



**NEWS – OFFICE OF THE CITY COUNCIL PRESIDENT**  
**COUNCILMEMBER ALEX PADILLA**  
**7<sup>TH</sup> DISTRICT**

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**FOR IMMEDIATE RELEASE**  
May 13, 2003

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**PADILLA SEEKS END TO BUDGET STALEMATE**  
***Calls on Council to adopt stopgap plan for six months, then revisit budget with new financial data***

**LOS ANGELES** – City Council President Alex Padilla today called for the City Council to adopt the Mayor's Proposed Budget for the City of Los Angeles, but only for the next six months. Padilla also proposed that the Mayor submit a mid-year budget report within six months that reflects the final impact of budget deliberations in Sacramento on the City of Los Angeles. In addition, Padilla stated that the mid-year revise should include financial data based on the City's future tax receipts and the status of the City's Reserve Fund.

In a letter to Councilmember Nick Pacheco, Chair of the Council's Budget and Finance Committee, Padilla wrote that "While the Mayor's Proposed Budget is balanced for the upcoming fiscal year, it draws a financial roadmap that takes the City in the direction of an intractable, structural deficit...with estimates that the City of Los Angeles would be \$200-300 million in the red" by fiscal year 2004-05.

"The members of the Budget and Finance committee have expressed strong reservations about the Mayor's plan," Padilla added. "In the interest of the City of Los Angeles and to end the stalemate that exists, I am proposing [a budget] plan that would allow us to move forward in the budget process while improving our ability to respond once the State budget is finalized and we have a clearer picture of the region's short-term economic health."

Padilla also emphasized that there were too many ambiguities and uncertainties for the Council to adopt the Mayor's Proposed Budget as currently proposed.

The Council's Budget and Finance committee will resume its meetings and take Padilla's proposals under advisement on Wednesday.

A copy of Padilla's letter to Pacheco is attached.

***The 7<sup>th</sup> Council District serves the communities of Arleta, Lake View Terrace, Mission Hills, North Hills, Pacoima, Panorama City, and Sylmar.***

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