



LOS ANGELES CITY COUNCILMAN GREIG SMITH

Budget Briefs: a Recap of the Day's Budget Hearings

Every year, the Mayor submits a proposed spending plan for the City of Los Angeles for the coming fiscal year, and the City Council's Budget and Finance Committee vets every item on it during public, transparent hearings. As a member of the Budget Committee, I examine every dollar of taxpayer money the City spends. I strive for efficiency, while ensuring that we provide the essential City services the community needs.

We will post daily summaries of the Budget hearings here on our website to help you stay informed.

TO READ THE MAYOR'S PROPOSED 2009/2010 CITY BUDGET VISIT
www.LACITY.org/Mayor/Budget/mayfy0910.htm

Monday, May 18

City Council Passes Balanced Budget: The City Council approved a \$7.05 billion balanced City budget Monday night.

Police Hiring: A compromise was reached over the weekend to fund 480 Police Officers to replace a portion of the 520 that will retire or leave the force under normal attrition. The proposal involves borrowing against \$22 million in unexpected property tax revenues due from the state. Funding for up to another 300 officers is expected to be covered by Federal Stimulus money.

The Council added a provision that would bring Police hiring back to the Council for revision if the funds do not materialize. Police hiring was limited to the actual attrition level, plus new Federal grant-funded positions.

Budget Balancing Measures: The budget calls for 1,200 layoffs plus the elimination of 800 positions and 26 furlough days (a 10% salary reduction) for all remaining City employees, unless the Mayor is able to negotiate the "shared sacrifice" he proposed with the coalition of City unions. There will also be a hard hiring freeze except for sworn Police and Fire personnel, revenue-generating

positions, and Bureau of Sanitation workers directly involved in trash hauling and waste water work.

Neighborhood Councils: The Council restored Neighborhood Councils' funds to \$45,000 each (a 10% reduction) and they will be able to bank up to \$145,000 of their surplus funds. The City Clerk will manage Neighborhood Council elections, and will rely on strong volunteer assistance and outreach work from the Neighborhood Councils in order to reduce overall costs.

Improved Services: We secured the funding in the budget to add a Neighborhood Prosecutor for Topanga Station in our District, one of only two Police Stations that did not have one.

Consolidation of Small Agencies: We implemented my 2004 proposal to eliminate departments with budgets of less than \$2 million and consolidate them into one Social Service Department with shared administration. This would save millions of dollars.

We set aside funding from State recycling money to build a new Roscoe Place Eco Park in the southeastern part of our District that will feature passive recreation and recycling infrastructure.

Economic Development: We supported the local filming industry by eliminating a proposed increase in filming permit costs.

We instructed City Departments to begin the creation of an Economic Development Department made up of current City entities that support business and economic development.

Fiscal Policy: For the first time, we established a Budget Stabilization Fund, or "rainy day fund," which I authored last year, and which would capture excess revenues in economic boom years and set them aside for bust years.

Rethinking Government: We cut the subsidy for special events in half and put in restrictions on what types of community events should get fee waivers.

This has been an extraordinarily difficult budget process. The \$530 million budget shortfall necessitates cuts in salaries, layoffs and service reductions across the City. The City as we have known it will be fundamentally changed by this process. The benefit from this economic crisis is that we will be forced to begin some major changes that have been a long time coming. These changes are ultimately necessary if the City is to provide to residents the essential services they need more efficiently and effectively to ensure a better quality of life in our communities.

The City will be getting out of some businesses that it should not be in. We are working on legislation to begin a process of laying a new vision of what the City's

core missions and services will be in the future, and what kinds of services and activities can be outsourced, privatized or turned into public private partnerships.

Monday, May 4

Convention Center: We called for giving the General Manager more flexibility to negotiate deals to fill the Convention Center during slow times when there are no bookings. This would be preferable to having an empty venue for months at a time. We also urged the General Manager to try to operate more like a business and be more entrepreneurial in seeking events for the Convention Center.

Friday, May 1

Planning: We urged to preserve funding for the completion of the Community Plan updates. Under the Mayor's budget, cuts of 23% (one of the deepest cuts among the City Departments) were proposed to the Planning Department that would severely slow down the process of completing the Community Plan updates. Community Plans are vital blueprints, developed with the input of community stakeholders. They constitute guidelines for areas such as density and aesthetics for new development. The City's 35 Community Plans are all meant to be periodically updated, but for years, these updates had been neglected. The Planning Department had begun to push the completion of the updates about two years ago, an effort that we strongly support.

Thursday, April 30

Neighborhood Empowerment: The Mayor's proposed budget includes a 10% reduction in the funds that Neighborhood Councils receive every year to spend on community projects, from \$50,000 to \$45,000. This is in line with the reductions that all City Departments including Council offices are undergoing. We requested a report back on how much of the Neighborhood Councils' funds remained unspent to ensure that the money was not left idle at a time when employees will be losing their jobs and which will result in service reductions. Further, proposals have been suggested to sweep the unencumbered funds and revert them back to the General

Fund. My alternate proposal would be to make sure those funds are kept within the specific boundaries and can then only be used on local City/community related issues such as tree trimming, sidewalk repair, potholes, traffic congestion relief, etc.

Human Services: The Mayor proposed consolidating the Commission on Status of Women, the Commission on Children, Youth and Their Families, and the Human Relations Commission into a new Human Services Department. I have proposed adding the Department on Disability and the Department of Aging into the new department as well as the social services component of the Community Development Department. This would maximize the impact of these valuable programs but would reduce administrative costs.

Economic Development: We also discussed my proposal to separate out economic development activities from the Community Development Department and the Mayor's Office and consolidate citywide economic development efforts into an Economic Development Department. The new Economic Development Department would focus entirely on attracting, retaining, supporting and promoting businesses in Los Angeles to ensure we have a thriving economy that generates jobs and revenues for our community.

Libraries: The expansion of library services that I fought for last year will be maintained.

Wednesday, April 29

Environmental Affairs Department: We worked to block a raid on Special & Grant Funds to ensure the money would go toward the programs for which it was intended, and not be squandered on administration.

We worked to lay the groundwork for a partnership between government and educational institutions to work on climate change scenarios.

Pensions & Retirement: We voiced strong concerns about Pensions & Retirement funding taking up an increasingly large portion of the City's General Fund.

Personnel Department: We discussed the processes necessary to initiate layoffs.

Tuesday, April 28

Street Services & LADOT: Two of the City Departments that provide services that are among the most important to quality of life in our community, had deep reductions in the Mayor's proposed budget.

Federal Stimulus money that is expected to come to Los Angeles for infrastructure improvements will likely make up for some of those losses.

Proposal to Sell City Parking Assets: There has been a much-publicized proposal by the Mayor to sell City-owned assets as a way to raise one-time money for an ongoing problem. This would be selling City property and revenue generating assets at a time when real estate values are at all-time lows in order to make one-time financial gains. These assets provide ongoing revenues that help pay for City services. Moreover, next year, we will likely face an even large budget deficit. Once they are gone, they are gone for good, so this does not make fiscal sense in the short term or the long term.

Monday, April 27

Fire Department: We requested a report back on how the LAFD can adjust their constant staffing policy to reduce costs. Under constant staffing, every Fire Station in the City is required to have a certain number of people and vehicles at all times, regardless of their actual need. We asked Fire Chief Douglas Barry to report back with ways to tailor each station's staffing to better fit its level of activity. This could mean one vehicle or one person less, but it would not mean closing any Fire Stations.

City Attorney: We laid the groundwork to have a Neighborhood Prosecutor stationed at the new LAPD Topanga Station, which recently opened in Canoga Park and serves our District. The Neighborhood Prosecutor Program has been highly successful in working with the community to help reduce crime, improve safety and resolve disputes without clogging up the court system.

Roscoe Place Eco-Park: We set aside special funds out of the Citywide Recycling Trust Fund to create a combined passive recreation facility and recycling collection site. This will vastly improve the property, which has been blighted, and bring new resources to the neighborhood.

Police Department: We asked LAPD Chief William Bratton to report back on the possibility of reducing the number of non-essential take-home vehicles assigned to Police Officers. This could yield significant cost savings, while not impacting the LAPD's ability to protect public safety.

Public Works: The Community Beautification Grant program was affected by the budget cuts that fell to every City department. Although the Grant amount was reduced from \$10,000 to \$5,000, the number of grants available to support community beautification projects by residents and community groups remained the same.