

- - - SPECIAL COUNCIL MEETING - - -

10:15 A.M. OR AS SOON THEREAFTER
AS COUNCIL RECESSES ITS REGULAR MEETING

****ALL ITEMS FORTHWITH****

ROLL CALL - Members present: Alarcon, Cardenas, Hahn, LaBonge, Parks, Perry, Reyes, Rosendahl, Smith, Weiss, Wesson, and President Garcetti (12); Absent: Greuel, Huizar and Zine (3).

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 32

ITEM NO. (32) - ENTIRE MATTER CONTINUED TO NOVEMBER 9, 2007

Roll Call #1 - Motion (Greuel - Parks) Adopted to Continue, Unanimous Vote (11); Absent: Hahn, Huizar, Reyes and Zine (4)

[07-0600-S58](#)

BUDGET AND FINANCE COMMITTEE REPORT relative to the Second Financial Status Report (FSR) for Fiscal Year (FY) 2007-08.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the City Administrative Officer's (CAO) Recommendations Nos. 1 through 43 contained in the Second FSR for FY 2007-08, attached to the Committee report, and amended as follows:
 - a. Amend CAO Recommendation No. 6 to transfer \$45,702,146, as shown in Attachment 10, to the Reserve Fund for Economic Uncertainties.
 - b. Amend CAO Recommendation No. 10 to request the CAO to report back on the status of the Budget and Finance Committee request to the City Attorney's Office and the Personnel Department to evaluate the City's workers' compensation efforts and provide recommendations; and to provide a status report relative to employee cases that are still on an hourly rate; and request the City Attorney to provide a status report relative to the Fair Labor Standard Act evaluation regarding continued funding of outside counsel versus providing positions within the City Attorney's Office.

- c. Amend CAO Recommendation No. 37 to instruct the Chief Legislative Analyst (CLA) and the CAO to work with the Mayor's Office and department heads and report back in 30 days to the Budget and Finance Committee with a "Managed Hiring Plan", a list of departments meeting the criteria, and the likely cost savings to be realized in this exercise.
 - d. Delete CAO Recommendation No. 38 and hold the item in Budget and Finance Committee until a CLA/CAO report is completed on the Special Events Fee Waiver Policy.
 - e. Amend CAO Recommendation No. 39 to add the instruction for the CAO to provide complete and updated Unappropriated Balance (UB) lists as provided in Attachment 3b of the FSR whenever the CAO makes recommendations to affect any UB line items or the account as a whole. Continue, to freeze, as per instructions in the First FSR, all appropriations in the UB.
 - f. Amend CAO Recommendation No. 40 to add a recommendation to instruct the CLA to work with the CAO and define non-critical, discretionary contracts referred to in this recommendation and further instruct the CAO and the CLA to provide the Budget and Finance Committee a report listing the reviewed contracts and recommendations for approval/disapproval of all such contracts.
 - g. Amend CAO Recommendation No. 41 to instruct the department heads to work with the CAO and CLA; further amend the instruction to require Council approval on all departmental operational changes which identify reduction or efficiencies in management, administrative and support services.
 - h. Amend CAO Recommendation No. 42 to add a requirement that all actions relative to this recommendation must be done only after consultation with the CAO and CLA before the Council approves the action.
 - i. Amend CAO Attachment No. 7 to correctly identify the funding source of the \$330,000 transfer as PW/Bureau of Street Lighting, Fund No. 347/50, Street Lighting Maintenance Assessment.
2. TRANSFER \$50,000 from the Reserve Fund to the UB and APPROPRIATE therefrom to Fund No. 100/56 (General City Purposes) to a new line item entitled "Sister Cities of Los Angeles, Inc."
 3. INSTRUCT the CAO to report back relative to the status of prior year unspent encumbrances, loans and unfunded expenditures with specific information as to which encumbrances are funded by Reserve Fund Loans per the recommendations in the Controller's Report.
 4. INSTRUCT the CAO to provide updated General Fund Receipts chart (Attachment 1) to the Budget and Finance Committee on a monthly basis.
 5. INSTRUCT the CAO/CLA to provide a list in 30 days of all outstanding FY 2007-08 Budget Instructions and the First FSR FY 2007-08. The relevant instructions are those that have emphasis on cost savings and/or increased revenue generation.

6. INSTRUCT all departments that are projected to have deficits in the Second FSR (Attachment 4) to report their recommendations relative to the “managed hiring plan” to CAO/CLA in two weeks. The departments must state what steps they plan to take in order to address the projected deficits. Instruct the CAO/CLA to provide a report on the departments managed hiring plan.
7. INSTRUCT the Department of Animal Services to work with the CAO and the Personnel Department and to report back to Budget and Finance Committee with a comparative cost analysis between hiring veterinary doctors versus contracting the services of Vet Care Services.
8. INSTRUCT the CLA and CAO to work together and evaluate the City’s current policy on Reserve Fund Loans to City departments; report back with recommended lending terms having special emphasis to departments’ ability to use their current year funding as opposed to loans and; a requirement that departments reimburse the Reserve Fund in the same fiscal year in which the loan is provided.
9. INSTRUCT the CAO to differentiate net deficits caused by the Cost of Living Adjustment (COLA) versus the ones caused by other costs when reporting on future FSRs.
10. INSTRUCT all City Departments to take the necessary measures and absorb all costs associated with the EAA COLA.
11. INSTRUCT the CAO and CLA to work together with the Los Angeles Police Department and report back with a hiring plan to ensure that the hiring does not exceed a net increase of 226 officers as adopted in the FY 2007-08 Budget.
12. DEPOSIT \$9.5 million in revenue from the Figueroa Plaza operations proceeds (Council file No. 07-1009) into the City’s General Fund, Reserve Fund, Contingency Reserve Account and AUTHORIZE the CAO to provide the necessary Controller instructions to effectuate the intent of this recommendation.
13. REQUEST the CAO and CLA to work with the Mayor and provide an overtime spending plan that eliminates the current projected deficits (Attachment 14) and report recommendations to the Council.
14. INSTRUCT the CAO and CLA to evaluate the remaining allocations in the UB (Attachment 3B) and make recommendations to the Budget and Finance Committee regarding those items that should be moved to the Reserve Fund versus retained within the UB.
15. INSTRUCT the CAO and CLA to report back on an evaluation to merge the Commission on Children, Youth and Their Families and the Commission on the Status of Women.
16. INSTRUCT the CAO and the CLA to complete a “Fee Parity” study to make a comparative analysis with surrounding jurisdictions and INSTRUCT department heads to prepare an annual “fee study” (Attachment 11A and 11B) which should be submitted to Budget and Finance Committee prior to the annual budget hearings and deliberations due the first quarter of each calendar year.

Fiscal Impact Statement: The CAO reports that transfers, appropriations and other adjustments totaling approximately \$69.5 million are recommended to meet current obligations. This includes the deposit of \$9.5 million in revenue from the Figueroa Plaza operations to the Reserve Fund, Contingency Reserve Account. Appropriations to fund approximately \$75 million in departmental expenditure deficits are deferred until the Mid-Year Financial Status Report pending receipt of more current cost data. The current Reserve Fund balance is estimated at \$139.3 million (consisting of \$122 million in the Emergency Reserve Account and \$17.3 million in the Contingency Reserve Account). With the deposit of the Figueroa Plaza revenue to the Contingency Reserve Account that will be received in increments, and a \$50,000 Reserve Fund appropriation for the Sister Cities program, the Contingency Reserve Account will be at \$26.8 million for a total Reserve Fund balance of about \$148.8 million.

ADOPTED

AMENDING MOTION (PARKS - SMITH)

Recommendations for Council action:

1. **SUBSTITUTE** the following language for Recommendation 1(a) of the Budget and Finance Committee report:

a. **Amend City Administrative Officer (CAO) Recommendation No. 6 to:**

- 1) **Transfer \$23,458,896 from the Unappropriated Balance line item entitled “EAA MOU Implementation Costs” to a new account in the Unappropriated Balance, Fund No. 100/58, entitled “Reserve for Economic Uncertainties.”**
- 2) **Transfer \$21,243,250 from the Unappropriated Balance line items entitled “Expense Account Contingencies” and “Public Safety Contingencies” to the General Fund, Reserve Fund - “Contingency Reserve Account.”**
- 3) **Transfer \$1,000,000 from General City Purpose line item entitled “FMS Replacement” to the General Fund, Reserve Fund - “Contingency Reserve Account.”**

2. **ADD** the following to the Budget and Finance Committee report as Recommendation 1(j):

Amend CAO Recommendation No. 2 to authorize the transfer of \$3,437,250 between various departments and funds, as specified in Attachment 6, and Amend Attachment 6 entitled “Fiscal Year (FY) 2007-08 Budget Adjustments, Transfer Between Accounts Within Departments and Funds” to include the following intradepartmental transfer:

Transfer within Fund No. 100/38, Fire Department:

	<u>Account</u>	<u>Title</u>	<u>Amount</u>
From:	1012	Sworn Salaries	\$1,500,000
To:	1092	Overtime Sworn Salaries	\$1,500,000

3. **AMEND Recommendation 3 of the Budget and Finance Committee report to clarify that the CAO should report back "per the recommendations in the Controller's Preliminary Financial Report FY 2006-07" dated September 18, 2007 (Council file No. 07-3003).**
4. **ADD Recommendation No. 17 to the Budget and Finance Committee report to authorize the City Attorney to execute a Supplemental Agreement to extend the term of Contract No. C-101880 to June 30, 2008 for the continuation of this personal services contract in the Office of the City Attorney for FY 2007-08 to be funded within existing funds.**

AMENDING MOTION (WEISS - LABONGE)

Recommendations for Council action:

1. **DELETE Recommendation No. 11.**
2. **DELETE the Los Angeles Police Department (LAPD) and the Los Angeles Fire Department from Recommendation No. 13.**
3. **DELETE the LAPD from Recommendation No. 14.**

Items for Which Public Hearings Have Not Been Held - Items 33-34

(10 Votes Required for Consideration)

ITEM NO. (33) - ADOPTED

Roll Call #2 - Motion (Parks - Weiss) Adopted, Ayes (12); Absent: Greuel, Huizar and Zine (3)

07-3574

COMMUNICATION FROM THE CITY ATTORNEY relative to a request by Latham & Watkins LLP for waiver of conflict.

Recommendation for Council action:

APPROVE the request by Latham & Watkins LLP for waiver of conflict relating to the recent hiring of a former Senior Assistant City Attorney.

Fiscal Impact Statement: None submitted by the City Attorney. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

(Council may recess to Closed Session, pursuant to Government Code Section 54956.9(a), to confer with its legal counsel relative to the above matter)

(Budget and Finance Committee waived consideration of the above matter)

ITEM NO. (34) - ADOPTED

Roll Call #3 - Motion (Garcetti - LaBonge) Adopted, Ayes (12); Absent: Greuel, Huizar and Zine (3)

07-3568

CONSIDERATION OF RESOLUTION (GARCETTI - LABONGE) relative to the negotiation efforts of both the Writers Guild of America and the Alliance of Motion Picture and Television Producers.

Recommendation for Council action:

RESOLVE to: 1) Strongly endorse the efforts of both the Writers Guild of America and the Alliance of Motion Picture and Television Producers to reach a just and decent contract for all parties involved in this labor dispute; 2) call on both parties to resume bargaining sessions with the federal mediator; 3) URGE both parties to continue their negotiations in earnest until a satisfactory agreement is reached; and 4) offer City Hall or other City property as a neutral location for the parties to re-start contract negotiations.

(Rules and Government Committee waived consideration of the above matter)

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

Ayes, Alarcon, Cardenas, Hahn, LaBonge, Parks, Perry, Reyes, Rosendahl, Smith, Weiss, Wesson and President Garcetti (12); Absent: Greuel, Huizar and Zine (3).

Whereupon the Special Council meeting did adjourn.

ATTEST: Frank T. Martinez, CITY CLERK

By

Council Clerk

PRESIDENT OF THE CITY COUNCIL