

- - - SPECIAL COUNCIL MEETING - - -

10:30 A.M. OR AS SOON THEREAFTER
AS COUNCIL RECESSES ITS REGULAR MEETING

ROLL CALL - Members present: Cardenas, Garcetti, Greuel, Hahn, LaBonge, Ludlow, Miscikowski, Parks, Perry, Reyes, Smith, Weiss, Zine and President Padilla (14); Absent: Villaraigosa (1).

ROLL CALL NUMBER (#) - INDICATES THE ORDER IN WHICH THE ITEMS WERE ACTED UPON DURING THE COUNCIL MEETING

Item for Which Public Hearing Has Been Held - Item 1

ITEM NO. (1) - ADOPTED, *AS AMENDED - SEE FOLLOWING

Roll Call #1 - Motion (Parks - Miscikowski) to Adopt as Amended, Ayes (13);
Absent: Villaraigosa and Weiss (2)

04-1822

BUDGET AND FINANCE COMMITTEE REPORT relative to financial policies for the City of Los Angeles.

Recommendations for Council action, as initiated by Motion (Parks - Cardenas),
SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT a moratorium on any new programs that impose additional mandates on the City over and above what is required by law or established City standards.

~~*2. ADOPT a City-wide policy that only fees and salary costs for non-commercial special events will be waived.~~ *(Parks - Miscikowski)

3. ADOPT a moratorium on waiving development fees and permits until a formal policy is adopted.

4. ADOPT a policy whereby all surplus equipment and vehicles will be sold at current market rates to both profit and non-profit entities,*with an exception for agencies doing specific work for and in the City of Los Angeles. *(Parks - Smith)
5. REQUIRE the following with respect to all fees for special services:
 - a. A report back from the City Administrative Officer (CAO) with a list of existing fees for services where the City is not receiving full cost recovery for those services.
 - b. All existing fees that are substantially below cost should have fee increases phased in until there is full cost recovery, and fees will then be adjusted annually based on changes to the City's costs in order to maintain full cost recovery, unless the Mayor and the Council adopts otherwise.
 - c. All new fees for special services shall be adopted with language that allow phased in fee increases annually through the budget process based on increases or decreases in the City's costs.
6. INSTRUCT the CAO and the Chief Legislative Analyst (CLA) to report back to the Council on establishing a physical plant oversight committee.
7. ADOPT policies that create regional or national alliances of cities and/or counties to lobby the State or Federal Government for grant funds to meet various new mandates such as stormwater or alternative fuel requirements.
8. INSTRUCT the CAO and CLA, based on adoption of the Financial Policy Document, to report back to the Council with a budget plan to close the structural deficit over the next five years.
9. ADOPT the Proposed Financial Policies for the City of Los Angeles, as amended by the Budget and Finance Committee, effective upon Mayor and Council action.
10. REQUEST the City Attorney, with the assistance of the CAO, to begin drafting the necessary ordinance language to codify the Proposed Financial Policies, and any other necessary ordinance changes.
11. INSTRUCT the Department of General Services to report back to the Council in 30 days with a Citywide list of all lease agreements with non-profit organizations, how long the leases have been in effect, the length of the financing terms, conditions of each non-profit lease agreement and condition of each of the lease facilities.
12. INSTRUCT the CAO to report back to the Council on Convention Center fee waivers over the last five years.
13. INSTRUCT the CAO to investigate and report back to the Council whether potential savings and efficiencies can be achieved by consolidating maintenance yard facilities throughout the City.

14. INSTRUCT the CAO to include in the Financial Policies document an explanation of the nexus between debt service, rating agencies and Reserve Fund levels.
15. ADOPT a policy whereby Council Motions include a statement in bold type indicating whether or not the requested action is within the City's financial policy or outside of policy.
16. INSTRUCT the CAO to report back to the Budget and Finance Committee relative to the percent of the General Fund Budget, over the past 10-15 years, that has gone towards salaries and how much of the revenue increases have gone toward services. The report should additionally include a review of fringe benefit changes over the corresponding period.
17. ADOPT a moratorium on granting any further leases to non-profit organizations until a formal policy is adopted.
18. INSTRUCT the CAO and CLA to report back to the Budget and Finance Committee relative to an analysis of how other large California cities are able to achieve high levels of budgeted reserve funds, i.e., Long Beach with a budgeted reserve of 20 percent, compared to the City's Reserve Fund budget.

Fiscal Impact Statement: The CAO and CLA report that adoption of all of the above recommendations would potentially increase annual City revenues over a period of several years. The amount would be determined by subsequent Council actions on individual fees. Adoption of these recommendations would also assist in eliminating the structural deficit as identified in the CAO's five-year forecast; however, closure of the structural deficit will require additional mitigating factors such as adopting the Proposed Financial Policies, increasing fees to achieve full cost recovery, and/or reducing City services.

ADOPTED

AMENDING MOTION (PARKS - MISCIKOWSKI)

Recommendations for Council action:

1. DELETE Recommendation No. 2, "ADOPT a City-wide policy that only fees and salary costs for non-commercial special events will be waived.", inasmuch as the Proposed Special Events policy is currently pending in your Transportation Committee and more fully addresses this issue.
2. APPROVE the addition of a new Section 2 (attached) entitled, "Fee Waiver Policy", which would incorporate the various policies currently in development.

Councilmember Garcetti moved, seconded by Councilmember LaBonge, that the Special Council meeting adjourn.

Ayes, Cardenas, Garcetti, Greuel, Hahn, LaBonge, Ludlow, Miscikowski, Parks, Perry, Reyes, Smith, Zine and President Padilla (13); Absent: Villaraigosa and Weiss (2).

Whereupon the Special Council meeting did adjourn.

ATTEST: Frank T. Martinez, CITY CLERK

By

Council Clerk

PRESIDENT OF THE CITY COUNCIL