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New budget would raise fees, cut services

L.A. budget proposals unveiled

By Mariel Garza
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Mayor James Hahn's budget plan proposes raising trash and sewer fees as well as charges to go to the zoo or play golf at city courses, while cutting tree trimming and street-paving services, officials said Wednesday.

The fee hikes and service cuts would help balance the city budget while raising \$30 million a year to add 320 police officers. The plan calls for eliminating 400 vacant jobs outside the Police Department.

Under the mayor's \$5 billion budget for 2003-04, the trash charge for a single-family home would rise \$4 a month, from \$6 to \$10.

Sewer fees for would increase 62 cents a month, from \$20.75 to \$21.37 for an average house.

Deputy Mayor Matt Middlebrook said the budget proposal reflects Hahn's No. 1 commitment: to improve public safety in Los Angeles.

"It's the thing people are most concerned about: How do we keep crime down in the street," Middlebrook said. "That's what the mayor's heard over and over."

Golf fees would rise \$5 and zoo admission would go up 75 cents. Street resurfacing would be cut from 232 miles to 200 miles. Tree trimming would be curtailed by 15 percent.

City Council members polled said they supported the mayor's budget plan.

But some members of the city's new neighborhood councils grumbled that they were left out, just as the advisory panels had no role in developing a burglar alarm response policy. Still, more agreed that getting more police is essential.

The fee increases are subject to City Council approval, but will not be submitted to voters because the law protecting residents from excessive tax and fee increases -- Proposition 218 -- does not apply, experts said. The state ballot measure, adopted seven years ago, specifically exempts increases to pay for direct costs of trash, water and sewer services.

"I agree -- as long as the city has done some study of its operating costs," said Tim Bittle, director of legal affairs for the Sacramento-based Howard Jarvis Taxpayers Association.

"All Proposition 218 says is that the fee charged to the ratepayer for that service can't exceed costs for providing the services. In other words, the city can't use service fees as taxes to raise revenue for what they're doing."

The city says it costs \$30.70 to provide trash services for each single-family house, including pickup and equipment costs. Residents pay \$6, with the general fund subsidizing the rest, according to city officials.

Officials could not produce a figure for how much it costs the city to provide sewer services, but Middlebrook said it did not exceed the proposed rate including the fee hike.

City Attorney Rocky Delgadillo agreed that the mayor's fee increases met the letter of the law, although perhaps not the spirit.

"Proposition 218 was intended to protect residents from being the government's cash cow without voter consent," Delgadillo said.

"While we recognize that under law there are certain fees and charges that are exempted from Proposition 218, the spirit of the law should be adhered to. Taxes and fees are essentially the same thing -- they drain a family's budget in the same way." Several City Council members said they think the proposal is reasonable. They said the city has not made substantial changes to those fees in the past decade.

"It's a very nominal fee increase being proposed," said Council President Alex Padilla. "From all I've heard so far, it's a responsible budget. It's tough to have to increase rates for anything."

Council members Cindy Miscikowski, chairwoman of the Public Safety Committee; Wendy Greuel; Janice Hahn; and Eric Garcetti had similar views.

"We're a cheap city, when you look at Glendale, Burbank," said Garcetti, who sits on the council's Budget and Finance Committee. "We're way below those places" in terms of fees such as dog licenses and trash collection.

According to a city survey, Los Angeles' trash rates rank dead last in a survey of 75 cities in the county.

In fact, Garcetti said the Budget and Finance Committee is examining all city service fees with an eye toward raising them -- not necessarily all at once, he said, but through a mechanism that keeps city fees more in line with the costs of service.

The mayor's budget was built on the assumption that Los Angeles will not lose \$175 million that the state has threatened to chop from vehicle license fees to address its own budget crisis.

At the same time, as a precaution, the new city budget will have a reserve fund of \$60 million, more than the usual 2 percent but about half the reserve Hahn inherited from former Mayor Richard Riordan.

Other problems the city is facing include a major hit in its pension fund accounts because of the declining stock market and Police Department overspending by at least \$26 millions, plus millions more for Chief William Bratton's restructuring plan, the need to buy chemical protective suits and overtime for security duties.

On the other hand, the booming local real estate market has helped to counter the economic slowdown by generating higher-than-expected taxes on property and real estate sales, leading to a budget that, while tight, is still higher than the current year's. One area where the mayor might find problems, some said, is with neighborhood councils, which were caught unaware of the proposal and believe it is an issue on which they should have been consulted -- as Hahn has promised they will be in developing city priorities.

"This is the reason neighborhood councils were formed," said Elaine Brown of the Sunland-Tujunga group. "A lot of the groups aren't sure what they should be doing, but this is something we ought to be discussing before it goes into effect."

The only step the mayor took involving the neighborhood councils was to hold a "budget day" at which he sought their opinion about budget priorities.

Greg Nelson, general manager for the Department of Neighborhood Empowerment, said neither the councils nor he received a heads-up about the rate increases.

"A lot of homeowners feel they don't have any control," said John Fitzpatrick of the Reseda Neighborhood Council. "That's why we wanted neighborhood councils, to have a sense of control over our lives."

"This is ludicrous," said Richard Leyner of the Encino Neighborhood Council. "I think there are better ways to pay for services rather than trash fees. This hurts everybody, and I don't think it's the way to go."

The Mayor's Office and council members said the councils will have plenty of time to weigh in on the budget after it is formally presented Friday. There will be a number of public hearings by the Budget and Finance Committee later this month.

Janice Hahn, who rallied neighborhood councils in February to battle a proposed nonresponse policy to burglar alarms, said she was planning to urge the advisory panels to participate in the upcoming budget debates.

Proposition 218 also requires -- in the case of a rate increase -- giving property owners a 45-day notice and a hearing. If more than half of all the city's residents provide written objection to the increase, it can't be assessed, according to Cecilia Estolano of the City Attorney's Office. Staff Writers Rick Orlov and Harrison Sheppard contributed to this report.