

**Report of the Budget and Finance Committee
Discussing the Mayor's Proposed Budget for 2009-10**

Your Budget and Finance Committee reports as follows:

Your COMMITTEE UNANIMOUSLY RECOMMENDS that the City Council APPROVE the following recommendations of your Budget and Finance Committee for adoption of the City's 2009-10 Budget; with the exception of the recommended hiring freezes to the Police and Fire Departments, in which the Police Department hiring freeze was approved by vote of 3-2 (Greuel, Huizar – Voting No) and the Fire Department hiring freeze was disapproved by vote of 2-3 (Greuel, Huizar, Rosendahl – Voting No).

Summary of the Mayor's Proposed Budget

The Mayor's Proposed Budget for 2009-10 totals \$7.05 billion, which is a \$64.8 million (0.9%) decrease from the FY2008-09 Adopted Budget. General Fund revenues for 2009-10 are projected to be \$4.44 billion, a decrease of \$109.5 million from the FY2008-09 Adopted Budget. The Mayor's Revenue Outlook anticipates flat or minimal revenue growth from current estimated levels in six of 18 General Fund revenue categories, with decreases in the remaining 12 categories. The primary revenue increases are attributed to an increase in the Power Revenue Transfer (\$32.6M) and Utility Users Tax revenues (\$30.3M). In addition, the Budget anticipates a \$146.4M transfer from the Special Parking Revenue Fund. The primary revenue decreases are related to negative growth projected for property taxes (\$-64.5M), business tax (\$-46.2M), and sales tax (\$-31.9M).

The Mayor's 2009-10 Budget contains a shortfall of \$528.72 million. To close this gap, the Mayor proposed the following:

\$24.22 million increase in Revenues, including:

- Building and Safety Department Fees (\$0.88M)
- Fire Department Fees (\$3.06M)
- Planning - Fee Increase (\$4M)
- PW Engineering - Fee Increase (\$0.10M)
- Other - AB1290 Revenue (\$10M)
- Other - Filming Fees (\$0.18M)
- Other - Sale of Surplus Property (\$3M)
- Other - Santa Monica Parkway Closeout (\$3M)

\$175.37 million in Special Fund Revenues to offset General Fund expenses:

- Power Revenue Transfer (\$29M)
- Special Parking Revenue Fund – Transfer to General Fund (\$146.37M)

Net \$80.66 million decrease in General Fund expenditures from reductions and efficiencies, including:

- City Attorney - City Attorney Five Percent Budget Reduction (\$-4.47M)
- Council - Miscellaneous Reductions (\$-1.47M)
- GSD - Additional Fleet Reduction (\$-2.74M)
- GSD - Building Maintenance (\$-1.60M)
- GSD - Custodial Reduction at Various Facilities (\$-0.87M)
- GSD - Enhanced Vapor Recovery Phase II (\$-3.72M)
- GSD - Petroleum Account (\$-4.48M)
- GSD - Procurement Services for Various Departments (\$-1.08M)
- ITA - 3-1-1 Call Center (\$-1.01M)
- ITA - Public Safety Communications Staff (\$-1.16M)
- Library - Library Book Reduction (\$-1.61M)
- PW Engineering - Municipal Facilities Program (\$-1.03M)
- 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 - Left-Turn Arrows and New Signals (\$-3.36M)
- Transportation - Signal Installations and Resurfacing Field Ops (\$-2.09M)
- Transportation - Special Events Overtime (\$-4M)
- Transportation - Traffic Control Devices Staffing (\$-1.30M)
- Transportation - Traffic Control Planning Staff (\$-1.02M)
- Other (\$-12.38M)

Other Reductions Through Various Changes and Adjustments (\$-271.61M), including:

- Shared Responsibility and Sacrifice (\$-231.13M)
- 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 (\$-0.57M)
- Other Special Purpose Funds (\$-20.17M)
- Other (\$-3.78M)

The Proposed Budget includes \$32.93 million for obligatory changes. Costs are projected to increase for the following obligatory items: 2009-10 Employee Compensation Adjustments

(\$30.04M), Salary Step Plan Changes (\$19.74M), Full-year Funding for Partially Financed Positions in the FY2008-09 Budget (\$32.85M), 2009 Tax and Revenue Anticipation Notes (\$15.96M), Capital Finance (\$37.90M), Human Resources Benefits (\$12.96M), Judgement Obligation Bonds Debt Service Fund (\$3M), and Water and Electricity (\$4.95M). These cost increases are projected to be offset by the following obligatory reductions: Elimination of the Signing Bonus (\$-1.42M), Deletion of One-time Expense Funding (\$-39.12M), Deletion of Funding for Resolution Authorities (\$-72.83M), Deletion of FY2008-09 Equipment (\$-9.85M), and Deletion of One-time Special Funding (\$-1.25M).

Within the 2009-10 Proposed Budget, the Mayor recommends funding for the following new, expanded or continuing initiatives:

Continuing Services

- 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) (\$1M)
- 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)
- 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)

Increased Services

- 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)

Discussion and Overall Issues in the Proposed 2009-10 Budget

From April 27, 2009 through May 13, 2009, nearly 53 hours of public hearings were held by the Budget and Finance Committee to discuss the details of the Mayor's Proposed 2009-10 Budget.

Throughout the proceedings, the Chair and Members of your Budget and Finance Committee posed a series of questions to staff and requested more detailed reports on numerous items. The CAO responded in writing with over 150 memos to the Committee, and the CAO, Mayor, CLA, and department staff provided verbal responses where appropriate.

Chairman Parks began the hearings by asking the Mayor's Office to present an overview of the Proposed 2009-10 Budget. The Mayor's Office noted that the budget contains a combination of expenditure reductions and new revenues. The Mayor's Office indicated that a "Shared Responsibility and Sacrifice" is proposed to reduce every department's salary costs by ten percent, with labor negotiations necessary to mitigate any layoffs of positions. Until such negotiations are finalized, departments were directed to explain how they would address this reduction.

The City Administrative Officer (CAO) highlighted the context of the budget in relation to the overall economy, noting that the severity of the recession has affected the City's budget, since minimal growth was predicted for the current year. The CAO highlighted that adjustments made during FY2008-09 mitigated some impacts of the recession, but major actions are still necessary due to a continuing decline in revenue.

The Committee followed with a series of questions for the Mayor's Office and CAO on the overall Proposed Budget for 2009-10 as well as the outlook for future fiscal years. Chairman Parks emphasized the need to address the ongoing structural deficit and to define the expectations of the "Shared Responsibility and Sacrifice" that translates to a ten percent reduction in every department. Vice Chairperson Greuel addressed the City's Financial Policies with respect to the Proposed Budget and how to ensure compliance. Councilmember Smith identified how the economic collapse magnified the structural deficit and how a capitalized budget stabilization fund could have helped to alleviate the deficit. Councilmember Rosendahl

asked whether the budget assumes the availability of federal stimulus funding and potential impacts of the Statewide Special Election in May. Councilmember Huizar emphasized the need to identify the total base budgets of each department and define core services.

On April 27, 2009, the CLA submitted to the Committee a comprehensive Overview of the 2009-10 Proposed Budget. In its report, the CLA notes that the Mayor's 2009-10 Proposed Budget begins with a projected deficit of \$528.72M in 2009-10, noting that the CAO projects a \$1B deficit for 2010-11, which is projected to grow to \$1.12B in 2011-12. This is a result of not only increased salaries, but from a combined increase in payments for sworn and civilian pensions in the amount \$572M in 2010-11 and \$125.2M in 2011-12. The CLA states that these projected shortfalls 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 Proposed Budget includes 200 regular and 186 resolution positions that are new, not continuing authorities. The CLA notes that although some of these positions may be essential, hiring new, on-going positions will only exacerbate the looming shortfall since the City cannot afford its current positions. The CLA emphasizes that the 2009-10 Proposed Budget must reduce on-going expenditures due to the uncertainty of when economic recovery will reach the City.

The 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 FY2008-09 Adopted Budget, which the CLA report notes is equivalent to approximately 2,800 employees. In addition, equivalent reductions were made to Special Fund budgets totaling approximately \$57M. Although the SRS reduction identifies the equivalent number of position reductions, the number and classification of positions to be eliminated are not specified. The Proposed Budget instructs the CAO to report to the Executive Employee Relations Committee with recommendations to mitigate some of the over 2,800 layoffs that could result, including the following potential mitigation measures:

- 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.

The CLA is concerned that the SRS savings will not be achieved if the City does not move forward quickly.

The CLA notes that the Proposed Budget increases funding for sworn staffing by 40 net officers, based on an estimated attrition of 520 officers, to achieve 10,000 officers by early July 2009. The Proposed Budget would also establish 10,000 officers as the base line from which Federal Stimulus Funding would be used to hire additional officers. The CLA reports that 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 baseline. Under this situation, the City would be unable to access federal stimulus funding, and the maintenance of 10,000 officers may not be sustainable due to the fiscal impact.

The Proposed Budget would extend to June 30, 2010 the expiration date of the Los Angeles Administrative Code provision that will allow the City Council to declare a surplus in the SPRF and transfer the amount to the Reserve Fund, and assumes a 2009-10 transfer of \$146.37M, anticipating significant revenues from a parking concession agreement through a public private partnership (P3), the sale of the Mangrove Property, the sweeping of existing funds from various projects, and the swapping of restricted bond proceeds with FY2009-10 debt service appropriations. The CLA cautions that the P3 proposal is in its early stages of development, and since a financial advisor report has not yet been considered, it may be premature to program this revenue.

As noted in the CLA report, the Proposed Budget projects a Reserve Fund for FY2009-10 in a manner consistent with the City's Reserve Fund Policy, proposing to increase the percentage of total General Fund Revenues from 4.23% in FY2008-09 to 4.25% in FY2009-10. As in prior years, the Mayor's Proposed Budget did not reach the Financial Policy goal of budgeting 1% of General Fund revenue for capital or infrastructure improvements by programming only 0.21%. With regard to the One-Time Revenue Financial Policy, the CLA notes that the Proposed Budget allocates \$117.7M of one-time revenues to fund ongoing expenditures.

Budget & Finance Committee Departmental Hearings

On April 27, 2009, City departments and members of the public began testifying before the Committee on all aspects of the FY2009-10 Proposed Budget. To ensure that issues associated with each department were thoroughly addressed, the Chair indicated that each department's hearing would begin with questions from the Committee with department heads to incorporate opening remarks into their responses.

The Police Department responded to the Committee's concerns on the proposed ten percent salary reduction, and stressed that this reduction would have a significant operational impact. Extensive public comment was heard in support of the Department's efforts to increase DNA testing capacity and reduce the backlog of sexual assault evidence kits. The Police Department

noted that the Proposed Budget provides a net increase of approximately 40 officers to maintain 10,000 officers during the year, and provides increased staffing for opening the new Metropolitan Detention Center. The Committee focused on the need to reduce sworn officer positions filling vacant civilian positions, and how the upcoming expiration of the Consent Decree will impact the Department's current workload. The Mayor's Office summarized the plan to secure more officers via federal stimulus funding under the Community Oriented Policing Services (COPS) grant program.

The Fire Department indicated that any reductions would be dispersed broadly across the Department to minimize the closure of any fire stations. The Proposed Budget reduces training of new firefighters from five classes to three classes of 50 firefighters per class, and the Department indicated it can afford this cut because its attrition rate has slowed. The Committee emphasized the need to execute a contract for the new ambulance billing system, since the Proposed Budget modifies staffing and assumes additional revenue from ambulance fees from the new system and the new policy to refer accounts for collection. Councilmember Smith indicated that the constant staffing model should reflect the actual staffing need of each station based on its demands.

The City Controller's Office discussed how a reduction in contractual services funding will reduce the number of audits that can be completed. The Controller's Office also provided the current status of the City's Financial Management System (FMS) replacement project, with a target completion date of July 2010.

The City Attorney discussed the success of community service programs in the skid row area. The Committee addressed the issue of liability in departments and the City Attorney expressed the need for greater accountability in departments. The Committee also asked staff to report on the establishment of a litigation budget within each departmental budget. The Proposed Budget reduces funding for outside counsel contracts and the City Attorney acknowledged continuing efforts to reduce the use of outside counsel. The Committee requested that funding be identified to place a Neighborhood Prosecutor at the two newly opened police stations that are currently without the Neighborhood Prosecutor Program.

The Department of Building and Safety reported that staff from the Enterprise Fund must be reduced because the decline in new construction is not generating enough revenue to support them. Staff reported that code enforcement activities will be a challenge to provide with the limited resources included in the Proposed Budget. The General Manager stated that immediate life-safety issues will continue to be the Department's top priority. Committee members discussed the resources that may be necessary to billboard inspections and enforcement.

The Department of Animal Services noted that adoptions have increased by 20 percent since last year. The Department has also realized a revenue increase in April from the License Canvassing Program. The Department indicated that all Proposition F facilities have been completed except for the South LA location, which is scheduled for completion in 2012. The Department spoke

about the strategies it is considering to increase animal licensing, including an online licensing option, an advertising campaign, a possible amnesty program, and selling three-year licenses.

The Emergency Management Department described the expansion of its efforts in community outreach, information management, and training coordination. The Department, however, indicated that it is near the maximum level of matching funds it can provide to fulfill new grant requirements. The Department also noted that the City's Emergency Preparedness Strategic Plan is due to be completed in FY2009-10.

The Board of Public Works indicated that the Proposed Budget will not affect their graffiti removal service and that the Clean and Green Program is funded at the FY2008-09 level. The Board will have less funding for grants through the Office of Community Beautification and must decide on whether to provide fewer grants or lower the amount of the grants. Currently, a number of City departments provide graffiti removal service and the Board says it is examining the possible consolidation of all of the City's graffiti removal efforts. The Board also expressed concerns, shared by all five Public Works Bureaus, about the proposed consolidation of human resources from the Bureaus into the Board office. The Board and the Bureaus noted that they had reached an agreement with the Mayor's office that this consolidation effort should not proceed, and recommended reinstatement of the personnel functions into the Bureaus.

The Director of the Bureau of Sanitation asked the Committee to endorse an alternate proposal for staff reductions equivalent to the cuts in the Proposed Budget. Committee members asked about the Stormwater Pollution Abatement charge increase, and the impact from placing that increase on hold. Members also asked about the components of the Pay-As-You-Throw program, and the impact of the current economic situation on the recycling program.

The Department of Transportation (DOT) responded to questions related to new signal construction, in-house left-turn arrow signal construction and speed humps, which have been ongoing programs and are deleted in the Proposed Budget. DOT stated that federal transportation economic stimulus funds are anticipated to continue some of these construction programs. The Department clearly stated that the deletion of \$4M for overtime costs associated with special events would no longer allow DOT to provide these services unless they are reimbursed, which will necessitate a revision to the City's special events ordinance. DOT agreed to work closely with Neighborhood Councils and community groups to develop partnerships that will provide guidance to local groups on how to undertake services the Department formerly provided.

The Bureau of Street Services reported that a new Point-of-Sale policy relative to regular sidewalk repair has been included in the Proposed Budget, however, the City Attorney has not provided the necessary legal opinion to implement the policy. The Bureau is actively working with Neighborhood Councils and other community groups to examine opportunities to leverage existing resources. The Bureau reported that no Proposition 1B funds are expected in FY2009-10, but \$44M is anticipated from federal transportation economic stimulus funds, which will be

spent on street resurfacing.

With regard to the Bureau of Engineering (BOE), the Committee expressed serious concerns about the closure of its West Los Angeles Office. Members asked about the status of various bond-funded programs, noting that full-cost recovery should be incorporated into all future bond proposals. Members asked how BOE would incorporate Land Records into the Bureau's existing operation if it is subsequently transferred from the City Clerk.

The Bureau of Street Lighting presented an overview of the five-year LED retrofit program for the City's street lights, including source of revenue, payment method and the anticipated cost savings. Committee members questioned the Bureau regarding the use of assessments for other infrastructure needs, such as street trees, sidewalk repair and street maintenance. The Bureau also reported on progress made to reduce copper wire theft.

The Bureau of Contract Administration indicated that the Proposed Budget continues the Subcontractor Outreach Program at the FY2008-09 level and costs for the Program are offset by direct charges to public works projects. The Bureau also continues to enforce the Living Wage Ordinance for all City contracts and is working to streamline the contracting process so that projects are not delayed due to administrative matters. The Bureau is in the process of assisting all departments to ensure that all contracts meet federal guidelines for receiving stimulus funds.

The Environmental Affairs Department reported that the Proposed Budget provides no resources for climate change work, however, there may be FY2008-09 carryover funding in the Mobile Source Air Pollution Reduction Trust Fund that could be used for this purpose. Committee members asked the Department which activities are mandated and a clarification on the responsibilities of the Local Enforcement Agency program. The Committee also discussed the status of federal Brownfields funding received in FY2008-09, status of the climate change modeling project, and implementation of AB 32 and SB 375 requirements.

The Committee asked for the causes of significant personnel growth in the General Services Department (GSD), and the General Manager detailed the variety of new and expanded services now provided by GSD. The Committee questioned the proposed Asset Management Division reorganization, and explored the basis for utility expense calculations and estimated revenues from surplus property sales. Committee members asked for subsequent reports on cuts to supply services and the impact of the proposed public-private transactions on GSD employees.

For the Information Technology Agency (ITA), the Committee heard extensive public comment on the cuts to public access programming in the Mayor's Proposed Budget. Committee members discussed the possibility of restoring funding for Channel 35, Channel 36, and public access programming. The Committee also discussed cuts to the 3-1-1 Call Center, the PAYSR project, and the Early Notification System. The General Manager noted that ITA is working on a plan to reorganize delivery of the City's IT services.

The Personnel Department explained that the Shared Responsibility and Sacrifice reduction, combined with the increase of workload relative to the proposed layoffs, will greatly strain its resources. The Department estimated that the process to implement the 400 proposed layoffs in the Mayor's Proposed Budget will take approximately six months to complete. Also, as a result of the layoffs, the Department expects an increase in the amount of appeals it will process. The Department was instructed to report back with options for a revised and more cost-effective retirement and health benefit package for new hires.

The Committee discussed the impact that both the economy and the City's budget are having on the City Employees' Retirement System (CERS) and Fire and Police Pensions Fund (Pensions). Upon discussing options to lower the City's contribution to each retirement system, CERS and Pensions explained that each of its Boards do not determine changes in benefits for employees, rather this would occur by direction of the City. Both CERS and Pensions agree there will be a significant impact on staff and resources if a surplus of employees takes advantage of an early retirement plan. The Committee agreed that the most apparent way to lower the City's contribution to both funds is to decrease overall payroll costs. CERS explained its five-year plan to examine current insurance plans and determine the factors that are increasing health care costs.

The Community Development Department spoke about reorganization plans for the Human Services Delivery System and for overall Department operations. These efforts are projected to result in staff reductions due to operating and program efficiencies. The Department reported that the \$1.6M reduction to its budget can be absorbed with increased funding made available through the federal American Recovery and Reinvestment Act. The Department was instructed to work with the CAO to ensure that related costs calculated according to the Cost Allocation Plan are accurate.

The Community Redevelopment Agency reported this year's budget represents a thirty percent reduction to its work program and that the current economic downturn is likely to have a greater impact on its budget in subsequent years. The Agency committed to work with Council Offices to ensure that anticipated projects are not impacted by the recommendation in the Proposed Budget for the City to retain AB 1290 funds. The Agency further reported that their FY2009-10 budget includes a total of \$15M for investment in City infrastructure.

The Office of Finance reported that the Tax Amnesty program is well underway and discussed the many outlets it has utilized to inform the public about the program. Finance has hired seven of the ten new tax auditors authorized by Council and these individuals are expected to start performing audits by early June. Finance also reported that the five new positions to work the counters has reduced the burden on tax compliance officers and enabled them to generate \$2M in additional revenue. Finance indicated there is an 18 percent delinquency rate in parking tax payments and staff is working with the Police Commission to identify parking businesses who are not paying taxes.

The General Manager of the Department of Recreation and Parks explained that although the

Proposed Budget allocation from property taxes has increased, the reductions from Shared Responsibility and Sacrifice and the higher cost of utilities, which are now the department's responsibility, equate to significant changes in service capabilities. The Department highlighted efforts to lower future expenditures by investing in emerging water and electricity technologies. The Department expressed concern for future years in which its property tax allocation will decrease while utility costs continue to rise. Committee members discussed the idea to garner corporate sponsorships to increase revenue in future years. The Department requested an "un-freeze" on as-needed positions, which are a critical component to summer programs and recreation centers.

The Department of Neighborhood Empowerment (DONE) explained its efforts to ensure that Neighborhood Councils comply with City and State requirements, including ethics training, transparency to the public pursuant to the Brown Act, and prudent expenditure of public funds allocated to each Neighborhood Council. The Committee requested information on the carry-over funds in the Neighborhood Empowerment Fund and the balances retained by each Neighborhood Council. DONE also reported that training would be a significant challenge this year due to high turnover expected from citywide Neighborhood Council elections.

The Commission for Children, Youth and Their Families, the Human Relations Commission, and the Commission on the Status of Women all shared that the consolidation of the three commissions into the new Human Services Department could be successful through careful design, and that each division could have a greater impact by the leveraging of resources. They noted that the three volunteer commissions will remain, which will ensure that the three core missions are continued.

The Department of Cultural Affairs reported that the Shared Responsibility and Sacrifice reduction can be partially absorbed by holding positions vacant, but programs and services, including public art, will be reduced. The Committee instructed the Department to report back with the grants it receives by source, and the projects funded by the Arts Development Fee.

The General Manager of El Pueblo provided the Committee an update on the status of executing merchant leases, and rehabilitation of the Italian Hall. The Committee instructed a report back in September 2009 on the status of lease negotiations.

The Zoo discussed its marketing efforts that include joining the "Come See My LA" campaign. The Zoo indicated that the Golden Monkey exhibit is completed and the Pachyderm Forest exhibit will be completed in October 2010. The Zoo also discussed developing an online ticket system and a proposal that examines potential parking revenue.

The Department of Aging reported that it recently received a grant from Kaiser to partner with USC and LAFD to perform a fall prevention study. The Department is working with the Mayor's school partnership to develop joint programs for seniors and youth, including nutrition education and computer instruction.

The Department on Disability reported that the ten percent Shared Responsibility and Sacrifice reduction amounts to three positions. The Committee asked about the cost of HIV/AIDS testing and the number of tests conducted citywide. The Department reported that it will receive sufficient funds from Los Angeles County and private donations to administer approximately 80,000 tests this year.

The City Administrative Officer (CAO) provided an overview of the Office's budget under the Mayor's budget proposal. Committee members asked about the CAO's current grants functions and how this relates to a previous grants committee structure. The CAO stated that his staff is exploring hedge purchases for fuel contracts and improvements to the risk management system.

The Library Department discussed possible options to implement the Shared Responsibility and Sacrifice reduction and concluded that each option would result in significant impacts to service, including a decrease in library hours. The Department explained that the Proposed Budget will affect service levels since it requires that the Department provide funding for all utility, fuel, maintenance, and security costs.

The Housing Department reported that this is the first year that the Affordable Housing Trust Fund has not received a General Fund allocation, and as a result, the City would not be able to access State funds for Workforce Housing. The Committee asked about the status of efforts to address foreclosures in the City and the Department reported that programs funded through the Federal Neighborhood Stabilization Program have been fully launched and applications are being prepared for additional State and Federal NSP funds.

The Los Angeles Homeless Services Authority (LAHSA) responded to Committee questions about the expiration of funding for the Streets or Services Program and whether additional funding is available under the American Recovery and Reinvestment Act. LAHSA further reported that the U.S. Department of Housing and Urban Development has granted additional funding for the Homeless Management Information System, however additional matching funds are required to secure grant funding. The Committee requested LAHSA to re-focus efforts to provide homeless services in under-served areas such as South and West Los Angeles.

The Housing Authority of the City of Los Angeles (HACLA) reported that the City's share of Section 8 rental assistance vouchers has been fully allocated and that in the last two years, the City has received the largest allocations of Shelter Plus Care rental assistance vouchers in history. The Committee instructed HACLA to report with the distribution of Shelter Plus Care voucher utilization across the City, and on the status of efforts to access rental assistance made available through the Veterans' Administration.

The Planning Department provided a status on the fee study and summarized the findings, which include recommendations to increase planning-related fees for an additional \$7M-\$8M. The Department discussed the Community Plan Work Program and the Proposed Budget's impact on its ability to complete these plans. The Department reported that they will re-prioritize current community plan work and will focus next year's resources on completing the plans that are close

to being finalized. It was reiterated that no new community plans will be initiated in FY2009-10.

The Committee members asked the Department of Water and Power about the status of the current drought situation, water conservation efforts, and other water rate issues. Staff reported on the status of the power revenue fund transfer for FY2008-09 and the proposed transfer for FY2009-10.

For Los Angeles World Airports (LAWA), the Committee discussed the decline in passenger traffic, which has resulted in lower revenues. The Department reported that revenue from the airlines remains static. Committee members noted that debt issuance has increased, which staff reported is directly related to airport improvement projects.

The Harbor Department reported on the decline in trade and the changing state of world trade, which makes future trade activity difficult to forecast. The Los Angeles Port Police reported on deployment and the need to enhance training for maritime patrols.

Discussions of the Convention Center's budget focused on the significant decrease in revenues and how the Department can reduce costs. The General Manager asked for enactment of the "flexible pricing" option pending before Council, and the option to pay Convention Center employees performance bonuses. The Committee asked about the need to invest in Convention Center infrastructure.

The Treasurer reported that interest revenue is approximately \$30M ahead of projections. The Treasurer also discussed the controls in place to ensure business continuity should the City experience an emergency or crisis. The Treasurer is currently utilizing the services of seven community banks and finds that it is receiving more competitive rates from some of the smaller banks. The Treasurer is developing an alternative methodology regarding bank service fees that will enable its Office to hold the departments responsible for the services they utilize.

Discussions of the City Clerk's budget focused on the upcoming elections for Neighborhood Councils and Council District 2, and options to consolidate and minimize those costs. The Committee also expressed concern about cuts to Council & Public Services, Creative Services, and Technology Services, and requested a report on the feasibility of consolidating those functions into the Council's budget. Committee members also asked for a review of the proposed transfer of Land Records to the Bureau of Engineering.

The Ethics Commission indicated that it continues to focus on education, audits and enforcement. The Commission also spoke about its goal to examine all departments to determine whether risks are effectively managed. The Commission has a Memorandum of Understanding pending with the Department of Water and Power and is in preliminary discussions with the City Employees' Retirement System for mandatory ethics training.

Discussion of the General City Purposes allocations noted the need to apply the 10 percent reduction to all allocations, including discretionary items. The Committee expressed concerns about reducing funding to the Latino and Pan African Film Festivals, the Neighborhood Land Trust, and adult day care service centers. Committee members also asked about consolidating graffiti services into a centralized entity, and continuing the same level of AIDS testing services.

Budget and Finance Committee Recommendation

Within the challenging context of a collapsed financial and real estate market, the worst economic recession in 70 years, and a \$300M drop in 2009-10 General Fund revenues, your Budget & Finance Committee undertook a comprehensive review of the Proposed 2009-10 Budget. The Committee faced a series of difficult, but necessary, decisions to address the urgent need to significantly reduce the City's workforce and permanently reduce payroll, given the looming \$1B deficit projected for 2010-11. Towards this end, your Budget and Finance Committee recommends that the City Council approve the changes to the Proposed FY2009-10 Budget, as shown on Attachment 1. As the City faces an environment of extreme financial uncertainties, your adoption of the Proposed Budget with these recommended changes will institute material and ongoing expenditure reductions to close the 2009-10 budget gap while reducing the impact on services and minimizing layoffs where possible. The recommendations in this report will also set the basis for developing financial policies that will prudently and practically limit future spending to begin to eliminate the ongoing structural deficit.

On May 13, 2009, the CLA presented to your Budget and Finance Committee a report outlining recommended changes to the Mayor's Proposed Budget for Fiscal Year 2009-10. In the report, the CLA details recommendations that are designed to ensure the City's financial strength during FY2009-10 and establish the framework for dealing with an even greater budget problem in FY2010-11. The CLA recommends budgetary changes, policy recommendations, and departmental instructions consistent with the issues discussed during the Committee's meetings, including:

- A series of instructions to add a Budget Stabilization Fund policy and an Annual Fee Studies Policy to the Financial Policies, as well as a Capital Program Financing Policy;
- Approve, in concept, the consolidation of City economic activities under the management and control of a new Department of Economic Development;
- Provide \$0.30M in the UB for a consultant to assist in the development of a zero-based budget submissions for FY2010-11;
- Restore funding and authority for four positions in the City Attorney's Office for the Safer Cities Initiative;
- Restore the Land Records Division to the City Clerk;
- Restore \$0.05M in funding for the Los Angeles Neighborhood Land Trust;
- Create a line item for Special Event Fee Subsidies, consistent with prior Council action to limit future costs for special events;
- Restore \$0.04M in funding for the Pan African Film and Arts Festival and the Latino Film Festival;

- Increase funding by \$0.03M for the Homeless Shelter Program to provide matching funds for LAHSA to secure grant funds from HUD for the Homeless Management Information System;
- Restore \$0.08M in partial funding and provide As-Needed authority for seasonal needs and LAFD support in the Human Services Department;
- Restore funding and positions to continue Channels 35 and 36 program operations, including public access programming;
- Reduce each Neighborhood Council's allocation from \$45K to \$35K for a savings of \$0.94M to be used to subsidize the cost of the Neighborhood Council elections;
- Utilize \$0.33M of the SRS line item in the Department of Neighborhood Empowerment fund to support the election costs;
- Delete \$53.71M in funding to continue sworn hiring of 560 officers, due to fiscal constraints;
- Provide \$0.56M in funding, to be offset by revenue generation, and continue resolution authority for six positions for the Stolen Vehicle Recovery Program;
- Provide funding and resolution authority for two positions to expand the Neighborhood Prosecutor Program to the new Olympic and Topanga Area police stations, to be funded by reimbursement receipts;
- Provide \$2M in the UB from reappropriated current year savings to fund a contract for a new Risk Management System, a successor to LINX, which must be replaced; and
- Restore funding and positions authorities to maintain human resources functions within each of the Public Works bureaus.

The CLA identified additional revenue totaling \$16.01M by analyzing more recent information available since the development of the Proposed Budget, recognizing General Fund reimbursements from Proposition DD Branch Library Bond Construction Program, additional related cost recovery for the Community Development Department as a result of federal stimulus allocations, and revenue from proposed signage at the Los Angeles Convention Center.

In response to the CLA's presentation, the Committee members asked a series of questions to clarify the recommendations and analyze the implications of the proposed reductions. Extensive discussions were held on the \$231M Shared Sacrifice and Responsibility item in the Mayor's Proposed Budget. Committee members posed a variety of questions in an effort to determine how this \$231M budget cut would be achieved. Committee members also expressed concerns regarding \$95M in at-risk revenues included, and programmed, in the Mayor's Proposed Budget, noting that the City's budget should not be based on such revenues given their uncertainty, which adds to the deficit in the Proposed Budget. Responding to the CLA's recommendation that the City's budget should be based on real, measurable, and accomplishable actions, the Committee explored in detail various options for reducing employee costs, including furloughs, layoffs, reducing sworn overtime, and a freeze on all hiring, including civilian and sworn personnel. Discussions were also held regarding union negotiations and potential agreements on cash incentives, which could help to minimize layoffs. Members continued to focus on budget actions under the City's control, noting that any delays in taking such actions would only compound the actions necessary to balance the budget.

To further refine the recommendations in the CLA report, members suggested amendments which have been incorporated into the recommendations in Attachment 1, including:

- Restore partial funding to Neighborhood Councils through a reduction in City Clerk for Neighborhood Council elections based on revised cost estimates and through a reduction to City Clerk vote-by-mail activities; and instruct the City Clerk and Department of Neighborhood Empowerment, with input from Neighborhood Councils, to determine if efficiencies can reduce the cost of elections, and divide any savings generated evenly between Neighborhood Councils. This action would result in an initial allocation of \$40K per Neighborhood Council; and
- Reverse the human resources consolidation in Board of Public Works, restoring the human resources functions into each of the Bureaus and providing a pro-rated allocation of funding.

After an extensive debate, your Budget and Finance Committee took separate votes on the questions of applying a hiring freeze to sworn positions in both the Police and Fire Departments. The Committee approved a hiring freeze for the Police Department by a 3-2 vote (Councilmembers Greuel and Huizar voted No) and disapproved a hiring freeze for the Fire Department by a 2-3 vote (Councilmembers Greuel, Huizar, and Rosendahl voted No).

On the remainder of the items, your Budget and Finance Committee unanimously approved the CLA recommendations, with the amendments described above and noted on Attachment 1, and now forwards these recommendations to the City Council for consideration.

Respectfully submitted,

Bernard C. Parks, Chair
Budget and Finance Committee

Wendy Greuel
Councilmember, 2nd District

Jose Huizar
Councilmember, 14th District

Bill Rosendahl
Councilmember, 11th District

Greig Smith
Councilmember, 12th District

Attachment I

Budget and Finance Committee Recommendations on the Fiscal Year 2009-10 Proposed Budget

Overview

On April 20, 2009, the Mayor's Proposed 2009-10 Budget was submitted to the Council for consideration. The following is an overview of the Mayor's Proposed Budget:

Budget Gap		-\$530M
Proposed Solutions:		
Shared Sacrifice		\$231M
P3		\$80M
DWP Surplus Power Transfer		\$29M
Efficiencies/Reductions		\$81M
New Revenues		\$24M
Special Revenue (Mangrove SPRF)		\$66M
Various Other Changes		\$41M
New Services		\$-23M

Proposed balancing measures include the elimination of 1,600 positions, of which 400 are filled, various reductions and efficiencies, new revenues, and other changes. However, the Council must be aware that a number of proposals (totaling \$337M) are at risk: SRS (\$231M); long term lease of parking assets (net \$77M); and Power Revenue transfer (\$29M). In addition, a number of revenues are a matter of policy: AB 1290 (\$10M); Real Property funds (\$3M); and Special Parking Revenue Fund surplus transfer (\$20M). Further, there are corrections that need to be made including: Mangrove sale (\$-8M); and various department omissions (City Attorney \$660K, Planning \$2M). Taking all of these issues into account, over 2/3rds of the budget balancing measures (\$378M) are dependent upon actions that are beyond the Mayor and Council's control or involve policy changes to use the revenues. Further, based on current cashflow projections, the City could potentially run out of cash before the end of 2009-10.

Looking ahead, the projected deficit for 2010-11 exceeds \$1B for the first time ever. Without significant changes now, the shortfall for 2010-11 will be insurmountable. Because over 80 percent of the City's budget is salary related, every effort must be made to lower the salary base. Further, the salary reduction efforts must be based on those that the Mayor and Council have control - the rate of hiring and layoffs. We are hopeful that these negotiations with labor will minimize the number of layoffs that will be required. However, until these factors are known, the Proposed Budget for 2009-10 can only be based on realistic outcomes within the Mayor and Council's control. Should significant changes occur, whether it be in the form of concessions from labor unions or other cost reductions the number of layoffs may be reduced.

That the Council, subject to the approval of the Mayor (Recommendations: 1 through 88 only):

Global Recommendations

1. Implement Shared Responsibility and Sacrifice (SRS) Savings: The Mayor anticipates full year savings of \$288M (\$231M General Fund, of which nearly \$130M is sworn salaries, and \$57M in Special Funds) from this effort, equating to almost 2,000 civilian positions. The Mayor engaged in negotiations with the unions with the intent of reducing layoffs. Their discussions continue, but because of the uncertainty of negotiations, the only option the City has at this time to generate this amount of savings is to impose layoffs.

Further, it is unlikely that full years savings can be generated. The layoff process will take about six months. Therefore, at most, 7 months of savings would be generated.

Adjusting for the implementation process and the special funded position opportunities restored as discussed below, the total civilian layoffs needed will be about 2,200 positions. If Police and Fire were exempted from the SRS, the equivalent number of civilian layoffs would be around 4,900 employees. The foregoing may be mitigated by salary concessions, early retirement or mandatory furloughs. Since the budget does not go into effect until July 1, layoff lists and adjustments to departmental budgets can be adjusted to the extent any of the mitigating alternatives can be implemented.

2. Restore SRS savings in Special Funds and related position authorities to departments to enable retention of critical staff and for layoff avoidance opportunities for General Fund staff. Such positions would be subject to all SRS options that may be negotiated, as well as furloughs.
3. Remove uncertain revenues from the budget: Parking Asset Proposal (\$77M), Mangrove Sale (\$8M) and AB 1290 (\$10M). The total for these items is \$95M which would equal \$54M in sworn reductions and \$41M in civilian reductions. The equivalent positions in terms of civilian layoffs, based on 7 months savings is approximately 900 employees, if the amount of reduction were spread proportionately to all departments. If sworn is excluded it would equate to an additional 1,100 civilian employee layoffs (2,000 total).
4. Instruct General Managers to immediately prepare layoff lists to achieve \$326M in savings and transmit to the Personnel Department no later than the first week of June 2009, if not already submitted.

5. Instruct the Personnel Department to initiate steps necessary to layoff sufficient numbers of positions to enable \$326M in savings to be realized to maintain a balanced budget for 2009-10, if by June 1, 2009, management negotiation with labor has not resulted in agreement regarding the options by which budgeted SRS savings will be achieved for 2009-10. Further, should layoff savings not be sufficient to generate the targeted savings, institute up to four furlough days per month, beginning July 1, 2009, for all employees in Council-controlled departments, until such time the employee layoff process has been completed and budgeted savings can be achieved without furlough days.
6. As proposed by the Mayor's letter, dated May 12, 2009, regarding the financial state of the City:
 - A. Adopt a resolution declaring a fiscal emergency to implement a furlough of employees up to four days per month to possibly limit the extent of employee layoffs.
 - B. Adopt the accompanying ordinance on an urgency basis amending Section 4.117 of the Los Angeles Administrative Code (LAAC) to allow for the adoption of involuntary reduced work schedules.
7. Institute a "Hard Hiring Freeze" effective upon adoption of the 2009-10 Budget, except for sworn recruit positions in the LAFD. In addition to LAFD sworn recruit positions, generally, only positions which are directly responsible for revenue generation, are fully grant or special-funded positions, perform DNA analysis and are of a unique position classification (e.g. Traffic Officer, Tax Auditor), will be considered for unfreeze. For the most part, vacancies in common classifications in revenue or special funded positions will be filled by transfer. Following a CAO review of the requested position for critical necessity to revenue generation and availability of funding, the hiring request must be unanimously approved by the Mayor, CAO and CLA, or their representatives. Further, instruct the CAO and CLA to monitor the budgetary status of all departments, bureaus and offices, to report back in conjunction with the Financial Status Reports on the status of employment levels, and to report on the status of all anticipated revenues included in the 2009-10 Budget.
8. Place all new regular and resolution authorities and associated funding in the Unappropriated Balance, pending review at midyear, except for DNA positions for LAPD which will remain in the department's budget. Further, instruct the CAO and CLA to evaluate each position to determine immediate and on-going necessity of such positions and make recommendations to Council, including transfer of funds from the Unappropriated Balance to departments for salary costs.
9. Request the Mayor's Office and instruct the CAO and CLA to report to the Budget and Finance Committee with likely timelines for revenue generation and cost reductions that would be realized through furloughs, layoffs, salary rollbacks, reduction in work hours, retirement incentives and any other SRS options.

REVENUE CHANGES

Forfeited Assets

10. Recognize additional receipts for eligible LAPD costs. \$1,500,000

Licenses, Permits, Fees and Fines

11. Recognize estimated receipts for proposed signage at the Los Angeles Convention Center. The pending agreement will provide guaranteed revenues of \$2M per year. \$2,000,000
12. Recognize 2008-09 refund of principal plus interest of excess City funds deposited with the Community Redevelopment Agency in connection with the 1998 Staples Arena transaction. \$1,535,000
13. Recognize General Fund reimbursements from Prop DD Branch Library Bond Construction Program from program contingencies and project savings no longer needed. \$3,500,000
14. Recognize additional related cost recovery for the Community Development Department from the supplemental federal stimulus allocations for Workforce Investment Act and Community Development Block Grant positions. \$3,400,000
15. Approve the Film Spot Check Fee increase to \$126 per permit. Authorize a City subsidy of the incremental difference above the current \$85 fee to support film production in Los Angeles. Instruct LAFD and CAO to report back in six months on: number of permits granted for single site and multiple site inspections; recommended adjustments to the waiver for achieving cost recovery based on location data; and an analysis of the impact on overall filming activity. (\$181,000)
16. Recognize additional revenues from the Treasurer's Purchasing Card Rebate Program \$121,000

Planning Fees

17. Recognize nine months of revenue, rather than six months included in the Proposed Budget, from the Planning Department's 2009-10 Fee Adjustments based on the Department's "Comprehensive Fee Study Results and Recommendations" (CF 09-0969) pending in PLUM and B&F Committees. Revenues will be used to restore funding to the Planning Department. \$2,000,000

DWP Power Revenue Fund

18. Recognize additional revenues from the DWP Power Revenue Transfer based on a projected increase in DWP total operating revenue for the preceding year. \$2,000,000

Reversion

19. Eliminate the Burglar Alarm System Penalty Trust Fund and revert the remaining balance since the Fund had a sunset date of November 2008. \$133,000

EXPENDITURES

Building and Safety

20. Restore funding and provide five resolution position authorities (one Clerk Typist; three Building Mechanical Inspectors; one Senior Building Mechanical Inspector) and miscellaneous expenses, which were inadvertently omitted from the Proposed Budget, to continue the Department's Off-Site Structure Periodic Inspection Program; this Program is fully fee supported (\$573,903 direct costs/\$107,209 indirect costs). \$681,112

City Attorney

21. Restore funding and resolution authority for two Deputy City Attorney IIIs, one Deputy City Attorney IV and one Paralegal II for the Safer City Initiative (\$515,258 direct cost/\$152,568 indirect cost). \$667,826

City Clerk and Public Works - Bureau of Engineering

22. Restore the Land Records Division to the City Clerk and provide funding and regular position authority for two Cartographers, two Office Engineering Technician IIs, one Office Engineering Technician III, one Principal Clerk, one Senior Cartographer, four Senior Clerk Typists, one Senior Management Analyst II and two Title Examiners (\$904,579 direct cost/\$107,805 indirect cost). \$1,012,384

City Clerk

23. Delete funding and resolution authority for one Clerk typist, one Senior Clerk Typist, one Programmer Analyst I, one Senior Title Examiner, one Geographic Information Systems Chief, two Office Engineering Technician IIs, one Office Engineering Technician III, two Geographic Information Specialists and one Management Analyst I (\$-718,992 direct cost/\$-307,304 indirect cost). (\$1,026,296)
24. Partially restore funding for Council Support. Instruct the City Clerk to report back within 30 days to the Budget and Finance Committee on the staffing structure of the City Clerk's Office after incorporating the resources provided in the 2009-10 Budget. \$500,000

Finance

25. Provide an additional allocation to be used at the discretion of the General Manager. Instruct the General Manager to report back to the Budget and Finance Committee with a work plan on how the funds will be allocated (\$500,000 direct cost). \$500,000

General City Purposes

26. Adjust funding for the following discretionary funds by 10 percent to reflect Shared Responsibility and Sacrifice adjustments from 2008-09 amounts: Council District Community Services (-\$150,000), Special Fund Fee Subsidy Reimbursement Fund (\$175,000), City Volunteer Bureau (-\$50,000), Office of Small Business Services (-\$30,000), Performance Management Unit (-\$90,000). (\$145,000)
27. Restore partial funding for the Los Angeles Neighborhood Land Trust. \$50,000
28. Special Events Fee Subsidies:
- i. Create a new line item for Special Event Fee Subsidies, as approved by the Mayor and Council in December 2008 to establish a fee subsidy policy for special events (C.F. 08-1303). The purpose of this policy is to balance the cost of special events with the need to support community and neighborhood events. In prior years, the average cost of the subsidies was in the range of \$5M. This will limit the cost to \$2.5M. This would entail the establishment of two accounts, as follows: \$1.5M to be divided evenly between all Council Districts for subsidy of 50% of city fees for district specific events; and \$1.0M for subsidy of fees for citywide special events. \$2,500,000
 - ii. DOT and BOSS to develop and institute guidelines for community groups that sponsor special events to use when stationing barricades, no parking signs, etc. in the public right of way. If groups do not follow guidelines or wish to have City staff perform such services, they will be assessed charges for City personnel perform this work.
 - iii. Request the City Attorney to prepare and transmit, prior to June 30, 2009, an implementing ordinance which includes a definition of “Citywide Event” and a list of qualifying events, with input from the Department of Transportation and PW-Bureau of Street Services; instruct PW-Bureau of Street Service to report on timeline for implementation of the policy.
 - iv. Adopt the Motion (Greuel - Smith) C.F. 08-1303-S2 to impose a moratorium on all Special Event declarations for events which will take place after June 30, 2009, except for Special Events where the City is being reimbursed for all fees and costs associated with the event; said moratorium to be in effect until the above specified ordinance reforming the Special Events process is adopted.

29. Restore \$20,000 in funding for the Pan African Film Festival and Arts Festival and \$20,000 for the Latino Film Festival (full restoration less 10% Shared Responsibility & Sacrifice) inasmuch as funding for these events have been reduced by more than 50 percent within the last two fiscal years. \$40,000
30. Reduce funding based on revised Local Agency Formation Commission (LAFCO) fees. (\$8,000)
31. Increase funding for the Homeless Shelter Program to provide matching funds for the Los Angeles Homeless Services Authority to secure grant funds in the amount of \$400,000 from the U.S. Department of Housing and Urban Development for the Homeless Management Information System. \$32,583
32. Provide funding to the Department on Disability in the amount allocated to the Gay and Lesbian Community Service Center in 2008-09, and specify funds are to be used to expand the Office of AIDS Coordinator's HIV Testing Initiative. \$75,000

General Services

33. Delete funding and resolution authority for two Heavy Duty Equipment Mechanic positions in support of the Bureau of Street Services sidewalk repair program, inasmuch as this program is not funded in the Proposed Budget (\$131,355 direct cost/\$45,541 indirect cost). (\$176,896)

Human Services

34. Restore partial funding and provide As-Needed authority for two positions for seasonal needs and LAFD support. The Department is directed to work with the CAO to identify the positions (\$75,000 direct cost). \$75,000

Information Technology Agency

35. A. Restore regular position authority for one Cable TV Production Manager II and one Playback Operator position for Channel 35 operations (\$146,283 direct cost/\$48,665 indirect cost), with costs offset by the restoration of the SRS Contingency in Schedule 20 (-\$222,400). (\$27,452)
- B. Restore regular position authority for one Councilphone/Voicemail Technician at Channel 35 to air Proprietary Departments' Commission meetings, to be fully reimbursed by Proprietary Departments. \$-0-
- C. Restore regular position authority for one Computer Graphics Artist II for

Channel 35, to be funded by a commensurate reduction in TDA contractual services.

\$-0-

- D. Approve the swap of various ITA positions for layoff avoidance as follows: DELETE one Senior Programmer I, one Communications Electrical Supervisor, one Information Systems Manager I, one Sr. Communications Operator II, one Electrical Conduit Mechanic, and one Programmer Analyst III and ADD two Sr. Communications Electrical Supervisors, three Communications Information Representative II, one Systems Analyst II, and one Clerk Typist, with this swap to occur on a cost-neutral basis.

\$-0-

- E. Instruct the ITA to develop and release an RFP to solicit proposals for operation of one or more public access studios beginning in 2010-11, and set aside in the 2009-10 Unappropriated Balance \$2.5M from the Reserve for PEG Access capital costs for one new public access studio.

\$-0-

Library

36. Provide an additional allocation to the Library Department to be used at the discretion of the General Manager. Instruct the General Manager to report within 30 days to Council on the work program for these supplemental funds, including the amount allocated to positions for extending operating hours and library materials purchases.

\$500,000

Department of Neighborhood Empowerment

37. A. Reduce the City Clerk's allocation for Neighborhood Council Elections in the Unappropriated Balance to reflect revised cost estimates and Budget and Finance Committee action to reduce funds allocated for "vote-by-mail".
- (\$1,650,000)
- B. Reduce each Neighborhood Council's funding allocation from \$45,000 to \$40,000 and utilize savings to subsidize the cost of Neighborhood Council elections.
- (\$485,000)
- C. Utilize funds from the Shared Responsibility and Sacrifice line item in the Neighborhood Empowerment Fund to support election costs.
- (\$330,000)

D. Instruct the City Clerk and Department of Neighborhood Empowerment, with input from the Board of Neighborhood Commissioners and Neighborhood Councils, to evaluate the cost and methodology for Neighborhood Council elections to determine if efficiencies can be gained or other alternatives may be employed to reduce the cost of elections, and to report back to the Education and Neighborhoods Committee no later than July 2009 and divide any savings generated as a result of these efforts evenly between Neighborhood Councils, not to exceed \$5,000 each in 2009-10.

\$-0-

E. Request the Controller to evaluate the expenditure controls used by the Department of Neighborhood Empowerment and Neighborhood Councils to ensure that funds are appropriately spent and Neighborhood Councils do not exceed their budget allocations; and further, to evaluate and provide recommendations relative to the tracking and use of prior year funds.

\$-0-

F. Amend the Council Policy on Neighborhood Council Funding Program (C.F. 05-0894) to provide each Neighborhood Council with an annual allocation of \$40,000 and ensure that a Neighborhood Council shall not have more than \$140,000 in available funds at any given time.

Personnel

38. Provide funding and resolution authority for four Correctional Nurse II positions, medical equipment, furniture and supplies for the new Metro Jail facility (\$317,634 direct cost/ \$86,075 supplies/equipment).

\$404,000

Planning

39. Increase the Planning Department's Salaries General Account, which was inadvertently omitted in the Proposed Budget.

\$1,700,000

40. Provide funding and one resolution position authority (City Planning Associate) to work on the Port of Los Angeles Downtown Waterfront Plan for San Pedro. Receipts from the Community Redevelopment Agency (CRA) were recognized in the Proposed Budget for this position, however, the funding was omitted from the Proposed Budget (\$73,707 direct costs/\$23,616 indirect costs).

\$97,323

41. Provide an additional allocation (\$1,000,000) to be used at the discretion of the Planning Director. The Planning Director shall report back within 30 days to Council with a work plan on the specific uses of the funds, highlighting how it will be spent on community plan updates and other planning activities.

\$1,000,000

THE RECOMMENDATIONS IN NO. 43 WERE APPROVED 3-2 (GREUEL AND HUIZAR DISSENTING).

Police

42. Delete funding to continue sworn hiring of 560 officers, due to fiscal constraints. This entry is in addition to the SRS reduction for sworn salaries. Additional hiring will add to the budget shortfall in future years due to growing salary, benefits and pension payments. This action would reduce the 2010-11 projected deficit of \$1B by about \$55M. The two components of this proposed reduction are as follows:
- A. New Recruit and Expenses for a net increase of 40 officers (\$-3,591,000 direct cost/ \$-1,458,000 indirect cost/\$1,413,000 expense/\$-379,000 equipment).
(\$6,841,000)
 - B. Sworn Salaries based on attrition of 520 officers (\$-29,788,000 direct cost/ \$-13,384,000 indirect cost/\$-3,692,000 expense).
(\$46,864,000)
43. Transfer five regular position authorities from various divisions in the LAPD to the TEAMS II project. This includes transferring one Senior Clerk Typist from MTD; three Systems Analyst II positions from ITD; and one Sr. Systems Analyst I position from ITD. Further, authorize regular position authority for two new Senior Systems Analyst I positions for the TEAMS II project, offset by the deletion of one Sr. Management Analyst I position in IAID and one Sr. Personnel Analyst I position in Personnel Division, for a net savings (\$1,374 direct cost only).
(\$1,374)

Proposition A

44. Reduce funding within the Proposition A Memberships and Subscriptions line item from \$60,000 to \$55,000 to reflect consistency with current year expenditures.
(\$5,000)
45. Reduce funding in the Proposition A Travel and Training line item from \$35,000 to \$32,700 to reflect consistency with current year allocations.
(\$2,300)

PW-Engineering

46. Restore funding and eight regular position authorities (one Secretary; one Senior Clerk Typist; five Civil Engineering Associate II; one Senior Civil Engineer) to avert the closure of the West Los Angeles District Office (\$618,322 direct costs/\$186,890 indirect costs).
\$805,212

PW-Street Services

47. Provide increased funding and swap one position authority (one Risk Manager I for one Risk Manager II) to provide the appropriate supervisory differential for the Department's Risk Management Program (\$7,720 direct costs/\$14,748 indirect costs).

\$22,468

48. Provide funding and five position authorities (one Clerk Typist; one Senior Clerk Typist; one Programmer Analyst V; one Street Services Investigator; one Senior Street Services Investigator III) and expenses for the One Stop Special Event Permitting Office, approved by the Council (CF 08-1303) (\$257,439 direct costs/\$67,982 indirect costs).
\$325,421

Recreation and Parks

49. Provide an additional allocation to be used at the discretion of the General Manager. The General Manager is instructed to report back within 30 days to the Budget and Finance Committee with a work plan on the expenditure of these supplemental funds, including the amount allocated to mitigate critical service reductions to the public. (\$1,500,000 direct cost).
\$1,500,000
50. Provide funding and one resolution position authority for a Risk Manager II to implement and enforce a comprehensive program of workplace safety, third party liability management and loss prevention (\$72,781 direct cost/\$18,193 indirect cost).
\$90,974

Treasurer

51. Restore funding and position authority for three Accounting Clerk I and three Accounting Clerk II positions (\$449,000), partially offset by expense account reductions (\$-33,000), to support the Treasurer's Citywide Investments and Cash Management Programs (\$336,066 direct cost/ \$112,934 indirect cost).
\$416,000
52. Provide an additional allocation to be used at the discretion of the General Manager. The General Manager is instructed to report back within 30 days to the Budget and Finance Committee with a work plan on the expenditure of these funds, including the amount allocated to revenue producing positions (\$250,000 direct cost).
\$250,000

Unappropriated Balance

53. Add funding to restore the General Account for miscellaneous expenses, including the cost of meetings at City Hall and at off-site facilities.
\$25,000
54. Set aside funding for a consultant to assist in the development of a zero-based budget submittal for 2010-11. CAO to report on the departments selected for this pilot zero-based budget submittal. Candidate departments to include Recreation and Parks.
\$300,000

OTHER CHANGES

AB 1290, Parking Public-Private Partnership Proposal and Mangrove Sale

55. Create a line item in the Unappropriated Balance in the amount of \$10,000,000 to hold anticipated revenue from City retention of AB 1290 funds until pending further discussion and verification of the proposed revenue amount. \$-0-
56. Delete revenue and expenditures in the amount of \$85,000,000 associated with revenue in the Proposed Budget from the Parking Public-Private Partnership Proposal and the reduction in revenue expected in 2009-10 from the sale of the Mangrove site, inasmuch as the Proposed Budget cannot anticipate and budget against these revenues until these matters are considered, approved, and/or resolved. \$-0-

Budget Stabilization Fund

57. Budget Stabilization Fund: In conjunction with the adoption of the 2008-09 Budget, the Council approved, in concept, a new chapter to the City's Financial Policies that would provide for the establishment of a Budget Stabilization Fund (BSF) to prevent overspending during prosperous years and then experience extreme difficulty maintaining service levels during lean years. If this policy had been enacted during past years of extraordinary revenue growth and economic expansion, extremely difficult budgetary cuts we are facing today could have been minimized. This policy would require compulsory saving when the economy is strong and actual revenue exceeds the projected revenue target at the time the budget is adopted in the spring. Savings accrued in the BSF would be available to supplement the budget for primarily one-time purposes, and the highest priority would be for funding deferred expenditures from prior fiscal years. BSF funds could only be expended during fiscal years when actual revenue is less than the projected revenue target at the time the budget is adopted. A BSF will smooth out the peaks and valleys of economic cycles, allowing revenues available to the City each fiscal year to be more predictable.
- A. Establish a separate Fund entitled "Budget Stabilization fund" in the City Treasury.
 - B. Instruct the CAO and CLA to submit a draft Budget Stabilization Fund policy as a new chapter to the City's Financial Policies, as discussed above, and submit such policy for consideration by the Budget and Finance Committee by July 1, 2009.
 - C. Instruct the CAO to begin tracking the amounts from adopted budgets, beginning in 2009-10, that are needed to comply with the Capital and Infrastructure Policy. These expenditure deferrals, and other expenditure deferrals shall have priority for funding from the BSF, when conditions are met for expenditure.

- D. Deposit \$500,000 into the newly established Budget Stabilization Fund, from the Contingency Account of the Reserve Fund to memorialize the action taken by the Council and its desire to begin saving for years of unpredictable levels of revenue growth and to ensure that during future years of extraordinary growth that the City saves an amount determined in accordance with the policy to be adopted in the near future, and to enable such savings to be available to help smooth years of little or no revenue growth.

\$-0-

Capital Finance Administration Fund

58. Transfer funds to the Unappropriated Balance for contractual services for the proposed public-private partnership (P3) for a long term lease of city-owned parking assets. Instruct the CAO to report to Council with an explanation of consultant services and costs that would be paid from the \$3.5M (\$0.500M in 2008-09 and \$3.0M in 2009-10), including which services must be paid irrespective of whether the City proceeds with the P3 transaction, and which costs could be avoided if the City chooses to not proceed. Also, consider the Motion (C.F. 09-0728-S1) to request the Controller to contract for the study of this P3 lease proposal, and the advisability of proceeding.

\$-0-

City Attorney

59. Provide funding and resolution authority for two Deputy City Attorney IIIs to expand the Neighborhood Prosecutor Program to include the new Olympic and Topanga Area Police Stations, to be fully funded from Fund No. 368 (\$271,582 direct cost/\$79,451 indirect cost).
60. Restore funding and resolution authority for one Deputy City Attorney III to address Department of Water and Power land use issues, to be fully offset by DWP reimbursement (\$135,791 direct cost/\$39,726 indirect cost).

\$-0-

\$-0-

Citywide Recycling Trust Fund

61. Allocate \$2,000,000 in the Citywide Recycling Trust Fund No. 46D from the Commercial Recycling Development and Capital Costs Account to a new account for the development of the Eco/Recycling Park at 16606 Roscoe Place, on a city-owned parcel.

\$-0-

Controller

62. Reappropriate unexpended funds in the Controller's budget to provide funding for contractual services for outside auditing services in 2009-10 (\$250,000).

\$-0-

Cultural Affairs

63. Decrease funding in the amount of \$43,000 for Program Support in the Special II - Community Cultural Programs within “Cultural Affairs Department Special Appropriations” and establish new allocations in this fund for cultural programming on Channel 35 (\$23,000) and mural restoration (\$20,000)
- \$-0-

Ethics Commission

64. Restore the SRS line item funding and regular authority for three Management Analyst I positions, reducing the 17 percent reduction down to 10 percent (\$192,000).
- \$-0-

General City Purposes

65. Reappropriate current year savings from the close-out of the San Fernando Valley Interfaith Council Adult Day Program to provide lease costs for the East Valley Multipurpose Senior Center, operated by the San Fernando Valley Interfaith Council (\$35,000).
- \$-0-

Mobile Source Air Pollution Reduction Trust Fund

66. A. Reappropriate \$260,000 from the 2008-09 Climate Change Plan (Account 268E) to the 2009-10 Climate Change Plan line item.
- \$-0-
- B. Reduce the 2008-09 unexpended appropriations by \$300,000 to reflect lower spending in 2008-09 for alternative fuel vehicles and fueling infrastructure and reappropriate in the 2009-10 Budget as follows: \$87,800 into the Air Quality Demonstration Program; \$12,200 for Departmental travel to meetings related to projects and programs which reduce pollution from mobile sources; \$9,894 into the Alternative Fuel Fleet Vehicles, Trucks and Infrastructure line item; \$82,071 into the Department's budget line item; \$19,632 into Reimbursement of General Fund cost line item; and funding (direct cost \$65,641/indirect costs \$22,763) and restoration of one regular position authority (Management Analyst II) for the Climate Change Program.
- \$-0-

Personnel

67. Provide funding in the Unappropriated Balance to fund a contract for a new Risk Management System, successor to the workers' compensation claim management system (LINX) which must be replaced. Personnel and ITA or report on the this matter. The funds are from reappropriated current year savings in the Human Resources Benefits Account - Workers' Compensation line item.
- \$-0-

Planning

68. Provide funding and instruct the Department to assign existing staff (an off-budget City Planner resolution authority position), as needed, to review, process and implement the North Side Land Use update for LAX and Master Plan amendments at Van Nuys Airport, with the cost to be reimbursed by LAWA on an interim basis. Further, instruct the Director of Planning to use a portion of the lump sum amount provided to fund any costs associated with this position in the event there is insufficient special fund work to fully reimburse the cost of the position (\$61,239 direct costs/\$16,381 indirect costs). \$-0-
69. Restore funding and six resolution position authorities (one City Planner; three City Planning Associates; one Senior City Planner; and one Senior Clerk Typist) for the Environmental Review Unit, to be offset by fees and special fund receipts (\$437,627 direct costs/\$145,739 indirect costs). \$-0-

Measure R

70. Reduce appropriations to the “Matching Funds - Transit Projects” line item to \$10,571,569 and reallocate \$6,000,000 to a new line item entitled “Green Line Extension to Los Angeles International Airport planning studies.” \$-0-

Proposition A

71. Delete funding (\$10,178,000) for the Proposition A Wilshire Boulevard resurfacing, reinforcement and transit improvement project, due to the ineligibility of the project to use these funds, and reallocate the funding to an Unallocated line item, from which projects will be determined in 2009-10 by the Mayor and City Council. \$-0-

Public Works - Board Office, Contract Administration, Engineering, Sanitation, Street Lighting and Street Services

72. A. Delete funding (\$1,262,539) and 14 regular authority positions (two Senior Personnel Analyst II; six Senior Personnel Analyst I; six Personnel Analyst II) from the Board of Public Works for the Human Resources Consolidation.

- B. Restore funding (\$1,262,539) and seven regular position authorities to the Bureaus in the Public Works Department to reverse the Human Resources consolidation proposal in the Board of Public Works while maintaining anticipated savings from the consolidation, as follows:

Contract Administration: One Senior Management Analyst I (Proportional allocation = \$95,448)

Engineering: One Senior Management Analyst II; two Senior Personnel Analyst I's; one Personnel Analyst II (Proportional allocation = \$377,120)

Sanitation: One Senior Management Analyst II; three Sr. Personnel Analyst I's; and five Personnel Analyst II's (Proportional allocation = \$534,054)

Street Lighting: One Senior Management Analyst I (Proportional allocation = \$98,983)

Street Services: One Senior Management Analyst II (Proportional allocation = \$156,934)

\$-0-

Public Works - Sanitation

- 73. Restore funding and regular position authority for one Environmental Engineer, one Management Analyst I, and one Maintenance Laborer in the Solid Resources program (\$210,021 direct cost/\$168,185 indirect cost), to be offset by a commensurate reduction in SWRRF Capital Infrastructure line item.

\$-0-

- 74 A. Continue resolution authority and funding for one Geographic Information Specialist for the Multifamily Bulky Item Program (\$61,151 direct cost/\$44,824 indirect cost), to be funded from the Multifamily Bulky Item Revenue Fund.

\$-0-

- 74 B. Restore 77 of 167 position authorities eliminated for the Wastewater program, as recommended by the Bureau of Sanitation and detailed in CAO Memo 77 dated May 5, 2009, and increase the Sewer Construction and Maintenance Fund salary savings rate from 4 percent 9 percent, resulting in cost neutrality.

\$-0-

Sewer Construction and Maintenance Fund

- 75. Revise Special Purpose Fund Schedule 14 to correct receipts in the Sewer Construction and Maintenance Fund to reflect the Mayor's request to withdraw a rate increase that was under consideration for the 2009-10 Budget.

\$-0-

Stormwater Pollution Abatement Fund

- 76. Revise Special Purpose Fund Schedule 7 to reduce receipts and appropriations in the Stormwater Pollution Abatement Fund to reflect the Mayor's request to withdraw from consideration a proposed fee increase during 2009-10 (\$-29,200,000).

\$-0-

Transportation

- 77. Provide funding (\$1,112,190) and six resolution position authorities (one Transportation Engineer; two Transportation Engineer Associate II; one Transportation Engineer Associate III; one Civil Engineering Drafting Technician; and one Signal Systems Electrician) to perform work in connection with the DWP’s water trunk line construction program. The General Fund will be fully reimbursed by DWP. \$-0-

- 78. Provide funding (\$557,204) and continue six resolution authority positions (five Traffic Officer II and one Senior Traffic Supervisor II) for the Stolen Vehicle Recovery Program, to be offset by revenue generation. \$-0-

- 79. Provide funding (\$557,204) and continue six resolution authority positions (five Traffic Officer II and one Senior Traffic Supervisor II) for the Stolen Vehicle Recovery Program, to be offset by revenue generation. -0-

INSTRUCTION AND TECHNICAL ADJUSTMENTS

Emergency Management

- 80. Correct page 233 of Detail of Department Programs to reflect the proposed metric as 100 percent, rather than 50 percent, for percentage of Emergency Operations Master Plan updated in 2009-10.

Police

- 81. Instruct the CAO and LAPD to include in the Personnel Authority Resolution and/or Departmental Personnel Ordinance the appropriate number of Community Police Aide (CPA) position authorities to eliminate the need to hire CPA positions in-lieu of Police Service Representatives.

PW - Street Services

- 82. Authorize the Bureau of Street Services to draw down the available balance from the 2009-10 State appropriation of Proposition 1B funds for the street resurfacing program, on behalf of the City.

- 83. Adopt recommendations contained in Exhibit H with the following changes:
 - A. Delete the request for the City Attorney to prepare and present an ordinance to amend the Los Angeles Administrative Code to permit the allocation of up to an amount equivalent to a one percent Transient Occupancy Tax to the Arts and Cultural Facilities Trust Fund.

 - B. Delete the request for the City Attorney to prepare and present an ordinance, or amend any existing ordinance(s), if required, to transfer City Clerk Land Records to the Public Works Bureau of Engineering, inasmuch as this transfer will not be pursued.

- C. Delete a request for the City Attorney to prepare and present an ordinance to rescind or amend Sections 5.121 of the Los Angeles Administrative Code and other sections as appropriate (e.g. Sections 5.500 and 7.33.1), to allow that 100 percent of the proceeds from the sale of surplus City properties located in the Venice Area be deposited into the General fund. The LAAC currently requires that 100 percent of all net proceeds collected from the sale of surplus City real property located in the Venice Area, to the extent permitted by law, be placed into the Venice Area Surplus Real Property Fund.
- D. Amend the instruction regarding the Citywide policy that permits the CRA to retain 100 percent of the City's share of AB 1290 Tax Increment revenues for use in the project area or Council District in which it is generated (C.F. 00-0801-S1) to only apply to tax increment funds received by CRA prior to Fiscal Year 2009-10 less any uncommitted carryover funds that are necessary to meet the budgeted AB 1290 payments and to transfer those funds to the General Fund. If the Mayor's Office determines through consultation with affected Council Districts that such funds are unavailable, the funds will be transferred back to the CRA. Further, request CRA and CAO to report on how to improve accounting of these funds to that it is clear as to where funds are generated, how they are allocated, the distinction between availability and committed, and other pertinent issues.
- E. Amend the instruction to request the City Attorney to prepare and present an ordinance to amend Section 5.500 and 7.33.1 of the Los Angeles Administrative Code, which would sunset on June 30, 2010, to allow that 100 percent of the proceeds from the sale of City surplus property continue to be deposited into the General Fund.
- F. Amend the instruction to request the City Attorney to prepare and present an ordinance to amend Section 5.117, Subsection 7 of the Los Angeles Administrative Code to allow the subsection to remain in effect until June 30, 2010. Subsection 7 allows for a surplus declaration by the Council in the Special Parking Revenue Fund after securing funding for debt service, the cost of operations and maintenance and a reserve fund level defined by the Mayor and Council. The provisions of the surplus declaration will sunset at the conclusion of Fiscal Year 2009-10. Changes beyond Fiscal Year 2009-10 must be submitted to the appropriate policy committee of the City Council for consideration. Effective Fiscal Year 2009-10, funds loaned from an account for transfer from an account within the Special Parking Revenue Fund to contribute to a surplus transfer to the Reserve Fund shall only be on a temporary basis, and must be returned in the same amount to the affected account within two years.

- G. Amend the instruction to the Board of Public Works to take the necessary actions to increase fees related to the following LAMC Sections by amending the following Sections, and any other sections as required, which are under the jurisdiction of the Board pursuant to procedures set forth in LAMC Section 12.37.11, in order to realize the 2009-10 budgeted revenue projections by the Bureau of Engineering and notify the Public Works Committee following implementation: 7.3, 7.40, 7.41, 12.37, 17.07, 18.09, 19.02, 19.07, 61.10, 62.02, 62.03, 62.04, 62.05, 62.06, 62.41, 62.106, 62.109, 62.118, 64.10, 64.15, 64.18, 64.20, and Section 22.356 of the LAMC.
 - H. Request the City Attorney to prepare and present an ordinance to amend Section 89.60 of the LAMC to increase all civil parking penalties by \$2.00 to offset a State mandated increase to provide these fees, per the Trial Court Facilities Act.
 - I. Add the following instruction which was inadvertently omitted from Exhibit H: Authorize the Controller to appropriate and transfer funds pursuant to the terms of approved Memoranda of Understanding between the Department of Transportation (DOT) and General Services Department (GSD) for the maintenance and operation of parking facilities. The appropriation and transfer of funds will be from the Contractual Services Special Purpose Fund Appropriation of the Special Parking Revenue Fund 100/40. Specific instructions for the transfer of funds will be provided by DOT and GSD to the Controller's Office by July 31, 2009.
84. Authorize the CLA and CAO to make minor and technical adjustments to accomplish the intent of the changes proposed herein.

CLOSING RECOMMENDATIONS

- 85. Include in the 2009-10 Budget Resolution that upon approval of the City Administrative Officer, substitute authority positions may be filled using Schedule "A" of the Los Angeles Administrative Code or approved Memoranda of Understanding. In addition, instruct the City Administrative Officer to make any necessary changes to the 2009-10 Departmental Personnel Ordinances to reflect said filling of substitute positions.
- 86. Instruct the Office of the City Administrative Officer to prepare and present to the City Council within 30 days, a listing of all resolution, substitute, and in-lieu positions needed to fulfill the intent of the Council action on the 2009-10 Budget.
- 87. Authorize the Chief Legislative Analyst and Office of the City Administrative Officer to make minor and technical adjustments to fulfill the intent of the Budget actions, and request the City Attorney, with the assistance of the CLA and the CAO, to prepare and present a resolution for the adoption of the 2009-10 Budget for the General Government of the City of Los Angeles as submitted by the Mayor on April 20, 2009, as modified by this report.

MINORITY REPORT

The following recommendation regarding freezing sworn hiring in the Fire Department was not approved by the Committee; however, it is being transmitted to the full Council for consideration.

Fire

88. Delete funding and resolution authorities for seven sworn positions to continue the Recruit Training Program for 2009-10, and delete funding for 150 new recruits, due to the City's financial constraints. This anticipates the SRS for Fire-Sworn would also be implemented (\$12,078,000 direct cost only).

(\$12,078,000)

That the Council (Recommendations 89 to 143):

GLOBAL RECOMMENDATIONS

89. Instruct LAFD to report to the Public Safety Committee and Budget and Finance Committee on potential adjustments to the constant staffing model that considers, at a minimum, individual station needs, seasonal needs, and other variances in the volume of emergency dispatches. Subsequent reports from departments will address functions, deployment and service levels.
90. Instruct the CAO to expedite labor negotiations, and to develop solutions which balance the need to reduce costs in the short-term, but not at the expense of long-term impacts on the pension systems.
91. Instruct the CAO and CLA to prepare a cash buyout incentive proposal for Council consideration at the time of the Council meeting on the Mayor's 2009-10 Proposed Budget.
92. Eliminate all unfunded resolution positions and unfunded special fund positions.
93. Authorization of substitute positions for which other positions in the department are not being held vacant and will result in additional salary cost, shall require Council approval, effective July 1, 2009.
94. Instruct the CAO and CLA to re-evaluate each grant the City has received to ensure the following and report to the Budget and Finance Committee within 45 days: matching funds expended do not exceed the level required by the grant award; CAP rates are properly assessed; and grant activities have not expanded beyond the parameters included in the grant award approved by the Council.

95. Instruct the CAO and CLA to work with the following departments which collectively comprise 90 percent of the City's historical liability expenditures. Review current provisions in place, and improvements needed to better prevent and manage liability, including development of litigation budgets for measuring control (focus on prevention, solutions and methods for holding employees accountable for causing liability): Animal Services; Building and Safety; General Services; Planning; Recreation and Parks; Transportation; Fire; Police; Board of Public Works; Engineering; Sanitation; and Street Services.
96. Instruct the CAO and CLA to report back to the Budget and Finance Committee and the Personnel Committee with recommendations for restructured LACERS and Fire and Police Pension System plans for new employees (new tiers) to the City for the purpose of cost containment and long term sustainability.
97. Instruct the CAO and CLA to develop, in cooperation with the Joint Labor Management Board, a new citywide medical benefit plan for future employees and future retirees which shares the cost between employees and City contributions and re-evaluate current medical benefits.
98. Instruct the CAO to provide the most updated evaluation of the City's cash flow projections for 2009-10 and 2010-11 and revenue projections for 2009-10 and 2010-11.

Annual Fee Studies:

99. Adopt, in concept, a new chapter to the City's Financial Policies that would mandate that all Council-controlled departments conduct a review of fees charged for services provided, including the actual cost for providing services as compared to the receipts generated, and adjustments necessary to achieve full-cost recovery. Further, Annual Fee Studies must be completed and submitted with recommendations to the Council by December 31 each year.
100. Instruct the CAO and CLA to develop a draft Annual Fee Studies Policy as a chapter to the City's Financial Policies, and submit for consideration to the Budget and Finance Committee by July 1, 2009.
101. Evaluating Budgetary Compliance and Control: The following budgetary reporting process and protocols are recommended to assist the Budget and Finance Committee in its efforts during the fiscal year and on a go-forward basis:
 - A. Instruct departments to continue to report to the CAO in the standardized framework for reporting departments' compliance with the City's Financial Policies including, but not limited to: uniform departmental reporting for tracking and analyzing actual expenditures vs. budget; actual outcomes by program vs. work program approved by the Council in conjunction with the Budget.

- B. Instruct all departments with pending fee increases that are included in the Proposed Budget, with the assistance of the City Attorney, to report back to Council no later than June 1, 2009 with ordinances to effectuate the change in fees to ensure estimated revenue included in the 2009-10 Budget is realized, in accordance with the Annual Fee Studies Policy. Further, instruct all departments to review their fee structures annually and to report to the Budget and Finance Committee by January 1, 2010 with ordinances, status reports or negative replies concerning fee adjustments for 2010-11.
- C. Instruct all City department and bureau heads to promptly notify the CAO of shortfalls in their budget or revenues so that they may be reported in the CAO's financial status reports.
- D. Instruct the CAO to provide bi-monthly or more frequent, if necessary, financial status reports on revenues and expenditures, the status of the Reserve Fund, departmental hiring, projected shortfalls and recommendations to protect the City's fiscal health, as follows:
- i. Revenue: Actual revenue collections; projections of potential shortfalls or surplus revenue, as compared to the Budget; date on which adjusted fees were effective; departments which have not submitted ordinances necessary to implement adjusted fees included in the Adopted Budget; review of parking validations provided by departments; and recommendations for remedial action to achieve revenue projections, if necessary.
 - ii. Expenditures: Actual expenditures by department and program; comparison to expenditure plan; recommendations for any remedial action necessary to remain within budget.
 - iii. Overtime: Highlight departments' overtime usage including detail, by department, the purposes (function/program, etc.) for which overtime was expended; the dollar amount and number of hours expended for each purpose; dollar amount budgeted vs. dollar amount remaining for the fiscal year; any projected shortfalls or surpluses, based on actual experience.
 - iv. Programmatic or functional outcomes: Actual outcomes, by department, program or function during the reporting period, as compared to plan; an analysis of any deviation and recommendation for remedial action, as necessary.
 - v. Employment Level, by department, actual vs. authorized, net of positions to be held vacant in order to achieve budgeted savings. Also include the number hired, classification and activity/program to which personnel are assigned - include reason for exception to the Hard Hiring Freeze.
- E. Recommend that the Budget and Finance Committee hold quarterly budget hearings, similar to those held during its annual consideration of the Proposed Budget, to give the Council an opportunity to focus on long term budgetary reductions necessary to put the City in an improved position to weather the projected period of revenue declines; to discuss the City's overall budgetary

condition; and to focus on departments in jeopardy of over expending budget allocations and those departments which are not achieving outcomes anticipated by the Council.

- F. Instruct the CAO to report to the Budget and Finance Committee with a Capital Program Financing Policy for purposes of long-term planning and budgeting including, but not limited to, guidelines for managing General Fund debt service growth, potentially restricting future MICLA issuance to land and building acquisition only and provide other options for capital equipment acquisition. Review all delayed/deferred capital maintenance and repair needs for incorporation into this policy. Further, include a report on the amount of debt issued, in comparison to the amount of debt authorized, but not yet issued.
- G. Request the City Attorney to report on a bi-monthly basis to the Budget and Finance Committee on the status of liability claims and outside legal counsel costs, the latter to include proprietary department expense. Such reports to include the following: available balance; encumbered balance; expenditures to date; projected needs for balance of fiscal year; and, if more funds are needed, specify the corrective actions being taken to contain costs.
- H. Instruct the Personnel Department and the CAO to provide monthly updates regarding the layoff process. Such reports shall identify status, by department, including the list of positions submitted by departments, timeline for implementation, displacements in process and any other pertinent information. CAO to report on the status of discussions with unions regarding the impact of layoffs.

102. Financial Policies Compliance

- A. Reserve Fund: The actions contained in this Report will increase the Reserve Fund by a net \$58.78M as compared to the Proposed Budget, which includes approximately \$2.7M in corrections to the Proposed Budget. The Mayor's Proposed Reserve Fund is \$189M. The Reserve Fund balance resulting from the actions recommended in this report is increased from \$189M to \$247.79M. The Reserve Fund Emergency Account is maintained at \$123.1M, with the remaining \$124.68 in the Contingency Account. If the recommendations in this report are adopted with no further expenditure changes, the Reserve Fund will be at \$247.79M or 5.5%.
- B. Capital and Infrastructure Funding Policy: The Capital and Infrastructure Funding Policy states that "To the extent possible, the City shall annually budget one percent of General Fund revenue to fund capital or infrastructure improvements." Because of financial constraints, the Mayor's Proposed Budget provided \$9.12M for infrastructure improve, which equates to 0.21% of the General Fund according to the CAO Supporting Documents.

- C. One-Time Revenue For One Time Expenditure Policy: The section of the Budgetary Policies concerning use of one time revenue states that, “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. The City will avoid using temporary revenues to fund on-going programs or services.” The Mayor’s 2009-10 Proposed Budget includes \$162M in one-time funds and \$53.8M in one-time expenditures. Therefore, there is more than \$117M in one-time funding supporting on-going expenses. In addition, depending upon how SRS is implemented, the one-time revenue policy is exceeded by \$348M.

INSTRUCTIONS AND TECHNICAL ADJUSTMENTS

103. Instruct the City Clerk to open Council Files for all pending and outstanding report-back requests made by the Budget and Finance Committee during its consideration of the Mayor's Proposed 2009-10 Budget, as shown in the Attachment.

City Administrative Officer

104. Request the City Administrative Officer and the Chief Legislative Analyst to report to the Budget and Finance Committee with a recommended policy, to be effective in 2010-11 relative to the calculation of compliance with the Financial Policy requiring 1% for Infrastructure Funding. This policy should include a requirement that reports describing the level of General Fund support for infrastructure funding pursuant to this policy also include a description of the amounts budgeted annually for General Fund Debt service payments for qualifying MICLA projects and General Fund contributions toward General Obligation Bond construction projects in addition to 1% for Infrastructure Funding. However, the MICLA debt services and General Fund support of G.O. Bond program support should not be included in the 1 percent calculation.
105. Instruct the City Administrative Officer to ensure that all future voter-approved bond issuances include authority to provide funds to audit overall bond program expenditures by the City Controller, as legally permitted.

City Clerk

106. Instruct the CAO and CLA, with City Clerk's assistance, to report with recommendations on establishing a Council Support Account Schedule for Creative Services, Council Public Services and/or Information Technology Support.
107. Exempt from the hard hiring freeze all election-related positions, consistent with previous practice during election cycles.

Department of Economic Development

108. Approve, in concept, the consolidation of City economic activities under the management

and control of a new Department of Economic Development, to be headed by a general manager. Such consolidation would include, but not be limited to, the restructuring of the functions now performed by the Community Development Department, the Community Redevelopment Agency and the economic development programs within the Mayor's Office and other appropriate entities; and, approve the creation of a Community Development Commission (pursuant to Community Redevelopment Law) merging City redevelopment and economic development activities under a single citywide policy entity.

109. Direct the Chief Legislative Analyst and the City Administrative Officer, with the assistance and cooperation of the City Attorney, Office of the Mayor, Community Development Department, Community Redevelopment Agency, and the Personnel Department, to report to Council in 45 days with the steps necessary to accomplish consolidation of City economic development activities, including an analysis of the following: organizational structure; identification of powers, duties and responsibilities, staff and resources; budget and personnel implications; transferring the Consolidated Plan to the City Administrative Officer for the 2010-11 (36th Program Year); the incorporation of the efforts of FilmLA and the creation of a "film czar", the Mayor's Office of International Trade and Office of Small Business Services and provide a recommended time frame for implementation.
110. Request the City Attorney, with the assistance of the Chief Legislative Analyst and the City Administrative Officer, to prepare and present the necessary documents and Ordinances establishing a Department of Economic Development as well as a Community Development Commission as set forth above.

Convention Center

111. Instruct the CAO, Convention Center, LA, Inc. and the City Attorney to report to Council via the Jobs, Business Growth and Tax Reform Committee and Trade, Commerce and Tourism Committee relative to the Flexible Demand Based Pricing Proposal, with the following: Criteria for granting flexible pricing for events which are marketed by Convention Center staff; legal basis for "equal protection" and "delegation of authority" advice; any recommended employee compensation arrangement changes that are necessary for successful management of event marketing positions; and the coordination of efforts between Convention Center and LA, Inc. The report should also address the consolidation of marketing and sales staff.

El Pueblo

112. Instruct the General Manager to ensure that new leases with the 61 remaining El Pueblo tenants currently without leases are executed by December 31, 2009, and further instruct the General Manager to submit a status report on lease negotiations to the Information Technology & General Services Committee by September 1, 2009.

Ethics

113. Instruct the CAO to report on the Ethics Commission proposal to impose a fee on bidders on City contracts for purposes of recovering the cost of ethics reviews.

Exhibit H

114. Refer to the Arts, Parks, Health and Aging Committee the report pursuant to the instruction to the Zoo, General Services Department and CAO to complete a study on the feasibility of implementing a parking fee at the Los Angeles Zoo.
115. Refer to Arts, Parks, Health and Aging Committee and the Budget and Finance Committee, the report pursuant the instruction to the Los Angeles Zoo and CAO to complete a study for public review on the viability and advisability of a public/private partnership to operate and maintain the Zoo.
116. Refer the following matter without recommendation to the Housing, Community and Economic Development Committee and the Budget and Finance Committee for consideration: Request to the City Attorney to prepare and present an ordinance amending Section 8.99.12 of the Los Angeles Administrative Code to allow the cost of CRA-related services provided by the Mayor's Office to be reimbursed by the CRA consistent with the reimbursement of CRA-related services performed by other City departments.
117. Refer the following matter without recommendation to the Information Technology and General Services Committee: Request to the City Attorney to prepare and present an ordinance to amend Section 4.230 of the Los Angeles Administrative Code (Use of Privately Owned Automobiles on City Business and Reimbursements) to transfer responsibility of setting mileage reimbursements as allotted in this section from the CAO to the Controller.
118. Refer to the Information Technology and General Services Committee:
 - A. Report pursuant to the instruction to the CAO, with assistance of GSD, to examine the City's Asset Management structure.
 - B. Report pursuant to the instruction to the CAO to work with all City departments on advertising opportunities.
 - C. Instruct ITA to review and survey all Information Technology (IT) functions and needs across all city departments, and recommend a strategy and a plan of action for IT consolidation, including the following IT functions within the Fire and Police Departments: Human Resources - PaySr and related human resources data; Data Infrastructure - A centralized effort to maintain and support growing demands of the City's data infrastructure; and Email - Groupwise consolidation. Fire and Police consolidation will not include areas directly related to public safety.
119. Refer to the Personnel Committee the reports pursuant to the following instructions:
 - A. Personnel Department to review and survey all personnel and human resource functions and needs across the City of Los Angeles for the purpose of developing a strategy and plan of action for the consolidation of these functions from departments with limited capacity for this work.

- B. Personnel Department to review all Engineering Associate IV position authorities within all Public Works bureaus to ensure sufficient justification continues to exist to support the level IV paygrade and work with departments to make any necessary adjustments.
120. Refer to the Public Works Committee the following ordinances upon preparation by the City Attorney to move forward a Point of Sale policy for sidewalk repair, and substitute the following language in place of current language contained in Exhibit H - Ordinance Changes (page 28):
121. Request the City Attorney to prepare and present an ordinance to amend Section 62.104 of the LAMC to transfer the responsibility for repairing damaged sidewalks fronting private property from the City of Los Angeles to the property owner.
122. Request the City Attorney to prepare and present an ordinance implementing a Citywide Point-of-Sale policy requiring that damaged sidewalks fronting private property shall be repaired at the cost of the property owner prior to the sale.
123. Refer the following matter without recommendation to the Transportation Committee and Information Technology and General Services Committee: Request the City Attorney to prepare and present an ordinance to amend relevant sections of the Los Angeles Administrative Code to provide greater rate setting flexibility to all departments operating parking facilities as appropriate to keep city-operated public parking lots competitive with surrounding private parking facilities.
124. Refer to Transportation Committee the report requested pursuant to the instruction to the Department of Transportation, with the assistance of the CAO, to present an analysis evaluating the relative performances of all City Transit routes and recommendations for improving transit services, decreasing costs of transit service and potentially reducing or eliminating transit lines to address the structural deficit within Prop A and Prop C Funds.
125. Refer to Trade, Commerce and Travel Committee and the Budget and Finance Committee, the report requested in the instruction to the Convention Center Department and the CAO to complete a study for public review on the viability and advisability of a public/private partnership to operate and maintain the Los Angeles Convention Center.
126. Amend the Council policy on the Neighborhood Council Funding Program (CF 05-0894-S5) consistent with the recommended funding level specified elsewhere in this report.

General Services

127. Restore the following 24 Asset Management positions as Regular Authorities, rather than converting to Resolution Authorities (one Sr Clerk, one Accounting Clerk II, one Clerk Typist, two Sr. Clerk Typists, one Project Assistant, six Real Estate Officer II's, two Sr. Real Estate Officers, one Property Manager II, one Property Manager III, one Architect, two Sr Management Analyst I's, three Sr Management Analyst II's, one Chief Management Analyst, and one Management Analyst II).

128. Restore regular position authority, without funding, for three General Services Police Sergeants, eight General Services Police Officers, one Principal Security Officer, two Communications Info Rep III's, and one Sr. Communications Operator, in the Office of Public Safety for field supervision, increased call-load, and call dispatch. Place these position authorities in the Unappropriated Balance pending a report back on funding options.

Housing Department

129. Approve a technical correction Schedule 23 to reduce unallocated appropriations in the Rent Stabilization Trust Fund in the amount of \$270,000 and increase appropriations to Fair Housing in the same amount.

Human Services Department

130. Instruct the CAO and CLA to report to the Arts, Parks, Health and Aging Committee in 30 days on the transition status of the initial three departments (Commission for Children, Youth and Their Families, Commission on the Status of Women, and the Human Relations Commission) to the Human Services Department; and to immediately begin Phase II, a study to assess the feasibility of consolidation of the Departments of Aging and Disability in the Human Services Department by 2010-11, including confirmation that state and federal funds would not be negatively impacted by the consolidation.

ITA

131. Instruct the CAO to allocate in 2010-11 and in future years, \$5.8M annually (+COLA) to establish a set amount for all Channel 35, Channel 36 and Public Access operational expenses, including related costs. Further, mandate that any amounts remaining at year-end will automatically be reappropriated and will partially offset the following year's allocation of \$5.8M (+COLA).
132. Instruct the ITA to refrain from any reductions in funding for Channel 35 and Channel 36, and PEG operational expense if additional departments cuts are required in 2008-09 or in 2009-10.

MICLA

133. Require that, beginning with the 2009-10 Budget, all projects proposed for MICLA financing must be approved by the Council before expending MICLA Commercial Paper or long-term MICLA bond proceeds. Further, to the extent special funds are being used to support MICLA projects, that CAO re-evaluate the use and report back on the need for special funds.

Planning Department

134. Instruct CAO and Planning Department to report on the feasibility and advisability of creating an Enterprise Fund for the Planning Department.
135. Instruct CAO and CLA to report back to Council relative to the challenges of the civil service system and the managed hiring freeze as it relates to the filling of positions within City departments, as raised by the Planning Director, but applicable to all City

departments. Short-term and long-term recommendations should be provided to facilitate efficient operation of City departments without imposing undue burdens in the hiring process.

136. Instruct the Director of Planning to report to the Council with a plan to apply the City's Administrative Nuisance Abatement Proceedings to existing home improvement stores which are deemed to be public nuisances, primarily due to loitering and other nuisance activities.

Police

137. Instruct the CAO and LAPD to include in the Personnel Authority Resolution and/or Departmental Personnel Ordinance the appropriate number of Community Police Aide (CPA) position authorities to eliminate the need to hire CPA positions in-lieu of Police Service Representatives. Further instruct that the CAO and LAPD report to the Audits and Governmental Efficiency Committee regarding savings generated.
138. Instruct LAPD to report to the Audits and Governmental Efficiency Committee, and include as part of its response to the Controller's "Audit of the City's Home-Garaged Vehicles," on the factors that resulted in a disproportionate increase of home-garaged vehicles above the department's overall officer growth. Also include an update on meeting the fleet reduction target of 250 vehicles.
139. Instruct LAPD to report back with classification and cost detail of the civilian positions needed to replace the approximately 65 FTE officers that could instead be working in the field. Also provide a cost analysis if the City were to offset civilianization with reduced sworn hiring.

PW- Board

140. Instruct the Board of Public Works' Office of Community Beautification "Clean and Green" Program, GSD, Recreation and Parks and any other departments that conduct graffiti abatement to achieve operational synergies and savings, with consideration of Recreation and Parks specialized needs including, but not limited to: fingerprinting of employees and background check; matching paint; and removal within 24 hours of notification.

PW - Engineering

141. Instruct the Bureau of Engineering, on behalf of the Bringing Back Broadway Task Force, with the Assistance of the City Administrative Officer, to prepare a project schedule and rough order of magnitude budget, which includes the Bureau of Engineering's staffing costs and report to Council with estimates for each phase of the project; and further request the Bringing Back Broadway Task Force to include the City Administrative Officer as a voting member.

Recreation and Parks

142. Instruct Recreation and Parks to submit to Council Offices the planned clustering of services and resulting program impacts to each site.

Treasurer

143. Direct the Treasurer to include the status of the proposal to sell Treasury Workstation software to other cities in the Treasurer's Investment and Cash Management reports.

OUTSTANDING CAO REPORT BACKS

- A. Report back on creating a second tier for benefits and retirement.
- B. Report back on the possible reconfiguration of the debt management group and detailing the pros and cons of transferring this function to the Treasurer's office.
- C. Evaluate grants received by City departments and develop a recommendation for matching requirements that have minimum costs, ensure that CAP rates are properly assessed and that the grant's purpose has not expanded beyond its original parameters.
- D. Report back on whether the photo red light project is revenue neutral and, if not, discuss potential alternative traffic safety programs that would be cost neutral.
- E. Report back with an update on Phases I and II of the in-car video project.
- F. Report back on a proposal to consolidate services provided by five City departments with regards to urban forest services. Identify cost savings and efficiencies.
- G. Report back in 90 days with options to finance tree trimming, landscaping, sidewalk and street repairs and maintenance through assessments.
- H. Report back on developing a public/private partnership for the Convention Center.
- I. Report back on list of future MICLA projects and anticipated costs (life of project) that City has committed, especially those that may not be reflected in the budget.
- J. Report back on the feasibility and advisability of creating an enterprise fund for the Planning Department.
- K. Report back with a list of projects to be funded by a proposed \$1.8M allocation in the 2009-10 Capital Improvement Expenditure Program under the line item entitled "Contaminated Soil Mitigation/Removal."
- L. CAO and CLA to report back with a review of the contract between the City and GLAZA regarding the Pachyderm Forest Exhibit prior to execution of that contract.

OUTSTANDING DEPARTMENTAL REPORT BACKS

Aging

- Report back on the relocation status of residents who participated in the Wilshire Adult Day Care Program that has been discontinued.

Airports

- LAWA to report to the Transportation Committee on the status of the RFP process to select a new vendor to manage taxicab services at LAX and ways to improve the taxicab dispatch process, including hold lot procedures and facilities.

Animal Services

- Report back on a program to design and distribute bumper stickers to encourage pet adoptions.

Building & Safety

- Exhibit H (pg. 26) - Report back on fees that are proposed for increase. Provide detail on current and proposed fees.
- Report back on the feasibility of directing code enforcement fines for code enforcement efforts, improving the online capability of Neighborhood Councils and general public to report code violations, and the viability of training LAPD officers to cite for minor code violations.

City Clerk

- Report back on how the City will prepare for Spring neighborhood council elections and provide a definition of stakeholders.
- Report on budget reductions to City Clerk Council & Public Services, and the Translation Unit, outlining the anticipated impact on public services.

Controller

- Report back on status of department responses to Controller audits.

Environmental Affairs

- Report back on the feasibility of developing a program with proprietary departments, with possible reimbursement to EAD, regarding the coordination of environmental mandates.
- Report back on the cost of inspecting City facilities by Local Enforcement Agency (LEA) employees, and a proposed mechanism to track and recover these costs from affected City agencies.

Ethics

- Prepare and distribute a handbook or reference guide for commissioners and elected officials.
- Report on the status of Form 54 implementation, detailing current discussions between DONE and Ethics.

Fire

- Report back to the Budget & Finance Committee at mid-year on the status of construction of new fire stations and whether there is a continuing need for fire inspectors on these projects.

General Services

- Report back on leasing rate increases regarding: 6640 Van Nuys, 3550 Wilshire Blvd., 3415 S. Sepulveda Blvd., 690 Knox and 2215 N. Broadway, and the Garland Building.
- Report back on opportunities to consolidate filming services.

- Report back on list of garages and locations that GSD operates.

Los Angeles Convention & Visitors Bureau

- Report back on a marketing proposal for Venice Beach.

Personnel

- Review and report back on whether the CompStat position for Police Administrator is the proper classification.
- Report back on a process that would require City employees to annually fill out medical screening forms for the purposes of reducing cumulative traumas.

Planning

- Report back on reorganizing department around core functions, what is legally mandated versus work that does not present exposure to liability. Identify impediments created by civil service /managed hiring process.

Police

- Report back with classification and cost detail on the civilian positions needed to replace the 60 plus FTE officers that could instead be working in the field. Also provide a cost analysis if the City were to offset civilianization with reduced sworn hiring.
- Report back on position duties and costs associated with the COPS Grant Management Analyst position.

Public Works, Street Services

- Report back on new ideas for generating revenue and cost-sharing with residents.

Recreation & Parks

- Submit a report to Council showing the proposed clustering of Recreation & Parks services, and provide a list detailing services by council district.
- Work with Planning Department to prepare a comprehensive report on Quimby funds, discussing the pros and cons of radius expansion and other potential policy changes.

Treasurer

- Report back on structure of new banking services fee program.
- Report back in the next Treasurer investment report on the status of the Treasury work station project.

Transportation

- Report back with scenarios showing various increases in parking fines, meter, and street sweeping violations.
- Report on New Parking Meter Zones and the possible addition of 2 new pay station sites.
- Report back on the status of Venice Beach Parking Lot MOU with the County of Los Angeles, providing detailed cost accounting information on revenues versus costs and an analysis to determine if it is in the City's best interest that it remain with the County.

Department of Water & Power

- Report back with an update on status of Owens Valley dust mitigation activities.

Zoo

- Report back exploring the feasibility of implementing Zoo On-line Ticketing, and exploring options for charging for parking in the Zoo parking lot.

Homeless Services Agency

- Report back on distribution of shelter plus care vouchers citywide.
- Report back on areas in CD 11 that the Housing Authority is making efforts to increase permanent supportive housing.