fee Subsidy Policy for Special Events that provides, among other things, a 50 percent City subsidy for fees and costs associated with nonprofit special events. Under the Policy, the City would waive 100 percent of the fees and costs associated with block parties and farmers' markets. In previous actions it was anticipated that \$2.5M would be available for fee subsidies for citywide and district-specific events and projects.

OTHER

■ Fire and Police Pension Fund (Pensions)

Los Angeles City Employees' Retirement System (LACERS)

- ▶ **Fire and Police Pension Fund:** The City contribution to Pensions is \$358.53M, an increase of \$33.01M or 10.14 percent, largely due to an increase in payroll and an increase in the contribution rate based on the latest actuarial study. The System's funded ratio, using actuarial value of assets, decreased year-to-year from 92.8 percent to 92.6 percent as of June 20, 2008. It should be noted that the recent declines in the market occurring after June 30, 2008 do not effect the City's contribution for 2009-10. However, the 2010-11 payment will be affected and is estimated to be \$281.6M greater than 2009-10, assuming -25 percent investment returns, no cost-of-living-adjustments and continued hiring of sworn personnel. The Proposed Budget anticipates paying the entire contribution in July 2009 by funding the required contribution through the issuance of Tax and Revenue Anticipation Notes (TRANS). As a result, the Pensions Fund would gain additional interest earnings,

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which would reduce the required City contribution by \$12.07M.

- ▶ **Los Angeles City Employees' Retirement System:** The City contribution to LACERS is \$363.45M, a decrease of \$6.74M or 1.82 percent, attributable to strong returns on investment over the past four years. The System's funded ratio, using actuarial value of assets increased from 79.8 percent to 82.2 percent, as of June 30, 2008. As explained above for the Pension System, recent declines in the financial market occurring after June 30, 2008 do not effect the City's contribution for 2009-10, but will negatively effect the 2010-11 payment. Using the same investment returns assumption as stated above for Pensions, the 2010-11 payment to LACERS is estimated to increase by \$164.9M. This estimate assumes cost-of-living adjustments included in current civilian labor agreements and that permanent reductions to labor costs are not made in 2009-10. As is the case with Pensions, the Proposed Budget anticipates paying the entire contribution in July 2009 by funding the required contribution through the issuance of Tax and Revenue Anticipation Notes (TRANS). As a result, the LACERS Fund would gain additional interest earnings, which would reduce the required City contribution by \$12.07M.

- **Human Resources Benefits and Workers' Compensation:** The Proposed Budget includes \$520.34M for the cost of human resources and Flex benefits for civilian and sworn employees, a \$12.96M increase over the 2008-09 appropriation. Cost increases in the Civilian Flex Plan (\$0.49M) and the Police Health and Welfare Program (\$9.39M) are attributable to continued anticipated increases in health and dental plan rates, City subsidies, and enrollment increases based on 2008-09 hiring trends. Funding increase for Workers' Compensation (\$1.4M) reflect the trend in increased expenditures attributable to medical costs associated with existing claims.

- **MICLA Debt Issue:** The Capital Finance Administration Fund includes \$208.55M for debt service cost for outstanding MICLA debt issued to date. This amount is \$39.07M (23 percent) more than in 2008-09. This increase is due primarily to recently issued MICLA 2008-A & B, MICLA 2009-A & B and refunding of variable rate debt for the Convention Center. MICLA debt proceeds can be used for the acquisition of capital equipment and facilities for use by city departments. The 2009-10 Proposed Budget includes the \$97.91M for 2009-10 MICLA Acquisitions including: Financial Management System replacement (\$17.30M); Fire and GSD Fleet replacement (\$38.95M); GSD Capital Equipment replacement (\$3M); ITA Infrastructure Upgrades (\$5.34M); Police Fiber Upgrade (\$3.60M); Recreation and Parks Pool replacement program (\$23.12M); Figueroa Plaza Capital and Tenant improvements (\$3.70M); Public Works Building Improvements (\$1M); and Zoo Capital Improvements (\$1.90M).

It should be noted that the proposed MICLA acquisitions in the Proposed Budget, if approved, will not require further approval of the Council.

- **Tax and Revenue Anticipation Notes (TRANS):** The Proposed Budget includes funding for debt service in the amount of \$677.09M to repay TRANS issued to fund the City's entire annual required contributions to the Fire and Police Pension Fund and City Employees' Retirement System and to provide short-term cash flow needs occurring early in the fiscal year when certain revenues have not been received. The July 2009 payment of the entire annual contribution would allow both the Pension and Retirement Funds to earn additional interest to be used to discount the required City contribution without reducing the Funds' annual receipts.

SIGNIFICANT ISSUES

- **Exhibit H “Required Ordinance Changes and Other Budgetary Actions”**: Exhibit H outlines actions necessary to be taken by the Council and Mayor in order to effectuate the 2009-10 Proposed Budget. However, we note that there are a number of instructions which require further explanation as to whether they are necessary to implement the 2009-10 Proposed Budget, or are policy decisions affecting future budgets which should more appropriately be considered by Council policy committees outside of the budget approval process.

For example, there is an instruction to the City Attorney to prepare an ordinance to rescind or amend sections of the Los Angeles Administrative Code to allow 100 percent of surplus city-owned property sale proceeds in the Venice area to be deposited into the General Fund, a change from current provisions which allow all such sale proceeds to be deposited into the Venice Area Surplus Real Property Fund. It is not clear whether sale proceeds from this source are needed to achieve the \$3M in revenue from surplus property sales included in the Proposed Budget.

IMPACT ON DEPARTMENTS AND PROGRAMS

DEPARTMENTS

- **Department of Aging (\$3.69M; 53 Total Positions - 41 regular; 12 resolution)**
Detail of Department Programs, Page No. 1
Total Budget Change From 2008-09: (\$-0.52M; -4 positions)
 - ▶ Discontinue one resolution position authority for the Senior Services program
 - ▶ Undesignated reduction in Salaries General of 10% (\$-0.39M), resulting in unspecified budgetary consequences equivalent to a reduction of six positions
 - ▶ Add authority to Contractual Services for Single Audit of State expenditures (\$0.00M)
 - ▶ Continue funding and two resolution position authorities for the Senior Social Services Program, (\$0.15M)
 - ▶ Delete funding and three regular position authorities for Senior Services (\$-0.23M)
 - ▶ Continue funding and 10 resolution position authorities for the Family Caregiver Support Program (\$0.97M)

- **Department of Animal Services (\$20.15M; 411 Total Positions - 357 regular; 54 resolution)**
Detail of Department Programs, Page No. 13
Total Budget Change From 2008-09: (\$-0.17M; 31 positions)
 - ▶ Undesignated reduction in Salaries General of 10% (\$-2M), resulting in unspecified budgetary consequences equivalent to a reduction of 37 positions
 - ▶ Transfer \$35,000 from the Uniforms account to the Medical Supplies account (\$0.00M)
 - ▶ Increase the Salary Savings rate from three percent to 6.9 percent (\$-0.94M)
 - ▶ Continue funding and add 31 resolution position authorities for animal care technician positions that were formerly substitute authorities for Shelter Operations (\$1.95M)
 - ▶ Continue four resolution position authorities, without funding, for the License Canvassing Program (\$0.00M)
 - ▶ Continue 16 resolution position authorities, without funding, for veterinary care services (\$0.00M)
 - ▶ Delete funding and substitute two regular positions authorities to realign staffing with the Department's operational needs (\$-0.01M)
 - ▶ Continue three resolution position authorities, without funding, for the Administrative Hearing Program (\$0.00M)

- **Building and Safety Department (\$64.19M; 988 Total positions - 806 regular; 182 resolution)**
Detail of Department Programs, Page No. 31
Total Budget Change From 2008-09: (\$-19.59M; -45 positions)
 - ▶ Discontinue the following resolution position authorities: six positions for Engineering Plan Check workload, eight positions for Inspection workload, six positions for Annual Inspection Monitoring, one position for Signs Code Enforcement, one position for Nuisance Abatement Revocations, one position for General Administrative Support, one position for Training and Emergency Management, and five positions for the CRA-PACE program
 - ▶ Realign funding from various accounts to reflect current expenditures (\$0.00M)
 - ▶ Increase non-compliance fees for residential and commercial properties (\$0.00M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Undesignated reduction in Salaries General of 10% (\$-6.74M), resulting in unspecified budgetary consequences equivalent to a reduction of 84 positions
 - ▶ Continue funding and 53 resolution position authorities for the Engineering Plan Checking Program (\$5.71M)
 - ▶ Reduce salaries, overtime and transportation accounts (\$-6.53M)
 - ▶ Continue funding and 32 resolution position authorities for the Assistant Inspector Program (\$2.58M)
 - ▶ Continue funding and 70 resolution position authorities in the New Construction Inspection Program (\$7.96M)
 - ▶ Continue funding and six resolution position authorities for the Seismic Gas Shutoff Valve Program (\$0.61M)
 - ▶ Realign funding from the SPA Fund to the B&S Building Permit Enterprise Fund (\$0.00M)
 - ▶ Reduce salaries, overtime and transportation in New Construction Inspection Program (\$-5.37M)
 - ▶ Reduce salaries, overtime and transportation in Licensing, Testing and Material Control Program (\$-0.54M)
 - ▶ Continue funding and two resolution position authorities for the Commercial Inspection Section (\$0.23M)
 - ▶ Continue funding and six resolution position authorities in the High-Rise Inspection Unit (\$0.73M)
 - ▶ Continue funding and add six regular position authorities for the Annual Inspection Monitoring Program (\$0.61M)
 - ▶ Continue funding and add six regular position authorities for Signs Code Enforcement (\$0.68M)
 - ▶ Continue funding and one resolution position authority for Nuisance Abatement Revocations Program (\$0.11M)
 - ▶ Delete funding and 16 regular position authorities to meet reduction targets (\$-2.03M)
 - ▶ Reduce salaries, overtime and transportation accounts in the Conservation of Existing Structures and Mechanical Devices Program (\$-1.83M)
 - ▶ Continue funding and nine resolution position authorities in the Technology Support Program (\$0.87M)
 - ▶ Reduce salaries, overtime and transportation accounts in the Technology Support Program (\$-0.86M)
 - ▶ Continue funding and three resolution position authorities in the General Administration and Support Program (\$0.30M)
 - ▶ Reduce salaries, overtime and transportation accounts in the General Administration and Support Program (\$-2.16M)
- **City Administrative Officer (\$12.47M; 126 Total Positions - 125 regular; 1 resolution)**
Detail of Department Programs, Page No. 51
Total Budget Change From 2008-09: (\$-1.50M; -7 positions)
- ▶ Undesignated reduction in Salaries General of 10% (\$-1.28M), resulting in unspecified budgetary consequences equivalent to a reduction of 13 positions
 - ▶ Realign funding from the Disaster Assistance Trust Fund to the General Fund (\$0.00M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Continue funding and regularize two position authorities for the municipal facilities and bond-funded programs (\$0.30M)
 - ▶ Continue one resolution position authority, without funding, for ongoing administration of the FMS replacement project (\$0.00M)
 - ▶ Delete funding and three regular position authorities assigned to systems, proprietary analyses and management studies (\$-0.48M)
 - ▶ Delete funding and one regular position authority in employee relations (\$-0.15M)
 - ▶ Delete funding and three regular position authorities in clerical support (\$-0.24M)
- **City Attorney (\$97.89M; 994 Total Positions - 835 regular; 159 resolution)**
Detail of Department Programs, Page No. 67
Total Budget Change From 2008-09: (\$-2.08M; 16 positions)
- ▶ Reduce Salaries General by 5% (\$-5.40M) to reflect a one-time budget reduction
 - ▶ Discontinue the following resolution position authorities: one position in Affordable Housing Support, one position in Land Use, four positions in the Los Angeles Safer City Initiative, one position for Neighborhood Council support, and one position for the PACE program
 - ▶ Continue funding and three resolution position authorities for the Community Gun Violence Prosecution Program (\$0.45M)
 - ▶ Continue funding and 11 resolution position authorities for the Community Law Enforcement and Recovery (CLEAR) Program (\$1.32M)
 - ▶ Add funding and continue five resolution position authorities for the Family Violence Program (\$0.62M)
 - ▶ Add funding and continue eight resolution position authorities for the May Day Litigation Team (\$1.01M)
 - ▶ Continue funding and two resolution position authorities for the Nuisance Abatement Revocations Program (\$0.27M)
 - ▶ Continue funding and seven resolution position authorities for the Tobacco Enforcement Program (\$1.10M)
 - ▶ Continue funding and three resolution position authorities for the Worker's Compensation Fraud Unit - Criminal (\$0.36M)
 - ▶ Continue funding and 42 resolution position authorities to support the City's gang and crime reduction efforts (\$6.58M)
 - ▶ Undesignated reduction in Salaries General totaling 10% (\$-10.16M), resulting in unspecified budgetary consequences equivalent to a reduction of 98 positions
 - ▶ Continue funding and 14 resolution position authorities to handle Pitchess Motions (\$1.97M)
 - ▶ Continue funding and one resolution position authority for on-going LAPD Consent Decree issues (\$0.20M)
 - ▶ Continue funding and 23 resolution position authorities for Police-Related Litigation (\$2.95M)
 - ▶ Add funding and continue three resolution position authorities, and continue funding and two resolution position authorities, for Workers' Compensation Outside Counsel Support (\$0.95M)
 - ▶ Continue funding and three resolution position authorities for the Workers' Compensation Fraud Unit - Civil (\$0.27M)
 - ▶ Continue funding and three resolution position authorities for dedicated legal counsel to the Housing Department (\$0.42M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Continue funding and one resolution position authority for legal services to Neighborhood Councils (\$0.20M)
 - ▶ Continue funding and two resolution position authorities to support revenue collection efforts for delinquent business taxes owed to the City (\$0.33M)
 - ▶ Continue funding and regularize four positions to support the Area Planning Commissions (\$0.67M)
 - ▶ Add funding and continue seven resolution position authorities for the Outside Counsel Unit for Proprietary Departments (\$0.79M)
 - ▶ Continue funding and one resolution position authority for CRA legal counsel (\$0.18M)
 - ▶ Continue funding and two resolution position authorities for DWP legal support (\$0.45M)
 - ▶ Continue funding and one resolution position authority for LACERS and Police and Fire Pensions legal support (\$0.18M)
 - ▶ Add funding and continue 15 resolution position authorities for legal support to Proprietary Departments (\$2.46M)
- **City Clerk (\$8.90M; 122 Total positions - 120 regular; 2 resolution)**
Detail of Department Programs, Page No. 85
Total Budget Change From 2008-09: (\$-20.06M; -32 positions)
- ▶ Discontinue resolution position authority for one position in Council and Public Services, and one position in the Land Records Program
 - ▶ Undesignated reduction in Salaries General of 10% (\$-0.92M), resulting in unspecified budgetary consequences equivalent to a reduction of 13 positions
 - ▶ Delete funding and four regular position authorities in Council and Public Services (\$-0.48M)
 - ▶ Reduce funding for printing, contractual services, and office/administrative expenses in Council and Public Services (\$-0.06M)
 - ▶ Set aside \$4M in the Unappropriated Balance to conduct 100 Neighborhood Council Elections and \$1.8M for a special election for Council District 2 (\$0.00M)
 - ▶ Delete funding and four regular position authorities in Creative Services (\$-0.40M)
 - ▶ Delete funding and 17 regular position authorities in the Land Records Program to functionally transfer this service to the Bureau of Engineering (\$-1.61M)
 - ▶ Delete funding and three regular position authorities supporting BID development and BID Trust Fund administration (\$-0.24M)
 - ▶ Realign funding in the Salaries General account from the BID Trust Fund to the General Fund (\$0.00M)
 - ▶ Continue funding and one resolution position authority for the Early Notification System (\$0.10M)
 - ▶ Delete funding and one regular position authority to reduce technology support (\$-0.10M)
 - ▶ Delete funding and one regular position authority in Land Records technology support (\$-0.10M)
 - ▶ Continue funding and one resolution position authority to staff the 2010 Census Project (\$0.08M)
 - ▶ Reduce funding for General Administration and Support (\$-0.39M)

IMPACT ON DEPARTMENTS AND PROGRAMS

■ **Commission for Children, Youth and Their Families (\$0.00M; 0 Total Positions)**

Detail of Department Programs, Page No. 109

Total Budget Change From 2008-09: (\$-1.68M; -25 positions)

- ▶ Transfer funding and four regular position authorities, and contractual services funding, to the Human Services Department for KidWatch programs, administrative support and the Los Angeles Youth Council program (\$-0.58M)
- ▶ Transfer funding and two regular position authorities to the Human Services Department, and delete funding and one regular position authority (\$-0.21M)
- ▶ Transfer funding and one regular position authority to the Human Services Department to support the Los Angeles Youth Council program (\$-0.16M)
- ▶ Delete funding to support the Joy Picus Child Care Center due to the termination of the agreement that provided funds through the First and Broadway Trust Fund (\$-0.21M)
- ▶ Transfer funding and five regular position authorities to the Human Services Department for administrative services support (\$-0.32M)
- ▶ Transfer funding and two regular position authorities and contractual services funding to the Human Services Department to support the management of the department (\$-0.09M)

■ **Commission on the Status of Women (\$0.00M; 0 Total Positions)**

Detail of Department Programs, Page No. 121

Total Budget Change From 2008-09: (\$-0.29M; -3 positions)

- ▶ Transfer funding and one regular position authority to the Human Services Department, and delete funding and two regular position authorities (\$-0.26M)

■ **Community Development Department (\$17.10M; 202 Total Positions - 198 regular; 4 resolution)**

Detail of Department Programs, Page No. 129

Total Budget Change From 2008-09: (\$-1.62M; -14 positions)

- ▶ Discontinue two resolution position authorities supporting the LA Bridges program
- ▶ Undesignated reduction in Salaries General of 10% (\$-1.62M), resulting in unspecified budgetary consequences equivalent to a reduction of 21 positions
- ▶ Delete funding and one regular position authority assigned to the Workforce Development Division (\$-0.11)
- ▶ Delete funding and four regular position authorities assigned to the Human Services Division (\$-0.38M)
- ▶ Delete funding and four regular position authorities assigned to the Economic Development Division (\$-0.39M)
- ▶ Continue funding and four resolution position authorities in the Technology Support Division (\$0.42M)
- ▶ Delete funding and two regular position authorities assigned to the Technology Support Division (\$-0.14)
- ▶ Delete funding and one regular position authority assigned to the General Administration and Support Division (\$-0.11M)

IMPACT ON DEPARTMENTS AND PROGRAMS

■ **Controller (\$15.73M; 225 Total Positions - 188 regular; 37 resolution)**

Detail of Department Programs, Page No. 149

Total Budget Change From 2008-09: (\$-1.51M; -8 positions)

- ▶ Discontinue the following resolution position authorities: six positions for the Financial Management System Project and one position for the PAYSR project
- ▶ Realignment of Sewer Construction and Maintenance Capital Funding (\$0.00M)
- ▶ Undesignated reduction in Salaries General of 10% (\$-1.60M), resulting in unspecified budgetary consequences equivalent to a reduction of 19 positions
- ▶ Reduce Salaries General by 5% (\$-0.99M) as a one-time budget reduction
- ▶ Add funding and one regular position authority to oversee the payroll section (\$0.02M)
- ▶ Add funding and one regular position authority to oversee the Payroll Accounting Group, and delete funding and one regular position authority position to offset the cost (\$0.04M)
- ▶ Increase funding for the annual audit of the Community Redevelopment Agency (\$0.03M)
- ▶ Continue 27 resolution position authorities to support the FMS Project (\$0.84M)
- ▶ Continue funding and nine resolution position authorities for PAYSR support, and continue one resolution position authority, without funding, for D-Time and Form 41 support, and funding for PAYSR upgrades, training, supplies and maintenance (\$1.29M)
- ▶ Add funding and two regular position authorities for executive office support and delete funding and three regular position authorities to offset the cost (\$-0.08)

■ **Convention Center (\$22.35M; 171 Total Positions - 165 regular; 6 resolution)**

Detail of Department Programs, Page 165

Total Budget Change From 2008-09: (\$-3.72M; 0 positions)

- ▶ Undesignated reduction in Salaries General of 10% (\$-1.04M), resulting in unspecified budgetary consequences equivalent to a reduction of 17 positions
- ▶ Increase the department's salary savings rate from 5.5 percent to 8.1 percent (\$-0.36M)
- ▶ Continue two resolution position authorities, without funding, in marketing and sales, and allocate \$0.10M, in addition to base funding, for advertising, travel and promotions (\$0.10M)
- ▶ Reduce expense funding (\$-0.16M)
- ▶ Delete and add funding and one regular position authority to reflect changing operational needs, with no net fiscal impact (\$0.00M)
- ▶ Continue four resolution position authorities, without funding, to support the Department's Show Services Division (\$0.00M)
- ▶ Reduce funding for Salaries As-Needed, Overtime, Contractual services, and the modification/repair account (\$-1.37M)

■ **Cultural Affairs Department (\$9.14M; 68 Total Positions - 68 regular; 0 resolution)**

Detail of Department Programs, Page No. 189

Total Budget Change From 2008-09: (\$-0.83M; -9 positions)

- ▶ Undesignated reduction in Salaries General of 10% (\$-0.46M), resulting in unspecified budgetary consequences equivalent to a reduction of 7 positions
- ▶ Reduce As-Needed Salaries funding by eliminating funding from Gallery Theater Receipts, partially offset by salary savings and reallocation of funds from other programs (\$-0.05M)
- ▶ Delete funding and five regular position authorities in the City Arts division (\$-0.33M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Reallocate funds from the Musician's Union line item in contractual services to the Central Avenue Jazz Festival and Watts Towers Jazz and Drum Festival (\$0.00M)
 - ▶ Delete funding and one regular position authority in marketing (\$-0.08M)
 - ▶ Delete funding and one regular position authority in the Public Art Division (\$-0.09M)
 - ▶ Delete funding and one regular position authority in the Grants Program Division (\$-0.09M)
 - ▶ Adjust special appropriations to reflect adjusted program funding and reallocate funds to offset increased costs (\$-0.22M)
 - ▶ Transfer funds between department expense accounts (\$0.00M)
- **Department on Disability (\$1.71M; 19 Total Positions - 13 regular; 6 resolution)**
Detail of Department Programs, Page No. 205
Total Budget Change From 2008-09: (\$-0.05M; 0 positions)
- ▶ Undesignated reduction in Salaries General of 10% (\$-0.15M), resulting in unspecified budgetary consequences equivalent to a reduction of three positions
 - ▶ Increase funding in contractual services for sign language interpretation services (\$0.10M)
 - ▶ Delete funding for miscellaneous ADA Compliance adjustments (\$-0.01M)
 - ▶ Continue funding and two resolution position authorities to support the Computerized Information Center for Disabled Division (\$0.32M)
 - ▶ Continue funding and four resolution position authorities in the AIDS Coordination Division (\$0.72M)
 - ▶ Delete funding and authority for a grant writing contract in the ADA Compliance Division (\$-0.02M)
 - ▶ Delete funding in various General Administration and Support accounts (\$-0.02M)
- **El Pueblo de Los Angeles (\$1.88M; 17 Total Positions - 17 regular; 0 resolution)**
Detail of Department Programs, Page No. 219
Total Budget Change From 2008-09: (\$-0.24M; -4 positions)
- ▶ Undesignated reduction in Salaries General of 10% (\$-0.13M), resulting in unspecified budgetary consequences equivalent to a reduction of two positions
 - ▶ Delete funding and two regular position authorities supporting the Visitor's Center and preservation activities (\$-0.14M)
 - ▶ Delete funding and two regular position authorities providing clerical support for marketing and special events (\$-0.15M)
- **Emergency Management (\$2.13M; 29 Total Positions - 19 regular; 10 resolution)**
Detail of Department Programs, Page No. 231
Total Budget Change from 2008-09: (\$0.15M; 5 positions)
- ▶ Increase funding for overtime for staffing the EOC when activated (\$0.01M)
 - ▶ Undesignated reduction in Salaries General of 10% (\$-0.22M), resulting in unspecified budgetary consequences equivalent to a reduction of three positions
 - ▶ Realign funding from the Disaster Assistance Trust Fund to the General Fund (\$0.00M)
 - ▶ Continue funding and add one regular position authority for a Public Information Officer (\$0.08M)
 - ▶ Continue funding and add one regular position authority for emergency preparedness and EOC operational readiness (\$0.12M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Continue funding and two resolution position authorities for Homeland Security Training Staffing (\$0.06M)
 - ▶ Continue one resolution position authority, without funding, to develop emergency responder training programs (\$0.00M)
 - ▶ Continue funding and four resolution position authorities for Homeland Security Planning Staffing (\$0.13M)
 - ▶ Continue funding and two resolution position authorities for Emergency Planning consolidation (\$0.27M)
 - ▶ Continue funding and one resolution position authority for administrative and budget management (\$0.13M)
- **Employee Relations Board (\$0.37M; 3 Total Positions - 3 regular; 0 resolution)**
Detail of Department Programs, Page No. 245
Total Budget Change From 2008-09: (\$-0.01M; 0 positions)
- ▶ Undesignated reduction in Salaries General of 10% (\$-0.02M), resulting in unspecified budgetary consequences equivalent to a reduction of one position
- **Environmental Affairs Department (\$2.56M; 27 Total Positions)**
Detail of Department Programs, Page No. 253
Total Budget Change From 2008-09: (\$-0.41M; -4 positions)
- ▶ Undesignated reduction in Salaries General of 10% (\$-0.27M), resulting in unspecified budgetary consequences equivalent to a reduction of three positions
 - ▶ Delete funding and one regular position authority in the Climate and Air Program (\$-0.11M)
 - ▶ Delete funding and one regular position authority in the Adaptation/Vulnerability Assessment Reduction Program (\$-0.10M)
 - ▶ Delete funding and one regular position authority in the Compliance and Enforcement Program (\$-0.11M)
 - ▶ Delete funding and one regular position authority for General Administration and Support (\$-0.11M)
- **City Ethics Commission (\$2.06M; 21 Total Positions - 21 regular; 0 resolution)**
Detail of Department Programs, Page No. 267
Total Budget Change From 2008-09: (\$-0.45M; -6 positions)
- ▶ Discontinue one resolution position authority in Education and Outreach and one position in the Enforcement division
 - ▶ Continue funding and regularize two positions for Enforcement and Program Operations (\$0.21M)
 - ▶ Delete funding and four regular position authorities assigned to Program Operations, Policy and Legislation, and Operations and Planning (\$-0.38M)
 - ▶ Undesignated reduction in Salaries General of 10% (\$-0.19M), resulting in unspecified budgetary consequences equivalent to a reduction of three positions

IMPACT ON DEPARTMENTS AND PROGRAMS

■ Finance (\$26.52M; 381 Total Positions - 362 regular; 19 resolution)

Detail of Department Programs, Page No. 277

Total Budget Change From 2008-09: (\$0.10M; 12 position)

- ▶ Continue funding and five resolution position authorities to address workload needs at the public counters and call centers (\$0.39M)
- ▶ Continue funding and two resolution position authorities assigned to the Public Appeals process (\$0.24M)
- ▶ Add MICLA funding for four replacement servers for the LATAX project (\$0.00M)
- ▶ Add MICLA funding for Uninterruptable Power Supply (UPS) replacement equipment (\$0.00M)
- ▶ Continue funding and add 12 resolution position authorities to increase the audit penetration rate (\$1.26M)
- ▶ Reduce funding in Contractual Services for data sharing with the California Franchise Tax Board (\$-0.16M)
- ▶ Add funding in Contractual Services for the annual Communications Users Tax audit (\$0.10M)
- ▶ Undesignated reduction in Salaries General of 10% (\$-2.70M), resulting in unspecified budgetary consequences equivalent to a reduction of 39 positions
- ▶ Reallocate 48 Senior Clerk Typist positions to Customer Service Specialist, pursuant to Civil Service Commission actions (\$0.00M)
- ▶ Add Overtime funding to address workload issues and add Transportation account funding for an increase mileage reimbursement rate (\$0.20M)
- ▶ Realign funding in various accounts from the Sewer Construction and Maintenance Fund to the General Fund to reflect appropriate expenditures (\$0.00M)

■ Fire (\$521.93M; 4,031 Total Positions: 3,631 Sworn - 3,588 regular, 43 resolution: 400 Civilian - 353 regular, 47 resolution)

Detail of Department Programs, Page No. 289

Total Budget Change from 2008-09: (\$-40.56M; 2 positions)

- ▶ Undesignated reduction in Salaries General of 10% (\$-39.82M), resulting in unspecified budgetary consequences equivalent to a reduction of 40 positions
- ▶ Discontinue two resolution position authorities for LAUSD fire inspectors
- ▶ Delete one-time equipment funding (\$-0.16M)
- ▶ Continue funding and 15 resolution position authorities to maintain sworn and civilian support of the Homeland Security Section for related planning and training activities (\$2.01M)
- ▶ Realign funding from the General Fund to the Fire Hydrant Installation Fund to reflect actual costs for the Hydrants and Access Unit personnel (\$0.00M)
- ▶ Add funding and nine resolution position authorities, and an additional nine resolution position authorities without funding, for 18 Emergency Medical Services (EMS) Captains (\$1.67M)
- ▶ Continue funding and five resolution position authorities for sworn positions in the Construction Services Unit to conduct inspections (\$0.65M)
- ▶ Delete funding and one regular position authority to reflect efficiencies (\$-0.12M)
- ▶ Continue six-months funding and 22 resolution position authorities for accounting and administrative staff in the Ambulance Billing Unit (\$0.85M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Continue funding and seven resolution position authorities for sworn positions in the Recruit Training Program by reducing academy training classes from five to three and redeploying 20 positions to the field to fill vacant positions (\$5.25M)
 - ▶ Add funding for pre-drill tower orientation and fitness program (\$0.11M)
 - ▶ Continue funding and 12 resolution position authorities to implement and complete technology upgrades (\$1.60M)
 - ▶ Add funding for contractual services to implement software to manage resource needs and fully track emergency calls (\$0.32M)
 - ▶ Add funding for hardware and software for a global positioning system (GPS) to improve resource deployment (\$0.40M)
 - ▶ Add funding for contractual services to implement electronic payment and permitting process for Certified Unified Program Agency (CUPA) fees (\$0.20M)
 - ▶ Continue funding and one resolution position authority for the Public Access Defibrillator Program to maintain 800 defibrillators citywide (\$0.13M)
 - ▶ Continue funding and one resolution position authority for a community liaison (\$0.13M)
 - ▶ Continue funding and three resolution position authorities for support in the Human Resources Division (\$0.36M)
 - ▶ Continue funding and one resolution position authority, and add funding and 3 regular position authorities in the Professional Standards Division (\$0.55M)
 - ▶ Continue funding and two resolution position authorities for oversight of the Claims Reimbursement Team and additional administrative and accounting support (\$0.26M)
 - ▶ Add funding and resolution position authority to design and deliver human relations training for the entire department (\$0.09M)
- **General Services Department (\$265.08M; 2,036 Total Positions - 2,003 regular; 33 resolution)**
Detail of Department Programs, Page No. 321
Total Budget Change From 2008-09: (\$-24.38M; -235 positions)
- ▶ Discontinue resolution position authority for the following positions: two positions for Public Works Building Support, four positions in the Street Resurfacing Program and one position in the Alternative Fuels Program
 - ▶ Add full-year funding and 32 regular position authorities for maintenance, custodial, and security services at 31 new facilities that opened in 2008-09 (\$7.88M)
 - ▶ Add funding and 31 regular position authorities for maintenance, custodial, and security services at new City facilities scheduled to open in 2009-10 (\$3.64M)
 - ▶ Undesignated reduction in Salaries General of 10% (\$-12.28M), resulting in unspecified budgetary consequences equivalent to a reduction of 202 positions
 - ▶ Reduce overall funding based on realignment of funds to correspond with expenditures (\$0.00M)
 - ▶ Delete funding and 182 vacant regular position authorities in OPS, Fleet, Custodial, Supply Services, Building Maintenance, Standards Division, General Administration, Fuel/Environmental Compliance, and Mail and Parking services (\$-15.29M)
 - ▶ Delete funding and 17 regular position authorities to reduce custodial services at various City facilities, including the Civic Center (\$-1.16M)
 - ▶ Reduce funding for painting services at City facilities (\$-1.60M)
 - ▶ Reduce funding for the City's Alterations and Improvements Program (\$1.08M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Delete funding and 16 regular position authorities that provide administrative support in the Construction Services Division (\$-1.55M)
- ▶ Reduce funding for maintenance services at Figueroa Plaza, based on workload (\$0.01M)
- ▶ Delete funding and 28 regular position authorities, and restore funding for 24 resolution position authorities, to reorganize asset management, resulting in a net decrease (\$-0.81M)
- ▶ Continue funding and one resolution position authority for parking accounting services at El Pueblo (\$0.07M)
- ▶ Continue funding and regularize 29 position authorities for security services at various facilities (\$2.16M)
- ▶ Delete funding and 11 regular position authorities to reduce security services at the LA Convention Center (\$-0.99M)
- ▶ Continue funding and regularize three position authorities for DWP helicopter repair and Alternative Fuel Vehicle programs (\$0.28M)
- ▶ Continue funding and three resolution position authorities for the Alternative Fuel Vehicle program and Sidewalk Replacement program (\$0.28M)
- ▶ Add nine months funding and three resolution position authorities for final inspection of helicopter maintenance services, as required by the FAA, and for heliport operations management (\$0.30M)
- ▶ Add funding to replace nine Bureau of Street Lighting vehicles used for installation and maintenance services (\$1.25M)
- ▶ Reduce funding and delete 23 regular position authorities in Fleet Services based on the anticipated reduction in the number of fleet vehicles (\$-3.31M)
- ▶ Reduce funding in the Parts account to reflect a reduce number of fleet vehicles (\$-0.56M)
- ▶ Delete funding and seven regular position authorities to reflect the reduced street miles in the Street Resurfacing program (\$-1M)
- ▶ Add \$21M to MICLA to fund Citywide fleet replacement (\$0.00)
- ▶ Delete contractual services funding for compliance with the CARB's Enhanced Vapor Recovery Phase II requirements, due to the CARB's extension of the City's compliance deadline to 2012 (\$-3.72M)
- ▶ Reduce funding in the Petroleum Account based on an anticipated 10% reduction in usage (\$-4.48M)
- ▶ Continue funding and regularize five position authorities supporting the Wastewater Capital Project (\$0.41M)
- ▶ Delete funding and 13 regular position authorities supporting the Street Resurfacing Program (\$-1.30M)
- ▶ Continue funding and two resolution position authorities for the Environmentally Preferable Purchasing Program (\$0.20M)
- ▶ Delete funding and 21 regular position authorities providing inventory, procurement, and payment services for various departments (\$-1.48M)
- ▶ Reduce funding in the Postage account by nine percent to reflect improved efficiencies (\$-0.43M)
- ▶ Continue funding and regularize four position authorities for administrative support of the Fuel Tax Refund program, and systems support for Building Maintenance, Fuel Automation, and OPS systems (\$0.39M)

IMPACT ON DEPARTMENTS AND PROGRAMS

■ **Housing Department (\$46.75M; 577 Total Positions - 535 regular; 42 resolution)**

Detail of Department Programs, Page No. 363

Total Budget Change From 2008-09: (\$0.10M; 3 positions)

- ▶ Increase funding to pay for annual lease increases at five field offices and the Department's main office (\$1.01M)
- ▶ Continue funding and 18 resolution position authorities supporting the Affordable Housing Trust Fund (\$1.88M)
- ▶ Adjust funding sources to reflect actual work order billings in Fiscal Year 2008-09 (\$0.00M)
- ▶ Delete two regular position authorities and add two regular position authorities to properly align position classifications to actual duties performed (\$0.00M)
- ▶ Add one as-needed authority to support the Department's Compliance Division Billing Section and Rent Escrow Account Program (\$0.00M)
- ▶ Undesignated reduction in Salaries General of 10% (\$-4.32M), resulting in unspecified budgetary consequences equivalent to a reduction of 58 positions
- ▶ Continue funding and regularize four position authorities in the Major Projects Division (\$0.43M)
- ▶ Continue funding and regularize seven position authorities in the Homeownership and Preservation Division (\$0.71M)
- ▶ Continue funding and regularize two position authorities in the Portfolio Management Division (\$0.20M)
- ▶ Continue funding and one resolution position authority in the Housing Services Division (\$0.11M)
- ▶ Add nine months funding and one resolution position authority to provide occupancy monitoring services in the Housing Services Division (\$0.08M)
- ▶ Continue funding and regularize nine position authorities in the Rent Stabilization Division (\$0.76M)
- ▶ Add nine months funding and one resolution position authority for landlord/tenant outreach in the Rent Stabilization Division (\$0.07M)
- ▶ Add nine months funding and one resolution position authority for Ellis Act Compliance in the Rent Stabilization Division (\$0.07M)
- ▶ Continue funding and regularize five position authorities in the Code Enforcement Division (\$0.51M)
- ▶ Continue funding and regularize seven position authorities in the Compliance Division (\$0.68M)
- ▶ Continue funding and six resolution position authorities in the Executive Management Division (\$0.82M)
- ▶ Continue funding and one resolution position authority in the Budget, Grants and Management Services Division (\$0.09M)
- ▶ Continue funding and nine resolution position authorities in the Technology Support Division (\$1.07M)
- ▶ Continue funding and four resolution position authorities in the Accounting Division (\$0.32M)

IMPACT ON DEPARTMENTS AND PROGRAMS

■ **Human Relations Commission (\$0.00M; 0 Total Positions)**

Detail of Department Programs, Page No. 391

Total Budget Change From 2008-09: (\$-0.80M; -10 positions)

- ▶ Discontinue one resolution position authority for Administrative Services
- ▶ Transfer funding and five regular position authorities and funding for contractual service and other expenses to the Human Services Department (\$-0.42M)
- ▶ Delete funding and one regular position authority for an Executive Director due to the consolidation of the three commissions
- ▶ Transfer funding to the Human Services Department for the Social Policy and Planning Support program (\$-0.09M)
- ▶ Transfer funding to the Human Services Department for general administration and support (\$-0.08M)

■ **Human Services Department (\$2.16M; 31 Total Positions - 20 regular; 11 resolution)**

Detail of Department Programs, Page No. 401

Total Budget Change From 2008-09: (\$2.16M; 31 positions)

- ▶ Undesignated reduction in Salaries General of 10% (\$-0.22M), resulting in unspecified budgetary consequences equivalent to a reduction of three positions
- ▶ Transfer funding and two regular position authorities, and continue funding and six resolution position authorities, from CCYF to support KidWatch programs (\$0.74M)
- ▶ Transfer funding and two regular position authorities from CCYF to oversee the Los Angeles Youth Council program (\$0.16M)
- ▶ Transfer funding and five regular position authorities from HRC and the Commission on the Status of Women for Inter-Group Relations Advocacy (\$0.60M)
- ▶ Continue funding and two resolution position authorities for Inter-Group Relations Support (\$0.20M)
- ▶ Transfer funding and one regular position authority from CSOW to develop advocacy programs for women (\$0.07M)
- ▶ Continue funding and one resolution position authority for women's advocacy support (\$0.10M)
- ▶ Transfer funding and 10 regular position authorities, and continue funding and two resolution position authorities, from CCYF to provide general administration, human resources, accounting, policy development and coordination of commission meetings (\$1.23M)

■ **Information Technology Agency (\$93.13M; 693 Total Positions - 631 regular; 62 resolution)**

Detail of Department Programs, Page No. 417

Total Budget Change From 2008-09: (\$-12.98M; -99 positions)

- ▶ Discontinue the following: three positions for LA Business Tax support, three positions for SMS support, one position supporting the 3-1-1 Call Center, and one position supporting PAYSR
- ▶ Continue funding and eight resolution position authorities supporting TEAMS II (\$1.08M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Adjust expense funding to reflect price changes, discontinuation of certain services, additional services for new facilities, and realignment of funds (\$-0.58M)
- ▶ Add funding and five regular position authorities currently filled through substitute authorities, and reduce funding and delete eight regular position authorities to offset the cost (\$-0.04M)
- ▶ Continue funding and six resolution position authorities for the LATAX project (\$0.84M)
- ▶ Continue funding and seven resolution position authorities for Supply Management System support (\$1.77M)
- ▶ Reduce funding in various expense accounts (\$-0.94M)
- ▶ Delete funding and three regular position authorities for systems support in Building & Safety, Sanitation, and the City Attorney's office to reduce service levels (\$-0.39M)
- ▶ Undesignated reduction in Salaries General of 10% (\$-5.92M), resulting in unspecified budgetary consequences equivalent to a reduction of 70 positions
- ▶ Continue funding and four resolution position authorities for the LAPD's ECCCS system (\$0.54M)
- ▶ Continue funding for seven resolution position authorities to develop systems for the new EOC, Police DOC, and Fire Dispatch Center, and for contractual services and expenses (\$3.08M)
- ▶ Delete funding and three regular position authorities in Public Safety Systems Development (\$-0.35M)
- ▶ Add \$0.90M in MICLA funding for the second year of a two-year program to replace microwave links for public safety voice and data communications (\$0.00)
- ▶ Continue funding and two resolution position authorities to install communications equipment in LAPD vehicles (\$0.20M)
- ▶ Add \$1.28M in MICLA funding to overhaul the electrical systems at Mount Lee (\$0.00)
- ▶ Add \$0.40M in MICLA funding to begin upgrade of the 800MHz radio system (\$0.00)
- ▶ Add \$0.30M in MICLA funding to replace LAFD antenna subsystem components (\$0.00)
- ▶ Delete funding and 16 regular position authorities in the Public Safety Communications program (\$-1.54M)
- ▶ Continue funding and one resolution position authority to enhance the 3-1-1 Call Center system (\$0.12M)
- ▶ Reduce funding and delete 21 regular position authorities in the 3-1-1 Call Center, eliminating the graveyard shift (\$-1.50M)
- ▶ Continue funding and one resolution position authority to manage Channel 35 Production, to be fully funded from the TDA (\$0.11M)
- ▶ Reduce funding and delete five regular position authorities for Channel 35 operations, with reductions to be reflected in the TDA (\$-0.47M)
- ▶ Reduce funding and delete six regular position authorities that support regulation of video services (\$-0.56M)
- ▶ Delete funding and nine regular position authorities in the Office Systems Support program (\$-0.99M)
- ▶ Continue funding and four resolution position authorities, expenses and contractual services for the PAYSR project (\$1.81M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Continue funding and 14 resolution position authorities, and add funding and five resolution position authorities, for the Financial Management System project, with staffing and expenses to be funded primarily by MICLA (\$0.28M)
 - ▶ Add \$0.08M to MICLA for LATAX servers and UPS replacement (\$0.00M)
 - ▶ Delete funding and four regular position authorities in Systems Development and Support (\$-0.48M)
 - ▶ Add \$2.2M to MICLA to fund the second year of a six-year project upgrading the City's network infrastructure (\$0.00M)
 - ▶ Reduce funding and delete 21 regular position authorities in the Enterprise and Distributed Systems and Operations program (\$-2.19M)
 - ▶ Add \$0.23M to MICLA for purchase of five virtual servers (\$0.00M)
 - ▶ Add \$3.60M to MICLA to upgrade the North Ring of the City's fiber optic network (\$0.00M)
 - ▶ Delete funding and 10 regular position authorities in the Network Engineering and Operations program (\$-1.10M)
 - ▶ Reduce funding in the Communications Services account (\$-0.90M)
 - ▶ Continue funding for one Assistant General Manager and one support staff to oversee Public Safety projects (\$0.31M)
 - ▶ Add funding and resolution position authority for one Assistant General Manager to manage the Enterprise Services Bureau (\$0.21M)
 - ▶ Reduce funding and delete three regular position authorities in the General Administration and Support program (\$-0.30M)
- **Library (\$82.51M; 1,156 Total Positions - 1,132 regular; 24 resolution)**
Detail of Department Programs, Page No. 771
Total Budget Change From 2008-09: (\$3.51M; -25 positions)
- ▶ Delete funding and four regular position authorities, and reduce expense funding (\$-0.45M)
 - ▶ Undesignated reduction in Salaries General of 10% (\$-6.36M), resulting in unspecified budgetary consequences equivalent to a reduction of 115 positions
 - ▶ Add funding to contractual services for Water and Electricity, Building Maintenance, Fuel and Fleet, Natural Gas, Security and Custodial Services (\$10.93M)
 - ▶ Reduce projected 2008-09 revenue (\$0.00M)
 - ▶ Increase salary savings rate from 5.5 percent to 6 percent (\$-0.40M)
 - ▶ Continue funding and 24 resolution position authorities for expanded service hours (\$1.50M)
 - ▶ Reduce funding in the Library Materials Account (\$-1.61M)
- **Department of Neighborhood Empowerment (\$3.32M; 43 Total Positions - 43 regular; 0 resolution)**
Detail of Department Programs, Page No. 463
Total Budget Change From 2008-09: (\$-0.49M; -6 positions)
- ▶ Undesignated reduction in Salaries General of 10% (\$-0.33M), resulting in unspecified budgetary consequences equivalent to a reduction of five positions
 - ▶ Delete funding and two regular position authorities and reduce funding in the Office and Administrative Services, Contractual Services and Overtime Salaries (\$-0.26M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Delete funding and two regular position authorities in Neighborhood Council program support (\$-0.13M)
 - ▶ Delete funding and two regular position authority position authorities in the Neighborhood Council Administrative Support Services Program (\$-0.12M)
 - ▶ Add funding and one regular position authority, and delete funding and one regular position authority, in the General Administration and Support Division (\$0.01M)
- **Personnel (\$61.75M; 502 Total Positions - 441 regular; 61 resolution)**
Detail of Department Programs, Page No. 479
Total Budget Change From 2008-09: (\$-3.30M; -29 positions)
- ▶ Discontinue the following resolution position authorities: four positions in the Public Safety Bureau, one position for the LAFD Equal Employment Opportunity program, one position for the PAYSR project
 - ▶ Undesignated reduction in Salaries General of 10% (\$-3.66M), resulting in unspecified budgetary consequences equivalent to a reduction of 51 positions
 - ▶ Continue funding and 54 resolution position authorities for Public Safety Bureau Staffing (\$5M)
 - ▶ Continue funding to advertise police officer recruitment (\$0.40M)
 - ▶ Delete funding and one regular position authority in the Public Safety Employment Program (\$-0.09M)
 - ▶ Continue funding and two resolution position authorities for the Department of Water and Power examining support (\$0.24M)
 - ▶ Add funding for DWP Fingerprinting and Background Check Expenses (\$0.43M)
 - ▶ Reduce funding for employee fingerprinting expenses due to reduced hiring (\$-0.10M)
 - ▶ Delete funding and one regular position authority in the Employee Selection Division (\$-0.06M)
 - ▶ Add funding for the implementation of the Online Civil Service Testing Program, delete funding and four regular position authorities and reduce funding in the As-Needed Salaries Account to offset the costs of the new program (\$-0.07M)
 - ▶ Delete funding and seven regular position authorities for Workers' Compensation Staffing (\$-0.58M)
 - ▶ Continue funding and two resolution position authorities for the Deferred Compensation and Rideshare Program (\$0.05M)
 - ▶ Increase funding for employee transit subsidies (\$0.13M)
 - ▶ Reduce funding for the FLEX Benefits Third Party Administrator Contract (\$-0.29M)
 - ▶ Reduce funding from the Mobile Source Air Pollution Trust Fund for staff costs (\$-0.07M)
 - ▶ Continue funding and one resolution position authority for the Hyperion Ombudsman (\$0.14M)
 - ▶ Delete funding and four regular position authorities in the Occupation Health Division (\$-0.49M)
 - ▶ Continue funding and two resolution position authorities for Correctional Care Staffing (\$0.26M)
 - ▶ Delete funding and two regular position authorities in the Custody Medical Care Program (\$-0.19M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Delete funding and one regular position authority in the Equal Employment Opportunity Division (\$-0.10M)
 - ▶ Reduce funding in the Contractual Services account for workplace violence prevention training and intervention services (\$-0.41M)
 - ▶ Delete funding and two regular position authorities and add funding in the Contractual Services Account for an online training program (\$-0.05M)
 - ▶ Delete funding and one regular position authority in the General Administration and Support Services Division (\$-0.06M)
- **Department of City Planning (\$26.45M; 351 Total Positions - 270 regular; 81 resolution)
Detail of Department Programs, Page No. 507
Total Budget Change From 2008-09: (\$-7.62M; -35 positions)**
- ▶ Discontinue the following resolution position authorities: five positions for the Community planning case processing workload, one position for Interim Control Ordinances, one position for the Sunland-Tujunga New Community Plan Program, one position for the Fletcher Square Interim Control Ordinance, three positions for the New Community Plan Program, one position for the Office of Historic Resources, 13 positions for expedited case processing, nine positions for the case processing workload, and one position for case processing administrative support
 - ▶ Undesignated reduction in Salaries General of 10% (\$-2.38M), resulting in unspecified budgetary consequences equivalent to a reduction of 29 positions
 - ▶ Continue one resolution position authority, without funding, for planning services for the Port of Los Angeles Downtown/Waterfront Plan, reimbursable by CRA (\$0.00M)
 - ▶ Continue funding and three resolution position authorities to support Interim Control Ordinances (\$0.33M)
 - ▶ Continue funding and 14 resolution position authorities to support the New Community Plan Program (\$2.91M)
 - ▶ Continue funding and four resolution position authorities for the Office of Historic Resources (\$0.49M)
 - ▶ Continue funding and 14 resolution position authorities to support expedited case processing (\$1.73M)
 - ▶ Continue 17 resolution position authorities, without funding, to support expedited case processing, to be filled only after review and approval by the CAO (\$0.00M)
 - ▶ Continue funding and 15 resolution position authorities to support case processing (\$1.60M)
 - ▶ Continue six resolution position authorities, without funding, to support the Environmental Review Unit (\$0.00M)
 - ▶ Continue funding and three resolution position authorities for Geographic Information Systems support (\$1.63M)
 - ▶ Reduce funding for the Systems Development Trust Fund (\$-2.48M)
 - ▶ Continue funding and four resolution position authorities to support the Department's nine commissions (\$0.42M)

IMPACT ON DEPARTMENTS AND PROGRAMS

■ **Police Department (\$1,224.72M; 14,074 Total Positions: 10,504 Sworn - 10,467 Regular, 37 Resolution: 3,570 Civilian - 3,535 Regular, 35 Resolution)**

Detail of Department Programs, page No. 525

Total Budget Change from 2008-09: (\$-98.39M; -263 positions; regular 251; resolution 12)

- ▶ Discontinue the following resolution position authorities: one position in the Human Trafficking Program, five positions in Proposition Q, eight positions in TEAMS II
- ▶ Undesignated reduction in Salaries General of 10% (\$-118.29M), resulting in unspecified budgetary consequences equivalent to a reduction of 339 positions
- ▶ Delete regular position authority for 371 vacant unfunded civilian positions, and regularize 40 Community Police Aide positions to be filled in lieu of vacant Police Service Representative positions, with funding provided in the base budget (\$0.00M)
- ▶ Transfer funding for the marksmanship bonus (\$0.00M)
- ▶ Delete funding for the Police Officer signing bonus (\$-1.98M)
- ▶ Continue funding and 18 resolution position authorities for sworn positions that staff the eight Community Law Enforcement and Recovery (CLEAR) sites (\$1.72M)
- ▶ Add funding to increase sworn staffing by a net of 40 officers to achieve sworn deployment of 10,000 officers in first quarter of the fiscal year, which includes recruit expenses and eight new vehicles (\$6.84M)
- ▶ Add funding and regularize 16 DNA analysis positions (\$1.99M)
- ▶ Add six-months funding and regular position authority for 26 DNA analysis positions and add funding for contractual services to outsource additional analysis (\$2.90M)
- ▶ Add funding and one regular position authority for a Police Administrator to be Commanding Officer of COMPSTAT Group (\$0.15M)
- ▶ Add one regular position authority, without funding, for a Police Administrator position to oversee the new Technical Investigation Division (\$0.00M)
- ▶ Add funding and 31 regular position authorities assigned to the new Metropolitan Detention Center (\$2.02M)
- ▶ Continue funding and one resolution position authority for administration of the federal Community Oriented Policing Services (COPS) grants (\$0.11M)
- ▶ Authorize the replacement of 70 black and white vehicles (\$2.80M) with funding provided by the Forfeited Assets Trust Fund (\$0.00M)
- ▶ Continue funding and 20 resolution position authorities to support the Management Systems Re-Engineering Program to implement the TEAMS II system and add funding for contractual services for continued system maintenance (\$2.10M)
- ▶ Add funding to extend the warranty on all mobile data computers (\$0.30M)
- ▶ Add funding for relocation costs, new equipment and systems training for the new Police Administration Building, new Main Street Parking Facility, and build out of a replacement Property Division Warehouse (\$1.81M)
- ▶ Continue three resolution position authorities, with six-months funding, for civilian administrative support for the new Police Administration Building (\$0.20M)
- ▶ Add funding and four regular position authorities for Special Investigators, and continue funding and regularize one position, in the Inspector General's Office to assume additional oversight responsibilities transferred from the U.S. Department of Justice at the conclusion of the Consent Decree (\$0.50M)
- ▶ Continue eight resolution position authorities, with six-months funding provided in the UB, for the Consent Decree Bureau and the Civil Rights Integrity Division (\$0.42)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Continue funding and 21 resolution position authorities, consisting of 12 sworn and nine civilian positions, in the Audit Division (\$1.44M)
- ▶ Continue funding and one resolution position authority to review confidential financial records of sworn employees in gang enforcement and narcotics units (\$0.13M)

- **Board of Public Works (\$18.96M; 147 Total Positions - 144 regular; 3 resolution)**
Detail of Department Programs, Page No. 557
Total Budget Change From 2008-09: (\$-0.12M; 14 positions)
 - ▶ Undesignated reduction in Salaries General of 10% (\$-1.06M), resulting in unspecified budgetary consequences equivalent to a reduction of 14 positions
 - ▶ Reduce funding in the Salaries, General account and Contractual Services accounts and reduce Community Beautification Grants from \$10,000 to \$5,000 (\$-0.16M)
 - ▶ Reduce funding for one position to be funded by Project Restore (\$-0.14M)
 - ▶ Continue funding and three resolution position authorities for new and existing major capital improvement projects (\$0.29M)
 - ▶ Reduce funding in the Salaries, General, Salaries, Overtime and Office and Administration accounts (\$-0.45M)
 - ▶ Add funding and 14 regular position authorities to the Office of Management Employee Services to administer a department-wide personnel function in the Board of Public Works (\$1.65M)
 - ▶ Reduce funding in Salaries, General, Office and Administration and Contractual Services (\$-0.25M)
 - ▶ Reduce funding in the Salaries, General and Printing and Binding accounts (\$-0.11M)

- **Bureau of Contract Administration (\$30.26M; 361 Total Positions - 280 regular; 81 resolution)**
Detail of Department Programs, Page No. 571
Total Budget Change From 2008-09: (\$-2.58M; -38 positions)
 - ▶ Discontinue 17 resolution position authorities for the Wastewater Program, and 24 resolution position authorities for the Los Angeles Airport Inspection Program
 - ▶ Continue funding and 20 resolution position authorities to inspect major projects at the Port of Los Angeles (\$2.28M)
 - ▶ Continue funding and 19 resolution position authorities to inspect and perform contract compliance services related to the Wastewater Program (\$2.07M)
 - ▶ Undesignated reduction in Salaries General of 10% (\$-3.09M), resulting in unspecified budgetary consequences equivalent to a reduction of 35 positions
 - ▶ Adjust funding for various Street Lighting projects with no net change (\$0.00M)
 - ▶ Continue funding and 13 resolution position authorities to expedite completion of the remaining Automated Traffic Surveillance and Control (ATSAC) projects (\$1.48M)
 - ▶ Continue funding and seven resolution position authorities to enforce the Public Right-of-Way Construction Enforcement Program (\$0.80M)
 - ▶ Delete funding and two regular position authorities from the Metropolitan and Wastewater Divisions (\$-0.22M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Continue funding and three resolution position authorities, and continue four resolution position authorities, without funding, to administer Project Labor Agreements (PLA) and local hiring programs for LAWA projects (\$0.28M)
 - ▶ Continue funding and two resolution position authorities to support Subcontractor Outreach and Enforcement Section of the Office of Contract Compliance (\$0.18M)
 - ▶ Continue funding and four resolution position authorities for Centralized Certification and EEO Enforcement (\$0.37M)
 - ▶ Add nine-months funding and nine resolution position authorities to perform contract compliance services for the CRA, DWP, POLA, and LAWA (\$0.72M)
 - ▶ Delete funding and six regular position authorities in the General Administration and Support division (\$-0.51M)
 - ▶ Delete funding and two regular position authorities in the General Administration and Support Division to consolidate Human Resources functions in the Board of Public Works (\$-0.23M)
- **Bureau of Engineering (\$76.38M; 934 Total Positions - 880 regular; 54 resolution)**
Detail of Department Programs, Page No. 585
Total Budget Change From 2008-09: (\$-6.46M; -53 positions)
- ▶ Discontinue the following resolution position authorities: two positions in the Zoo Capital Program, one position in Constituent Services/Permits, one position in Public Right of Way program, and six positions in Street Resurfacing Survey
 - ▶ Delete funding and eight regular position authorities due to the closure of the West LA District Office (\$-0.87M)
 - ▶ Undesignated reduction in Salaries General of 10% (\$-7.94M), resulting in unspecified budgetary consequences equivalent to a reduction of 94 positions
 - ▶ Reallocate one position in Environmental Engineering and one position in the Mapping Division for assessment projects, with no net change (\$0.00M)
 - ▶ Delete funding and nine regular position authorities in the Stormwater Program due to a decrease in capital projects (\$-1.05M)
 - ▶ Continue six resolution position authorities, without funding, to support the work program resulting from the Wastewater Collection System Settlement Agreement (\$0.00M)
 - ▶ Delete funding and 13 regular position authorities in the Wastewater Program (\$-1.22M)
 - ▶ Delete funding and 12 regular position authorities in the Privately Financed Program due to a decline in development activity (\$-1.18M)
 - ▶ Continue funding and two resolution position authorities, and add supply funding, for completion of the ATSAC project (\$0.25M)
 - ▶ Delete funding and 11 regular position authorities in the Street Improvement Program (\$-1.10M)
 - ▶ Continue funding and 27 resolution position authorities, and add overtime funding, for the Transportation Grant Fund Annual Work Program (\$3.56M)
 - ▶ Continue funding and regularize one position in the Project Award and Control, and delete funding and one regular position authority to fully offset the cost (\$0.00M)
 - ▶ Continue funding and three resolution position authorities, and add expense funding, for survey support at landfills (\$0.32M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Continue funding and three resolution position authorities in the Zoo Capital Program and delete funding and two other positions due to the deferral of one project (\$0.37M)
 - ▶ Continue two resolution position authorities, without funding, for the LA River Revitalization Master Plan (\$0.00M)
 - ▶ Delete funding and 13 regular position authorities in the Municipal Facilities Program, due to a decrease in capital projects (\$-1.36M)
 - ▶ Continue funding and add one regular position authority in the Construction Management Division, and delete one regular position authority to fully offset the cost (\$0.00M)
 - ▶ Delete funding and two regular position authorities in the General Public Improvements Program (\$-0.15M)
 - ▶ Add funding and 11 resolution position authorities to administer the Land Records function transferred from the City Clerk (\$1.28M)
 - ▶ Delete funding and five regular position authorities in General Administration and Support (\$-0.37M)
 - ▶ Delete funding and eight regular position authorities in the Administration Division to consolidate human resources functions in the Board of Public Works (\$-0.90M)

- **Bureau of Sanitation (\$244.84M; 2,821 Total Positions - 2,753 regular; 68 resolution)**
Detail of Department Programs, Page No. 613
Total Budget Change From 2008-09: (\$-23.62M; -192 positions)
 - ▶ Discontinue one resolution position authority for the Multi-Family Bulky Item Collection Program
 - ▶ Delete funding and 12 resolution position authorities as part of the consolidation of human resources functions into the Board of Public Works (\$-1.29M)
 - ▶ Undesignated reduction in Salaries General of 10% (\$-18.45M), resulting in unspecified budgetary consequences equivalent to a reduction of 285 positions
 - ▶ Adjust funding sources to realign funding with operations, and add "Bottle Bill" funds for as-needed support of the City Facilities Recycling Program previously transferred from GSD (\$0.08M)
 - ▶ Reduce the Salary Savings rate for the Sewer Construction & Maintenance (SCM) Fund from seven percent to four percent, and increase the salary savings from five percent to eight percent for the Stormwater Pollution Abatement (SPA) Fund, resulting in a net increase (\$3.72M)
 - ▶ Continue 13 resolution position authorities, without funding, in the Watershed Protection Division (\$0.00M)
 - ▶ Delete funding and four regular position authorities, and reduce funding for contractual services, in the Watershed Protection Division (\$-0.59M)
 - ▶ Continue funding and one resolution position authority for toxicity testing (\$0.10M)
 - ▶ Continue funding for one resolution position authority to lead the Sewer Service Charge Task Force (\$0.12M)
 - ▶ Delete funding and 167 regular position authorities in wastewater operations (\$-14.86M)
 - ▶ Continue funding and six resolution position authorities for the SWIRP (\$0.72M)
 - ▶ Continue funding and three resolution position authorities for the blue bin recycling program jointly operated with the LAUSD (\$0.22M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Continue funding for the fourth phase of a study on Municipal Solid Waste alternative processing technologies (\$1M)
 - ▶ Continue one resolution position authority, without funding, and expense funding to manage the Used Oil Program (\$0.01M)
 - ▶ Continue funding and 34 resolution position authorities for the Multi-Family Bulky Item Collection Program (\$3.80M)
 - ▶ Continue funding and four resolution position authorities to implement a proposed Construction and Demolition Recycling program (\$0.38M)
 - ▶ Continue funding and four resolution position authorities to provide roll-off bin service for, and reimbursed by, proprietary departments (\$0.32M)
 - ▶ Delete funding and six regular position authorities in the Solid Resources Processing and Construction Division (\$-0.53M)
 - ▶ Delete funding and three regular position authorities in CLARTS operations (\$-0.19M)
 - ▶ Consolidate the Curbside Recycling Trust Fund with the SWRRF (\$0.00M)
 - ▶ Continue one resolution position authority, without funding, in the Human Resources Development Division (\$0.00M)
- **Bureau of Street Lighting (\$20.89M; 251 Total Positions - 228 regular; 23 resolution)**
Detail of Department Programs, Page No. 651
Total Budget Change From 2008-09: (\$0.46M; +15 positions)
- ▶ Discontinue one resolution position authority for additional left-turn arrow construction
 - ▶ Adjust salary savings from 5.6 percent to 9.18 percent (\$-0.74M)
 - ▶ Undesignated reduction in Salaries General of 10% (\$-1.70M), resulting in unspecified budgetary consequences equivalent to a reduction of 25 positions
 - ▶ Continue funding and five resolution position authorities to expedite completion of the City's ATSAC and ATCS projects (\$0.87M)
 - ▶ Add funding and three resolution position authorities to continue the Transportation Grant Fund Annual Work Program (\$0.32M)
 - ▶ Adjust the funding source for one position from the SLMAF to the SCM Fund (\$0.00M)
 - ▶ Add funding for one resolution position authority and contractual services, supplies and overtime for replacement of copper wire stolen from street lights and facilities (\$0.56M)
 - ▶ Add contractual services funding to automate processing of DigAlert tickets (\$0.04M)
 - ▶ Add funding for 11 resolution position authorities, overtime, equipment and hiring hall to implement a 5-year LED conversion program for street lights (\$1.47M)
 - ▶ Transfer the street banner ordinance enforcement responsibility from the Bureau of Street Services to the Bureau of Street Lighting (\$0.00M)
 - ▶ Delete funding and two regular position authorities in the Administrative Services Division to consolidate Human Resources functions in Board of Public Works (\$-0.24M)

IMPACT ON DEPARTMENTS AND PROGRAMS

■ Bureau of Street Services (\$134.13M; 1,284 Total Positions - 1,154 regular; 130 resolution)

Detail of Department Programs, Page No. 669

Total Budget Change From 2008-09: (\$-28.55M; -147 positions)

- ▶ Discontinue the following resolution position authorities: nine positions for newsrack enforcement 15 positions for illegal sign removal, ten positions for paving of dirt streets and alleys, 14 positions for off-grade gutter repair, and 51 positions for 50/50 sidewalk repair
- ▶ Add funding and one resolution position authority for a new Risk Management Program, with the cost offset by deleting three regular position authorities (\$-0.05M)
- ▶ Undesignated reduction in Salaries General of 10% (\$-8.13M), resulting in unspecified budgetary consequences equivalent to a reduction of 130 positions
- ▶ Continue funding and four resolution position authorities for Public Right-of-Way Construction Enforcement (\$0.43M)
- ▶ Continue funding and two resolution position authorities for inspection and enforcement associated with Multi-Family Bulky Item Collections Program (\$0.22M)
- ▶ Transfer responsibility for the street banner ordinance enforcement to the Bureau of Street Lighting and delete funding and one regular position authority (\$-0.09M)
- ▶ Continue funding and three resolution position authorities to clean City-owned parking lots managed by GSD (\$0.25M)
- ▶ Delete funding for contract tree trimming services (\$-1.20M)
- ▶ Continue funding and 18 resolution position authorities for 300 additional miles of slurry seal, beyond the base amount of 100 miles (\$7.60M)
- ▶ Reduce overtime and expense funding (\$-0.73M)
- ▶ Continue funding and 12 resolution position authorities to construct 900 sidewalk access ramps (\$1.89M)
- ▶ Increase funding and add 11 resolution position authorities to construct 660 additional sidewalk access ramps (\$1.72M)
- ▶ Delete funding and 80 regular position authorities in the Street Resurfacing and Reconstruction Program (\$-18.92M)
- ▶ Continue funding and 11 resolution position authorities to construct 30 concrete bus pads (\$1.64M)
- ▶ Increase funding and add nine resolution position authorities to construct an additional 30 concrete bus pads (\$1.45M)
- ▶ Delete funding and 41 regular position authorities for regular sidewalk repair (\$-4.74M)
- ▶ Add funding and 54 resolution position authorities to continue streetscape and transit enhancements as part of the Transportation Grant Fund Annual Work Program (\$4.53M)
- ▶ Add funding and five resolution position authorities to continue designing bikeways and pedestrian facilities as part of the Transportation Grand Fund Annual Work Program (\$0.58M)
- ▶ Delete funding and three regular position authorities to consolidate Human Resources functions in the Board of Public Works (\$-0.37M)

IMPACT ON DEPARTMENTS AND PROGRAMS

■ **Department of Recreation and Parks (\$177.18M; 1,992 Total Positions - 1,961 regular; 31 resolution)**

Detail of Department Programs, Page No. 787

Total Budget Change From 2008-09: (\$10.46M; -101 positions)

- ▶ Discontinue the following resolution position authorities: 14 positions for 2007-08 Facility and Landscape Services, five positions for 2008-09 Facility and Landscape Services, 12 positions for Supplemental Park Ranger Deployment, and two positions for Grants Accounting and Administration
- ▶ Continue funding and four resolution position authorities for MacArthur Park recreation and maintenance (\$0.28M)
- ▶ Add funding to Contractual Services to be used to fully reimburse the Water and Electricity Fund, and partially reimburse the General Fund for natural gas, fuel and fleet services (\$14.02M)
- ▶ Add funding and two resolution position authorities for two joint use projects with the LAUSD (\$0.31M)
- ▶ Add funding and four resolution position authorities for recreation and maintenance of new and renovated facilities (\$1.41M)
- ▶ Increase funding for as-needed positions (\$2.60M)
- ▶ Increase funding in the Salaries, Overtime account (\$0.50M)
- ▶ Delete funding and 77 regular position authorities in the Maintenance and Recreation Program, and reduce funding in Salaries General, Contractual Services, Maintenance, Materials and Supplies, Office and Administrative, and Operating Supplies accounts (\$-9.68M)
- ▶ Undesignated reduction in Salaries General of 10% (\$-10.79M), resulting in unspecified budgetary consequences equivalent to a reduction of 192 positions
- ▶ Continue funding and nine resolution position authorities for supplemental Park Ranger Deployment (\$0.19M)
- ▶ Continue funding and six resolution position authorities for landscape maintenance of 73 public parking lots (\$0.41M)
- ▶ Continue funding and one resolution position authority to support the Quimby Program (\$0.01M)
- ▶ Add funding and three resolution position authorities for the implementation of the in-house construction capital delivery plan (\$0.44M)
- ▶ Continue funding and two resolution position authorities for grant close-out activities and Prop 12 and 40 program administration (\$0.02M)

■ **Department of Transportation (\$131.47M; 1,574 Total positions - 1,425 regular; 149 resolution)**

Detail of Department Programs, Page No. 697

Total Budget Change From 2008-09: (\$-20.76M; -91 positions)

- ▶ Discontinue the following resolution position authorities: five positions for 25 additional left-turn arrows, six positions for the Stolen Vehicle Recovery program, and two positions for the Risk Management Division
- ▶ Add funding and 80 resolution position authorities for the Transportation Grant Fund Annual Work Program (\$8.91M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Undesignated reduction in Salaries General of 10% (\$-10.34M), resulting in unspecified budgetary consequences equivalent to a reduction of 160 positions
- ▶ Delete funding due to operational efficiencies (\$-0.68M)
- ▶ Adjust the Department's base budget to align with anticipated expenditures (\$0.08M)
- ▶ Delete funding and six regular position authorities in the Franchise and Taxicab Regulations Program (\$-0.66M)
- ▶ Delete funding and one regular position authority in the Transportation Planning and Land Use program (\$-0.14M)
- ▶ Continue funding and one resolution position authority to manage the development and implementation of transportation enhancement projects Citywide (\$0.14M)
- ▶ Delete funding and four regular position authorities in the Transit Capital Programming program (\$-0.46M)
- ▶ Continue funding and five resolution position authorities to continue to manage the current parking policies and regulations (\$0.71M)
- ▶ Delete funding and two regular position authorities in the parking operations facilities section (\$-0.16M)
- ▶ Continue funding and one resolution position authority for a Parking Enforcement Manager to lead a Special Traffic Services Division (\$0.16M)
- ▶ Continue funding and 20 traffic officer resolution position authorities to continue congestion relief at the City's busiest intersections (\$1.46M)
- ▶ Delete funding for traffic management for Citywide special events (\$-4M)
- ▶ Delete funding and 21 regular position authorities in the Parking Enforcement and Traffic Control program (\$-1.65M)
- ▶ Continue funding and five resolution position authorities for continued support in processing Preferential Parking District and Overnight Parking District requests (\$1.16M)
- ▶ Increase the contractual services account to reflect a required cost-of-living adjustment in the parking citations collection contract (\$0.10M)
- ▶ Delete funding and seven regular position authorities in the Parking Operations Support and Adjudication program (\$-0.65M)
- ▶ Reduce funding in the Salaries, Overtime account to eliminate unused Proposition C overtime funding (\$-0.70M)
- ▶ Delete Gas Tax funding for the speed hump program (\$-1M)
- ▶ Delete funding for the in-house left-turn arrow and new signal construction program (\$-3.36M)
- ▶ Delete funding and 35 regular position authorities that perform field operations for signal installation and street resurfacing projects (\$-2.90M)
- ▶ Delete funding and 30 regular position authorities in the Traffic Control Devices program (\$-2.28M)
- ▶ Reduce various expense accounts due to renegotiation of various equipment contracts and purchases (\$-0.77M)
- ▶ Continue funding and one resolution position authority for the Traffic Management section for sewer construction (\$0.12M)
- ▶ Delete funding and 14 regular position authorities in the Traffic Control Planning program (\$-1.60M)
- ▶ Continue funding and two resolution position authorities to achieve Citywide completion of the Transit Priority System Program (TSP) (\$0.21M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Continue funding and 31 resolution position authorities to continue to expedite completion of the City's remaining ATSAC projects (\$3.42M).
 - ▶ Adjust funding for three regular position authorities, formerly funded by Proposition C, to the Mobile Source Air Pollution Reduction Trust Fund (\$0.00M)
 - ▶ Delete funding and eight regular position authorities in the Transportation Design and ATSAC program (\$-0.77M)
 - ▶ Delete funding and two regular position authorities in the Audit and Investigations Program (\$-0.20M)
 - ▶ Delete funding and three regular position authorities in the Mass Transit Information Services Program (\$-0.32M)
 - ▶ Reduce funding in the Salaries, Overtime account to eliminate unused Proposition A overtime funding (\$-0.30M)
 - ▶ Continue funding and two resolution position authorities for the continued maintenance of the Traffic Asset Management System (\$0.22M)
 - ▶ Delete funding and three regular position authorities in the Technology Support program (\$-0.29M)
 - ▶ Add funding and resolution position authority for one Emergency Preparedness Coordinator position (\$0.13M)
 - ▶ Reduce funding in the Salaries, As-Needed account (\$-0.24M)
 - ▶ Delete funding and 23 regular position authorities in the General Administration and Support program (\$-2.30M)
- **Treasurer (\$3.39M; 34 Total Positions - 33 regular; 1 resolution)**
Detail of Department Programs, Page No. 733
Total Budget Change From 2008-09: (\$-1.74M; -6 positions)
- ▶ Undesignated reduction in Salaries General of 10% (\$-0.29M), resulting in unspecified budgetary consequences equivalent to a reduction of four positions
 - ▶ Realign funding with the Salaries, General account from the General Fund to the Sewer Construction and Maintenance Fund (\$0.00M)
 - ▶ Delete funding and one regular position authority in Debt Management (\$-0.07M)
 - ▶ Delete funding and two regular position authorities in Cash Management (\$-0.15M)
 - ▶ Delete funding in the Bank Service Fees account, and set aside \$7M in the UB for the cost of bank fees while the Treasurer develops a new fee payment process (\$-1.58M)
 - ▶ Delete funding and one regular position authority in the Accounting Division (\$-0.08M)
 - ▶ Add one-time funding for a new cash control accounting system (\$0.02M)
 - ▶ Add one-time funding to replace the existing Mutual Earnings Cost Allocation System (\$0.03M)
 - ▶ Add funding for the monthly maintenance cost of the BondEdge Investment System (\$0.13M)
 - ▶ Continue funding, one regular position authority and one resolution position authority for systems support and development, including the Treasury Workstation (\$0.24M)
 - ▶ Delete funding and two regular position authorities in General Administration and Support (\$-0.15M)

IMPACT ON DEPARTMENTS AND PROGRAMS

■ **Zoo Department (\$16.83M; 246 Total Positions - 245 regular; 1 resolution)**

Detail of Department Programs, Page No. 749

Total Budget Change From 2008-09: (\$-2.50M; -13 positions)

- ▶ Discontinue funding for one resolution position authority in Planning, Development and Construction
- ▶ Undesignated reduction in Salaries General of 10% (\$-1.43M), resulting in unspecified budgetary consequences equivalent to a reduction of 25 positions
- ▶ Continue funding and one resolution position authority to coordinate the Behavioral Enrichment Program (\$0.08M)
- ▶ Delete funding and two regular position authorities in Animal General Care Support, and delete funding in Salaries As-Needed and Uniforms accounts (\$-0.33M)
- ▶ Delete funding in the Animal Purchases and Sales account for the Golden Monkey Cooperative Research Agreement (\$-0.21M)
- ▶ Delete funding and one regular position authority in Salaries As-Needed and Contractual Services accounts in the Animal Health Care program (\$-0.20M)
- ▶ Delete funding and one regular position authority in the Admissions program, as well as funding in Salaries As-Needed and Printing and Binding accounts (\$-0.12M)
- ▶ Delete funding and two regular position authorities and funding in Salaries As-Needed, Contractual Services, and various expense accounts in Grounds Maintenance (\$-0.21M)
- ▶ Delete funding and two regular position authorities and funding in Salaries As-Needed, Contractual Services, and various expense accounts in the Custodial Services program (\$-0.31M)
- ▶ Delete funding and one regular position authority in the Public Relations and Marketing (\$-0.14M)
- ▶ Delete funding and one regular position authority, and Salaries As-Needed funding, in the Education program (\$-0.15M)
- ▶ Recognize \$0.16M in additional revenue from non-LAUSD school groups due to an increase in admission fees (\$0.00M)
- ▶ Delete funding and one resolution position authority previously provided to support Zoo Bond and other Planning, Development and Construction Division projects (\$0.00M)
- ▶ Delete funding and two regular position authorities and funding in Salaries As-Needed, Contractual Services, and various expense accounts in the Planning, Development and Construction program (\$-0.25M)
- ▶ Delete funding in Salaries As-Needed and Contractual Services accounts in General Administration and Support (\$-0.06M)

Other Program Costs

■ **Capital Finance Administration Fund (\$208.55M; 0 positions)**

Detail of Department Programs, Page No. 833

Total Budget Change From 2008-09: (\$39.07M)

- ▶ Total debt service payments for 2009-10 would be \$208.55M, a 23 percent increase due mainly to the debt service obligations on several recently completed bond issuances, including MICLA 2009-A & B and the Convention Center refunding that refinanced variable

IMPACT ON DEPARTMENTS AND PROGRAMS

rate debt

- ▶ General Administration fees were increased by \$3M to reflect expected costs for researching, analyzing and executing a proposed public-private partnership for the City's parking assets, to be repaid from revenues in the Special Parking Revenue Fund (\$3.25M)
- ▶ An estimated \$97.91 MICLA Financing Program is proposed for 2009-10, including: Financial Management System replacement; Fire capital equipment and replacement vehicles; GSD fleet and capital equipment replacement; ITA Citywide infrastructure and police fiber upgrades; Figueroa Plaza capital and tenant improvements; Public Works tenant improvements; Recreation & Parks replacement pools; and Zoo capital improvements

■ Capital Improvement Expenditure Program (\$255.32M; 0 positions)

Detail of Department Programs, Page No. 849

Total Budget Change From 2008-09: (\$-37.06M)

- ▶ The Municipal Facilities program totals \$39.02M, a \$20.17M (34.08%) decrease from the 2008-09 Adopted Budget and provides for the following:
 - Park and Recreational Sites and Facilities Fund financing for various Recreation and Parks facility improvements (\$0.80M)
 - General Fund financing for various capital improvement projects including: building hazard mitigation; elevator repairs; infrastructure improvements; roof repairs; soil removal/mitigation; Convention Center escalator/elevator repair; Convention Center South Exhibit Hall floor; Chatsworth Park South lead remediation; and one percent for the Arts projects (\$7.50M)
 - Special Parking Revenue Fund (SPRF) financing for upgrades to existing City off-street parking lots (\$1M)
 - Municipal Improvement Corporation of Los Angeles (MICLA) financing for various projects including: Figueroa Plaza Year Three Capital Improvements; Reptile and Insect Interpretive Center; Swimming Pool Replacement for 109th Street, Costello and Lincoln pools; Tenant Improvements to Figueroa Plaza; and Tenant Improvements to Public Works Building (\$29.72M)
 - Fire Facilities Bond Program (Prop F) funds to construct or expand 19 neighborhood fire/paramedic stations and an emergency air operations/helicopter maintenance facility. No bond issuance is recommended for 2009-10
 - Animal Services Bond (Prop F) funds for the construction and refurbishment of eight animal shelters. No bond issuance is recommended for 2009-10
 - Police/Fire/Paramedic Citywide Security (Prop Q) funds to finance new and replacement emergency response facilities and police stations and repair of existing fire and police facilities. As a result of bond premiums received at the time of each issuance, the City netted a full \$616M while borrowing only \$600M. No bond issuance is recommended for 2009-10
 - Seismic Improvement Bond Program funds to finance reinforcement, renovation and replacement of City-owned seismically deficient bridges and buildings. No bond issuance is recommended for 2009-10

IMPACT ON DEPARTMENTS AND PROGRAMS

- Branch Library Bond Construction Program (1998) funds to finance new construction or renovation of various branch libraries. No bond issuance is recommended for 2009-10
- Los Angeles Zoo Improvement Program funds to finance the design and construction of major Zoo projects and infrastructure repairs. No bond issuance is recommended for 2009-10
- Los Angeles River Revitalization Program includes all capital projects relating, or adjacent to, the Los Angeles River. There are 46 on-going projects (\$1.02B)
- ▶ The Physical Plant program totals \$17.73M, a \$13.74M (43.7%) decrease from the 2008-09 Adopted Budget and provides for the following:
 - Stormwater Pollution Abatement Fund financing for two flood control projects (\$0.39M)
 - Street Projects including: Street widening, reconstruction and rehabilitation (\$0.36M)
 - Bridges and Grade Separations: no funding is proposed for the ongoing bridge maintenance program, retrofit of two bridges and replacement of one bridge
 - Local Transportation Funds provided for bikeway related projects. Funds are in projects to be designated by Ordinance or Resolution accounts and would be allocated to specific projects by future Council action (\$7.86M)
 - Miscellaneous street projects including storm damage, slope repair and safety related improvements (\$3.88M)
 - Gas Tax Construction Contingencies: Only for Gas Tax eligible projects and the CAO may approve transfers of any amount from the Contingencies account to any previously approved projects (\$0.50M)
 - Street Lighting Projects (\$4.60M)
 - Transportation Projects (\$0.15M)
 - Water Quality Projects (\$176.50M)
 - The Wastewater System Improvement Program totals \$819.96M, a \$7.20M (0.8%) decrease from the 2008-09 Adopted Budget and provides for the following:
 - Collection System improvements (\$114.97M)
 - Donald C. Tillman Water Reclamation Plant improvements (\$27.38M)
 - Hyperion Treatment Plant improvements (\$35.14M)
 - Los Angeles-Glendale Water Reclamation Plant improvements (\$0.20M)
 - Venice Pumping Plant and other pumping plant improvements (\$0.95M)
 - Terminal Island Water Reclamation Plant (\$6.46M)
 - System-wide activities including: facilities planning, financial consultants and construction services (\$43.20M)
 - General Fund Reimbursements: SCM funds are allocated to the General Fund to provide reimbursement for the cost of wastewater-related activities in various City departments (\$215.91M)
 - Undesignated contingency of 10% (\$15.42M) related to the equivalent reduction in Salaries General for each Department, resulting in unknown budgetary impacts
 - Expense and equipment for various departments (\$132.75M)
 - Wastewater Bond Requirements (\$227.59M)

IMPACT ON DEPARTMENTS AND PROGRAMS

■ **City Employees' Retirement Fund (\$363.45M; 0 positions)**

Detail of Department Programs, Page No. 825

Total Budget Change From 2008-09: (\$-9.94M)

- ▶ The City will issue Tax and Revenue Anticipation Notes (TRANS) to fund the General Fund retirement contribution (\$304.6M) in July 2009 rather than making installment payments throughout the year
- ▶ The proprietary departments (Harbor and Airports) will fund their portion of the retirement contribution in July 2009 (\$58.8M)
- ▶ The discount provided by paying the entire annual payment in July will reduce the required contribution to the retirement fund (\$13M)
- ▶ The proposed City budget contribution decrease of approximately \$8M is primarily attributable to strong returns on investment over the past four fiscal years, despite the large one-year investment loss in 2007-08, and lower contribution rates
- ▶ The system's funded ratio increased from 79.8% to 82.2% as of June 30, 2008

■ **Emergency Operations Fund (\$0.39M; 0 positions)**

Detail of Department Programs, Page No. 881

Total Budget Change From 2008-09: (\$0.20M)

- ▶ Provide a total of \$0.39M to the Emergency Operations Organization for expenses and equipment in support of departments that respond to local emergencies. The major items funded include public outreach, EOC supplies, technical equipment and emergency preparedness training for City personnel.
- ▶ Provide a one-time allocation of \$0.11M for the purchase of furniture for the new EOC, an additional ongoing expenditure of \$0.14M for EOC software fees, and a \$0.04M decrease related to conference expenditures.

■ **Fire and Police Pension Fund (\$358.53M; 0 positions)**

Detail of Department Programs, Page No. 827

Total Budget Change From 2008-09: (\$32.91M)

- ▶ By funding the required contribution through the issuance of Tax and Revenue Anticipation Notes (TRANS), the City would be able to make the entire contribution in July 2009. As a result, the pension fund would gain additional interest earnings, which can be used to discount the City contribution by approximately \$13.30M
- ▶ The \$32.91M increase in the City contribution from 2008-09 is largely due to an increase in payroll and an increase in the contribution rate based on the latest actuarial experience study
- ▶ The System's overall funded ratio decreased year-to-year from 92.8% to 92.6% as of June 30, 2008

IMPACT ON DEPARTMENTS AND PROGRAMS

■ **Forfeited Assets Trust Fund of the Police Department (\$18.92M; 0 positions)** **Proposed Budget, Page No. 215**

Total Budget Change From 2008-09: (\$0.57M)

- ▶ This Fund was established for the receipt and expenditure of monies forfeited in connection with Federal and State violations and awarded to the City. The funds must be used to enhance law enforcement resources and not to supplant resources which would have been committed for this purpose in their absence. In addition, the source of funds must be tracked separately.
- ▶ A cash balance of \$18.92M is anticipated to be available in the fund at the beginning of the fiscal year, and will fund the following:
 - A Supplemental Police Account which is established within the Fund to be administered by the Chief of Police in accordance with an expenditure plan approved by the Mayor and City Council (\$1.50M);
 - Black and white vehicles (\$2.80M)
 - Replacement technology (\$0.38M)
 - Funding for the Mayor's Office (\$0.20M)

■ **General City Purposes (\$107.23M; 0 positions)** **Detail of Department Programs, Page No. 883** **Change from 2008-09 (\$22.24M)**

- ▶ Maintain funding for the following: Council District community services; Downtown on Ice and Festival of Lights; Home Delivered Meals for Seniors; Congregate Meals for Seniors; LA SHARES; El Grito; Massage Parlor Regulation; LAHSA drop-in centers; Local Agency Formation Commission (LAFCO); International Visitors Council (IVCLA); Local Government Commission; State Annexation Fees; Feria del Libro; At the Park After Dark; Youth Employment Program; Learn to Earn; City Volunteer Bureau; Office of International Trade; Office of Small Business Services (formerly LA OPS); Mayor's Performance Management Unit; Domestic Abuse Response Teams; Heritage Month Celebrations/Special Events; Clean and Green Jobs Program (LA Conservation Corp); Independent Cities Association; League of California Cities - County Division; South Bay Cities Association; Sister Cities International
- ▶ Eliminate funding for the following: Film LA (\$-0.58M); Los Angeles Neighborhood Land Trust (\$-0.10M); Gay and Lesbian Service Center lease (\$-0.08M)
- ▶ Increase funding for the following existing programs and expenditures: City's contribution to Medicare (\$2.67M); Official Notices (\$0.12M); Solid Waste Fee Lifeline Program (\$16.61M); Solid Waste Fee Reimbursement (\$5.22M); League of California Cities (\$0.01M); National League of Cities (\$0.01M); SCAG (\$0.02M) US Conference of Mayors (\$0.00M); Westside Cities Council of Governments (\$0.01M)
- ▶ Reduce funding for the following: Latino Film Festival (\$-0.03M); Pan African Film Festival (\$-0.03M); Defrayal of LACERS Contribution (\$-0.11M); Social Security (\$-0.09M); Pension Savings Plan (\$-0.50M); Adult Day Care Centers (\$-0.20M); Annual City/Single Audit (\$-0.09M); City/County Native American Indian Commission (\$-0.00M); Day Laborer Sites Program (\$-0.02M); Homeless Shelter Program (\$-0.32M); Special Fund Fee Subsidy Reimbursement (\$-0.25M); LA's BEST (\$-0.04M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Transfer \$1.65M from the Monitor Under Consent Decree contract to a new LAPD Consent Decree Program to fund the ongoing cost to maintain compliance with the Consent Decree.

- **Human Resources Benefits Fund (\$520.34M; 0 positions)**
Detail of Department Programs, Page No. 899
Total Budget Change From 2008-09: (\$12.96M)
 - ▶ Increase funding by \$1.40M for Workers' Compensation (\$136M)
 - ▶ Increase funding by \$0.49M to the Civilian FLEX Benefits Program (\$220.15M)
 - ▶ Increase funding by \$0.04M for Supplemental Civilian Union Benefits (\$5.09M)
 - ▶ Increase funding by \$9.39M for Police Health and Welfare Programs (\$108.64M)
 - ▶ Increase funding by \$0.62M for Fire Health and Welfare Program for the increase in negotiated benefits in 2009, plan rates and enrollment (\$42.63M)
 - ▶ Increase funding by \$1M in the Unemployment Insurance account (\$6.50M)
 - ▶ Increase funding by \$0.03M in the Employment Assistance Program account for adjustments in employment levels and the costs of the City's EAP programs (\$1.33M)

- **Judgment Obligation Bonds Debt Service Fund (\$7.30M; 0 positions)**
Detail of Department Programs, Page No. 901
Total Budget Change From 2008-09: (\$3M)
 - ▶ The Judgment Obligation Bonds Debt Service Fund is a special purpose fund established to pay debt service on bonds issued to finance liabilities resulting from adverse decisions by the California courts in the following litigation matters:
 - Provide \$4.12M in debt service for \$39M in bonds issued for the Kimpel Settlement
 - Provide \$2.74M in debt service for \$20.5M in bonds issued for the Harper Settlement
 - Provide \$0.44M in debt service for \$17.9M in bonds issued for the May Day/Bekeredjian Settlements

- **Liability Claims Account (\$41M; 0 Positions)**
Detail of Department Programs, Page No. 903
Total Budget Change From 2008-09: (\$9M)
 - ▶ Increase funding for claims over \$0.10M from \$22M to \$31M; maintain funding for claims under \$0.10M at \$10M
 - ▶ Increased funding in this account reflects settlements approved in 2008-09 with obligations due in 2009-10, cases on appeal with potential payouts, and matters still pending
 - ▶ Includes \$2M for Attorney Conflict Panel cases

- **Department of Neighborhood Empowerment Fund (\$7.84M; 0 Positions)**
Proposed Budget, Page No. 232
Total Budget Change From 2008-09: (\$-0.93M)
 - ▶ Provide funding for the Department of Neighborhood Empowerment (\$3.32M)
 - ▶ Provide funding for Neighborhood Councils (\$4.05M)
 - ▶ Provide funding for the Department of Neighborhood Empowerment for 2010-11 (\$0.14M)
 - ▶ Undesignated contingency of 10% (\$0.33M) related to the equivalent reduction in Salaries General for each Department, resulting in unknown budgetary impacts

IMPACT ON DEPARTMENTS AND PROGRAMS

■ **Proposition A Local Transit Assistance Fund (\$183.02M; 0 Positions)**

Detail of Department Programs, Page No. 909

Total Budget Change From 2008-09: (\$21.08M; 0 positions)

- ▶ Increase funding for the following City Transit and Specialized Transit Services:
 - DASH Central City (\$13.43M)
 - DASH Community Area 1 (\$6.37M)
 - DASH Community Area 2 (\$10.43M)
 - DASH Community Area 3 (\$9.18M)
 - DASH Community Area 4 (\$9.33M)
 - DASH Community Area 5 (\$5.77M)
 - Commuter Express Service (\$20.23M)
 - Commuter Transportation Implementation Plan (\$0.24M)
 - Transit Facility Security and Maintenance (\$1.21M)
 - Marketing/Advertising (\$1.30M)
 - Transit Store (\$0.55M)
 - Reimbursement for MTA Bus Pass Sales (\$1.20M)
 - Senior Youth Transportation Charter Bus Program (\$4.50M)
 - Paratransit Program Coordination Services (\$1.62M)
 - Cityride Dial-A-Ride Services in San Fernando Valley/Central LA (\$4.85M)
 - Cityride Dial-A-Ride Services in Crenshaw/Watts/Harbor Area (\$2.57M)
 - DASH fleet replacement (\$9.20M)
 - Commuter Express fleet replacement (\$27.85M)
- ▶ Add funding for Cityride fleet replacement (\$2.47M)
- ▶ Continue funding for the following City Transit Services and Capital:
 - Transit sign production and installation (\$0.05M)
 - Support Services to Metro (\$0.09M)
 - Transit education for schools (\$0.36M)
 - Cityride Scrip (\$15M)
 - Multipurpose Center Shuttle (\$3.60M)
 - Third party inspections for transit capital (\$0.10M)
 - Metrolink Crossing Improvements (\$0.20M)
- ▶ Provide funding for bus stop maintenance (\$0.06M)
- ▶ Delete funding for the City Hall Shuttle (\$0.00M)
- ▶ Increase funding for the Metro Rail Annual Work Program (\$2.40M)
- ▶ Decrease funding for various departments in support of the Prop A and Prop C programs (\$8.88M)
- ▶ Undesignated contingency of 10% (\$0.85M) related to the equivalent reduction in Salaries General for each Department, resulting in unknown budgetary impacts
- ▶ Reduce funding for Universal Fare System implementation (\$0.35M)
- ▶ Increase funding for the following support programs:
 - Memberships and subscriptions (\$0.06M)
 - Reimbursement for General Fund costs (\$6.46M)
 - Transit Operation Consultant (\$0.20M)
 - Travel and training (\$0.04M)
- ▶ Provide funding for transit bureau Data Management System (\$0.05M)
- ▶ Continue funding for the following support programs:

IMPACT ON DEPARTMENTS AND PROGRAMS

- MERLIN Accounting Reporting System Maintenance (\$0.01M)
 - Technology and Communications Equipment (\$0.10M)
 - ▶ Delete funding for the Transportation Strategic Plan (\$0.00M)
 - ▶ Delete funding for the Accounting Integrated Reporting System (\$0.00M)
 - ▶ Continue funding for resurfacing of Wilshire Boulevard (\$10.2M)
 - ▶ Reduce future transit capital and service reserve (\$2.59M)
- **Proposition C Transit Improvement Fund (\$69.12; 0 Positions)**
Detail of Department Programs, Page No. 917
Total Budget Change From 2008-09: (\$-9.61M; 0 positions)
- ▶ Continue funding for the Exposition Light Rail Project (\$8M)
 - ▶ Continue funding for the following elements of the Transportation Demand Management, Operating Program and Support Programs:
 - Los Angeles Neighborhood Initiative (LANI) (\$0.55M)
 - Bicycle Path Maintenance (\$0.50M)
 - Caltrans Maintenance of Bus Stops (\$0.03M)
 - ▶ Add funding for the following elements of the Transportation Demand Management, Operating Program and Support Programs that were funded in FY08-09 through the City's Mobile Source Air Pollution Reduction Trust Fund:
 - Bicycle Programs (\$0.03M)
 - School Bike and Transit Education (\$0.20M)
 - ▶ Increase funding for the Railroad Crossing Program (\$3.17M)
 - ▶ Continue funding for the street lighting projects in the Capital Improvement Expenditure Program (\$0.50M)
 - ▶ Provide funding for various departments in support of Prop A and Prop C programs (\$37.70M)
 - ▶ Continue funding for office supplies (\$0.04M)
 - ▶ Add funding for traffic signal supplies (\$0.05M)
 - ▶ Undesignated contingency of 10% (\$2.65M) related to the equivalent reduction in Salaries General for each Department, resulting in unknown budgetary or operational impacts
 - ▶ Increase funding for reimbursement for related costs (\$7.73M)
 - ▶ Continue funding for the following support programs:
 - Consultant Services (\$0.10M)
 - Technology and Communications Equipment (\$0.12M)
 - ▶ Decrease funding for Travel and Training (\$0.00M)
 - ▶ Decrease front funding and matching funds for other Agencies and the MTA Call for Projects through the Transportation Grant Fund Annual Work Program (\$7.73M)
 - ▶ Delete funding for the following support programs:
 - Bridge Improvement Program (\$-4M)
 - Trustee Bond Services (\$-0.01M)
 - Transportation Strategic Plan (\$-0.13M)

IMPACT ON DEPARTMENTS AND PROGRAMS

■ **Measure R Local Traffic Relief and Rail Expansion Fund (\$22.79M; 0 Positions)**

Detail of Department Programs, Page No. 905

Total Budget Change From 2008-09: (\$22.79M)

- ▶ Increase funding for Street Services to augment the City Sidewalk Access Ramp construction program and to supplement the construction of an additional concrete bus pads (\$2.62M)
- ▶ Provide local matching funds for regional Measure R projects in the City of Los Angeles (\$16.57M)
- ▶ Provide bus operating funds to support the City's transit programs, to be determined by the Department of Transportation, Mayor, Council and CAO in FY09-10 (\$1.75M)
- ▶ Undesignated contingency of 10% (\$0.12M) related to the equivalent reduction in Salaries General for each Department, resulting in unknown budgetary impacts

■ **Reserve Fund (\$188.98M; 0 Positions)**

Proposed Budget, Page No. 284

Total Budget Change From 2008-09: (\$-3.70M)

- ▶ Cash Balance on July 1 is \$209.52M
- ▶ The Proposed Budget does not anticipate a transfer from the prior year Reserve Fund, but does anticipate an increased transfer of Power Revenue Surplus funds (\$32.60M more than the 2008-09 Adopted Budget) and a \$146.37M transfer of Special Parking Revenue Fund surplus funds.
- ▶ The Available Reserve Fund Balance on July 1 is \$188.98M, which consists of the Emergency Reserve (\$122.22M) and the Contingency Reserve (\$66.76M)
- ▶ The Proposed 2008-09 Reserve Fund equates to 4.25 percent of General Fund Revenues (\$188.98M Reserve Fund and \$4.44B General Fund receipts). The 2008-09 Adopted Budget Reserve Fund rate was 4.23 percent.

■ **Solid Waste Resources Revenue Fund (\$313.41M; 0 Positions)**

Detail of Department Programs, Page No. 923

Total Budget Change From 2008-09: (\$34.15M)

- ▶ Increase by \$0.70M funding for debt service payments for existing and anticipated issuances (\$38.70M)
- ▶ Continue funding for debt administration (\$0.03M) and arbitrage costs for revenue bonds (\$0.03M)
- ▶ Add funding to reimburse the General Fund for a liability payment in the case of Medina v. City of Los Angeles (\$1.25M)
- ▶ Increase by \$14.55M funding for non-capital expenses and equipment (\$17.47M)
- ▶ Add funding for Bureau of Sanitation capital expenses (\$15.21M)
- ▶ Continue funding for LADWP billing and collection fees (\$1.32M)
- ▶ Decrease by \$2.26M reimbursement of General Fund costs (\$78.66M)
- ▶ Undesignated contingency of 10% (\$8.15M) related to the equivalent reduction in Salaries General for each Department, resulting in unknown budgetary or operational impacts
- ▶ Reimburse the General fund for the following cost of solid waste activities:
 - GSD maintenance of refuse collection fleet (\$22.76M)

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- Board of Public Works Human Resources administration (\$0.16M)
- Bureau of Sanitation Operations and Maintenance, including tipping fees (\$129.66M)

■ **Special Parking Revenue Fund (\$134.20M; 0 Positions)**

Detail of Department Programs, Page No. 927

Total Budget Change From 2008-09: (\$62.18M)

- ▶ Continue funds for an enhanced Parking Management Division (\$0.49M)
- ▶ Increase funding to defease Parking System Revenue Bonds (Series 1999-A) (\$69.67M)
- ▶ Increase funding to defease Parking System Revenue Bonds (Series 2003-A) (\$31.29M)
- ▶ Continue funding for bond administration (\$0.04M)
- ▶ Increase funding for Parking Meter Collection Services (\$2.13M)
- ▶ Increase funding for Parking Lot Contractual Services (\$10.54M)
- ▶ Decrease funding to subsidize the Central Library Validation Program (\$0.20M)
- ▶ Decrease funding for the Maintenance, Repair and Utility Service for Off-Street Parking Lots (\$1.50M)
- ▶ Continue parking facilities lease payments (\$0.41M)
- ▶ Decrease funding for the Parking Meter and Off-Street Parking Administration (\$4.49M)
- ▶ Increase funding for Replacement Parts, Tools & Equipment (\$0.88M)
- ▶ Decrease funding for staff training (\$0.02)
- ▶ Decrease funding for Capital Equipment Purchases (\$0.52M)
- ▶ Provide funding for miscellaneous equipment (\$0.02M)
- ▶ Eliminate unappropriated funds for capital expenditures (\$0.00M)
- ▶ Provide contingency funding that includes match funding for potential grant study on intelligent parking management (\$3.50M)
- ▶ Undesignated contingency of 10 percent (\$0.05M) related to the equivalent reduction in Salaries General for each Department, resulting in unknown budgetary impacts
- ▶ Increase funds to reimburse the General Fund for the cost of parking-related activities (\$4.22M)
- ▶ Increase funding for the Capital Finance Administration Fund (\$3.24M)
- ▶ Continue funding in the CIEP for upgrading specific parking lots (\$1M)

■ **Tax and Revenue Anticipation Notes (\$677.09M; 0 positions)**

Detail of Department Programs, Page No. 951

Total Budget Change From 2008-09: (\$15.96M)

- ▶ A portion of the 2009-10 appropriation to the fund includes the payment of the entire debt service on notes issued for the Pension and Retirement Funds
- ▶ The July 2009 payment of the entire annual contribution would allow both the Pension and Retirement Funds to earn additional interest to be used to discount the required City contribution without reducing the Funds' annual receipts
- ▶ Total savings from the Pension and Retirement prepayment is approximately \$24.30M
- ▶ The appropriation of \$362.36M for the Pension Fund and \$307.91M for the Retirement Fund is the estimated cost of repaying the entire principal and borrowing costs on the notes issued for each fund's contribution for 2009-10
- ▶ The proprietary departments (Airport and Harbor) would pay their contribution of \$58.80M

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ The Controller's Office requests \$400M in temporary cash flow borrowing with a budget appropriation of \$6.83M for the interest only portion of the debt service on the notes
 - ▶ Principal and interest on the TRANS would be paid from the General Fund revenues set aside during the fiscal year
 - ▶ Total estimated interest earned on investing the revenues set aside to pay the TRANS beginning in February 2010 is approximately \$2.20M
 - ▶ Total net savings to the General Fund of issuing the TRANS is approximately \$15.30M
- **Telecommunications Fund, Liquidated Damages and Lost Franchise Fees - Telecommunications Development Account (\$9.33M; 0 Positions)**
Detail of Department Programs, Page No. 943
Total Budget Change From 2008-09: (\$-3.55M)
- ▶ Increase by \$2.64M transfer from the TDA to the General Fund (\$-6.51M)
 - ▶ Delete funding for Channel 35 printing and binding (\$0.00M)
 - ▶ Reduce by \$0.95M funding for Channel 35 contractual services (\$0.13M)
 - ▶ Delete funding for Channel 35 office and administrative expenses (\$0.00M)
 - ▶ Reduce by \$0.05M funding for Channel 35 operating supplies and expenses (\$0.03M)
 - ▶ Delete funding for Channel 35 communications services, studio contract services and contractors' insurance (\$0.00M)
 - ▶ Reduce by \$0.40M funding for ITA related costs for employees supporting TDA functions (\$1.18M)
 - ▶ Reduce by \$0.35M Grants to Third Parties (\$0.26M)
 - ▶ Reduce by \$0.60M allocation for ITA direct cost of salaries supporting TDA functions (\$2.05M)
 - ▶ Continue funding for building rent and leases (\$0.48M)
 - ▶ Increase by \$0.01M allocation for City Attorney legal services (\$0.18M)
 - ▶ Continue funding for franchise fee auditing and outside legal counsel (\$0.27M)
 - ▶ Continue funding for PEG Technology Infrastructure (\$0.43M)
 - ▶ Reduce by \$1.1M Reserve for PEG Access Capital costs (\$4.34M)
- **Unappropriated Balance (\$30.13M; 0 Positions)**
Detail of Department Programs, Page No. 947
Total Budget Change From 2008-09 (\$13.67M)
- ▶ Provide funding to cover bank fees until a new process by the Treasurer is developed and implemented (\$7M)
 - ▶ Provide funding for a special election in Council District Two (\$1.80M)
 - ▶ Provide funding as a contingency for equipment, expenses, and alterations and improvements (\$3.58M)
 - ▶ Provide funding for FMS costs that are not eligible for MICLA funding (\$2M)
 - ▶ Provide funding as a contingency to address potential price increases in petroleum products (\$4M)
 - ▶ Provide funding for the administration of the LAPD Consent Decree Program (\$0.33M)
 - ▶ Provide funding for court-mandated monitoring of the Police Department's compliance with terms of legal settlement agreements (\$0.12M)
 - ▶ Provide funding to augment the City Attorney's Litigation Expense Account (\$0.75M)
 - ▶ Provide funding for Neighborhood Council elections (\$4M)
 - ▶ Provide funding to purchase and build-out a new facility for the Police Department Technical Investigation Division (\$2.50M)

IMPACT ON DEPARTMENTS AND PROGRAMS

- ▶ Provide funding to retain outside counsel attorneys (\$3.75M)
- ▶ Provide supplemental funding for workplace violence prevention training (\$0.30M)