

CITY WATCH

An Insider Look At City Hall

February 23, 2004 Volume 2 Issue 4

CITY WATCH

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CITY WATCH

City Watch Mission: To promote grassroots civic engagement through information and ideas.

City Watch is distributed to Los Angeles' Neighborhood Councils representing more than 3,000,000 stakeholders.

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We welcome your comments

Banning Commissioner Fundraising Generates More Light Than Heat.

By Harris K. Telemacher

There has been a considerable brouhaha over certain appointed city commissioners who allegedly used their posts to extract contributions from vendors and contractors of the departments they oversee. When the story broke in the press, one Commissioner, Leland Wong abruptly quit his commission (DWP) and his job (Kaiser Hospitals) and has not been heard from since.

The accusations flow from an audit, conducted by the City Controllers office, that found loose controls over the bidding process, including commissioners sitting in on contractor selection interviews. No doubt, procedures need to be tightened. Mayor Hahn acted immediately to try to stop the practice.

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Perspectives

City Attorney to City: Serve NC's as Resource Not Bureaucratic Overlord

By Ken Draper

The City's Attorney, Rocky Delgadillo, provided the Education and Neighborhoods Committee with a status report on LA's Neighborhood Council System earlier this month. Most of his observations, warnings and advice were on target. To paraphrase: NC's are making progress but are just on the other side of first base; policy and administrative decisions may have Councils headed in a different direction than the framers intended; bureaucracy is hamstringing NC's; and, best the City revisit the intent of the Charter vision and get on with helping stakeholders attain it.

Delgadillo constructed his "Strategic Review" after a lot of meetings with Neighborhood Councils and after fielding more than two years of NC requests for legal explanations of the rules that govern them. Generally he found NC activists to be happy with the Neighborhood Council concept and with the opportunity to be heard. But there was "significant discontent ... bound up in the frustration of dealing with the City's bureaucracy and insufficient resources."

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Status Report

Water Rate Opposition Grows. Will It Matter?

The anti-water rate increase express continues to roll, but the question looming is: will it matter? On the one hand, Neighborhood Council boards continue to oppose the rate increases. On the other, it is generally conceded that the City Council will approve the proposed DWP 18% rate hike. Fear of losing the DWP revenue stream into the City's general fund and the perception that any delay will affect bond ratings, provide excuse enough for even NC supporters and middle-of-the-road Council members to side with DWP.

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Insight**Budget Specter Continues to Haunt the City and Its NC's**

By Harris K. Telemacher

On Thursday evening last week the Mayor's Office of Management and Budget held a budget briefing in the Public Works hearing room at City Hall. Maybe it was the fear of traffic one encounters at a five o'clock meeting downtown, or that 45 Neighborhood Councils received a similar briefing at the Citywide Alliance of Neighborhood Council three weeks earlier or perhaps it is just fatigue but in the end there were more staff than Neighborhood Councils. This should draw some concern from those who feel neighborhood council activism is essential to a positive conclusion of the process.

Consider this: Even if Proposition 57, the \$15-billion so called economic recovery bond passes, the City expects at least \$45 million in property tax revenues it usually receives to be transferred to education. Other revenues and special funds could also be diverted putting the city in a deeper hole. City budget specialists fear that next year's city budget could be as much as \$300 million out of balance. A hole this deep will likely result in major layoffs and a dramatic cut in public services.

If Proposition 57 fails, things will be even worse.

Postponement Not Solution

Prop 57, and its companion Proposition 58 do not solve the underlying problem, they just postpone the falling of the guillotine for a year, giving the Governor and legislature time to figure the mess out. Partisan Democrats and progressives to the extent they are voting yes on these measures, support them because if they fail we may see the collapse of the state's health system, law enforcement and social service system.

The other relevant proposition is 56. It lowers the super-majority required to pass a state budget to 55% vote in the Senate and Assembly and denies pay to legislators who fail to pass the budget on time. If passed, this could have a significant impact on the state budget process with Cities very likely to benefit in the long run. While still requiring a super majority, it will end the partisan gridlock in the budget process making it easier for the Governor to negotiate with the legislature.

Neighborhood Councils have been included in the budget process to the benefit of both the city and the neighborhoods, but now is not the time to poop out. Better put on comfortable shoes. This race is a marathon. ■

City Watch On-Line Address Book

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www.lacityneighborhoods.com
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Grapevine**End of 'Pay to Play' System:
What Are the Odds?**

By Mr. Insider

The proposed ban on fundraising by City Commissioners appears to be a done deal in City Hall as almost every City official has now indicated their support, including the once critical Mayor Hahn. If passed, the measure will bring about widespread changes in how politicians, especially the Mayor, raise funds for election and re-election.

In many ways, the push to separate commissioners from the campaign process is an outgrowth of the Charter Reform effort, which brought about a greater emphasis on citizen involvement in decision-making. Examples of this include the formation of neighborhood councils to advise the City leaders and Regional Planning Areas to ensure that land use decisions are made with local concerns given preference.

How Important Scandals?

Some question whether the recent scandals at the Airport Commission have played too large a part in the push for this reform. At least one Ethics Commission member openly wondered whether the momentum behind the proposal would be the same were it not for the well-publicized departure of Leland Wong and controversy over the actions of Deputy Mayor Troy Edwards.

While it now appears certain that the fundraising ban for commissioners will pass, it is naïve to think that any single step will, by itself, remove the influence of money from politics. Mayor Hahn's 11th hour ethics package, released shortly after he acknowledged the folly of fighting reform, contains a number of intriguing suggestions that if passed would go much further than the commissioner ban.

One thing is certain however, whatever system the good government types devise, there will be ways around those laws that clever and/or unscrupulous politicians will find and exploit. A simple way around the ban on fundraisers, is for them to pick a proxy (spouse, law

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The E-Newsletter for LA's NC's

Fundraising-Continued from Page 1

That hasn't stopped others, including City Attorney Rocky Delgadillo and Council members Weiss and Miscikowski, from attempting to change the City's ethics laws to ban commissioners from doing any political fundraising. An ordinance has been drafted and is awaiting a hearing in the Rules and Elections Committee, Chaired by the Council President Alex Padilla.

On Friday February 20, the Mayor upped the ante with a sweeping five-point program that is intended to take the influence of money out of the political debate at City Hall, if that can truly be done. He had committed to sign the proposed ban on commissioners raising money, but felt that by itself it does not go far enough in erase the perception of the link between money and governmental decision-making. Rejecting a piecemeal approach, Hahn's proposal would dramatically alter the relationships between lobbyists, commissioners and elected officials.

Mayor Offers Stricter Plan

In addition to prohibiting elected city officials, or candidates for city office, from asking commissioners to fundraise, Hahn wants to prohibit City contractors, contract bidders, land use applicants, their agents and lobbyists from contributing to, or fundraising for, people in or running for city office. His proposal includes ballot measures and charities as well. His proposal requires disclosure by elected officials and candidates, political parties, ballot measure advocates and charitable proponents.

Further, the Mayor's plan would prohibit campaign consultants from lobbying city officials and would prohibit lobbyists from fundraising for elected officials or candidates.

Changes Will Reshape Political Culture

These changes, according to the Mayor, will fundamentally reshape the political culture for the city. As the role of lobbyists and money wane, the void could potentially be filled by Neighborhood Councils.

Political Reform is a sticky business with many unintended consequences. For example, after the Watergate scandal, the country attempted to ban corporate contributions to Presidential campaigns. The result was the rise in so-called "soft money" spent by the political parties, given by those same corporations.

Candidates Lose Control

Now, with the McCain-Feingold bill, candidates in effect lose control of their campaign as those who "want" to give more, spend it on Independent expenditure campaigns. Courts have ruled that corporations and unions can spend their unlimited money, independent of the candidates campaign, based on their First Amendment right of free speech

Continued next column- Fundraising

CITY WATCH

Publishing Dates

March 8, 2004

March 22, 2004

April 5, 2004

April 19, 2004

Water Rate-Continued from Page 1

According to Jim Alger, unofficial spearhead of the rate hike opposition, 23 NC boards have voted to oppose, with another 10 to 12 considering the issue. To date, only one Neighborhood Council (Westside NC) has voted to support the increase.

The City's Budget Committee will consider the increase shortly. The Commerce and Energy Committee supported the increase two to one (Cardenas voting nay) on the February 12. It should reach City Council sometime after March 10. So what's left for the NC bandwagon?

Plenty, says Alger. For starters, the minute the City Council approves this increase, if it does, we will go to work on a referendum to repeal the amendment. If the opponents of the Lap Dance ban can get 200,000 signatures without Neighborhood Councils, imagine what we can do with the Councils.

Secondly, the City Council hasn't voted yet and the proposal still has to get to at least the Budget Committee. There is still time for NC's to influence the decision and for some city council members to realize that delaying the vote for 30 days, even two weeks, isn't

Continued on Page 6. See "Water Rate"

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Fundraising- Continued from previous column

One who questions the wisdom of the proposed fundraising ban is Bob Hunt, staff attorney for SEIU Local 347. In an open letter to the Ethics Commission President Gil Garcetti, Hunt points out that "political fundraising is not only a legal activity but one which is fundamentally linked with our democratic values. Encouraging others to make campaign contributions is an essential part of every citizen's constitutional rights of free speech and political association."

One thing has held true with all forms of political reform: Money, like a river, will find its way to the seas of political campaigns. We can dam(n) it, or change the course in which it flows, but it always get to the ocean.

The ordinances have yet to be scheduled for committee hearing and may have a rougher time than their reformers expect. The question that must be asked is: Is the system corrupt or are there corrupt individuals in a basically functioning system? ■

Perspectives-Continued from Page 1

Perhaps the most onerous of Delgadillo's findings was the reminder that even though the Charter created the NC system, the operating regulations are the result of an administrative and legislative process. And, along the way, incremental policy decisions were made that, on the surface may have appeared to have been administrative but in some cases "altered the legal status of Neighborhood Councils."

"The cumulative effect of these decisions," he warns, "may have put Neighborhood Councils on a path strikingly different from that envisioned by the Charter's framers." Neighborhood Councils, charter spawned to make government more responsive to local needs, "have been hamstrung by the very system they were intended to change."

And then the part that indicates he was actually listening, and will prove heart-thumpingly popular with a whole bundle of Councils, the City Attorney reported, "In the case of Neighborhood Councils ... rigid bureaucratic processes should take a back seat to local control and flexibility. The City should serve the Neighborhood Councils as an empowering resource, not a bureaucratic overlord."

Delgadillo told the Committee that we should build on our successes and correct our mistakes and reminded them that the City hasn't formally evaluated the successes or challenges of the NC system. It was voter approved in 1999. And, he urges "the City's policy-makers to revisit the vision ... and strategically chart a course that allows our residents to realize that vision."

That kind of status review would also give Neighborhood Councils some insight on where they stand with City policy-makers. In light of the rock-meets-hard-place position the City Council and NC's are approaching over the proposed DWP rate hike, this might be the perfect time for some introspection ... for everyone.

And, considering that both Council members Hahn and Zine (two thirds of the E & N Committee) have been supporters of Neighborhood Councils and were part of the Charter process, what they decide to do with Delgadillo's advice may also provide NC's with some insight. We're at that point, it would seem, with the policy-makers where actions will hold more meaning than the words. ■

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CITY WATCH MISSION:

To promote grassroots civic engagement through information and ideas.

Contact City Watch

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Comments & Views Welcome

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partner) to host the events for them. At the end of the day, it is the responsibility of the media and public to be vigilant and utilize the power of the voting booth to ensure a clean and honest government.

NC's Having Adolescence Pains

Nearly five years after the creation of Neighborhood Councils, and two years after the first was certified, it appears that these bodies are entering an awkward adolescent phase. With the City facing a revenue shortfall in the hundreds of millions, voices are starting to erupt questioning the value of Neighborhood Councils and the \$50,000 each has been given for local projects, staffing and other purposes.

While there have been some successes, most notably the discussion of the burglar alarm issue, policy makers do not see Neighborhood Councils as a vital part of Los Angeles government at this point. The recent actions by several Neighborhood Councils to oppose the proposed Department of Water and Power water rate increases has left some observers wondering whether the City has opened a Pandora's box that would have been better left unopened.

Mayor Unlikely to Walk Away

In the short term, Mayor Hahn is unlikely to walk away from his commitment to these organizations, which he made a key component of his 2001 Mayoral campaign. Once Hahn is re-elected, or in the eventuality that he is replaced, there will be a great deal of pressure from City unions and bureaucrats to consider trimming the resources given to Neighborhood Councils.

Why Have Councils Failed?

Why have Neighborhood Councils so far failed to become the dynamic forces for change that the framers of the new City Charter envisioned? One major problem has been that many homeowner associations, once the most powerful voices for residents, prior to the formation of Neighborhood Councils, have grown to see these bodies as rivals and those members who had joined the boards of Neighborhood Councils have gradually left and returned to the homeowner's groups. HOA's do not have to follow the stringent open meeting laws and other City-imposed rules that have made neighborhood councils far less dynamic than their creators had hoped.

The next year will help determine whether Neighborhood Councils gradually fade out to the margins of City government or if they can rise above these hurdles in order to be truly influential organizations. Until then, the jury is still out. ■

CITY WATCH

Issues

DayPlanner

Tuesday, February 24

Budget & Finance ((3p)

- ◆ *Impact of Sheriff Lee Baca's ½ cent Public Safety Sales Tax*
- ◆ *CLA report re: Support of Propositions 56, 57, 58*

BONC (6:30p)

- ◆ *ENS as Brown Act Posting site; Increased donor disclosure by NC's*

Wed, February 25

Public Works (9a)

- ◆ *Increasing fines for illegally posted commercials signs on public property*
- ◆ *Enforcement of littering law, reduction of fines*

City Council (10a)

- ◆ *Ballona Creek issues*
- ◆ *Authorizing 2004 Round 1&2 requests for affordable housing projects*

PLUM Committee (2p)

- ◆ *Westchester-Playa Del Rey Community Plan update*
- ◆ *Requiring City facilities to use rooftop green spaces to conserve energy*
- ◆ *Banning adult entertainment from within 500 feet of "residential frontage"*

Pub Works Board (6:30p)

District 10
2942 Vineyard Ave

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Future Assignments

- ◆ **One-on-One with BONC President Ron Stone**
- ◆ **Big Box Retail Rhubarb: What's It All About?**
- ◆ **Joel Wachs: What Do You Think of Us Now?**

*Stories on the City Watch
Assignment Board*

The E-Newsletter for LA's NC's

Sat, February 28 (10-n)

Dept of Water & Power

111 N Hope Street

John Ferraro Bldg Auditorium

- ◆ *Briefing to explain proposed rate increases*
(*Invitation does not indicate whether questions will be taken or who specifically is invited.*)

Monday, March 1

San Pedro Community Waterfront Development Forum (6:30p)

LA Harbor Dept Boardroom
425 S Palos Verdes St
San Pedro

- ◆ *Central San Pedro Neighborhood Council, in association with DONE and participating Council District 15 NC's, hosting forum to consider the Port's "Bridge to Breakwater" waterfront development plan. Panel will be moderated by City Watch.*

(Contact Linda Grimes for more information: 310.732.0010)

Thursday, March 4

4th District Community Congress (6:30-8:30p)

Autry National Center
213.978.2616 for details

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(Visit the City website
(www.lacity.org) for city meeting locations and complete agendas.)

Briefs

Yes on Newsrack Ord; Activists Get a Victory

The City's Public Works Committee has approved an LA Newsrack Ordinance that, among other things, will require uniform color (Ivy Green) of newsracks citywide and limits newsrack groups to four in a row with reasonable spacing between groups.

The CLEAN Coalition, which includes a number of Neighborhood Council representatives, says that this ordinance "will set a new standard for other big cities across the country."

It now goes to City Council for final approval. ■

CSPNC to Host Forum

On March 1, the Central San Pedro Neighborhood Council will sponsor a forum to consider the Port's "Bridge to Breakwater" waterfront development plan from a community perspective.

The CSPNC says it is seeking a different approach than earlier workshops organized by the Harbor Department. A council spokesperson says, "We would like to empower the community and encourage forum panelists to respond to 'neighbor to neighbor, bottom line issues' about the project. City Watch is moderating the panel forum.

For more information on the plan: www.sanpedrowaterfront.com.

For more information on the event: Linda Grimes at 310.732.0010.

Letter to DWP from Granada Hills North NC

(Neighborhood Councils have been wrestling with the pros and cons of the proposed DWP rate increase. Among the concerns of a number of Councils was the difficulty ... perceived or otherwise... of getting answers to their questions. For some, it was knowing what questions to ask. With that in mind, City Watch is reprinting portions of the GHNNC letter. Perhaps it can serve as a guide for your Council.)

Re: Proposed 18% Water Rate Surcharge

1. Cost to Residents of \$50 per year

In the December 29, 2003 DWP presentation it was estimated that the average cost to residents would be about \$50. To check this estimate, the Committee has conducted its own survey to determine what this figure would be for the average resident within the GHNNC boundaries. The Committee requested and received total water rates for one year from our Board members and stakeholders. (We did not include sewer or electricity charges.) As of this date we have had 20 residents respond with annual water costs varying between \$255 and \$2090 with an overall average cost of \$842. This results in an average annual increase of \$152 for GHNNC households.

This is three times the \$50 indicated by the DWP.

2. Breakdown of Costs for Planned Activities

In the DWP report the following activities were listed. Please provide an estimated cost in dollars for each.

3. \$300 million water capital improvements

Please provide a detailed breakdown of the \$300 million borrowed this year to cover the costs of water capital improvement projects.

4. Bond Rating Downgrade

Please detail the bond rating downgrade that you discuss in your presentation material, what the bond rating service has stated and what the increase will be and why. What criteria did they assume? What would be the cost in dollars that you would estimate for the additional interest the DWP would have to pay if the Bonds are degraded?

5. Transfer of funds to the City

The presentation material states: "It is important to understand that without this increase, the Department's transfer to the City fund, which pays for police, fire and other basic services, will be reduced. We cannot jeopardize these vital services." Wouldn't the above argument classify this as a tax increase, not a surcharge?

6. When was the last time DWP raised water rates?

Technically it has been 11 years since water rates have changed, however the most recent Sewer Service Charge was increased by 3% on October 25, 2003. This additional money is not insignificant and was it applied to the DWP for wastewater system improvements? How much of an increase in dollars has the DWP collected as a result of that 3% increase and how is it being spent?

7. Why is the DWP pursuing this surcharge now?

In the presentation material under this question it states: "Unfortunately, the costs for this upgrade cannot be borne solely by the current revenue at LADWP. The Department has cut costs where possible and received numerous federal grants, but now we must take this additional step in order to ensure the financial viability of the system."

In light of the following editorial in the Los Angeles Daily News, please explain the statement above.

*Los Angeles Daily News - DWP's deceit
Wednesday, November 19, 2003 -
BOY, Los Angeles City Council members must be livid.*

One year after 10 of the current 15 council members rubber-stamped a big pay raise for workers in the Department of Water and Power, they find out that the head of the department deceived them to get their

approval. "We can afford this," DWP General Manager David Wiggs assured the council, insisting that the hike wouldn't cause water or electricity rates to go up for "several years."

Surely, council members must have been fuming over his betrayal when Wiggs suddenly changed his story this week, saying that operating costs and security improvements have risen so he wants to raise water rates 11 percent in 2004 and 7 percent more in 2005.

Wiggs is saying now that DWP officials just didn't count on the burden of the security costs. That's odd, because in June 2002 -- a full three months before they misled the City Council -- DWP officials announced that they would spend \$132 million to upgrade security over the next five years. That would mean Wiggs and other DWP executives knew full well what the security costs would be when they told the council they could afford to increase operating costs by \$123 million last year and \$140 million this year.

8. Recommendations by Laura Chick

At our meeting on December 29, 2003, DWP representative Glenn Singley was asked after his presentation if the cost saving recommendations by City Controller Laura Chick had been put into place at the DWP. He said they had been. We would like to know what specifically has been done by the DWP to implement Ms. Chick's recommendations and how much of a cost savings these changes have made.

9. Explain the need for a P.R. budget of \$18.7 million

Since the DWP is owned by the taxpayers of Los Angeles, what is the justification for promotional costs sponsoring professional sports teams such as the Dodgers and the Clippers? Please provide a detailed breakdown for the Public Relations Budget of \$18.7 million. Also, explain the reasons for each significant line item in the budget.

10. Construction of DWP Heliport

We are aware of the plans to build a Heliport on the DWP property in Granada Hills. The GHNNC Board has in recent correspondence indicated its concerns with this project. However, we would like to add some additional issues in light of the surcharge request, the bleak financial situation facing the DWP, the City of Los Angeles and the State:

10.1 Why is it necessary to construct a new facility at this time and is it necessary to move from the Van Nuys Airport?

10.2 Have all options been considered in this move to a brand new facility and is it impossible to continue operations at the City owned Van Nuys Airport?

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Water Rate-Continued from Page 3.

As most know, the DWP has asked the City Council to approve an 18% rate increase, over two years, for 9-11 inspired security, water quality improvement and to protect its bond rating.

Neighborhood Councils have argued that the DWP hasn't made its case to the community, submitted its proposal in December even though it knew about it six months ago and hasn't provided satisfactory ... or in some cases any ... answers to their questions. Thus, the City Council should delay its vote until DWP, in effect, satisfies the community.

The NC/DWP confrontation has left a number of City Council members in a tough place: wanting to support the Neighborhood Councils on the one hand and feeling some perceived urgency about the DWP request on the other.

Councilwoman Janice Hahn told stakeholders at the Commerce and Energy meeting, "City Council and Neighborhood Councils will not always agree."

For most Neighborhood Councils, however, this is not a matter of agreement between the two Councils, it's a matter of keeping the City Charter promise. ■

