



“Tightening the Belt, Preserving Essential Services: 2008/2009 Budget Highlights”

By Councilman Greig Smith

Serving on the City’s Budget and Finance Committee is one of the most important functions that I perform on the City Council. It is never easy. But it is never more important a task than during hard economic times.

The Council approved a \$7.1 billion budget, while facing a shortfall of over \$400 million in revenue due to the lower sales taxes, property taxes and document transfer taxes associated with the economic downturn. This was considered to be one of the most serious financial crises the City has ever seen.

Because of these conditions, we had to cut to the bone and raise some fees in order to ensure that we can continue to provide core services and fulfill our commitment to expanding the Police Force and modernizing our other public safety services. These are the services that the City can’t do without, and we have increased funding for them.

We tried to spread the pain of cuts as fairly and wisely as possible. Every department aside from Fire and Police had a 5% cut in their budget. There were over 700 layoffs, and every City employee will be required to take six days’ worth of unpaid leave.



During these rough economic times, everyone is affected, and as City officials, we should also tighten our belts. That is why I am cutting my own office budget by more than 7.5%, well above the average 5% cut for City departments.

I and my entire staff are taking six days of unpaid leave. And I have elected to forego the salary increase of 3% that all City Council Members received. All of these savings go directly back into the City’s General Fund to go toward City services.

Our aggressive efforts to cut the fat and reduce waste made it possible to ensure that many of the most important and popular services and programs were adequately funded, including many of my priorities for maintaining the high quality of life in our District.

We have worked consistently for more accountability and transparency in City government and against excessive salaries. We authored a motion for the study on Department of Water and Power salaries that found that more than 90% of DWP salaries were excessive, and I have consistently voted NO on DWP pay raises. It was my legislation that now requires the DWP to conduct an independent financial analysis by an

outside firm to justify any rate increases it proposes.

In addition, in this budget, we instituted new more responsible fiscal policies that will help prevent the City from getting into such dire financial straits in the future, even during an economic downturn.

Here are some highlights of what we achieved in the budget for the coming year.

Public Safety

As a member of the Public Safety Committee, and an LAPD Reserve Officer for over 15 years, I have seen first hand how public safety is the foundation of the quality of life in our community. Public Safety is my top priority. Included in the budget is:

- Funding for 780 new Police Officers (a net gain of 284 new Officers). This brings us on track to reach our goal of 10,000 Police Officers by next year, the highest level in the City's history.
- Funding for 250 new Fire Department recruits and a new LAFD Professional Standards Division to address hazing and other unethical behavior in the Fire Department.
- Approved the purchase of 10,000 new police radios at no cost to this year's budget, which will improve Police Officer safety and response times.
- Funding to staff the recently completed Topanga Station, LAPD's newest station serving the west San Fernando Valley.
- Funding for Animal Services, Recreation and Parks, and the Department of Transportation to keep their emergency management



coordinators so that the City can maintain order and safety in the event of earthquakes, wildfires or other major disasters.

Quality of Life

The City's most basic function is providing and maintaining basic infrastructure and services that we all use on a daily basis, such as sewers, streets, street lighting, parks and libraries. These are the basics of the quality of life in our community. In this budget:

- Funding was significantly increased for street resurfacing. For the first time since World War II our streets will be resurfaced at the same rate as they degrade, 275 miles, with an additional \$3 million for street surfacing from Proposition 1B funds, plus 400 miles of slurry sealing.
- In response to overwhelming feedback from the community, we restored \$2 million to the Library Fund for new books, and restored Sunday open hours at all regional libraries, including Mid-Valley Branch Library.
- We restored funding for illegal sign inspection.
- We restored funding for enforcement of our Newsrack Ordinance to reduce the blight of illegal newsracks.
- Funding was added for a second 24-person crew to work on the 50/50 Sidewalk Repair Program, enough for an additional 450 locations.



- Restored authority for 21 Park Rangers to help keep our parks and nature areas safe.
- We restored funding for the L.A. Conservation Corps' Clean & Green program, which provides paid work training for nearly 2,000 local youth each year. Their projects provide neighborhood beautification while helping keep youth out of trouble and on the path to success.

- We restored full funding for graffiti removal programs to continue to aggressively battle the plague of vandalism in our community.



Neighborhood Councils have become an essential part of civic life in the City of Los Angeles and have made great contributions to making sure that the voices of all of L.A.'s neighborhoods are heard in City Hall.

We fully preserved the funds that Neighborhood Councils have available for projects, improvements and activities that benefit the community. We also enabled Neighborhood Councils to accumulate up to \$150,000 so that they can take on larger and more complicated projects.

We restored funding for the Community Beautification Grant Program, which provides funding for projects by residents and community that improve and beautify our neighborhoods.

Key Policy Changes

Some of the most important work we did during this year's budget hearings was to make sure that we follow responsible, fiscally conservative budget policies, which will help the City minimize the effects of a financial downturn in the future.

We moved to correct a part of the Mayor's proposed budget that recommended making quarterly payments on the City employees' pensions, rather than one up-front payment. While the quarterly payments are smaller, making the larger up-front payment will save \$56 million of taxpayer money over five years.

We created the Budget Stabilization Fund, a new City financial policy that will act as a savings account in flush years to cover expenses that are deferred in hard financial years. Current City policy requires 1% of the total budget be set aside for capital infrastructure improvements and maintenance, but the City has never met this goal. The priority for this fund would be for capital infrastructure improvements that have been deferred when revenues are lower than expected.



The Mayor's budget called for raising trash fees to \$36 a month, which would represent recovering the full cost of hauling the trash of 750,000 residences in the City of L.A. In the past, trash collection was subsidized by money in the City's General Fund that should go toward the Police and Fire services necessary to ensure public safety.

The additional \$56 million that this will generate will offset the General Fund for the continued expansion of the police force.

In order to further reduce waste going to landfills and to make the trash fee increase more equitable, we directed the Bureau of Sanitation to implement a "Pay as You Throw" pilot program.



This would create a trash fee discount to encourage residents to reduce their trash and increase their recycling. We estimate that for every 30-gallon

reduction in their trash disposal, residents could receive a \$5 to \$10 reduction in their monthly trash fee. Those who use more and larger bins would pay more. This strategy will be good for the environment and good for residents' pocketbooks.

We proposed and passed a monumental restructuring of the Environmental Affairs Department that would allow the city to maximize existing funding while dramatically increasing our ability to address climate change issues.

We will be revisiting the rules governing Quimby Funds, which developers must pay toward parks and open spaces in the community, to see if we can broaden their eligible uses. Currently, millions of dollars of Quimby Funds remain un-used because of restrictive rules on where they must be spent.

These are just a few of many budget items that will affect our neighborhoods in the next fiscal year.

For more detailed information on all of our work, please visit our website at www.CDI2.org.