City of Los Angeles

WHO'S IN CHARGE?

AND WILL THEY ACT ON OUR TEN SIMPLE RECOMMENDATIONS?

BUDGET ADVOCATES WHITE PAPER

ISSUE NO. 1 // VOLUME NO. 8 // MARCH 2018

A short paper highlighting recommendations for the 2018/2019 Fiscal Budget to the Los Angeles Mayor Eric Garcetti & the City Council

Budget Advocates White Paper 2018

Who's in Charge Here?
And will they act on our Ten Simple Recommendations?

The Neighborhood Council Budget Advocates are disappointed that Mayor Garcetti and the City Council have not pursued our past suggestions on addressing the City's financial tribulations. These include adopting the fiscal recommendations of the LA 2020 Commission that were publicly endorsed by City Council President Herb Wesson in 2014, primarily the creation of an independent Office of Transparency and Accountability, the establishment of the Commission for Retirement Security to review the City's retirement obligations, and the implementation of multiyear budgeting.

Additionally, the Budget and Finance Committee appears to have done nothing with regards to the Budget Advocates' General Fund Revenue-Producing Ideas submitted last year to a positive reception and assurances a committee would be formed to review and analyze them (which did not happen). These included such simple suggestions as pursuing reimbursement of City expenses related to the Northridge earthquake, a non-resident tax for unoccupied houses/apartments, and bringing dumping fines up to County levels.

Budget Overview

The City of Los Angeles continues to face serious financial challenges despite a robust economy over the last eight years. One of the reasons is that nobody appears to be in charge of, and accountable for, facing these challenges. As the Los Angeles Times said in an editorial published March 2, 2018, "Who's in charge here? The question echoes unanswered through the streets of this notoriously fractured, siloed and balkanized metropolis, where the city-county structure and the political culture too often allow politicians to wriggle their way out of accountability."

The City budget has had, and continues to have, a massive structural deficit ("the Structural Deficit") in which projected expenses continue to far exceed projected revenues year after year. This Structural Deficit persists despite an increase in General Fund revenues of 31% – in excess of $1.4 billion – over the last six years. Next year, the budget gap is projected to be almost $100 million despite an *increase* in revenues of over $100 million. The City refuses to squarely address the Structural Deficit but instead plays shell games each year with the City monies.

The $100 million budget gap does not take into consideration anticipated raises for the police and civilian workers and increased pension contributions associated with the lowering of the investment rate assumption to 7¼% for the City's two pension plans. These increases will increase the budget gap to an estimated $250 million.

The upcoming budget does not factor in new sources of revenue from the SB 1 gas tax, the Local Return revenues from Measure M, the Exclusive Trash Franchise Fee, linkage fees, and the cannabis tax. The bulk of these revenues are targeted for specific purposes and are not supposed to cover the anticipated budget shortfall of the General Fund.

The City has experienced a 'Service Insolvency' due to funds that should have been directed to repairing and maintaining the City's streets and the rest of its infrastructure being redirected to pay for increased salaries, pension contributions, and healthcare benefits.

The City now has a deferred maintenance backlog that is estimated to be more than $10 billion, $4 billion more than the General Fund budget.

The City's two pension plans have a total unfunded pension liability of $9 billion. These two plans are only 80% funded despite a bull market. The annual required contribution has increased to about 20% of the General Fund. If the more realistic investment rate assumption as advocated by Warren Buffet and other respected money managers of 6¼% is used rather than the optimistic 7¼%, the shortfall would increase to $15 billion (71% funded) and the annual required contribution by the City would increase by $400-500 million.

Ten Recommendations

Increase transparency into the City's budget and finances by holding monthly town hall meetings at times convenient to the City's residents such as weekends or after 7 PM on weekdays.

Mandate that labor contracts or other agreements entered into will be revenue neutral within the term of each contract/agreement, i.e., will not increase the budget gap or result in further diminution of services.

Develop and implement a ten-year financial plan based on realistic and dynamic assumptions that eliminate the Structural Deficit, provide for the maintenance and repair of the City's infrastructure, pay for the City's out-of-control litigation costs, and begin to reduce the unfunded pension liability.

Develop a comprehensive plan to address all City infrastructure and repair and maintain our streets, including our sidewalks, parks, and urban forest. Accidents on City streets and sidewalks that need repair account for a substantial portion of the City's litigation costs.

Benchmark the efficiency of the City services, beginning with Public Works, Recreation and Parks, Building and Safety, and General Services.

Outsource to private contractors 50% of the repair and maintenance of our streets and sidewalks and compare the results with City-staffed crews. Work performed by independent contractors must be supervised to ensure quality and that the work is on time and on budget.

Review and analyze the City's two underfunded pension plans, and develop and implement recommendations to eliminate the unfunded pension liability over the next fifteen years. The pension plans are a ticking time bomb as the City is legally obligated to pay the pension liabilities that will accrue.

Build the Reserve Fund and Budget Stabilization Fund to an amount equal to 10% of the General Fund, a level recommended by Miguel Santana, our previous City Administrative Officer, as well as

by the State of California. Unappropriated balances are not considered reserves. [Note: The Government Finance Officers Association suggests reserves equal to 17% of the General Fund.]

Develop a capital expenditure plan that addresses the expansion of the Convention Center, the improvement of the Civic Center, the revitalization of the Los Angeles River, compliance with the Clean Water Act, and the modernization of the City's Management Information Systems and IT infrastructure. Funds should be allocated directly to capital costs as part of the City Budget and not be swept back into the General Fund.

Establish an independent Office of Transparency and Accountability to oversee the City's finances and ensure fiscal responsibility. This recommendation was first made to the LA 2020 Commission, a body established at the suggestion of City Council President Herb Wesson.

Conclusion

We call on the Budget and Finance Committee, the Mayor and City Council to fulfill their obligations as stewards of the City and start addressing the City's budgetary woes now. We must stop passing the buck on to the next generation. The problems we are addressing will not disappear, but will only get worse. Use the Budget Advocates' suggestions but don't stop with us. Use the brain power on the Mayor's budget team as well as in the financial departments to move the City to a more sustainable budgeting methodology that will allow it to find realistic solutions to the problems facing Los Angeles and fulfill the Mayor's original vision to make Los Angeles the best-run big city in America with good jobs for all Angelenos.

Furthermore, we believe that a number of the overarching observations in *Evaluation of the State of the Street Related Infrastructure Programs in Los Angeles*, the FUSE report by Laila Alequresh regarding the City's organization, are spot on, especially those that comment on the various departments working with blinders on in their own silos.

The current system of stand-alone departments which do not effectively communicate with one another encourages duplication, inefficiency, and waste. Old patterns must be set aside, and departments must emerge from their silos to work together in a coordinated manner.

Additionally compelling is the idea of transferring the Department of Transportation or many of its functions to Public Works where its functions can be integrated with other street services and its actions be held more accountable.

Again, we strongly recommend that the City engage an independent City Manager or an experienced Chief Operating Officer to oversee all City departments and their interactions, starting with ramping up an infrastructure overhaul that is essential if the City is to shine for the 2028 Olympics.

Furthermore, all members of City boards and commissions should have relevant qualifications and expertise in their jurisdiction as well as in labor and city management, and those who don't should be immediately replaced. No more political appointees in critical jobs! The City's government is intended to work *for* the people; make sure it does.

Respectfully submitted,
The 2017-2018 Budget Advocates

Jay Handal, West Los Angeles, Co-Chair
Liz Amsden, Historic Highland Park, Co-Chair
John DiGregorio, Panorama City, Vice-Chair, Communication
Barbara Ringuette, Silver Lake, Vice-Chair, Administration
Lynda Valencia, Arroyo Seco, Secretary
Brigette Kidd, Zapata King, Assistant Secretary
Howard M. Katchen, Sherman Oaks, Treasurer
Carol Newman, Lake Balboa, Parliamentarian

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Brian Allen, Granada Hills North
Priscilla Anchondo, Reseda
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Freddy Cupen-Ames, North Hollywood West
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Jacqueline Le Kennedy, Bel Air-Beverly Crest
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Jon Liberman, South Robertson
Michael Menjivar, North Hollywood North East
William Morrison, Lincoln Heights
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Christopher Perry, CANNDU
Ricardo Ramirez, Sunland-Tujunga
Estuardo Ruano, Rampart Village
Danielle Sandoval, Central San Pedro
Patrick Seamans, Mid-City West
Eleanor Smith, Park Mesa Heights
Dr. Princess Sykes, Harbor Gateway North
Joanne Yvanek-Garb, West Hills

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RECOMMENDATIONS BY DEPARTMENT

Aging

- Fund an assessment of the needs of seniors and individuals with disabilities, categorized by primary purpose, and the implementation of strategic planning.
- Expand nutrition programs by developing new program models to serve all of those in need.
- Increase the budget for the Department to address the unmet need for housing counseling and adequacy, availability of housing subsidies, and the opportunity to collaborate with other City departments to serve homeless seniors.
- Provide services that mitigate isolation among seniors.
- Designate additional funding for support of caregivers and advocacy for older adults.
- Implement gerontology-focused training for current staff so that they can develop the skill set required to assist the aging community.
- Implement diversity training for the purpose of equity and to prevent disparities, to serve minority communities and for racial, ethnic, and cultural enrichment.

Animal Services

- Fund the no-kill policy for healthy adoptable animals, which the City shelters have adopted, and more spay/neuter surgeries, free or reduced cost vouchers, and enforcement of spay/neuter laws.
- Fund professional behavior training for the dogs and cats to make them more adoptable, and to provide outreach and marketing specifically for pet adoptions.
- Fund physical improvements to existing shelters, and to pay for more Animal Control Officers and Animal Care Technicians.
- Increase salary scales for Animal Control Officers and Animal Care Technician.
- Continue to offer Requests for Proposals for Private-Public Partnerships to build or renovate shelters that meet the needs of the community.
- Partner with non-traditional markets to advertise licensing events and to recruit volunteers for public counters and community services, such as the Gift a License campaign, where pet owners can gift a license to another person.
- Launch an online campaign, at community counters and with pet technology companies such as dog walking.
- Utilize Neighborhood Councils, schools and other nonprofits to create Pet Education Programs (PEP) that visit schools, churches, grocery stores and malls to engage and share pet education. Partner with community college(s) instructors to recruit and coordinate volunteers.

- Establish a volunteer track with various volunteer positions with the ability to move up or laterally based on length of volunteer service. Host annual volunteer dinner and present year of service pins.
- Continue with background checks, but use the advances in technology software or outsource to private company/ies to conduct background checks to be completed within 3- 5 days.
- Continue to expand the usage of the ACE (Administrative Citation Enforcement) program.

Board of Public Works

- Study and eliminate the overlap in functions and duties between this Board and other City Departments.
- Prioritize the cleanup of homeless encampments, working together with law enforcement.
- Study and determine whether outside services should be eliminated, or increased, for repair of streets, sidewalks, potholes, etc.

Building and Safety

- Expedite the permit and inspection processes to facilitate development in the City.
- Reduce response and resolution times for code enforcement cases, which can increase revenue to the City in fees and penalties imposed and collected.
- Expand the use of retirees on temporary contracts as substitute inspectors to offset the potential loss of staff through retirements.
- Expand the Targeted Local Hiring Program and Summer Youth Employment Program and provide opportunities for employment.
- Implement the Youth Employment Program as the Department's primary transition plan to train and maintain an adequate number of employees.

Cannabis Regulation

- Fund 15 additional staff to process cannabis applications, enforce penalties, and monitor the social equity component.
- Set up a special fund within the General Fund to track the fees and fines collected by this Department.
- Allocate Excess Cannabis Revenues (see below) back into communities where cannabis businesses are in operation.
- Allocate a portion of the Excess Cannabis Revenues to Neighborhood Councils where cannabis businesses are located, to be used for neighborhood specific problems.
- Set up a system for Neighborhood Councils to file official complaints against cannabis businesses that are in violation.

- Create and manage an interactive website to monitor retailer activity and compliance, including taxes paid, and to help potential retailers locate viable locations and connect with the appropriate Neighborhood Councils.
- Fund a committee with law enforcement, cannabis regulation and community members to establish and recommend cannabis regulations and applications, taking into account the need to prevent racial profiling while still enforcing the law.
- Fund a transparent training program for license owners, with a contact person designated to clarify training and to track training of employees.
- Monitory the social equity program to ensure these applicants adhere to all requirements and that all applicants are treated equitably.

CAO (Chief Administrative Officer)

- Continue researching and studying innovations for City Departments.
- Expand the use of performance metrics to assess and improve response time for City Services.
- Contract out cybersecurity systems while evaluating alternatives for updating technology city-wide.
- Make City operations transparent to all residents of the City online.
- Evaluate budget requests to determine whether a current investment would ultimately be more cost effective than deferring the item.
- Allow two or three Budget Advocates to work with the CAO staff next year throughout the entire budget process.
- Advocate for a linkage fee to assure a permanent source of funding to be used only for affordable housing.
- Make certain the Department of Housing and Community Investment (HCID) can monitor affordable units built.
- Conduct expansive outreach and education in communities before advancing homeless housing projects.
- Expedite additional permanent housing, storage facilities and services for the homeless population.

City Attorney

- Expand the training program on risk management with the CAO's office, City departments, the Mayor's office, and LAPD.
- Establish a Liability Task Force to investigate and provide steps to address the City's skyrocketing liability claims.
- Set up accountability procedures to encourage City departments to take significant steps to address liability claims.

- Increase staffing to support the added attorneys.
- Increase funding to proactively solicit grants for program enhancement, especially in the fields of risk mitigation and criminal justice reformation.
- Fund a homeless coordinator position to assist with the rising homeless crisis.
- Fund technology upgrades.

City Clerk

- Continue training the Neighborhood Councils on policies and procedures regarding funding their operations.
- Make sure that newly established policies and procedures are efficient and effective.

Contract Administration

- Provide increased funding for inspectors due to the expanding workload of wage enforcement.
- Provide additional funding to hire and training additional inspectors needed.
- Further expand the use of "smart" mobile technology to assist inspectors in field work.
- Support the Bureau's work with local educational institutions to expand vocational training opportunities in the Southland both in primary and secondary education levels.

Disability

- Adopt the DOD's FY 2018-2019 proposed budget as is.
- Update and expand the Citywide 2000 ADA Self Evaluation and Transition Plan.
- Fund an efficiency software package to improve client, data, and risk management, to provide more accurate metrics and to pay contract services on time as stipulated by State law.
- Fund and update the mandated Title II training for all City departments.
- Continue funding for HIV and AIDS programs which are housed at the DOD.
- Hire a full-time in-house Certified Access Specialist [CASp] to manage a pool of contract technical experts (CASps).
- Continue and expand the Title III program helping small businesses become accessible using low cost ADA consulting and tax incentives.
- Create an app that provides crowd sourced information rating the accessibility of Title II and Title III venues throughout Los Angeles.

Economic and Workforce Development

- Continue training and certification programs geared towards industries with high hire rates and high job opening rates.
- Continue developing partnerships with public and private sector industries, and expand outreach efforts in order to increase funding.
- Continue to increase work placement in both the public and private sectors for youth and adults year round.

Emergency Management

- Enhance long range preparedness efforts to be ready for additional fires, cyber threats, terrorist attacks, earthquakes, and tsunamis.
    - Prioritize the enhancement of the City's supply chain resiliency in the following sectors: grocery, fuel, transportation, water and medical supplies
    - Coordinate with on-call contractors such as UPS, Airbnb, Verizon, etc. to formalize their partnership and participation in the City's business operations center
- Fund four additional Emergency Management Coordinators for community preparedness.
- Fund two intern positions for Master's level students.
- Purchase an SUV marked as an Emergency Management Department vehicle and equip it with supplies to operate in the field for 3-4 days.
- Install new exterior security gates at the Emergency Operation Center.
- Upgrade HAMM radios.
- Provide funding for overtime and flex time for staff to attend meetings with Neighborhood Councils and other community groups working together to heighten community preparedness.

Engineering

- Provide additional staff per BOE's Fiscal Year 2018-19 Proposed Budget to manage the large increase in requests for BOE services.
- Create a comprehensive recruiting, training and employee retention program as planned to assure adequate skilled engineers and institutional knowledge is passed on to future staff.
- Consider training Neighborhood Council or community volunteers rather than paid staff to conduct surveys under the Mobility (MOB) Program on the City's Street Improvement Program capital projects, if feasible (and if it does not violate any employment laws, insurance contracts, or union contracts).

Ethics Commission

- Fully fund and make permanent the two temporary positions – one for an educator and the second for an additional auditor.
- Enhance the education component for City employees and vendors, sub-contractors, and Neighborhood Councils to prevent ethics violations.
- Ensure funding for a sufficient number of auditors to complete audits and investigations in a timely fashion so that publicized findings and imposed fines serve as a deterrent against further violations.
- Fund $67,000 for an Electronic Filing System (SouthTech).
- Update the lobbying ordinance to make it more comprehensive.

Finance

- Maximize reinvestment into our core infrastructure.
- Continue to prioritize the transition to online payments for all accounts receivable.
- Develop a plan for collections and investment of revenues generated from cannabis taxes.

Fire Department

- Restore staffing for four Engine Companies with SAFER (Staffing for Adequate Fire and Emergency Response) grant funding.
- Fill the position of Control Officer to assist in the return to work effort for staff on injury leave.
- Ensure that fees cover the full cost of all services provided including:
    - Inspectors assigned to the film industry.
    - Inspectors, enforcement, and support staff covering the cannabis industry.
    - Inspectors and contractors providing brush clearance services.
- Provide funding and staffing for 2 additional Fast Response Vehicles, a successful new program.
- Immediately suspend the DROP program until new regulations are developed, and hold scofflaws accountable.
- Work with DWP and Building and Safety toward solutions for fire prevention and with the Emergency Management Department on Advance Warning Systems (see specific recommendations below).

Housing and Community Investment

- Determine how best to increase the supply of housing in Los Angeles to meet the demand for all income levels.

- Restore operational efficiency impacted by further restrictions on federal funding in the CDBG (Community Development Block Grant) program.
- Increase the monitoring fee to fund ample staff who will assure compliance with Density Bonus Covenants.
- Advocate with the state and federal Departments of Housing and Urban Development (HUD) for additional funds and housing vouchers to house homeless residents, other low-income Angelenos, and the mentally ill.
- Assure that Los Angeles receives a share of funds proportionate to the number of homeless or to total population.
- Maintain parking requirements (available parking spaces per development), but where parking requirements are reduced in affordable housing projects, require mandatory incentives to use public transportation.
- Keep the public up-to-date on housing projects in the works via HCID's website in order to address frustration with the lengthy timeline for housing to be completed.

Information Technology Agency

- Review and prioritize projects on an annual basis to meet budgetary constraints.
- Conduct a qualitative and quantitative assessment of the Department's functions and the City's technological needs.
- Determine if the current level of expenditures on fixes and short-term solutions is warranted.
- Complete the Procurement Automation project, as the existing system is cumbersome and outdated.
- Defer the request for an additional general manager until a qualitative and quantitative analysis has been conducted to determine the true necessity for an additional general manager.
- Ensure that the City's payroll processing system is accurate and remains operational.

Neighborhood Empowerment (DONE)

- Prioritize the training and education of all Neighborhood Council board members as the highest and most essential function of the Department.
- Develop a robust set of core training videos and presentations that can be distributed to Neighborhood Councils online and in-person to act as immediate "how-to" guides on different facets of the City and NC system.
- Ensure Department staff are routinely retrained and up to date on policy, procedure and legislation pending within the City.

- Advocate for the permanent transition of accounting of Special Funds management to the City Clerk, including those of the Congress of Neighborhood Councils and the Budget Advocates.
- Partner with City departments to train every City employee about the NC system and how to best field the questions they will often be faced with from board members and stakeholders alike.
- Collaborate with the City Attorney to expedite issues related to Neighborhood Councils and compliance with the Brown Act.

Pensions (LACERS and LAFPP)

- Establish a temporary Committee for Retirement Security, as recommended by the LA 2020 Commission, to review the City's retirement obligations and to set a schedule to achieve results, with a realistic timeline.
- Immediately address the unfunded pension liabilities of the City.
- Reduce both pension plans' assumption rate to a more realistic rate of 7%, as suggested by the staff and actuaries.

Personnel

- Fund the requested Employment Liability Reduction.
- Fund and support a Workers' Compensation Analyst to address citywide Medicare compliance.
- Fully fund Anytime/Anywhere Testing so the City can source and hire the most qualified people nationwide for openings.
- Fund all the resources required to hire 100 additional police officers above current hiring.

Planning

- Update the Community Plans as quickly as possible, and keep them updated.
- Explore flexible working hours for staff required to work evenings and weekends, thus reducing the expense of overtime.
- Fund the positions authorized for historic resources and introduce efficiencies while moving in the direction of full cost recovery for the HPOZ program.
- Factor the cost of planning appeals filed by non-applicants into fees paid by project applicants.
- Advocate with state representatives to stop SB 827 which would remove City control on land use matters.
- Ensure Design Guidelines are incorporated in the revised ordinance for Small Lot Subdivisions, and provide opportunities for neighborhood input during the design process.

Police Protective League (LAPPL)

- Raise the recruitment budget to $500,000.00 and give authority for greater outreach for candidates.
- Raise police salaries to discourage sworn officers from quitting to work in neighboring jurisdictions where the pay is better.
- Increase the sworn personnel to 12,500 as soon as practical.
- Mandate a minimum number of sworn personnel for each division.
- Make the LAPD's unused budgeted funds available for officer overtime instead of returning them to the General Fund.
- Hire civilians to cover all non-essential desk jobs, to free up officers for policing.

Recreation and Parks

- Change the method of allocating resources so that employees are dedicated to individual facilities rather than to a group of facilities.
- Address homelessness by providing mobile toilets, wash stations and showers in appropriate locations.
- Create an ongoing task force to create recreational facilities especially in dense population areas.
- Increase revenue for the Department's operations by means of a tax measure and designate funds solely for this Department.
- Work with the Controller's Office to establish metrics to increase cleanliness in the Department's facilities.
- Reduce or re-negotiate DWP fees in extenuating circumstances.
- Expedite a retirement planning and staff training action plan to address the immediate need for retaining and maintaining staff.

Sanitation

- Insist that RecycLA fees are used by the Bureau to cover all related costs before any monies are transferred to the General Fund.
- Provide a more effective complaint system for RecycLA customers, and develop and implement a program to educate them on best waste practices.
- Expedite bringing no-charge green collection from RecycLA on line.
- Continue to provide the City Council with five-year forecasts for Special Fund projects underlining the long term savings from these investments.
- Fund the continued integration of the Bureau's information technology systems.

- Request the City immediately fund a surveillance system targeting dumping scofflaws that can be funded from increasing fines.
- Develop, market and run a pilot program of quarter-sized black bins with significantly reduced fees to encourage REAL solid waste reduction.
- Fund and expand the pilot food grinder program to reduce organic waste in the solid waste stream.
- Work with other City departments to ban leaf-blowing and require homeowners and gardeners to recycle all garden trimming.
- Request funding from the City for at least five more Clean Streets Service Teams for at least the next three years for homelessness-related clean-up to get ahead of the crisis curve.
- Expedite expansion of HOPE (homeless outreach) rapid response teams in conjunction with Council District offices.
- Set up a City-County team on shared issues to avoid duplication of services and reduce costs.

Transportation

- Work closely with other Departments to reduce possible duplication/overlapping of services and create efficiencies.
- Allow parking revenue to remain with the DOT and not be absorbed into the General Fund.
- Address transit insecurity as it pertains to women and girls, because unsafe transport reduces revenue and has many other negative impacts.
- Reduce the negative impact of increased traffic in neighborhoods surrounding stadiums and other large, frequently trafficked public and private spaces.

Zoo

- Support continued fundraising by the Greater Los Angeles Zoo Association (GLAZA) for the growth and endowment of the Zoo.
- Fund the 20 year vision plan budget of approximately $23 million that was submitted for 2018 as essential for the stability and future of the Zoo.
- Pass a City Signing Ordinance that would allow the Zoo to place small advertisements on its grounds, to generate more revenue to cover its overhead.

DEPARTMENT OF AGING

Budget Advocate: Diedra M Greenaway
Department Personnel: Laura Trejo, General Manager

RECOMMENDATIONS

- Fund an assessment of the needs of seniors and individuals with disabilities, categorized by primary purpose, and the implementation of strategic planning.
- Expand nutrition programs by developing new program models to serve all of those in need.
- Increase the budget for the Department to address the unmet need for housing counseling and adequacy, availability of housing subsidies, and the opportunity to collaborate with other City departments to serve homeless seniors.
- Provide services that mitigate isolation among seniors.
- Designate additional funding for support of caregivers and advocacy for older adults.
- Implement gerontology-focused training for current staff so that they can develop the skill set required to assist the aging community.
- Implement diversity training for the purpose of equity and to prevent disparities, to serve minority communities and for racial, ethnic, and cultural enrichment.

DISCUSSION

Overview:

Though demand for services has increased, public funds have decreased. The Department of Aging has managed to preserve or even expand some of its services. However, enhanced funding is needed for targeted categories, including but not limited to hunger prevention, housing and caregivers support. In light of all of the state cuts, it is understandable that some local programs and consumers have suffered. However, the single most important programs for seniors is the Department of Aging. Uncertainty continues to threaten senior services and for the foreseeable future, the growing number of seniors and adults with disabilities will continue to depend, often unknowingly, on the advocacy of citizens, the creativity of public policymakers, and the resilience and dedication of service providers.

Issues:

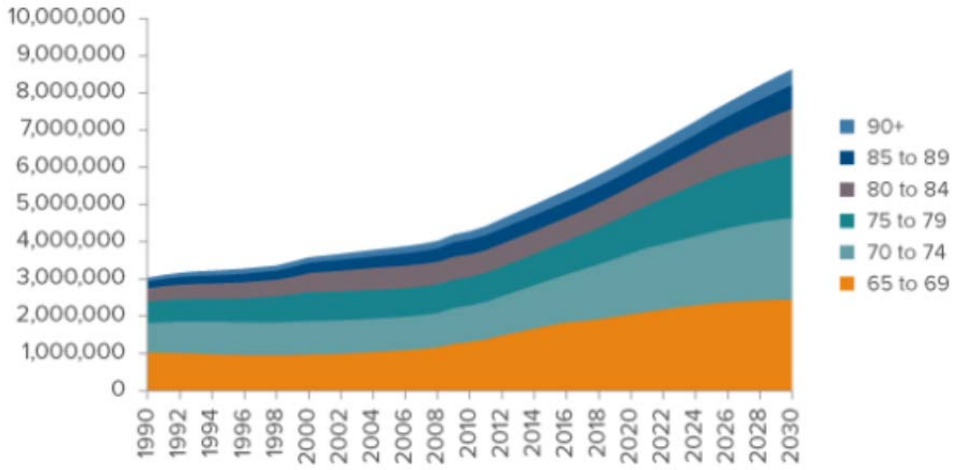
California's senior population will grow substantially by 2030, when the youngest baby boomers hit retirement age. This report highlights how this population is growing and changing, and the potential age-related needs this population will face—in particular, the number of seniors who will have trouble caring for themselves and the number who will require full-time nursing home care.

(1) ASSESSMENT: The Older Americans Act (OAA) and the Older Californians Act require that the Department of Aging conduct a community needs assessment every four years to determine the extent of need for services and to aid in the development of a plan for service delivery for older adults.

(2) HUNGER: Hunger is a physiological state. Hunger describes the physical pain and discomfort an individual experiences. Food insecurity is a social, cultural or economic state and as such, is simpler to conceptualize and measure. Food insecurity among older adults is a critical social issue that requires immediate attention from policy and other decision makers. Among adults under the age of 65, research has shown that households suffering from food insecurity are more likely to have adults with long term physical health problems. Chronic health conditions like high blood pressure and diabetes likely add to household expenses related to medical care and burden those already food insecure. According to the government census, there are approximately 3,831,666 individuals 65 year of age or older whose poverty status has been determined in the City of Los Angeles. Among seniors, many are above the poverty level.

(3) HOUSING: The stress of the high cost of living pervades all aspects of life in Los Angeles, especially urgent for seniors and adults with disabilities. Los Angeles real estate is one of the top 10 most expensive in the country. The median home value in Los Angeles is $633,600. Los Angeles home values have gone up 7.5% over the past year and have been predicted to rise 1.7% within the next year. The median list price per square foot in Los Angeles is $475, which is higher than the Los Angeles-Long Beach-Anaheim Metro average of $410. The median monthly lease rate for a one-bedroom apartment in Los Angeles is now $2,000.

Figure 1. California's senior population will nearly double by 2030



SOURCE: State of California, Department of Finance, State and County Population Projections by Race/Ethnicity, Sex, and Age 2010-2060, Sacramento, California, December 2014.
NOTE: See Technical Appendix A for detailed tables and Technical Appendix B for data and methods used to generate the projections.

According to the U.S. Department of Housing and Urban Development (HUD), a household that pays more than 30% of its income towards housing costs is considered rent burdened. Many seniors will prefer to use services that allow them to remain in their homes. Assisted living facilities provide a range of services with activities of daily living and some medical support for seniors or people with disabilities. For those needing the highest level of care, nursing homes are likely to play an important role—for both long- and short-term care (such as post-surgery recovery). These are among the options for seniors requiring some assistance with daily living.

(4) ISOLATION: Social isolation, having no close friends and few contacts with the outside world, is linked to poor health. No reliable way exists to calculate the number of Angelinos who are socially isolated or homebound.

(5) CAREGIVERS: Caregiver issues can affect both professional caregivers who are paid to provide care to individuals in their homes or in a health care setting and unpaid individuals who provide care to a loved one, friend, or family member. Nearly 35% of caregivers find it difficult to make time for themselves, while 29% have trouble managing stress, and another 29% report difficulty balancing work and family issues. Some other common issues that caregivers may experience include, but are not limited to, anger, frustration, anxiety, fear, financial difficulty and depression. In far too many cases, this type of stress will lead to senior abuse.

CONCLUSION

The Department provides invaluable services to meet the needs of a very diverse older adult population. The needs of this cohort are great and will be in greater demand as the baby boomer generation and migration continue to increase the numbers of older adults within the City. The Department has been operating with funds that are inadequate to increase the needs of the aging cohort. Therefore, the City should address the needs for services that are provided by the Department for one of the City's most vulnerable populations, the older adults.

Budget Advocates Department of Aging Committee Members:
Diedra Greenaway and Lynda Valencia

DEPARTMENT OF ANIMAL SERVICES

Date of Meeting: October 5, 2017
Budget Advocates: Brigette Kidd
Department Personnel: Brenda Barnette, General Manager; Dana Brown, Assistant General Manager for Administration in attendance

RECOMMENDATIONS

- Fund the no-kill policy for healthy adoptable animals, which the City shelters have adopted, and more spay/neuter surgeries, free or reduced cost vouchers, and enforcement of spay/neuter laws.

- Fund professional behavior training for the dogs and cats to make them more adoptable, and to provide outreach and marketing specifically for pet adoptions.

- Fund physical improvements to existing shelters, and to pay for more Animal Control Officers and Animal Care Technicians.

- Increase salary scales for Animal Control Officers and Animal Care Technician.

- Continue to offer Requests for Proposals for Private-Public Partnerships to build or renovate shelters that meet the needs of the community.

- Partner with non-traditional markets to advertise licensing events and to recruit volunteers for public counters and community services, such as the Gift a License campaign, where pet owners can gift a license to another person.

- Launch an online campaign, at community counters and with pet technology companies such as dog walking.

- Utilize Neighborhood Councils, schools and other nonprofits to create Pet Education Programs (PEP) that visit schools, churches, grocery stores and malls to engage and share pet education. Partner with community college(s) instructors to recruit and coordinate volunteers.

- Establish a volunteer track with various volunteer positions with the ability to move up or laterally based on length of volunteer service. Host annual volunteer dinner and present year of service pins.

- Continue with background checks, but use the advances in technology software or outsource to private company/ies to conduct background checks to be completed within 3- 5 days.

- Continue to expand the usage of the ACE (Administrative Citation Enforcement) program.

DISCUSSION

Overview:

The Los Angeles Department of Animal Services ("LADoAS") is the municipal department that oversees and handles the enforcement of certain laws, as well as the physical intake, sheltering, management, and control of certain domesticated animals such as dogs, cats, rabbits, and horses, within the city of Los Angeles (the "City"). A major mission of the LADoAS is to become 100% "no kill." The LADoAS proudly reports a 76% "save-life" rate among its shelters city-wide (90% rate for dogs; much lower rate for cats due to recent litigation and injunctions).

The LADoAS does not receive any federal or state funding or grants, but instead receives about 30,000 private donations per year, and continually partners with veterinarian clinics, community organizations, and non-profits like Best Friends, Inter-City Law Center, and ASPCA (received grant for saving pitbulls, chihuahuas, and mixes of the latter two breeds).

For fiscal year 2017-2018, the LADoAS received about $22,739,757 in funding from the City's General Fund, part of which includes revenues from canine licenses (equestrian license fees are given to the Los Angeles Department of Recreation & Parks).

Issues:

The primary subject matter of the discussion at the meeting was 18 unfunded positions and the lack of services provided by the Department to local communities because of the unfilled positions.

The LADoAS believes it is managing expenditures in line with its budget and hopes to receive funding to fill its 18 unfunded positions.

Currently salaries are the largest expense of the LADoAS' budget. In 2017-18 there are 357 regular employees, a 1 position increase from the previous year's budget.

Critical staffing includes Animal Care Technicians and Animal Control Officers. These positions are crucial if priority outcomes are to ensure our communities are the safest in the nation and to create a more livable and sustainable city. Animal Care Technicians earn from 39k - 57k and Animal Control Officers earn from 45k - 69k a year. These positions are among the lowest-paid of the employees in the Department.

Eighteen of these positions were unfunded this year, but the savings did not outweigh the need for animal services in the communities for south Los Angeles to the valley. Only one Animal Control Officer services all of Los Angeles this year.

Aside from the lower pay scale for these very important positions that service the community, a challenge also occurs in the selection process. As stated in the 2017 White Paper, "What's worst is that the selection and recruitment process for new hires has been extremely slow, cumbersome, and disappointing ... qualified candidates are identified, LADoAS rejects some due to background checks, while other candidates accept other job offers due to the long wait for a hiring decision."

This is a consistent problem within the City of attracting and retaining qualified applicants to fill needed positions in a timely matter.

Two recommendations from last year that can help are to 1) consider hiring long term volunteers and 2) reach out to the Police Department for Animal Control Officer positions since the positions require firearm training. Additional funding has already been approved by the City for Metro police officers on trains.

CONCLUSION

The Los Angeles Department of Animal Services should reclassify job descriptions for Animal Care Technicians and Animal Control Officers to increase the salary ranges. The pay does not match the duties or add value to what the positions provide to the communities. Additionally, the Department should reduce hiring bottlenecks, update software or outsource for background checks, and hire long term volunteers and current or retired police for the Animal Control Officers since firearm training is required.

The Department should continue to partner with private organizations that can help meet the needs of the communities with wraparound shelter services.

The Department should also incentivize adoptions, allow gifting of licenses and let the private owners become the proponents of the sheltered pets. This can be done with the help of neighborhood councils, schools and other nonprofits to create Pet Education Programs (PEP) that visit schools, churches, grocery stores and malls to engage and share pet education.

Budget Advocates Department of Animal Services Committee Members:
Brigette Kidd and James Hornik

BOARD OF PUBLIC WORKS

Date of meeting: February 12, 2018
ATTENDEES:
Budget Advocate: William Rodriguez Morrison
Department: Kevin James, President of the Commissioners; Dr. Fernando Campos, Executive Officer; and Raoul Mendoza, Assistant Executive Officer

RECOMMENDATIONS

- Study and eliminate the overlap in functions and duties between this Board and other City Departments.
- Prioritize the cleanup of homeless encampments, working together with law enforcement.
- Study and determine whether outside services should be eliminated, or increased, for repair of streets, sidewalks, potholes, etc.

DISCUSSION

Overview:

The Board is responsible for the design, construction, renovation and operation of public projects ranging from bridges to wastewater treatment plants and libraries; curbside collection and graffiti removal; and maintenance of streets, sidewalks, sewers, streetlights, and street trees. The Board is a full-time commission.

The Board has a budget of $100 million for this year, but with the new gas tax, the Board will be receiving an additional $150 million this year. The Board oversees what are functionally departments, though they are officially referred to as Bureaus on the City's list: the Contract Administration Bureau, the Engineering Bureau, the Sanitation Bureau, the Street Lighting Bureau, and the Street Services Bureau.

Issues:

Sanitation is one of the biggest issues the Board is dealing with. The Board is responsible for the cleanup of homeless encampments, working together with law enforcement. This is an issue of great concern to City residents, and must continue to be a priority for the Board.

Street Lighting maintains and repairs street lights. The budget for doing that in a city as large as Los Angeles may need to be increased.

The Board also handles contracts for potholes and other street services. To the extent that these services are farmed out to outside companies, there is an issue as to whether City employees can do the work more efficiently and more cheaply – or not. This issue should be studied to determine whether outside contracting for such services should continue. The repair of potholes and other infrastructure problems is critical to reducing the City's exposure to litigation.

The FUSE report recommends that this Board take over some of the functions, at least, of the Department of Transportation. There appears to be substantial overlap between some of the services that this Board performs and other Departments. This overlap should be studied and eliminated.

Budget Advocates Board of Public Works Committee Members: William Rodriguez Morrison, Eleanor Smith, Christopher Perry

BUILDING AND SAFETY DEPARTMENT

ATTENDEES:
Budget Advocates: Howard M. Katchen, Carol Derby-David and Valaida Gory
Department personnel: John Biezins, Assistant General Manager; Steve Ongele, Assistant General Manager – Bureau Chief of Resource Management

RECOMMENDATIONS

- Expedite the permit and inspection processes to facilitate development in the City.
- Reduce response and resolution times for code enforcement cases, which can increase revenue to the City in fees and penalties imposed and collected.
- Expand the use of retirees on temporary contracts as substitute inspectors to offset the potential loss of staff through retirements.
- Expand the Targeted Local Hiring Program and Summer Youth Employment Program and provide opportunities for employment.
- Implement the Youth Employment Program as the Department's primary transition plan to train and maintain an adequate number of employees.

DISCUSSION

Overview:

The Building and Safety Department ("The Department") deals with issuing permits and code enforcement for all structures in the City. It has two sources of funding:

- The Enterprise Fund – comprised of fees collected for services related to issuance of building permits
- The General Fund – pays for code enforcement services and collects imposed fines and penalties.

Issues:

The current real estate market along with the new initiatives to create affordable housing and permanent supportive housing have all proven lucrative for the Department. Revenue is projected to increase 8% this fiscal year.

The Department's General Fund budget for code enforcement services funds the investigative and code violation complaints. Revenue for fiscal year 2017-18 is projected to exceed $4,800,000. While revenue has continually increased over the past ten years, a hindrance was an inspector staffing shortage which has been mitigated by funding for 14 new positions each in Fiscal Years 2014-15 and 2015-16 and 21 re-hires of experienced retired inspectors for 120-day contracts. Both staffing measures helped to reduce the backlog and response time to code violation complaints from 20 to 10 business days in most cases.

The Department is focusing on development and improvement of customer service, both in person and over the phone, to provide information and expedite Department services delivery, and to timely mitigate issues, and encourage and allow for economic development in the City of Los Angeles.

Forty percent of the Department's staff will be eligible for retirement in the next several years. The Department has taken steps toward dealing with the prospect of retiring staff by re-hiring experienced retired staff on 120-day contracts per year, which help in training and developing newer hired staff and other "as needed" staff. An inspector requires at least two years training and work experience to be proficient in his/her position. Summer youth programs and trade school student internship training programs are viable ways to provide experience toward employment in the Department.

CONCLUSION

The primary focus of the Department should be on finding the next generation of inspectors to carry the torch of this incredibly important department. Los Angeles is undergoing development at an incredible rate, and if the Department can leverage the knowledge of the legacy employees before they retire, the new hires' training will be unparalleled with the wisdom and on-the-job insight the current inspectors could pass down.

Budget Advocates Department of Building and Safety Committee members: Howard Katchen, Valaida Gory, Eleanor Smith, Carol Derby-David.

DEPARTMENT OF CANNABIS REGULATION

Dates of Meetings: November 3, 2017, & November 21, 2017, February 20, 2018
ATTENDEES:
Budget Advocates: Brigette Kidd, James Hornik, John DiGregorio, Agnes Copeland, Diedra Greenaway
Department of Cannabis Regulation (DCR): Cat Packer, Executive Director

RECOMMENDATIONS

- Fund 15 additional staff to process cannabis applications, enforce penalties, and monitor the social equity component
- Set up a special fund within the General Fund to track the fees and fines collected by this Department
- Allocate Excess Cannabis Revenues (see below) back into communities where cannabis businesses are in operation
- Allocate a portion of the Excess Cannabis Revenues to Neighborhood Councils where cannabis businesses are located, to be used for neighborhood specific problems
- Set up a system for Neighborhood Councils to file official complaints against cannabis businesses that are in violation
- Create and manage an interactive website to monitor retailer activity and compliance, including taxes paid, and to help potential retailers locate viable locations and connect with the appropriate Neighborhood Councils
- Fund a committee with law enforcement, cannabis regulation and community members to establish and recommend cannabis regulations and applications, taking into account the need to prevent racial profiling while still enforcing the law
- Fund a transparent training program for license owners, with a contact person designated to clarify training and to track training of employees
- Monitory the social equity program to ensure these applicants adhere to all requirements and that all applicants are treated equitably

DISCUSSION

Overview:

The Los Angeles Department of Cannabis Regulation develops rules and regulations to implement local and state law pertaining to cannabis use, administers the application, licensing, renewal, and revocation processes for cannabis businesses, and coordinates with other City departments to ensure timely completion of inspections, audits, and associated functions.

For fiscal year 2017-2018, the Department received approximately $789,796.00 in funding from the City's General Fund. In order to hit the targeted revenue projections for next fiscal year and maximize the Department’s potential, additional staff is needed to process applications and enforce compliance. At minimum an additional 15 people should be hired to created procedures, process applications and provide coordination between Fire, LAPD, City Attorney and Building and Safety, among other Departments.

The Department is expected to bring in more than $6 million in 2018, with 200 applications.

Issues:

The Department is new, and the biggest challenge it faces is having to adjust the policies and rules after January 1, 2018 to be efficient and meet the needs of the community and the businesses. Every city is different, and some state laws may be too loose for Los Angeles.

The main points of our discussion with the Department were policy creation, enforcement and revenue tracking. The Department should be transparent as to how fees, licenses and permits are tracked. Two special funds, Cannabis Fees and Fines and Excess Cannabis Revenue to be collected with a 5% redistribution to Neighborhood Councils, should be established by January 2019. Cannabis taxes will be tracked in the General Fund and should be transparent in collections and redistribution line items.

The H.E.R.E program was mentioned as a way to address a component of the Community Benefits and Redevelopment Fund's concerns of quality of life and safety. H.E.R.E. stands for:

- Health (treatment centers, mental health programs, and other drug facilities);
- Education (facts about cannabis and its effects);
- Regulation (compliance, applications, social equity, Neighborhood Councils); and Enforcement (Police, Building & Safety, DWP, and other agencies to help legal dispensaries and remove illegal ones).

CONCLUSION

To the extent allowed by state law, the Department should continue to remove any obstacles that prevent the Department from issuing licenses to social equity applicants and non-social-equity applicants. The Department should quickly adapt the H.E.R.E program and add to it the following;

"Neighborhood Councils that host cannabis operations within their boundaries will receive a 5% percentage of the Excessive Cannabis Revenue (after Department costs are covered) in August of every year, to use the funds for community improvement purposes."

Lastly, there should be a clear and transparent tracking of fees, fines, permits and the legal cannabis operations for Los Angeles.

Budget Advocates Department of Cannabis Regulation Committee Members: Brigette Kidd, James Hornik, John DiGregorio, Agnes Copeland, Estuardo Ruano, Joanne Yvanek-Garb

OFFICE OF THE CITY ADMINISTRATIVE OFFICER (CAO)

Date of meeting: February 28, 2018

Budget Advocates: Jon Liberman, Brian Allen, Barbara Ringuette, and Joanne Yvanek-Garb

CAO Personnel: Patricia Huber, Assistant City Administrative Officer and Executive Officer; Ben Ceja, Assistant City Administrative Officer; and Jacob Wexler, Finance and Revenue

RECOMMENDATIONS

- Continue researching and studying innovations for City Departments.
- Expand the use of performance metrics to assess and improve response time for City Services.
- Contract out cybersecurity systems while evaluating alternatives for updating technology city-wide.
- Make City operations transparent to all residents of the City online.
- Evaluate budget requests to determine whether a current investment would ultimately be more cost effective than deferring the item.
- Allow two or three Budget Advocates to work with the CAO staff next year throughout the entire budget process.
- Advocate for a linkage fee to assure a permanent source of funding to be used only for affordable housing.
- Make certain the Department of Housing and Community Investment (HCID) can monitor affordable units built.
- Conduct expansive outreach and education in communities before advancing homeless housing projects.
- Expedite additional permanent housing, storage facilities and services for the homeless population

DISCUSSION

Overview:

The CAO is the financial advisor to the Mayor and City Council, and is the only appointed City officer to report to both of them. The CAO assists the Mayor and Council in the preparation of the City budget, plans and directs the administration of the budget, and directs the development of work programs and standards. The CAO represents the City in negotiating all labor contracts, and in addition provides financial services to the City, including revenue estimating and long term financial planning, debt issuance and administration, and risk management services. According to the CAO's website, the mission of the CAO "is to provide sound advice and recommendations to the Mayor and Council on the fiscal condition, financial status, and future needs of the City, and to promote productivity, economy and efficiency in the conduct of City government . . ."

The Office's unique and important roles require them to be both analytical and proactive – they must both analyze what is and recommend what should be. This occasionally places them in the

position of having to choose between what is best for their departmental efficiency on the one hand, and setting an example for other departments by fiscal restraint on the other hand.

Issues:

Staffing - In order to be ahead of budget, the Office is carrying some vacancies, allowing a gap in salaries. Quite a few employees have left the office, and many are eligible to retire. In addition, the Office faces a unique problem in that their employees are high priority for recruitment in filling promotional opportunities in other city departments.

Grants -The Office expects to ask for additional staff to identify new grant opportunities for all Departments. The Office must weigh the return on investment against any burden on the General Fund. Grants fund opportunities to study and evaluate innovative solutions to various challenges the City faces. The City should take maximum advantage of funding to look at the various challenges facing the multiple City departments. Expertise in researching and writing grants is essential to utilizing this additional funding resource.

Fees - CAO staff make sure fees charged by City Departments appropriately cover costs. They push Departments to institute fees where appropriate and to conduct fee studies every year to assure fees are updated to cover increased costs and to avoid sharp increases in any one year. Decisions are made where the City does not cover every cost. For example, swimming pool fees do not entirely cover the cost to the Department of Recreation and Parks.

Performance Management - The CAO works closely with the Mayor on issues of performance management. They are looking for outcomes, trying to refine current benchmarks while coming up with a benchmark for every big program in the City. Budget Advocates reported frustration with several City services and suggested that some metrics should be at a service level, e.g. number of days to (1) approve a Preferential Parking District, (2) tow an abandoned vehicle, etc. Questions such as the efficiency of 700 parking enforcement officers would be reviewed by the Controller's office.

Reviewing Department Budget Requests - The CAO reviews budget requests from the City Departments, first asking the question, "What are you doing with the staff you currently have?" It is the responsibility of department management to look at personnel inefficiencies. At the end of the budget cycle, unspent Department funds will be taken away. However, a Department can encumber funds if it legally incurred the cost in the prior year. Any unspent funds over two years are automatically swept into the General Fund unless the Department provides a specific request.

Budget Advocates raised the issue of looking at budget requests in terms of whether a current investment would ultimately be more cost effective than deferring the item. Examples raised were the Police Station in San Pedro that was completed but left unused for a significant period due to LAPD not having funding to staff the station. Another example was Recreation and Parks having a shortage of gardening staff. Would it be more cost effective to pay now for more gardening staff rather than have to pay more in

future budget cycles to replace trees and plants that died due to a lack of adequate maintenance?

Information Technology - The City must find a balance between contracting out to the cloud and doubling down on updates of present technology. There is no possibility of doing cutting edge technology; the City always is going to be behind the cutting edge. The larger risk to the City is loss of data. Cybersecurity systems change very rapidly, which is why Budget Advocates recommend contracting out for these systems. With an increasing structural deficit, economies achieved through technology and innovation will allow projected revenue streams to be more fully utilized in providing basic and expanded services for the City.

Linkage Fee Study - In the early 2000's a linkage fee was in process when the economy collapsed. Fees would go to the Affordable Housing Trust Fund (AHTF) or a similar special fund. HCID underwrites affordable housing, currently about 800 units a year. For every dollar in the AHTF about three dollars are leveraged. Most of AHTF funds are federal funds. Housing must remain affordable for 55 years. HCID is responsible for monitoring that affordable units go to those who are income eligible.

Budget Advocates expressed concerns that (1) apartment managers managing buildings that have covenants to provide affordable housing erroneously say they do not offer low income housing and (2) density bonus projects detrimentally impact neighborhoods for seemingly nothing in return.

Homeless Housing - Unused city properties have been put out for bid. The CAO is talking with Councilmembers regarding logistics on these city-owned properties. One difficulty is that owners will not lease their private properties for homeless housing. The Budget Advocates suggest there be no surprises at the last moment - that outreach and education prepare the community to lessen pushback once specific housing projects for the homeless are made public.

There can be no enforcement action to remove tents or excess property from public spaces under Municipal Code 56.11 until there is locally available storage for the belongings of the homeless. It will be the CAO who will make the determination as to when 56.11 can be enforced. A pilot program is proposed in San Pedro but there has been criticism over the cost.

The City had been restricted from enforcing removal of tents from the sidewalk until 100,000 units had been built; that number has been met. A lot of pressure comes from the federal level. The federal Dept. of Justice looks at how cities enforce laws and whether there is a civil rights issue. The question is whether the cities have laws criminalizing being homeless.

The U.S. Department of Housing and Urban Development (HUD) has determined that outcomes are not good for temporary shelters. Yet at the same time HUD is not providing enough money to create permanent housing. This year's City budget for the homeless is mostly one-time money. Next year's budget will include funds under Measure HHH. The CAO is working with HCID and LAHSA (Los Angeles Homeless Services Authority).

CONCLUSION

Getting to a more sustainable budget is one of the CAO's foundational goals. Budget Advocates can assist the CAO by providing their White Paper early so there is ample time to address recommendations. The CAO is very busy in February and early March into April. Also, Budget Advocates can help by providing comments and advice regarding metrics.

The Budget Advocates would appreciate reconsideration of last year's request that the CAO allow two or three Budget Advocates be assigned to work in the CAO's Office throughout the budget process. This early access to the process would provide us with a much greater understanding of the process and would help us perform our function in a more informed manner.

Budget Advocates City Administrative Office committee members:
Jon Liberman, Brian Allen, Barbara Ringuette, and Joanne Yvanek-Garb

OFFICE OF THE CITY ATTORNEY

Date: October 19, 2017
Budget Advocates: Janet Kim, Carol Newman, Michael Menjivar, Ricardo Ramirez
Department Personnel: Leela Ann Kapur, Chief of Staff; and Michiko Reyes, Budget Director

RECOMMENDATIONS

- Expand the training program on risk management with the CAO's office, City departments, the Mayor's office, and LAPD.
- Establish a Liability Task Force to investigate and provide steps to address the City's skyrocketing liability claims.
- Set up accountability procedures to encourage City departments to take significant steps to address liability claims.
- Increase staffing to support the added attorneys.
- Increase funding to proactively solicit grants for program enhancement, especially in the fields of risk mitigation and criminal justice reformation.
- Fund a homeless coordinator position to assist with the rising homeless crisis.
- Fund technology upgrades.

DISCUSSION

Overview:

The City Attorney acts as legal advisor to the City, prosecutes all misdemeanor offenses occurring within the City, and defends the City in civil litigation. In addition, the City Attorney initiates a variety of affirmative litigation, including actions to protect consumers and abate nuisances in Los Angeles' neighborhoods. The Office includes four branches: Municipal Law; Civil Litigation; Proprietary; and Criminal and Special Litigation.

Issues:

This marked at least the third year in a row the BA's have met with Leela Ann Kapur, Chief of Staff, and Michiko Reyes, Budget Director, and appreciate the opportunity to work with them to support the legal goals of the City. In FY2017-2018, the City Attorney's Office was budgeted $132,317,890. For 2 consecutive fiscal years now, liability claims against the City have exceeded $100,000,000 per fiscal year, and show no signs of abatement. While the liability claims expenditures come from the General Fund, the primary focus of the Office should be identifying and testing programs and trainings to dramatically reduce the growing claims against the City.

Successes: The City Attorney's Office has begun working across departments and has a particularly strong working relationship with Councilmember Paul Krekorian to implement greater risk management programs. The Office is similarly succeeding at developing its various funding sources, including obtaining private grants for program enhancements. The Office has seen increases in its budget in recent years to hire additional attorneys, and has similarly been proactive by increasing resources dedicated to the rising homelessness crisis in the City.

Similarly, the Office worked with the Information Technology Agency (ITA) department to procure eDiscovery, a necessary upgrade to the Office's IT.

Challenges: As the City's infrastructure continues crumbling, dramatic increases in liability claim expenditures have resulted for Transportation and the LAPD. Those two Departments make up over half of the total dollar amount in liability claims expenditures for the City. While the Budget Advocates commend the Office's efforts to implement greater risk management across City departments, there appears to be minimal accountability for those departments with skyrocketing liability claims. The risk management programs and strategies being conducted by the Office are necessary, but given the consistent and large settlements approved by City Council, such as a recent $6.5m settlement on September 6, 2017 to a bicyclist who hit a pothole in Sherman Oaks in 2015, greater efforts need to be taken in the immediate near future to reduce the City's liability claims expenditures. To be clear, the claims due to the City's crumbling infrastructure and broken streets surely do not rest on the shoulders of the Department of Transportation, but point to a lack of prioritizing safety for the City's constituents. For example, the City Council in 2016 approved the Sidewalk Repair Policy (CF 14-0163-S3), which lists six areas of priorities for repairing our damaged sidewalks. One suggestion can be to re-prioritize the six areas, as City government facilities are currently the top priority.

While the City has been successful in hiring additional attorneys, there is a shortage of support staff, including paralegals and legal secretaries, necessary for handling the increasing workload of the Office and to support the additional attorneys. Similarly, with the homelessness crisis, the Office has been able to internally identify some resources to address the legal issues surrounding the crisis, but they are underfunded. As the homeless coordinator position was declined in last year's budget process, the BA's recommend funding for this new position. Particularly given the rising conversations concerning the legal issues surrounding homelessness at all Neighborhood Council meetings, including the alliances, there is a lack of understanding of the legal precedents at the local level, and the Office should take greater efforts to provide information and education to the Neighborhood Council members.

Technology remains an ongoing challenge for the City Attorney's Office. The Office only has a few IT staff members, and while the reasons for the disconnection between the City's departments and the City's Information Technology Agency (ITA) need to be better understood, the BA's recommend working with ITA to procure the necessary technology upgrades.

CONCLUSION

The City Attorney's Office has done a tremendous job of responding to the City's rising liability claims caused in large part, but not exclusively, by the City's crumbling infrastructure. While it is not typically in the Office's responsibility to hold departments and elected officials accountable, the BA's do recommend the creation of a Liability Task Force composed of the CAO's office, the Ethics Commission, and the Controller's Office to immediately identify and recommend a plan to the full City Council for expedient adoption. Last year's white paper had a 'Back to Basics' theme, encouraging our elected officials to fulfill on their campaign promises to

the voters. Unfortunately, it appears as though some elected officials have their ambitions set on higher elected offices rather than on solving the growing liability exposure of the City.

Budget Advocates Committee Members For The Office Of The City Attorney:
Carol Newman, Janet Kim, Michael Menjivar, and Ricardo Ramirez

CITY CLERK

Date of Meeting: November 16, 2017
ATTENDEES:
Budget Advocates: Brian Allen, Christopher Perry, Howard Katchen. Budget Representative: Garry Fordyce.
Department: Petty Santos, Leyla Campos, Andrew Choi

RECOMMENDATIONS

- Continue training the Neighborhood Councils on policies and procedures regarding funding their operations.
- Make sure that newly established policies and procedures are efficient and effective.

DISCUSSION

Overview:

The City Clerk serves as the Clerk of the City Council and maintains a record of all Council proceedings; maintains the official City records and archives; administers all City elections; provides fiscal, administrative and personnel services to the Council and Mayor, and provides staff assistance to Council Committees. It promotes and facilitates programs in support of the Mayor and the City Council's economic development initiatives. It administers the City's Business Improvement Districts program. It also provides records retention management services for all City departments. All claims filed against the City must be received and recorded by the City Clerk.

Issues:

The responsibilities of the Office of the City Clerk have been considerably expanded with the addition of the Neighborhood Council funding program. As with all things new there is a period of development and trial. With the changes in both election activity and the NC funding addition, the Office has been very active and pressured.

Redesigning and implementing the procedures and training the Neighborhood Councils' treasurers as well as second signers and board members has been challenging, but rewarding, as such training was never previously provided. The move of funding from DONE to the City Clerk has been a success, but more work must be done regarding policies and procedures with the Neighborhood Councils to implement the proper operation of the funding process within each Council.

It appears that the bulk of the work has been done, and only the support of the funding system and ongoing training will be required in the 2018-2019 fiscal year. That funding is included in the proposed 2018-2019 budget.

To insure enforcement (that policies and procedures are indeed followed), it may be necessary to increase staff to accomplish that goal, as well as how to pay for the cost of enforcement. The

newly established policies and procedures may need to be reviewed as well to determine their effectiveness and efficiency.

CONCLUSION

Overall, the Office has made a major change this year to its operations and will be embarking on additional upgrading in the election area in the next year, which the Budget Advocates support. Additionally, the Office and DONE need to continue to collaborate to ensure they both have provided consistent support and guidance on Neighborhood Council issues that cross over each other's responsibilities.

Budget Advocates City Clerk Committee Members: Brian Allen, Howard Katchen, Eleanor Smith, Christopher Perry.

BUREAU OF CONTRACT ADMINISTRATION (PUBLIC WORKS)

Date of meeting: November 13, 2017
Budget Advocate(s): Kevin J. Davis
Department personnel: John L. Reamer, Director

RECOMMENDATIONS

- Provide increased funding for inspectors due to the expanding workload of wage enforcement.
- Provide additional funding to hire and training additional inspectors needed.
- Further expand the use of "smart" mobile technology to assist inspectors in field work.
- Support the Bureau's work with local educational institutions to expand vocational training opportunities in the Southland both in primary and secondary education levels.

DISCUSSION

Overview:

The two primary services the Bureau provides are inspection and compliance relating to City contracts.

Issues:

The focus for the Bureau this year will be in line with what the Mayor identified in his budget letter to all departments. There is an increased focus on transportation reflected in the Bureau's budget requests. The Bureau's work with Metro will continue to expand on the blossoming lists of regional transportation projects.

The Bureau oversees Metro's projects as utility permits in the public right-of-way. The Bureau's inspectors are onsite to ensure that the work is done safely with the highest quality and to make sure the street is restored once the work is completed.

With the passage of Measure M, the opportunity exists to have larger street projects, and the Bureau will be seeking to ensure that inspections are done. This will also bring on more compliance challenges as this relates to labor compliance and contracting opportunities.

The efforts in the Wage Standards section will remain the same, given the recent changes to the City's minimum wage. The minimum wage for larger companies has already gone up recently. Smaller businesses are now starting to have to comply as well.

The Bureau also needs to ensure compliance with the Fair Wage Hiring Initiative. The City Council recently requested that the Bureau look into the budding cannabis industry regarding the

minimum wage, as well as to ensure an emphasis on local hiring. A request for additional funding to cover these costs will be included in the budget request.

The Bureau anticipates an expansion in the work in the public right-of-way, not just with Metro, but also with DWP, SoCal Gas, and communication firms such as Verizon and AT&T. The Bureau has noted an increase of more than 20 percent in trenching year to year. The Bureau will be requesting additional inspectors to keep up with the increasing workload and make sure that the refilling of the trenches is done properly. This is particularly important because this work can affect the lifespan of the street. One of the inspectors' jobs is to ensure that when the streets are cut into, the trenches are filled in properly.

The inspectors are also tasked with making sure that work is done in a safe work zone. The Bureau is involved with the Mayor's Vison Zero program attempting to reduce pedestrian deaths in the City. The Bureau is working with contractors to ensure that work being done does not present hazards to pedestrians.

To do this, the inspectors make sure that the contractors are adhering to WATCH (Work Area Traffic Control Handbook) standards. This program governs safety standards, including the number of barricades, flashers, early warning devices, etc.

The Bureau will continue to promote efforts to encourage local hiring through contract agreements. When work is done under the direction of the Board of Public Works adhering to certain criteria, the goal is to have 30% of the hourly workers, 50% of the apprentices, and 10% of the "transitional workers" residing within the City. "Transitional workers" can be defined as workers who have employment issues. These workers may be veterans, homeless, or formerly incarcerated, or have other difficulties that may make it difficult to find employment, such as being a single parent, lacking a GED, coming from the foster care system, or lacking an adequate number of apprenticeship hours.

The Bureau is moving forward with a five-year plan to ensure that contractors are adequately utilizing apprentices on publicly funded contracts. Requiring compliance with this standard has been challenging, which may be due to contractors being uninformed or not wanting to have to work with apprentices.

The Bureau is continuing to partner with Los Angeles Trade Tech College (LATTC) to develop an expanded pool of new inspectors. According to Director Reamer, this partnership is working out well.

Two classes of 16 assistant inspectors have recently completed their training. Ten of the 16 have qualified for and passed the inspector exam. The Bureau would like to backfill eight of the openings created by their success.

The Bureau also continues to work with LATTC on a pre-apprenticeship program for private sector contractors. LATTC is currently working with the building and construction trades council to develop a multi-core craft curriculum which will serve as an introduction to building and construction trades for individuals who would like to get into a construction program but do not

know how. Southwest College has also created a similar program. The Bureau is working with private interests to develop similar programs in the Valley and in East Los Angeles to ultimately cover the entire City.

According to Reamer, having an adequate number of trained craft workers is a growing concern in light of the expanding need in the Southern California Region. Upcoming Metro projects and expanded construction at LAX will further diminish the available workforce.

Because of this, the Bureau is supporting efforts to reintroduce vocational training in area middle schools to allow kids to be introduced to some of the construction trades with the goal of moving interested students into an apprenticeship program.

The Bureau continues to work with the City Attorney to eventually allow for the use of "electronic signatures" for many field transactions done by inspectors. A key hurdle remains developing a standardized platform and criteria which will be used by all City departments. The City's recent adoption of FMS (Financial Management System) to handle purchasing by all departments may provide a platform, or at least some guidance, in developing a Citywide electronic signature program. According to Reamer, the question is not if electronic signatures will be allowed, but how. Reamer is optimistic that the platform should begin implementation in FY2019.

All inspectors are currently equipped with iPhones. The challenge is that the screens are small, making reading them difficult. The Bureau is considering ways to purchase and use tablets in the field.

The Bureau is currently doing a lot of hiring especially in the Office of Wage Standards, as the increasing minimum wage puts increased demands on it. This should continue over the next few years as wages rise to $15 an hour. There will also be an increased need for inspectors due to increased transit construction.

The following additional issues were addressed during the meeting:
Wherever applicable, how much of the Department's budget is spent on homelessness and how can they mitigate these costs?
The Bureau's spending on homelessness is dictated by the number of inspections it does on facilities and infrastructure dedicated to alleviating the problem. Inspectors also compel contractors to include the homeless in their targeted hiring. But the Bureau does not provide services directly to the homeless.

How can the City make money? How can the Department make or save money?
Reamer stated that one of the greatest values the Bureau provides to the City in terms of cost savings is ensuring that work is done properly. This helps the City avoid costly re-dos, and projects done correctly tend to last longer.

Also, by ensuring wages are properly paid, the Bureau helps the City revenue stream through payroll taxes.

What are the barriers to providing exemplary service?
Factored into the Bureau's budget is the increased pressure to replace workers due to retirement. Recently, as many as 47% of the Bureau's workforce was eligible for retirement. The chief challenge in this area is getting new employees in and trained before the more seasoned workers retire. This "passing of the baton" needs to be done without having an adverse effect on service delivery. Reamer stated that it normally takes about 5 years to become a "confident" inspector. This is due to the wide range of inspection types and great variety of locations that need to be handled by the Bureau.

CONCLUSION
New inspectors should be hired as quickly as possible to provide new sets of eyes for these upcoming challenges.

Budget Advocates Contract Administration Committee Member: Kevin Davis

DEPARTMENT ON DISABILITY

Dates of Meetings: December 21, 2017 and February 10, 2018
ATTENDEES:
Budget Advocate: Patrick Seamans
Department Personnel: Stephen Simon, Executive Director, and Geoffrey Straniere, ADA Coordinator/ Senior Project Coordinator [February 10, 2018 meeting only].

RECOMMENDATIONS

- Adopt the DOD's FY 2018-2019 proposed budget as is.
- Update and expand the Citywide 2000 ADA Self Evaluation and Transition Plan.
- Fund an efficiency software package to improve client, data, and risk management, to provide more accurate metrics and to pay contract services on time as stipulated by State law.
- Fund and update the mandated Title II[1] training for all City departments.
- Continue funding for HIV and AIDS programs which are housed at the DOD.
- Hire a full-time in-house Certified Access Specialist [CASp] to manage a pool of contract technical experts (CASps).
- Continue and expand the Title III[2] program helping small businesses become accessible using low cost ADA consulting and tax incentives.
- Create an app that provides crowd sourced information rating the accessibility of Title II and Title III venues throughout Los Angeles.

DISCUSSION

Overview:

The DOD serves an estimated 21 % of the City's population with a current staff of 22 persons. Its total budget allocates 56% to salaries and about 37% to contractual services for the provision of auxiliary aids and services and AIDS prevention contracts. The DOD has three divisions: Community Outreach, Referrals and Education; AIDS Coordinator's Office; and Disability Accessibility and Services. The DOD needs internal organizational restructuring for better efficiency and results.

Issues:

"The ADA and Section 504 require the City to perform a self-evaluation survey and develop a compliance plan (called a transition plan), identifying those programs, services and activities that need to be brought into compliance with federal disability laws. The City's last transition plan

[1] Title II of the Americans with Disabilities Act applies to state and local governments, and protects qualified individuals with disabilities from discrimination on the basis of disability in services, programs, and activities provided by state and local government entities.

[2] Title III of the Americans with Disabilities Act prohibits discrimination on the basis of disability in the activities of places of public accommodations, and requires newly constructed or altered places of public accommodation, as well as commercial facilities, to comply with ADA standards.

was finalized in 2000. Since then, City facilities have been remodeled and departments have been reorganized. In addition, the ADA has been amended and new regulatory requirements have been put in place. A new transition plan is needed." Mayor Villaraigosa's Executive Directive No. 26 issue date: December 21, 2012. The new transition plan will be made possible with funding for contract services provided by CASps.

The DOD's priorities, as outlined in DOD's proposed budget, are:

1) A Title III program to help small businesses get low cost compliance expertise: Request for case and project management (cpm) software.
2) Sidewalk Access Request Program: Request for cpm software and CASps.
3) Transition Plan: Request for a CASp service pool.
4) Great Streets: Develop and implement the accessibility review process.
5) ADA and Digital Compliance: Renew CommonLook software licenses and fund remediation services.
6) Video remote interpreting (VRI): Install VRI at over 200 public counters. (The Department of Neighborhood Empowerment now has VRI at its public counter). Arrange that VRI be installed at a Neighborhood Council meeting upon requested.
7) Comprehensive Homeless Strategy: Continue to provide ADA training and technical assistance to LAHSA.

CONCLUSION

The DOD's role is Federally-mandated to ensure accessibility in all City services, programs and facilities as well as in Citywide infrastructure. It is time for the City to reduce the costs of non-compliance. Our recommendation is to set the DOD up to ensure higher quality City services as well as to reduce accessibility-related risk for all City services, programs and facilities. The DOD has done, and is doing, as well as it can so far in staff and resources to make the City of Los Angeles the Most Accessible Big City in America.

Budget Advocates Department of Disability Committee Member: Patrick Seamans

ECONOMIC AND WORKFORCE DEVELOPMENT

Date of meeting: January 30, 2018
ATTENDEES:
Budget Advocate: Diedra Greenaway
Department Personnel: Jan Perry, General Manager

RECOMMENDATIONS

- Continue training and certification programs geared towards industries with high hire rates and high job opening rates.
- Continue developing partnerships with public and private sector industries, and expand outreach efforts in order to increase funding.
- Continue to increase work placement in both the public and private sectors for youth and adults year round.

DISCUSSION

Overview:

The Economic and Workforce Development Department (EWDD) supports the ongoing economic vitality of the City of Los Angeles and provides citywide leadership for workforce development, business attraction and retention, neighborhood commercial revitalization, international business, and development planning.

The Department offers programs that strengthen the City's many diverse neighborhoods and commercial corridors, creating a business climate where companies can grow and prosper by providing one point of contact for a variety of essential City programs and services.

Issues:

This Department receives 85% of its funding from grants provided by two federal agencies, the Department of Labor and the Department of Housing and Urban Development. The rest of its funding is from the City's General Fund. EWDD provides a broad range of programs offering assistance in the areas of business support, employment and youth development. The Department has three service divisions:

(1) Economic Development Division: Offering over $600 million in direct and indirect financing and technical assistance programs that promote business growth and job creation.
(2) Workforce Development Division: Working in cooperation with the Workforce Investment Board (WIB), oversees employment services offered through Work Source and Youth Source Centers.
(3) Youth Source, Hire LA's Youth, and summer youth employment program: The young adult programs work to promote youth achievement by engaging families and community partners in creating opportunities for teenagers and young adults to reach their educational, employment, and personal development goals.

The Department offers a financing program for small businesses and has partnered with the U.S. Small Business Administration (SBA) and the Federal Deposit Insurance Corporation (FDIC) to ensure that new business owners are educated in their pursuit towards entrepreneurship. Business owners must satisfy the following eligibility criteria:

- Annual revenue not to exceed $10 million
- Create one permanent full-time equivalent job for every $35,000 in financial assistance received
- Of the total jobs created, 51% must be fulfilled or made available to low and moderate-income people

The general financing terms are:

- Loan Amount: $50,000 - $500,000
- Term/Amortization: 3-10 years
- Minimum Owner Equity: 10%
- Rate: 2.5% + 10 Year US Treasury Note Rate
- Collateral and/or guaranty required
- $250 Non-refundable Application Fee
- 2.6% Loan Fee - can be financed through the loan

Development incentives and programs offered through EWDD are as follows:

- EB-5 Visa Program provides visas to qualified individuals seeking permanent resident status based upon their engagement in new commercial enterprises.
- Restaurant & Hospitality Express Program acts to streamline approvals, provide assistance to restauranteurs, their design and construction teams, and enhance coordination in permitting and regulations.
- Federal Empowerment Zone Business Tax Incentive:
  1. Tax deduction for state and local general sales taxes
  2. Tax credits for research expenditures
  3. Work Opportunity Tax Credits (WOTC allows for a credit for the hiring of qualified long term unemployed)
  4. Increased expense allowance for business assets, computer software and qualified real property
  5. Bonus depreciation allowance
  6. Tax incentives for investment in empowerment zones

- Green Business incentive: dedicated to promoting the clean technology sector through innovations like the LA Cleantech Business Incubator and PortTech, a non-profit center dedicated to creating sustainable businesses for ports and the goods movement industry.

CONCLUSION

The strength of the program stems from the continued support of industries and organizations that see the value in economic development in the City. Moreover, EWDD helps to serve regional economic workforce employment needs. The EWDD programs have also played a valuable role in the Los Angeles Community Colleges Chancellor's Office Workforce and Economic Development Division's framework for doing what matters for jobs and the economy. These efforts address the structural skills mismatch facing the Los Angeles workforce.

Through the effort to inform local decision makers, these programs address the needs of regional economies, and focuses on competitive and emerging industry sectors. Through these combined efforts, the EWDD programs embraces the challenge to develop, sustain, and advance the economic growth and global competitiveness in the future of the City of Los Angeles.

Budget Advocates Economic and Workforce Development Committee Member: Diedra Greenaway

EMERGENCY MANAGEMENT DEPARTMENT

Date of Meeting: October 12, 2017
ATTENDEES:
Emergency Management Department: Aram Sahakian, General Manager; Carol Parks, Community Preparedness and Engagement Division Chief
Budget Advocates: Jacqueline Le Kennedy, Barbara Ringuette, and James Hornik

RECOMMENDATIONS

- Enhance long range preparedness efforts to be ready for additional fires, cyber threats, terrorist attacks, earthquakes, and tsunamis.
    - Prioritize the enhancement of the City's supply chain resiliency in the following sectors: grocery, fuel, transportation, water and medical supplies
    - Coordinate with on-call contractors such as UPS, Airbnb, Verizon, etc. to formalize their partnership and participation in the City's business operations center
- Fund four additional Emergency Management Coordinators for community preparedness.
- Fund two intern positions for Master's level students.
- Purchase an SUV marked as an Emergency Management Department vehicle and equip it with supplies to operate in the field for 3-4 days.
- Install new exterior security gates at the Emergency Operation Center.
- Upgrade HAMM radios.
- Provide funding for overtime and flex time for staff to attend meetings with Neighborhood Councils and other community groups working together to heighten community preparedness.

DISCUSSION

Overview:

The Emergency Management Department is the "middleman" coordinating emergency help among 4 disaster management bureaus. The Department needs significant investment in capital spending to address major deficiencies in vehicles, equipment, training materials, medical supplies, resources and a lack of coordination with the private sector. The command center itself needs upgrades, and major academic institutions can help to keep EMD's security preparedness at the cutting edge.

Presently the EMD has the smallest staff and budget for its size in the nation at 23 people. Its budget is only $2.7 million. Creating internship positions within the Department will increase its effectiveness and continuity over the years.

Cyber security, domestic terrorist threats, active shooters, nuclear threats, flooding, earthquakes, ground liquefaction and fires are all growing concerns that need to be addressed by the EMD.

Without these staff and logistical upgrades, the EMD will not be able to safeguard the City in the event of a major emergency or disaster.

Staffing Comparisons with other Major Cities:

City	Population	City Sq. Miles	Full Time Staff per Million Residents**
Washington D.C.***	672,228	61.4	80
San Francisco	864,816	46.7	25
Philadelphia	1,567,442	134.1	19
Los Angeles	**3,971,883**	**469.1**	**6**
New York	8,550,405	303.3	28

*US Census Bureau 2015 population estimates
**Rounded to the nearest whole number
***Washington D.C. figures are from 2015 only

Issues:

The devastating disasters across the nation have raised serious concerns for our City's ability to prepare and protect our communities in the event of an emergency. At the heart of these concerns lies the lack of a published plan for shelters/housing and logistical constraints for emergency responders. To address this, coordination and funding among the EMD, DONE, LAPD and LAFD must be streamlined in order to improve disaster response times and capabilities. The responses to the recent La Tuna Canyon, Creek and Skirball fires illustrated the strain put on each department due to insufficient overtime budget and technology constrictions. The City is simply not prepared to handle a major disaster with the current level of funding and infrastructure available to the Department.

In the past, EMD was a division of the CAO and would receive $600,000 from FEMA, but that has been cut as of late. EMD pays $250,000 for NIXLE, but LAPD and LAFD share in the use of the system. Those other departments should share the cost. Furthermore, all departments should share in the cost of emergency preparedness.

For the last 8 years, salaries for up to 8 Emergency Management Coordinators were funded by grants, but now only 6 are being so funded. The Department cannot now afford overtime pay and desperately needs more staff for its Operations Center. The present staff of 23 cannot keep up with the demands. Without hiring more full-time staff, an estimated $28,000 is needed just to pay for necessary overtime.

The Department of Neighborhood Empowerment offered part of its own budget in order to help EMD hire 4 full-time field representatives to work with all of the neighborhood councils and prepare their emergency preparedness plans. However, the mayor's budget review committee rejected this request.

In order to assist our communities in preparing their emergency plans, at a minimum, 2 Emergency Management Coordinators should be assigned to each of the four Disaster Management Bureaus.

Emergency vehicles that are well-equipped and dedicated to the EMD have been requested. During the recent fires, the traffic congestion delayed emergency responders from reaching important flashpoints, because civilian vehicles were being used which could not easily bypass the congestion on the roads during the emergency evacuation. Other commuters fail to yield to the EMD staff when unmarked vehicles are used. The estimated cost for well-equipped and marked emergency vehicles is approximately $56,000 per vehicle. Routes or transportation corridors for emergency responders also need to be better planned out in order to ensure that EMD responders can quickly reach impacted communities. Hoping traffic will allow lives to be saved is unacceptable.

The Operations Center is also in need of repair. Some of the needed improvements include exterior paint and new security gates which have been estimated at $40,000. The entire department is staffed with only 4 amateur radios that are about 20 years old for the entire city. The amount needed to upgrade these HAMM radio units is $12,000.00. The LAFD Auxiliary Communications Service has already had issues with this outdated equipment.

Cyber security measures are seriously deficient. More than 500 cyber attacks per day have been documented in the city. This area of security is not addressed well enough, not just for the City of LA, but also on a national level. This is why it is important to reach out to major academic institutions in order to keep up with the growing volume of cyber threats. Only by networking with cutting-edge institutions can the EMD keep up with the latest hackers and digital threats. Systemic network attacks are a growing danger that will need constant vigilance and countermeasures. By keeping up to date with the latest technology, training and tactics, the risks can be minimized or mitigated to more acceptable levels.

To meet active shooter threats, EMD has written a proposal to the Department of Homeland Security for a grant of $125,000. Community outreach for intelligence warnings or criminal recovery should also be further explored. Peculiar, threatening or dangerous preparations for criminal actions could have a channel for documentation.

Better preparations for persons displaced in emergencies must also be made. At present, the Red Cross only has sufficient shelters for 20,000 people, while up to 350,000 could be displaced in a major emergency, such as an earthquake.

EMD should try to leverage online social networking platforms in order to share emergency disaster notifications and also to gather important intelligence that could prevent, mitigate or lesson terrorist attacks/threats. This kind of modern community outreach could also hasten the recovery of criminals/terrorists. Working with major government agencies and the community via established digitally virtual online platforms can also improve the pace of mass evacuations, help to quickly inform the public and hence lesson major disasters.

CONCLUSION

Coordinating all of these actions with the diverse agencies, private sector big businesses and the public will be a daunting task that requires the proper funding, equipment, training, outreach, planning and redistribution networks proportional to the size of the community. Spending money on preparedness is much more efficient than spending it on recovery. For every dollar spent on preparedness, $15 could be saved on recovery. Southern California is overdue for a major earthquake. The EMD is vastly underfunded and understaffed for a City of this size and breadth.

Budget Advocates Emergency Management Department Committee Members: Jacqueline Le Kennedy, Eleanor Smith, James Hornik

BUREAU OF ENGINEERING (PUBLIC WORKS)

Date of Meeting: November 21, 2017
Budget Advocates: Barbara Ringuette and Brian Allen; Connie Acosta, Budget Representative
Bureau of Engineering: Gary Lee Moore, City Engineer (for the introductory 15 minutes); Ted Allen, Deputy City Engineer; Mary Nemick, Director of Communications; and Robert Kadomatsu, Chief Management Analyst.

RECOMMENDATIONS

- Provide additional staff per BOE's Fiscal Year 2018-19 Proposed Budget to manage the large increase in requests for BOE services.
- Create a comprehensive recruiting, training and employee retention program as planned to assure adequate skilled engineers and institutional knowledge is passed on to future staff.
- Consider training Neighborhood Council or community volunteers rather than paid staff to conduct surveys under the Mobility (MOB) Program on the City's Street Improvement Program capital projects, if feasible (and if it does not violate any employment laws, insurance contracts, or union contracts).

DISCUSSION

Overview:

The mission of the Bureau of Engineering (BOE) is to deliver municipal capital projects, approve permits for work within the public right of way – streets and sidewalks, and to be one of the City's primary map keepers including old bridge plans. Annually the Bureau delivers on wastewater, recreation & parks facilities, and storm water systems. Also, the Bureau conducts real estate and environmental assessments in support of the City's capital projects.

Issues:

Staffing:
Of the 818 positions in the Bureau, 676 are regular authority and 142 are resolution authority. Managers decide whether projects can be completed in house or if consultants are needed for specific expertise. In addition, outside staff may augment Bureau staff to help deliver projects. Interns work part-time allowing them to experience the scope of the Department's projects. Employees work only a limited amount of overtime since salaried employees are the first to attend evening or weekend meetings and events.

Recruitment barely keeps up with the need for staff. Recruiters attend career fairs at local universities and recently have been reaching out further to find applicants meeting the Bureau's high standards. Supervisors provide job specific training in addition to in-house training on AutoCAD, and those trainings as mandated by the City. Each year 24 staff are selected to train on the role of project manager – construction, design, and financing.

Every year varies with some divisions requiring more staff and some requiring fewer staff. This year a lot of divisions are trending up.

The Bureau's greatest challenge is workforce/succession planning as some 40% of BOE's staff are retirement-eligible. The Bureau will hire a consultant to assist with creating a comprehensive recruiting, training and employee retention program.

Project Funding:
City Departments purchase services from BOE. Departments ask for BOE assistance and often must reimburse the Bureau for expenses. Sometimes the funding the Department expects is not yet in place at the time that positions are budgeted. In those cases, the Bureau requests authorized but unfunded positions in their budget. When the project moves forward, the requesting Department transfers the funds to BOE via an Interdepartmental Order (IDO). Midyear adjustments and budget changes are reflected in the CAO's quarterly Financial Status Reports (FSRs) and also in Construction Projects Reports (CPRs).

The requesting Departments are the owners, the operators of their projects, and they do the planning and find the money to fund the projects. For example, the Bureau of Sanitation is the operator of the sewer system. It is the requesting department that applies for any grants.

More than half of the BOE works in wastewater, the Clean Water Infrastructure Program (CWI). The General Fund fronts the money for staff salaries. DWP collects sewer charges which are deposited in the Sewer Construction and Maintenance Fund which is used to repay the General Fund salary expenditures.

Homelessness:
The Mayor asked BOE to help manage eight projects for which BOE received two staff positions. The City may buy property or retrofit an existing municipal building. BOE has a real estate, environmental, and structural division which can provide cost estimates, timelines, and site assessments as a service to the Mayor, the CAO, and the Departments. Under HHH funding, the City's role will expand. BOE requested two positions and now has one dedicated position to work with new homeless housing projects.

Streets:
For the first time this year and next, the City will see a lot more money from Measure M funds and an increase in state gasoline taxes to go toward replacing and repaving failed streets. Dollar for dollar funds for street repair go further when streets are coated with an asphalt overlay or a slurry seal. 3, 4, or 5 good streets can be kept in good condition for the cost of repaving one failed street. Accordingly, failed streets have not been addressed for many years but soon will be.

BOE will conduct surveys under the Mobility (MOB) Program on the City's Street Improvement Program capital projects. If there is the need for feet on the ground, the BOE could train volunteers from Neighborhood Councils, those who are already familiar with our neighborhoods. This would reduce the need for paid staff to do the survey work.

Sidewalks:
BOE is looking into using alternate, recyclable materials that would adjust to tree movements. A settlement agreement requires that a minimum of 20% of funds for sidewalks be spent on access requests, yet this year almost all expenditures on sidewalks addressed access requests. A policy decision is needed to determine the percentage of funding going toward access requests in the future.

Emergency Preparedness:
In the event of a disaster in downtown LA, BOE would utilize alternate work locations in the Valley or in Playa del Rey with the Environmental Engineering Division. If there is a long-term displacement, another space would be needed.

Following a disaster, the Federal Emergency Management Agency (FEMA) and the Federal Highway Administration (FHWA) have funded infrastructure in the past including rebuilding a lot of sewers and partially collapsed hillside streets. California Governor's Office of Emergency Services (Cal OES) coordinates these matters with the federal departments.

Budget Requests for 2018-2019:
Most requests are fine tuning capital programs. Five new positions would address additional workload in the Above Ground Facility (AGF) program for an industry-wide transition from 4G to 5G wireless initiated by utilities and communication companies. These BOE positions are fully off-set by revenues and would be filled only if the carriers move forward.

Engineering design, construction and project management services are in high demand. Projects by the Street Improvement Program and communication companies are expected to increase threefold in 2018-2019 and will require additional staff. Seven positions are requested for the Active Transportation Program and other special funded street infrastructure projects. Six positions would support street infrastructure improvements funded by the Cap and Trade Affordable Housing and Sustainable Communities grant. Two positions would meet Metro's accelerated schedules for Measure M projects. Four positions would provide dedicated survey services to the Mobility (MOB) Program.

Emergency sewer repair projects have doubled in the last two years. BOE requests an additional 10 positions for Sewer Repair and Rehabilitation, two positions for Wastewater Treatment Plants, and two positions to deliver Clean Water Campus facilities.

In the Public Buildings and Open Spaces (PBOS) Program three areas require additional staff. Two positions would provide project management on five Measure HHH funded capital projects to house the homeless. Two positions would work on the $420 million Los Angeles Street Civic Building project. One new position would provide project supervision on the Taylor Yard site that contains significant open space and is a part of the LA River project.

How Neighborhood Councils May Assist:
Neighborhood Councils (NCs) can advocate for infrastructure. NCs can help the public understand those City expenditures that are hard to see – like spending for sewer infrastructure that's necessary to prevent sinkholes. Also, NCs can advocate for projects like treatment plants

that assure a safe water supply and a sustainable environment. The BOE could train Neighborhood Council volunteers to assist in a mobility study or initial sidewalk assessment, thus putting to work those who know their neighborhoods the best.

CONCLUSION

The Bureau of Engineering looks after the infrastructure of the City. It builds bridges, designs and approves projects for City Departments and projects in the public right of way, addresses sewer projects, etc. BOE is reviewing Elon Musk's Boring Company's request to move autos through tunnels beneath the City. The work done by BOE is necessary to keep the City moving. Additional projects and at the same time additional revenues for street repair, sidewalks, and housing for the homeless have created an increased demand for BOE services requiring additional staff.

Budget Advocates Bureau of Engineering Committee Members: Barbara Ringuette, Joanne Yvanek-Garb, Brian Allen

ETHICS COMMISSION

Date of meeting: November 15, 2017
ATTENDEES:
Budget Advocates: Michael Menjivar, Carol Newman, Barbara Ringuette, Brian Allen, Joanne Yvanek-Garb, and Janet Kim
Ethics Commission: Heather Holt, Executive Director and David Tristan, Deputy Executive Director

RECOMMENDATIONS

- Fully fund and make permanent the two temporary positions – one for an educator and the second for an additional auditor.
- Enhance the education component for City employees and vendors, sub-contractors, and Neighborhood Councils to prevent ethics violations.
- Ensure funding for a sufficient number of auditors to complete audits and investigations in a timely fashion so that publicized findings and imposed fines serve as a deterrent against further violations.
- Fund $67,000 for an Electronic Filing System (SouthTech).
- Update the lobbying ordinance to make it more comprehensive.

DISCUSSION

Overview:

The Ethics Commission oversees governmental ethics, conflicts of interest, campaign financing, and lobbying in the City. It helps ensure that City decisions are, and are perceived to be, fair and impartial. State and City laws regulate gifts to City officials. Also, the City regulates outside employment or honorariums that are inconsistent, incompatible, or in in conflict with or inimical to the official's City duties or responsibilities. City codes also regulate city employees' political activity.

Issues:

The Ethics Commission would like 40 total positions to do everything the City Charter requires, to work substantively and proactively. Realistically that will not happen. Last year the Commission requested five positions and received two temporary positions, bringing total staff to 27 positions. Eight of the 27 are attorneys. $67,000 for the SouthTech system, necessary to file electronically, was cut from the budget.

The Commission is requesting that the two temporary positions be made permanent with full funding. One is a dedicated educational position and the second, an auditor who audits city campaign committees. Audits are a year and a half behind schedule, which ordinarily should be completed in 45 to 60 days.

Timeliness to provide the public with information on compliance is important. The further from the election being audited we are, the closer we are to the coming election. The Commission

does not want compliance to become an issue in the forthcoming election. Also, the number of committees to be audited is expected to expand from the existing 60 in 2017, which will increase the workload and further delay completion of audits. There is a 4-year statute of limitations on filing complaints.

During the election cycle the Commission does mitigation. It does all the investigations of campaign complaints. Audits are conducted only after all committee reports are filed. The Commission encourages settlements by offering a discount on the maximum penalty. Settlements preserve the resources of the Commission. The discount is reduced if the matter goes to a hearing. No discount applies if the case goes to court.

The Commission is working to have the City update the lobbying ordinance, to make it more comprehensive. The definition of a lobbyist would change from a threshold based on hours to one based on dollars. Tallying hours is very difficult. Subpoenaed records would establish dollars earned. Still to be determined is whether the updated ordinance would include 501(c)(3)'s and reporting requirements.

Donations from developers is a hot issue. Defining a "developer" is very nuanced, very complex. The City Attorney has expressed concern about chipping away at available money to support candidates; it's a constitutional issue – a free speech issue.

Improving enforcement would require City Charter changes. The City Charter mandates confidentiality, and also sets maximum administrative penalties for ethics violations. Settlements are always made public. Penalties go to the City General Fund. In some years the penalties have totaled $500,000. The largest single penalty was $600,000.

The Commission has always stayed within its annual budget. In most years the Commission returns $100,000 to $200,000 back to the General Fund, but the amount has been decreasing. Those funds should be reallocated to fund the electronic filing system, ensuring the Commission's mandate is met.

CONCLUSION

It is imperative that the public and the City community recognize that the Commission must have adequate staff to enforce the codes that regulate ethical behavior and to comply with the Charter. That coupled with an adequate understanding of these codes helps to ensure compliance and ethical behavior. The Commission plays a vital role in the City in trying to reduce violations by deterring offenders in the first place, and it must have the staffing and funding to do that.

Budget Advocates Ethics Committee Members: Michael Menjivar, Liz Amsden, Patrick Seamans, Janet Kim, Carol Newman

OFFICE OF FINANCE

ATTENDEES:
Budget Advocates: Brian Allen
Budget Representative: Garry Fordyce
Office of Finance: Todd Bouey and Wai Yee Lau

RECOMMENDATIONS

- Maximize reinvestment into our core infrastructure.
- Continue to prioritize the transition to online payments for all accounts receivable.
- Develop a plan for collections and investment of revenues generated from cannabis taxes.

DISCUSSION

Overview:

The Office of Finance is charged with collecting roughly $2.5 billion in revenue each fiscal year. That includes taxes, licenses, fees, and permits, which fund many of our City Services. They also are responsible for collecting delinquencies and claims on behalf of other City departments.

Issues:

The most critical need, something that will make a significant impact in stakeholders' quality of life, is increased investment in our capital infrastructure. Capital improvements have been deferred for too long. With the passage of several measures aimed at raising funding specifically for these purposes, it is of critical importance that the reinvestment be the highest priority.

A major concern throughout the City is how the Office of Finance will be collecting and depositing tax revenue from the sales of cannabis now that legalization is upon us. A detailed plan should be prepared as to how the City plans to account for that revenue and how those funds will be deposited and spent.

Additionally, upgrades to IT infrastructure should also be a priority. An online/digital payment option should be available for ALL categories of accounts receivable. This would have a profound effect on the number of people who process payment in a timely manner and thus ease the burden on resources necessary for past due collections.

CONCLUSION

Handling the accounts receivable for a multi-billion-dollar organization requires tremendous attention to detail and incredible efficiency. Streamlining as many procedures as possible will help maintain accuracy and keep costs down.

Budget Advocates Office of Finance Committee Members: Brian Allen, Patrick Seamans, John DiGregorio, Joanne Yvanek-Garb.

LOS ANGELES FIRE DEPARTMENT (LAFD)

Date: November 15, 2017
ATTENDEES:
Fire Department: Chief Deputy Fred Mathis, Chief Management Analyst Mark Davis, Sr., Management Analyst Emilio Rodriguez, and Battalion Chief Nikki Brodowy.
Budget Advocates: Barbara Ringuette, Brian Allen, and Freddy Cupen Ames; Budget Representatives: Tony Michaelis and Garry Fordyce.

RECOMMENDATIONS

- Restore staffing for four Engine Companies with SAFER (Staffing for Adequate Fire and Emergency Response) grant funding.
- Fill the position of Control Officer to assist in the return to work effort for staff on injury leave.
- Ensure that fees cover the full cost of all services provided including:
    - Inspectors assigned to the film industry.
    - Inspectors, enforcement, and support staff covering the cannabis industry.
    - Inspectors and contractors providing brush clearance services.
- Provide funding and staffing for 2 additional Fast Response Vehicles, a successful new program.
- Immediately suspend the DROP program until new regulations are developed, and hold scofflaws accountable.
- Work with DWP and Building and Safety toward solutions for fire prevention and with the Emergency Management Department on Advance Warning Systems (see specific recommendations below).

DISCUSSION

Overview:

The core mission of the LAFD is to preserve life and property which extends to wherever they are needed and have the capability to assist. Over 3700 uniformed fire personnel are directly involved in fire prevention, firefighting, emergency medical care, technical rescue, hazardous materials mitigation, disaster response, public education, and community service. A total of 1018 uniformed firefighters including 70 serving as Firefighter/Paramedics are always on duty at Fire Department facilities and the 106 neighborhood fire stations located in the Department's 471 square-mile jurisdiction.

Staffing Issues and Concerns

Currently 3780 positions are authorized, an increase of 216 or 6% over the past five years. The Department is still catching up from the 2014-15 fiscal year when it was extremely understaffed, and still recovering from a cut of 318 sworn positions. There were no Academy classes for recruits for four years. Finally drill towers were opened and three classes were run. For 2017-18, 6 classes are funded.

At the same time, the number of sworn firefighters who have left the Department has spiked, up from an average of 100 per year to close to 200 this last year. The request for 2018-19 is to fund three Academy classes for a total of 195 recruits.

Constant staffing requires that 970 field spots be filled at 106 fire stations. Every spot on each team must be filled every day. Vacancies must be covered as well as firefighters on education days, sick leave, jury duty, injuries on duty, etc. Overtime is budgeted based on staffing. Most overtime is worked by sworn staff in teams.

Student professional workers attending college work 20 to 30 hours a week. Volunteers play an important role in the Department. Psychology graduate students provide behavioral health services to staff and conduct programs. Explorer and Cadet programs work with community youth.

Risk Management

The Department is continuing to build the Risk Management section. Workers compensation costs and claims continue to rise every year, as well as the costs of medical care. Previously the Department could not track injuries; there's a new system to get data.

The Department has revised its safety manual and is providing additional training in an effort to reduce the number of injuries. More fitness training is provided prior to training in the drill towers. They are developing a fitness program which is especially important with an older population as the body starts to break down.

A new process is in effect to contact workers out on injury leave more than 60 days to assist with their return to work. A Control Officer position has been approved conditionally in the budget but is not currently filled. The Department has a reasonable accommodation process where sworn firefighters can be assigned to positions at Metro Fire Communications (dispatch) or the Fire Prevention Bureau.

Fees

The Department will bring in $190 million in fees this fiscal year, compared to $140 million in 2012-13. Some fees have increased and a couple of fees have been added. Plan checks have spiked with new construction.

Revenues from ambulance transportation have actually gone down slightly. Under Obamacare the deductibles are higher. A large portion of fees collected are paid by Medi-cal and Medicare. Medicare pays $434 of the $1484 transport cost. Private insurance pays most of the $1400+ transport cost. Private pays are very difficult to collect – a lot of people cannot afford to pay, and it's difficult to get an address for some including the homeless. Since 2010 a contractor has done all of the billings. A collection agency follows up and at a certain point an uncollectible bill is written off.

The possibility of charging a fee for non-transports has been discussed. Medi-cal and Medicare do not pay for non-transports. Therefore, the cost of providing services for non-transports is calculated into the total cost to run the Emergency Medical Transport (EMT) services.

Fire inspectors are assigned to TV and film productions, as safety is of the utmost concern. The Mayor and the City aim to promote business, so fees have not covered the full cost of services. A deal has been made between the film industry and the City to bring up fees in tiers to cover the full cost within a year.

Grants

The Department received a SAFER grant intended to restore field staffing for four Engine Companies. In 2017 the award was $25 million plus a $9 million City match. The Federal Emergency Management Agency provided a $14-15 million grant to augment staffing so that four additional engines could be restored. The Department actively pursues grants for assistance to fire fighters and safety equipment. A unit of 3 or 4 people does research, applies for grants, tracks and controls existing grants, and ensures compliance with guidelines.

Cannabis and Fire Code Regulations

The City expects revenue from cannabis business will increase, and an inspection stamp will be required for the cannabis businesses. Additional inspectors will be required to ensure compliance and safe locations. Fees must cover full cost recovery for inspectors, enforcement and support staff.

Supply and Maintenance

This Division oversees the maintenance of 1200-1300 vehicles – inspector cars, fire trucks, hook and ladders, etc. There is turnover in the division. The challenge is keeping these positions occupied. There is a $6 million budget for parts which traditionally has been underfunded.

The budget covering the annual replacement program for ambulances, cars, and fire trucks is $20 million. The Department is asking for $42 million in order to catch up to where it should be after years of forgoing replacements.

Successful New Programs

The Department is continuing and looking to expand two successful new programs:
(1) The Advanced Provider Response Unit (APRU) partners with area hospitals and other agencies. Staffed with firefighter paramedics, APRU responds to medical emergencies, which make up 85% of the department's calls, thus freeing up firefighters to respond to other emergencies.
(2) Currently there are two Fast Response Vehicles working - one on Skid Row and the other in the Valley operating on overtime. The FRV carries all the equipment and medical supplies of a paramedic Mobile Intensive Care Unit and is also equipped with a 300 gallon water tank with pumping capacity. Timing is the most important thing in responding to a call. The Department is asking for two additional FRVs. These programs promote efficiency and are effective ways to continually decrease response times and improve operations.

Drug Overdoses

The number of drug overdoses continues to increase; heroin overdoses are way up. All LAFD units carry Narcan, the antidote to opioid overdoses.

Additional Funding Requests
The Department is requesting funding to modernize the Fire Station Alerting System and Network Staffing system. The dispatch system, which determines resources to be sent out, will be upgraded. Also, additional staff is requested to address ongoing maintenance of mobile and portable communication devices.

MICLA (Municipal Improvement Corporation of Los Angeles) capital requests for fleet replacement are expected to nearly double at $42 million, which include a minimum of emergency operation vehicles to maintain a life cycle replacement plan. Ambulances are the most needed. Also, an additional water-dropping helicopter is requested to meet air support needs.

LA Fire Foundation
The Foundation supports the Department by providing equipment such as a new stove from donations from companies, neighborhoods, and Neighborhood Councils.

Deferred Retirement Option Plan (DROP)
The DROP program was developed in order to keep seasoned veterans from the LAPD and LAFD on staff for up to five more years after announcing their retirements. The program was intended to be revenue neutral, but that may not be the case. A recent investigation by the Los Angeles Times alleged that nearly half of the LAPD and LAFD participants in the DROP program had taken lengthy injury leaves for various alleged ailments while they were in the program, greatly increasing the amounts they were receiving while relieving them from performing any duties. The Times articles suggested that at least some of these leaves were questionable if not fraudulent. Councilmembers have asked for a review on workers' compensation issues and the DROP program in general (Council File: 18-0117). The abuses must be stopped immediately to protect both taxpayer funds and the integrity of DROP program.[3]

Emergencies
In the event of an earthquake, firefighters move trucks outside. They survey and canvas their area to protect lives and property. The Department does drills with the Emergency Management Department to assist with plans.

During 2017, Urban Search and Rescue Teams were sent to assist during wildfires in Northern California and hurricanes. Because one-third of firefighters are on duty any given day or 10 days each month, there is flexibility to provide overtime coverage while resources are away. The Fire Chief is very careful on what is offered up and will not jeopardize the safety of the City.

The La Tuna Fire, 70% of which was located in the City of Los Angeles, put a temporary dent in the City's budget, but the state will reimburse the City for the overtime expense. The City contracts for a super scooper helicopter, costing millions of dollars, during the season from August to December. The City has a fleet of six helicopters, all water dropping.

[3] Links to the Los Angeles Times articles: http://www.latimes.com/local/california/la-me-drop-20180203-htmlstory.html and http://www.latimes.com/local/lanow/la-drop-city-council-20180207-story.html

The Department trains on several types of emergencies: tsunami plans, terrorism in conjunction with LAPD, exercises with DWP.

Neighborhood Councils

Four Deputy Chiefs cover four geographic Bureaus. They and their staff are available to meet with Neighborhood Councils. Neighborhood Councils may invite them to speak on topics such as signing up for the Advance Warning System, brush clearance, preparing for emergencies, etc.

SUMMARY

Chief Mathis sees this as a good time when finally, the LAFD can be funded to run the Department the way it should be run, to replace things they've done without such as office supplies and to restore staffing to where it once was. He feels quite fortunate that the City Council understands how critical LAFD services are to the City and appreciates that Councilmembers are supportive of the Department.

Budget Advocates Fire Department Committee Members: Barbara Ringuette, William Rodriguez Morrison, Liz Amsden, Janet Kim, Brian Allen

DEPARTMENT OF HOUSING AND COMMUNITY INVESTMENT (HCID)

Date of Meeting: October 18, 2017
ATTENDEES:
Housing & Community Investment: Laura Guglielmo, Executive Officer; Luz Santiago, Assistant General Manager, Administration; Sean Spear, Assistant General Manager, Housing Development; and Rosa Benavides, Budget Manager
Budget Advocates: Barbara Ringuette, Janet Kim, and Robert Newman

RECOMMENDATIONS

- Determine how best to increase the supply of housing in Los Angeles to meet the demand for all income levels.
- Restore operational efficiency impacted by further restrictions on federal funding in the CDBG (Community Development Block Grant) program.
- Increase the monitoring fee to fund ample staff who will assure compliance with Density Bonus Covenants.
- Advocate with the state and federal Departments of Housing and Urban Development (HUD) for additional funds and housing vouchers to house homeless residents, other low-income Angelenos, and the mentally ill. Assure that Los Angeles receives a share of funds proportionate to the number of homeless or to total population.
- Maintain parking requirements (available parking spaces per development), but where parking requirements are reduced in affordable housing projects, require mandatory incentives to use public transportation.
- Keep the public up-to-date on housing projects in the works via HCID's website in order to address frustration with the lengthy timeline for housing to be completed.

DISCUSSION

Overview:

The Department is divided into four bureaus:

1) Regulatory Compliance and Code - enforces city codes and regulations.
2) Housing Development - does loans for affordable housing.
3) Administration - provides support functions.
4) Community Services Development - administers consolidated grants (block grants) and services for people.

Funding

The Department operates primarily on grants which are fairly restrictive as to how funds may be spent. Overall reduction in federal funding was about 3%, less than was feared, yet far lower than historic funding levels. The HOME Investment Partnerships Program (HOME), a program of the Housing and Urban Development Department (HUD) was continued, but funding for

administration, the staff to do the work, was cut. As a result, the Department is operating at a deficit and needs an infusion from the General Fund to function. In previous years very little was provided from the General Fund.

There is the possibility of a FUSE Corps Fellow to work on the asset management side. Proposition HHH funds are a new and significant revenue source. In addition, fee studies are being conducted which may result in increased revenue.

Vacancies
Since March 2017 the Department has been under a hiring freeze for its grant funded positions, leaving the Department without staff to effectively administer the grant programs. There are many vacant positions, and its been a struggle staff-wise, an extreme challenge, to operate. They are working on solutions with the CAO and Mayor.

Americans with Disability Act (ADA) Accessibility Settlement Agreement
The settlement agreement has a floor of $20 million but the actual cost might be greater to meet terms of the agreement. The plaintiff alleged units built under contract with HCID were not fully accessible, not consistent with accessibility standards. The City followed City code in the belief it was the most restrictive; however, it is not. The City is required to retrofit the properties.

The Department will conduct a survey of the units in question and then seek agreement with the plaintiffs as to what is needed and must be changed. Some properties cannot be retrofitted, but new accessible units can be counted toward meeting the total required. Going forward, 10% of new properties must be accessible for mobility, and 4% must be accessible for people with hearing and vision disabilities. The Department must determine where to relocate tenants during the construction for retrofitting.

Housing Initiatives/Innovations
Various ideas for Permanent Supportive Housing (PSH) such as hotel/motel conversion, housing built from shipping containers, and tiny/micro home units are encouraged. HCID will continue to require conformity with the City's established policies for affordable housing construction, including wage compliance, relocation, environmental review, fair housing and federal accessibility requirements.

Developers in other communities have planned units as small as 100 and 150 square feet.

Some funding will be available from USC to preserve low income housing. The project would be geared toward permanent housing, not necessarily for students unless they met the requirements.

Measure HHH Projects
HCIDLA released a Measure HHH Call for Projects on December 13, 2017 and a second Call for Projects effective February 5, 2018 to March 5, 2018. Projects must be financially structured using tax-exempt bonds and 4% tax credits. Projects utilizing a 9% tax credit must first be

accepted by the HCIDLA Managed Pipeline. Projects using alternate financing structures may apply and will be reviewed.

HHH projects are reviewed by the HHH Citizens Oversight Committee and the HHH Administrative Oversight Committee before they are presented to the City Council's Homelessness and Poverty Committee, the full City Council and the Mayor's office. The Prop HHH Implementation Calendar for the Permanent Supportive Housing Loan Program anticipates June 15, 2018 for when the CAO Debt Management Group Bond Issuance/Resolution Report and these projects will be approved by the City Council and the Mayor.

Staffing

HCID is looking to fill the position of Associate of the Los Angeles Development Fund (LADF). A 501(c)(3) nonprofit controlled by the City of Los Angeles, the LADF creates jobs and boosts the economy of distressed communities using new market tax credits (NMTCs). The tax credits fund economic developments that improve the quality of life for those living in the City of Los Angeles. The Associate will evaluate and manage the pipeline of NMTC financing opportunities with a focus on long-term project viability and generation of significant community impacts.

Metrics

The Department relies upon numerous metrics to drive internal decisions. They are constantly looking at internal resources to manage their many functions. Metrics are reported on quarterly and provided to the Mayor and his staff.

Enforcement of Density Bonus Covenants

It has taken HCID a long time to catch up with compliance information, to manage the data and to effectively enforce density bonus covenants. It is a lot harder for HCID to monitor one or two units in a building than to monitor an entire building.

Neighborhoods lack confidence that the community receives proportionate benefits from density bonus projects containing a fraction of units reported to be for affordable housing while the impacts of increased FAR (floor area ratio), height, density, parking reductions, etc. are so great. For this reason, 100% supportive housing programs are more acceptable to some neighborhoods.

The Department is working on a fee study to increase monitoring fees, hopefully to full cost recovery of an effective monitoring and enforcement program. It is essential that the monitoring fee is sufficiently robust to fund ample staff who will (1) ensure compliance with density bonus covenants and (2) instill confidence that the community receives benefit of affordable housing in return for increased FAR, height, density, etc.

Bad actors, developers/owners, who do not follow regulations pay a consequence. They cannot get assistance from HCID in the future. They jeopardize future development projects with the city.

Code Enforcement

Los Angeles was first in the country to institute a program of systematic code enforcement of both housing codes and habitability issues. It greatly improved habitability in the City because

property owners know what to expect from Property Inspectors and that the REAP program (Rent Escrow Account Program) of rent escrow accounts could be imposed. Tenants or neighbors call HCID regarding complaints of water, insects, vermin, junk cars parked in the yard, etc. The Department's Inspector works with landlords to correct the situation. Citations on critical matters require urgent follow-up while other citations allow a period of time to correct a specific matter.

Neighborhoods

Neighborhoods need to step up to accommodate their fair share of meeting the need for permanent supportive housing and affordable units. At the same time, individual neighborhoods should not shoulder an outsized burden of supportive housing or of affordable housing.

The Department would like to see "Yes IMBY" rather than NIMBY attitudes from our neighborhoods. They rely on developers to articulate the value of their proposed housing in their communities. Developers seek to involve the community by scheduling tours of facilities and inviting beneficiaries to share their stories.

Many neighborhoods are already experiencing serious parking problems and severe traffic congestion. Some studies show that 50% of traffic congestion is caused by people looking for parking.

Residents of many neighborhoods believe new housing projects built with reduced parking requirements exacerbate parking and traffic congestion. Current city and state codes as well as proposed state legislation require little on-site parking when located near bus lines. Residents believe reducing the requirement for on-site parking is detrimental to their quality of life, and most would request more, not less parking.

Where parking requirements are reduced in density bonus or affordable housing projects, there must be incentives to use public transportation. Location near bus lines alone is not effective in eliminating or reducing the number of automobiles owned nor reducing traffic congestion. We suggest not only that more parking be provided but also that these projects require mandatory incentives to use public transportation such as free bus passes, free shuttle service to Metro stations, zip cars, subsidized shared parking facilities, etc. in order to protect our neighborhoods. We suggest a study to evaluate the effectiveness of such incentives.

Neighborhood Councils can encourage folks to think about how the community can be involved and where affordable housing could be built.

CONCLUSION

Funding from Measure HHH and from the Development Linkage Fee should provide for a great deal more permanent supportive housing units and affordable housing respectively in Los Angeles than ever before. Many in the City are concerned that additional housing takes so long to come on line and would like to see programs such as small living units expedited to provide homes for some of those currently living on the streets. Keeping the public informed as to progress on projects via HCID's website could help the public understand the lengthy process

and give hope for the future. Further, keeping the public informed in a way that people receive the information they need will allow the public to address their concerns in a timely fashion.

Budget Advocates Department of Housing and Community Investment Committee Members: Barbara Ringuette, Patrick Seamans, Michael Menjivar, Robert Newman, Janet Kim

INFORMATION TECHNOLOGY AGENCY

Date: January 26, 2018
Budget Advocates: Diedra Greenaway, Estuardo Ruano, Michael Menjivar, Patrick Seamans
Department Personnel: Laura Ito, Assistant General Manager

RECOMMENDATIONS

- Review and prioritize projects on an annual basis to meet budgetary constraints.
- Conduct a qualitative and quantitative assessment of the Department's functions and the City's technological needs.
- Determine if the current level of expenditures on fixes and short-term solutions is warranted.
- Complete the Procurement Automation project, as the existing system is cumbersome and outdated.
- Defer the request for an additional general manager until a qualitative and quantitative analysis has been conducted to determine the true necessity for an additional general manager.
- Ensure that the City's payroll processing system is accurate and remains operational.

DISCUSSION

Overview:

The Information Technology Agency has the primary responsibility for planning, designing, implementing, operating and coordinating the City's enterprise information technology systems, and data, voice, and radio networks; providing all cable franchise regulatory and related services; and the delivery of 311 related services Citywide.

Issues:

The Information Technology Agency provides critical resources to city departments that in turn support the constituents. Maintaining, securing and improving these technologic resources requires constant and coordinated diligence from many stakeholders. This Report highlights the 2017-2018 Information Technology Agency goals of the City of Los Angeles IT community in four primary imperatives:

- Ensuring security and sensitive assets: Improve the City's security posture and enable the continuous enhancement of security intelligence to reduce the likelihood and severity of cyber incidents that could damage the City's economy or critical infrastructure.
- Enabling successful IT project establishment and delivery: Ensure that the City achieves its business objectives and provides the best value for the people of Los Angeles. In all cases, projects are planned and overseen to ensure that each uses industry best practices and effectively manages risk.
- Providing sustainable and efficient business enablement services: Providing mission-critical systems requires a highly capable workforce and innovative technology. The

Information Technology Agency is focused on maintaining scalable and flexible IT capabilities, and enhancing the expertise and relevance of IT professionals through education, knowledge-sharing and creating communities of interest.

- Foster innovation: Workers and consumers expect modern, reliable, secure, innovative and regulatory compliant solutions. The Information Technology Agency continues to bring city government closer to its people through the availability of the best solutions, and access to non-confidential government data that enables informed, data-enabled decisions. Access to new and growing open data portals are starting new conversations about growth and progress.

An effective risk management process is an important component of a successful IT security program. The principal goal of an organization's risk management process should be to protect the organization and its ability to perform their mission, not just its IT assets. Therefore, the risk management process should not be treated primarily as a technical function carried out by the IT experts who operate and manage the IT system, but as an essential management function of the organization. Risk management is the process of identifying risk, assessing risk, and taking steps to reduce risk to an acceptable level. These risks include:

- Cyber security data breach
- Failing components of the 911 public safety infrastructure
- Migration of the mainframe

The goal is to help the city to better manage information technology related missions while protecting the city from sizeable liability.

The ITA Department has commenced utilizing a standardized method of initiating projects, monitoring, controlling, and/or reporting on project status, handling issue resolution and change control, and other activities considered integral to the project management process. However, the City as a whole needs to embrace a methodology that will determine how resources are being used, what the exact workload is at any given time, and whether or not resources are being allocated consistently with the priorities and needs of the City's overall business objectives.

It is unclear whether the value of the limited updates and system fixes continues to warrant the level of expenditure required. Therefore, it is recommended that a quantitative and qualitative assessment be conducted. The major advantage of a quantitative impact analysis is that it provides a measurement of the impacts' magnitude, which can be used in the cost-benefit analysis of recommended controls. The main advantage of the qualitative impact analysis is that it prioritizes the risks and identifies areas for immediate improvement in addressing the vulnerabilities.

The systems limitations lead to inefficiencies and control weaknesses. The payroll process is critical for the operation of the City. The cost of payroll represents a very large expenditure for the City. Significant control weaknesses would cause sizeable risk for the City's operations. The City's decentralized process and computerized payroll system limitations make it more probable that this risk may materialize. Addressing these risks is very important to maintain accountability over these costs. For this purpose, the City must have adequate internal controls to assure that:

- Employees are paid for the actual time worked in accordance with appropriate statutes
- The City complies with the Fair Labor Standards Act (FLSA) and the Internal Revenue Code
- Productivity of employees is measured and managed

CONCLUSION

The Information Technology Agency recognizes that standards and technology promote the City's economy and public welfare by providing technical leadership for the City's measurement and standards infrastructure. These responsibilities include the development of technical, physical, administrative, and management standards and guidelines for the cost-effective security and privacy of sensitive unclassified information within the city's computer systems.

The size and complexity of the City of Los Angeles requires knowledgeable IT professionals to support a 21st century government and beyond. In an increasingly digital era, city government and consumers of IT services expect greater agility and increasing returns on their technology investments. They want modern, reliable, secure, cost-effective and innovative solutions for the people and departments they serve. Information Technologies continue to be a primary focus due to their:

- Rapid provisioning of technologies to match changing program needs
- Better control of financial risks
- Reduced security concerns or other limitations

Additionally, scalable and flexible IT capabilities in the form of services allows Los Angeles City leaders to spend more time focusing on business needs rather than on technical needs. The increase in operational continuity, agility and interoperability, coupled with a lower level of risk for city entities will enabled Los Angeles to keep pace with the ever-changing demands of doing business.

Budget Advocates Information Technology Agency Committee Members: Diedra Greenaway, Estuardo Ruano, Jacqueline Le Kennedy, Patrick Seamans, Michael Menjivar

NEIGHBORHOOD EMPOWERMENT

ATTENDEES:
Budget Advocates: Jon Liberman, Brian Allen
Budget Representative: Garry Fordyce
Department of Neighborhood Empowerment: Grayce Liu, Armando Ruiz, Kori Parraga

RECOMMENDATIONS

- Prioritize the training and education of all Neighborhood Council board members as the highest and most essential function of the Department.
- Develop a robust set of core training videos and presentations that can be distributed to Neighborhood Councils online and in-person to act as immediate "how-to" guides on different facets of the City and NC system.
- Ensure Department staff are routinely retrained and up to date on policy, procedure and legislation pending within the City.
- Advocate for the permanent transition of accounting of Special Funds management to the City Clerk, including those of the Congress of Neighborhood Councils and the Budget Advocates.
- Partner with City departments to train every City employee about the NC system and how to best field the questions they will often be faced with from board members and stakeholders alike.
- Collaborate with the City Attorney to expedite issues related to Neighborhood Councils and compliance with the Brown Act.

DISCUSSION

Overview:

The mission of the Department of Neighborhood Empowerment is to promote public participation in government and make government more responsive to local needs by nurturing and supporting the city-wide system of grass-roots, independent, and participatory Neighborhood Councils.

Issues:

The Department has gotten away from its core mission: to engage the public in their local government. Simply distributing information is not engaging. By definition, being engaged means staying involved and active. If the Department prioritizes the training and education of all NC board members, current and new, that knowledge can be passed directly on to stakeholders and further empower the community. Board members presently are not trained on their duties and how they should conduct themselves. This failure falls squarely on the shoulders of the Department.

In light of the fact that NC funding operations have been moved from the Department to the City Clerk, resources now should be available to accurately maintain the digital footprint of the Department's website. This should include up-to-date information about each and every NC, the latest news from within the Department, and a rolodex of digital training materials for easy access by stakeholders.

The Department should also provide further training for the field staff. The Budget Advocates have heard from dozens of Neighborhood Councils that their DONE representatives lack the confidence and knowledge to inform, direct and when necessary, challenge an NC on their position/process. These representatives should be the best and brightest available, as they are the first face most stakeholders associate with the Department.

CONCLUSION

The Department has the responsibility to guide the NCs, collaborate with other City Departments regarding NCs, and maintain a standard of training and promote NC elections. The Department needs to do further work to ensure that the NCs have the training and guidance to live up to their potential.

Budget Advocates Department of Neighborhood Empowerment Committee Members: Brian Allen, Danielle Sandoval, Melanie Labrecque, Lynda Valencia, Agnes Copeland

PENSION DEPARTMENTS (LACERS AND LAFPP)

ATTENDEES:
Budget Advocates: Ricardo Ramirez, Chair; Carol Newman; Jack Humphreville
Los Angeles Fire and Police Pensions (LAFPP): Ray Ciranna, General Manager; William S. Raggio, Executive Officer; Martha Martinez, Executive Assistant
Los Angeles City Employees' Retirement System (LACERS): Tom Moutes, General Manager; Li Hsi, Assistant General Manager; Lita Payne, Assistant General Manager; Dale Wong, Division Manager; Bella Cabulong, Executive Administrative Assistant

RECOMMENDATIONS

- Establish a temporary Committee for Retirement Security, as recommended by the LA 2020 Commission, to review the City's retirement obligations and to set a schedule to achieve results, with a realistic timeline.
- Immediately address the unfunded pension liabilities of the City.
- Reduce both pension plans' assumption rate to a more realistic rate of 7%, as suggested by the staff and actuaries.

DISCUSSION

Overview:

The two pension and retirement medical plans for Los Angeles are the Los Angeles City Employees' Retirement System (LACERS) and Los Angeles Fire and Police Pensions (LAFPP). LACERS manages the pension and medical retirement plans for civilian, non-sworn employees. LAFPP manages the pension and medical retirement plan for sworn employees of LA including firefighters, paramedics, and police officers.

Issues:

Earlier in 2017, under public pressure, the trustees of the two pension plans lowered the investment rate assumptions to 7.25% from 7.5%. However, the pension plan's staff and actuaries suggested an even lower (7%) rate assumption. This would match the statewide pension systems (CalPERS and CalSTRS), which lowered their assumption rate to 7%. Regardless of the quarter percent differential, the City's contribution cost will continue to significantly rise as the assumption rate decreases. According to a recent presentation given by LA's Chief Administrative Officer, pension costs account for nearly 19% of the City's 2016-2017 and 2017-2018 General Fund, and will continue to increase over the next several years.

Los Angeles is in a slightly better position than other cities and the state because at least it has been funding its medical plan at a higher rate than other jurisdictions. But billions of dollars already owed to retirees, and projected to be owed in the future, are not funded.

The unfunded pension liability is currently estimated at $8.9 billion. If the investment rate assumption were reduced to an even more realistic rate of 6.25%, the unfunded liability would nearly double, to $15 billion.

CONCLUSION

In 2016-2017, both LACERS and LAFPP attained a return rate of 13%, which was fortuitous. Despite these better-than-expected gains, the pension plans still have significant unfunded liabilities. Currently, the U.S. Stock Markets are still at record levels (despite a recent correction) and have produced impressive gains for many investors over the last seven (7) years. If these unfunded liabilities are currently outpacing such strong gains, what will happen when an even more dire correction takes place?

The City leaders must face the harsh reality of the politically unpopular unfunded pension liabilities and devise a strategy to reduce the City's huge deficit. If the City continues to hide its head in the sand, the problem will be exacerbated and two-fold: 1) City employees' pensions will be at risk, and 2) the City will be chronically unable to render basic services to its residents because ever-increasing chunks of its budget will have to be devoted to already-accrued pension liabilities. This is not a doomsday scenario. On the contrary, it is already happening.

Budget Advocates Pensions Departments Committee Members: Ricardo Ramirez, William Rodriguez Morrison, Carol Newman, Jack Humphreville, Brian Allen

PERSONNEL DEPARTMENT

Budget Advocate: Jay Handal

RECOMMENDATIONS

- Fund the requested Employment Liability Reduction.
- Fund and support a Workers Compensation Analyst to address citywide Medicare compliance.
- Fully fund Anywhere/ Anytime Testing so the City can source and hire the most qualified people nationwide for openings.
- Fund all resources required to hire 100 additional police officers above current hiring.

DISCUSSION

Overview:

The Personnel Department is responsible for hiring at all City Departments except for the City Attorney, which has its own Personnel Department. The Department is responsible for administering civil service examinations, taking on human resources tasks, and directing employee training, among other responsibilities such as providing medical services in three jails.

Issues:

In reviewing the Personnel Department requests, it is apparent that the City still lags behind both in personnel as well as I.T. infrastructure to compete in the 21st Century.

Below are recommendations for the City Council to review and fund in an effort to maximize the City exposure to the best possible candidates for employment, as well as to minimize and risk manage the City:

1) Employment Liability Reduction $273,817

This request is for two Senior Personnel Analysts to conduct discrimination complaint investigations, and $100,000 for a web-based system to collect and track discrimination complaint data.

In concert with the development of expanded training programs for supervisors, the City Attorney and Personnel Department have identified a need to ensure citywide understanding of, and appropriate responses to, EEO concerns, including a commitment to a discrimination and retaliation free workplace, creation of an inclusive working environment, and the importance of reasonable accommodation. Focusing on these key areas will assist the City in addressing current and future employment liability.

The recent allegations of workplace sexual harassment and abuse in the entertainment and education industries should serve as a reminder to the City that we have an affirmative obligation to maintain a respectful, safe, and inclusive workplace for all employees. In addition to the existing discrimination complaint procedures and policies for a discrimination and harassment free workplace, the Personnel Department offers resources to support our employees through the Office of Discrimination Complaint Resolution (ODCR). The ODCR provides a safe means for individuals to file an internal complaint of discrimination or harassment, without going to a State or federal agency and, at the same time, not forfeiting any right to file a complaint with an outside agency.

The Department is continually exploring new and more efficient options whereby victims of harassment of any kind can safely report it and get the appropriate assistance to stop it and prevent its recurrence. While information is currently available on both the intranet and internet, an enhanced web presence will improve accessibility and user experience, and the Senior Personnel Analysts are critically needed to serve as a resource to City employees and to promptly investigate complaints when they arise.

By enhancing the web presence of EEO and ODCR, the City can provide greater information, tools, and a digital portal to facilitate reporting of harassment and discrimination. Currently, data is stored in a 17-year old database that cannot be configured to provide timely reports to departments as required to address trends and potential issues in their workplace.

2) Medicare Compliance Specialist $80,689

This request is for one Senior Workers' Compensation Analyst (SWCA) to address Medicare compliance.

As a result of the Medicare Secondary Payer (MSP) statute, the City must report monthly and quarterly on all claimants that have become Medicare eligible, along with the medical diagnosis and procedure (ICD) codes associated with their workers' compensation claim(s). Using this data, Medicare, through private recovery audit contractors (RACs), seeks reimbursement from the City for any conditional payments made for services that should be covered under the workers' compensation claim. It is our understanding that RACs are paid on a contingency basis.

The City has retained a Medicare claims resolution contractor to assist with review and appeal, as appropriate, of the reimbursement demand. The City has a limited window within which to assess the basis for the demand and refute those charges for medical services not covered by the City. Appeals that do not resolve in the City's favor within that window are referred to the Treasury Department for collection. The Treasury Department will offset any unresolved amount due on the reimbursement against almost any source of federal funds due to the City, including grants.

The Senior Workers' Compensation Analyst will ensure:

--ICD codes are accurately reported, closely monitored, and validated prior to submission to Medicare.

--All conditional payment notifications are referred timely to the City's Medicare claims resolution contractor.

--The claims resolution contractor has all information necessary to resolve the liens properly.

--Reports from Medicare and the Medicare claims resolution contractor are reviewed to prevent outstanding liens from reaching the U.S. Treasury to be offset against the City's federal funding.

Further, the Department has been told to expect recovery of Medicare Parts C and D, along with Medi-Cal, soon which will significantly increase the City's risk exposure. The need to vigilantly monitor and track Medicare eligible claims is critical to reduce the risk of having grant funds intercepted by the U.S. Treasury.

3) Anytime/Anywhere Testing - $675,000

The Anytime/Anywhere Testing model is aimed at allowing candidates to take proctored online civil service tests from any location. This is an innovative testing process that takes full advantage of current technology, and will allow the Personnel Department to test the most qualified candidates nationwide.

The Personnel Department is requesting $600,000 for over 16,000 City candidates to be tested and proctored online in a multiple-choice format. The 16,000 candidates to be tested in this proposal are based on the testing experience from FY 2016-2017 (the number of candidates that were administered a multiple-choice test). This proposal anticipates using the Record & Review method about 80% of the time and the Live method about 20% of the time, and is based on the average cost for proctoring each candidate plus set-up and integration fees.

In addition, $35,000 is requested for increased services from NeoGov, the City's Online Application and Candidate Tracking System since 2012; and $40,000 for a Test Management System (TMS) platform used to store thousands of test questions, easily filter and search for these questions, and allow candidates to be tested online.

4) Resources Required to Hire Every 100 Additional Police Officers Above Current Hiring - $1,664,828

This is a multi-part, scalable request to provide staffing resources and funding for every 100 additional police officers which may be requested due to staffing demands.

Increased hiring requires corresponding increases in resources. The hiring process is intensive, has multiple parts, and requires the involvement of staff across multiple divisions. For every 100 additional recruits hired into the Police Academy, our Department would need to process approximately 1,500 additional candidates along various stages of the testing process, given our current 5-7% hiring rate. This translates into a need for the following:

800 Department Interviews
800 Polygraphs
600 Medical Screenings
400 Background Investigations
200 Psychological Exams

a) Recruitment: $270,000 is required for digital outreach (e.g., geo-targeting or geo-fencing), diversity outreach, promotional materials, and the Virtual Mentor Portal.

Without recruitment funds, we would not have a sufficient number of qualified applicants to hire the number of police officers the City needs, given that 40% of LAPD's sworn force will be eligible for retirement in five years. Recruitment funding is imperative to promote the LAPD brand during a period of increased competition from other law enforcement agencies (including Border Patrol), challenges posed by social attitudes toward police, and the changes required of recruitment in the millennial age – namely, the need for innovative technology in outreach and hiring efforts.

Over the past year, we have virtually eliminated all terrestrial advertising (such as billboards) and have shifted resources to digital outreach. Digital advertising allows us to directly reach specified groups of prospective candidates, and a significant portion of our budget is allocated to announcing/communicating fundamental information – such as upcoming test dates and locations – without which our efforts would grind to a halt.

Through strategic use of recruitment funds, we managed to increase the number of police officer hires by 13% over the course of a single fiscal year (from 499 in FY 2015-16 to 567 in 2016-17). With $270,000 we would fund the following:

- Digital advertising on social media and through streaming music services that allows for targeted outreach;
- Equipment and promotional materials; travel outside of five-county area for recruitment;
- Enhanced diversity outreach;
- Development of a second Virtual Reality module as a recruitment tool;
- Redesign of the JoinLAPD.com website; and
- The Virtual Mentor portal to expedite processing of candidates through electronic notifications, reminders, prep videos, and tips for success. The portal is expected to reduce lapse rates by at least 5% at various steps of the testing process.

b) Testing: 1 Administrative Clerk and 1 Sr. Administrative Clerk for processing various test parts and for data entry.

c) Background Investigations: 8 Background Investigators I and 1 Background Investigator II; 2 Administrative Clerks and 1 Sr. Administrative Clerk; 2 Case Managers (Personnel Analysts); $75,000 for costs of fingerprinting, TransUnion reports, and supplies/postage; and, $16,000 for electronic background investigation software licensing.

To complete 400 additional backgrounds, the Department requires 8 additional Background Investigators, since each BI-I can be expected to complete between 4 and 5 cases per month – or 50-60 per year. A Background Investigator II is required to supervise the new team, provide guidance and review/monitor the work produced.

Clerical staff are needed to create and maintain additional candidate files, to run fingerprints and TransUnion reports, to send out reference letters and order records, and to transfer files. Two Case Managers (Personnel Analysts) are needed to review files, to process disqualification letters, to maintain quality assurance, and to support the Background Appeals Review Panel.

Processing additional candidates also increases hard costs associated with fingerprinting, obtaining TransUnion reports, supplies/postage, and background investigation software licensing.

d) Medical Services: 1 Physician, 1 Licensed Vocational Nurse, 2 Medical Assistants, and $15,000 for drug testing.

Processing 600 additional candidates would require resources for medical screenings (for weight, vision, hearing and drugs), review of prior medical records, a physician's clearance, and two drug tests – one at the time of the initial screening and one just prior to the start of the Police Academy.

e) Psychological Services: 1 Psychologist, 0.5 Administrative Clerk, and $25,000 for scoring written tests.

Our current staff of five Psychologists cannot absorb an additional 200 candidates, given that they have already seen a 26% increase in the number of Police Officer candidates and additionally provide pre-employment psychological screening for other classifications (e.g., Firefighters, Detention Officers), deal with employees who test positive with drugs, and are involved in handling workplace violence issues. A half-time clerical staffer is needed to assist with scheduling, file maintenance, and processing of written tests, as well as appeals.

Budget Advocates Personnel Committee Members: Jay Handal, Jon Liberman, Joanne Yvanek-Garb, Brian Allen, Lynda Valencia

DEPARTMENT OF CITY PLANNING

Date of Meeting: Nov. 14, 2017
ATTENDEES:
City Planning: Kevin Keller, Executive Officer; Lisa Webber, Deputy Director; and Jason Killen, Division Manager, Administrative Services Section.
Budget Advocates: Barbara Ringuette, Brian Allen, and Freddy Cupen-Ames; Budget Representatives: Connie Acosta and Tony Michaelis

RECOMMENDATIONS

- Update the Community Plans as quickly as possible, and keep them updated.
- Explore flexible working hours for staff required to work evenings and weekends, thus reducing the expense of overtime.
- Fund the positions authorized for historic resources and introduce efficiencies while moving in the direction of full cost recovery for the HPOZ program.
- Factor the cost of planning appeals filed by non-applicants into fees paid by project applicants.
- Advocate with state representatives to stop SB 827 which would remove City control on land use matters.
- Ensure Design Guidelines are incorporated in the revised ordinance for Small Lot Subdivisions, and provide opportunities for neighborhood input during the design process.

DISCUSSION

The theme of the year for the City Planning Department is to stay within their lane, and to be more proactive in community planning updates – previously to be every 10 years and now accelerated to every 6 years. The City is doing a major overhaul of its Community Plans, which is long overdue. The City is a collection of many distinct neighborhoods. The failure to have updated Community Plans and to keep them updated creates problems for developers and results in "spot zoning" (indiscriminate approvals or disapprovals of projects).

Staffing
The Department is getting to the appropriate staff size to accomplish the tasks before it. Staff numbers are well above pre-recession levels when not much long-range planning, such as General Plan and Community Plan updates, had been addressed. Hiring for positions authorized in the current budget is in progress.

The Department has 472 authorized positions. Last year, 67 staff were hired and 60 brought on board. The Department is becoming very youthful, as over half of the staff have been with the Department less than three years. A very high energy cadre is coming in, helping morale as staff are relieved that help is finally here.

Usually 5 or 6 employees are hired each month while 2 or 3 leave, a combination of retirement and leaving for other opportunities. Seventy workers, 20 percent of staff, are eligible for retirement in the next three years. For the first time the Department is opening up applications from the outside for Associate and for Principal City Planners, until now promotional positions. They expect to be close to full employment for the 2018-19 fiscal year. No additional staff will be requested although some positions will be repurposed.

Planners work evenings and weekends for community engagement, putting on open houses, meeting with historic districts, and conducting hearings. Funds to pay overtime are transferred from salary allocations for vacant positions. A large number of staff work a 9/80 schedule; even so, staff work overtime. Once all positions are filled, a plan for flexible working hours will be needed.

Fees

The Planning Department administers development impact fees such as Transportation, Westside, and Quimby fees.

The Department has adopted an additional 2% General Plan long range maintenance fee to the 5% fee already in place for every application coming across the counter.

An ongoing infusion of local dollars is needed to match federal and state funds in order to facilitate the development of affordable housing. Unlike other large municipalities, Los Angeles has never had a dedicated funding source to provide the 20% of roughly $100 million needed to leverage tax credits and cap and trade funds.

The Department had submitted a proposal for an Affordable Housing Linkage Fee specifying a city-wide fee per square foot of residential development and another fee per square foot for commercial projects which proceeds would go to the Affordable Housing Trust Fund. The City Council Planning and Land Use (PLUM) Committee requested a study to establish community rates. Prepared jointly with the Housing and Community Investment Department (HCID) separate fees for four geographic areas were arrived at. Developers will pay $8 per square foot in South LA, the North Valley, and Harbor areas. The highest fee of $15 applies to the Westside and parts of Downtown LA. Developers in other communities will pay $10 or $12 per square foot range.

With these new funds, the Department expects LA will build a great deal of housing.[4] It is definitely needed.

[4] Council File: https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&ncfms=&cfnumber=17-0274

Department of Housing and Community Investment (HCID)
Planners work closely with HCID on affordable housing, developing agreements, extra community benefits for the homeless, and securing covenants on housing. The Development Services Center speaks daily with HCID on issues related to HHH, Transportation Oriented Districts, and facilitating affordable housing.

Historic Resources
Boards of the Historic Preservation Overlay Zones (HPOZ) issue Letters of Determination and Certificates of Appropriateness on projects within their boundaries. Five additional Historic Districts have been approved. The newly established Miracle Mile district is enormous with over 1000 structures. The additional workload of new and larger HPOZs as well as a backlog of work in some Historic Districts requires positions that are fully funded. Timelines for approvals had been 30 days, yet some approvals now take 90 or so days, a lengthy delay for modifications for homeowners to await approval.

City Planning must evaluate requests when the Mayor or Councilmember wants an HPOZ designation. The Department is moving in the direction of full cost recovery on HPOZ matters. A new ordinance would streamline the process and potentially combine some of the HPOZ Boards, efficiencies that would reduce the cost of the program.

Single Family Home Overlays
In response to more than a dozen interim control ordinances meant to manage mansionization, the Department has completed over 20 single family overlays. These designs for new development ensure that a lot of work can be done investing in houses while maintaining the character of individual neighborhoods. Scale, massing, setbacks, architectural styles, and landscaping are addressed. The design effort, done within the zoning code, is very labor intensive for planning staff. The design overlays strengthen our neighborhoods.[5]

Sub Geographies and Hollywood
The Department is moving toward assigning a dedicated City Planner for sub-geographies such as the Warner Center in order to focus attention on specific projects.

A section of Planning staff for the Central area is dedicated to Hollywood and Wilshire communities. A specific unit focuses on the Hollywood Hills. After six years of work, the Hollywood Community Plan was released in June. It includes protections for the hillsides which were discarded along with the previous draft Hollywood Plan. Additional concerns for Hollywood include new development around the Subway Station and small lot subdivisions.

Public Information Director
The Department is looking to hire a Director of Public Information who would have access to facts and figures and work with the media. The Director would work with the Neighborhood Liaison and a planner liaison as well.

[5] City Planning Zone Regulations and R1 Variation Zones:
https://planning.lacity.org/ordinances/docs/R1VariationZones/FinalQA.pdf

Appeals Fee

The Planning Department had proposed leaving the fee for an appeal by a non-applicant at $89. This proposal was adopted. A low appeals fee for non-applicants is part of the cost of democracy.

We recommend that the Department charge project applicants for the projected cost of appeals, to factor in the cost arriving at a slightly higher application fee. The benefit of a project almost entirely is accrued by the applicant/developer. At the same time, the detriments of a project almost entirely are experienced by adjacent neighbors and entire neighborhoods during the disruption of construction, loss of views, the problems associated with increased population density, loss of street parking, loss of property value for homes in a permanent shadow of new development, increased traffic congestion, etc.

Appeals serve a very useful purpose. They result in an opportunity for immediate neighbors and neighborhoods to help the applicant/developer focus on the issues and concerns related to a specific project. No one knows the neighborhood better than those who live there.

Appeals result in better projects for the neighborhood and the larger community. Ordinarily even the applicant/developer agrees![6]

Grants

Along with Metro, the Department anticipates success for a 4th round of grant funding to plan for Transit Oriented Districts (TOD) around the Orange Line in the San Fernando Valley, the Purple Line extension on the Westside, around regional connector stations, and perhaps around Crenshaw/Slauson in South LA as well.

Build LA

Build LA, a plan to develop a database integrating the City Planning Department and Building & Safety, did not move forward as expected. Currently the Bureau of Engineering and Building & Safety are working on an electronic program to facilitate digital routing through Departments, where staff will markup/edit and send back documents. Applicants and Council districts will log in to keep tabs on projects. The GIS system will integrate with SurveyLA. The system also would be used for video teleconferencing linking offices in Van Nuys, West LA and Downtown, used for PowerPoint presentations, etc., all seen as a game changer for the City.

The Committee suggests the Department look at the CityGrows platform, a local government solution to move paperwork processes on line. Currently CityGrows manages Santa Monica's worksite Transportation Plan process.

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[6] Council File 09-0969: https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnums=&cfnumber=09-0969

Budget Requests

The Department's request includes continuing 474 positions, all regularized and all funded. Also in the budget request are: a new unit for Environmental Policy, positions for a Neighborhood and Neighborhood Council Liaison, a Public Information Policy Director, upgraded resolution positions to regularized positions inside the grant programs, and funding HPOZ staff. Also, funding will be requested for overtime, important for staff attendance at community meetings.

The Department sees these requests as a step toward better and closer communications with Neighborhood Councils.

Stop SB827

Our City must strenuously argue against passage of SB 827. State Senator Scott Wiener's bill would remove the ability of California cities to determine zoning within ½ mile of transit and would result in construction which is out of character (larger, taller, less parking, greater density, and less open space) with our existing neighborhoods. City zoning and community plans would be meaningless. This has the potential to be extremely destructive to our neighborhoods.[7]

Small Lot Subdivisions

Questions remain regarding the pending Small Lot Subdivision Ordinance. Community groups ask for assurance that the proposed Design Review Standards will be mandatory as they are seen as integral to small lot subdivisions fitting within our neighborhoods. Also, they ask that the edited Standards be reviewed and approved at the same time or prior to final approval of the revised ordinance so all will be aware of what's being voted on. Finally, clarification is needed of proposed notification to nearby residents, the opportunity and time frame to submit comments, and the level of appellate review.[8]

SUMMARY

City Planning is at the forefront of a new data system integrating the Department with Building & Safety and the Bureau of Engineering. City Planning plays the central role in the development of policy for residential and commercial construction. The Department recognizes the importance of liaison with Neighborhood Councils and is gearing up staff to work more closely with the neighborhoods.

Budget Advocates Planning Department Committee Members: Barbara Ringuette, Brian Allen, Patrick Seamans, Janet Kim

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[7] Council File 18-0002-S13: https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&ncfms=&cfnumber=18-0002-S13

[8] Council File 16-1045: https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=16-1045

LOS ANGELES POLICE PROTECTIVE LEAGUE (LAPPL)

Attendees:
Budget Advocates: Jay Handal
LAPPL: 3 members of the board of directors

RECOMMENDATIONS

To protect the existing officers, improve their working environment and provide maximum benefit to the people whose taxes pay police salaries, the Budget Advocates recommends the City work with the LAPD on the following:

- Raise the recruitment budget to $500,000.00 and give authority for greater outreach for candidates.
- Raise police salaries to discourage sworn officers from quitting to work in neighboring jurisdictions where the pay is better.
- Increase the sworn personnel to 12,500 as soon as practical.
- Mandate a minimum number of sworn personnel for each division.
- Make the LAPD's unused budgeted funds available for officer overtime instead of returning them to the General Fund.
- Hire civilians to cover all non-essential desk jobs, to free up officers for policing.

DISCUSSION

Overview:

The League seeks to protect, promote, and improve the working conditions, legal rights, compensation and benefits of Los Angeles police officers. Among other things, the League conducts contract negotiations, provides legal representation, provides insurance, and represents its members in grievances, arbitrations, and unfair labor practices.

Issues:

The issues facing the LAPD include a lack of both sworn and civilian personnel; insufficient overtime funds to properly police the City; too many officers with desk jobs instead of civilians; the inability to recruit candidates outside of Los Angeles; and lack of parity with surrounding jurisdictions in starting pay, pay plus compensation, and maximum pay plus compensation.

The League has been promoting mandatory minimums at each division. The League believes that each division, no matter what the actual crime statistics are, should have a minimum number of sworn personnel assigned to each division to ensure proper service and response.

The League is concerned about the MTA contract and overtime. The Department overtime budget has been about $80 million, and the MTA contract overtime is about $41 million. As of this writing, the Department is on pace to hit about $105 million non-

MTA overtime, and about $35 million in MTA overtime. Thus, the Department is more than $25 million over budget in regular overtime, and about $5.7 million under budget in MTA overtime. The money not spent will be swept, i.e., taken away from the LAPD. Instead, it should remain available to the Department to pay for more overtime for sworn officers.

The League is also concerned about recruitment. Less than $160,000.00 is allocated for cadet recruitment. This is significantly lower than most jurisdictions, and does not allow the recruiting teams to travel farther than the South Bay.

The League's other concern is attrition. The number of sworn personnel has declined annually as follows because the LAPD is not hiring to replace the personnel lost due to attrition:
2015 -143
2016 - 94
2017 - 73

Salaries are also lower in Los Angeles for police officers. The LAPD ranks 13th out of 18 jurisdictions in maximum salary for a P-2 officer, and is $500.00 per month below the average monthly salary of a P-2 compared with the top 8 jurisdictions surveyed. The LAPD ranks 15th out of 18 surveyed for monthly total compensation of a P-2, and $1,000.00 per month less than the top 10 surveyed. Further, the LAPD ranks 18th out of 18 jurisdictions surveyed for starting salaries of a police officer, and is 24.90% behind the average of the other 17 jurisdictions.

CONCLUSION

The City should re-evaluate its priorities so that it can assign civilians to desk jobs, thereby freeing sworn officers to be where they are needed. Paying sworn officers whose training costs at least $100,000.00 to do non-essential desk jobs is poor management of both staff and budget.

Additionally, more money is needed for recruitment, salaries, and overtime for sworn officers, so that the City can overcome attrition and the LAPD can do its job.

Budget Advocates LAPPL Committee Members: Jay Handal, William Rodriguez Morrison, Janet Kim, Jon Liberman

RECREATION AND PARKS

ATTENDEES:
Budget Advocates: Jon Liberman, Brian Allen, Ivette Alé, Jack Humphreville, Glenn Bailey and Howard Katchen
Department Personnel: Michael Shull, General Manager; and Anthony Paul Diaz, Executive Director/Chief of Staff

RECOMMENDATIONS

- Change the method of allocating resources so that employees are dedicated to individual facilities rather than to a group of facilities.
- Address homelessness by providing mobile toilets, wash stations and showers in appropriate locations.
- Create an ongoing task force to create recreational facilities especially in dense population areas.
- Increase revenue for the Department's operations by means of a tax measure and designate funds solely for this Department.
- Work with the Controller's Office to establish metrics to increase cleanliness in the Department's facilities.
- Reduce or re-negotiate DWP fees in extenuating circumstances.
- Expedite a retirement planning and staff training action plan to address the immediate need for retaining and maintaining staff.

DISCUSSION
Overview:

The Department of Recreation and Parks (RAP) operates and maintains over 420 parks as well as 184 recreation centers and 31 senior centers. Also included under this Department are 13 golf courses, 61 swimming pools, 321 tennis courts, Venice and Cabrillo beaches, the Griffith Observatory, Exposition Park Rose Garden and the Greek Theater. When the City took over the operation, it proved profitable. Last year the revenue at the Greek Theater tripled, which went directly to the Department's bottom line.

The Dept. has approximately 1400 employees. RAP is not operating with the staff it had in better economic conditions, which was 2200 employees in 2008. They have been able to add positions the last few years and plan to do so again. They feel that over a period of years they need to grow the number of employees to approximately 1700 to provide appropriate levels of service to the City. A wide range of recreational, educational, and cultural programs and entertainment opportunities are offered to the Los Angeles community.

Issues:
The revenue stream is a combination of a charter mandate to allocate .0125% of

property taxes and a self-generated revenue source from its facilities. The Department is different from many other City Departments in that the City Charter allocates a specified amount to cover recreational facilities. This has both advantages and disadvantages. The dedicated revenue stream makes it easier to allocate resources. However, because of the revenue stream, the City has aggressively moved to utilize those funds to pay for items previously financed through money from the General Fund. As discussed by Management, the key metric is not the amount by which the Department's budget grows each year but rather that percentage that the City allows the Department to retain each year. An ever-increasing amount of Department budgetary funding goes back to the General Fund. A key concern is the escalating obligatory expenditures which include a significant utility increase from DWP that stands to continue for the next three years.

Another difference is that the Department has its own Personnel Staff. This has accelerated their ability to fill positions quickly when authorized to fill the position.

The Department is concerned with maintenance and supervision of maintenance. Now they have a lot of maintenance scheduled on a circuit where several parks are covered by one crew which goes through the circuit as scheduled. The key to running a good park is to have dedicated crews to a park and available there each day. The Controller's Report Card was discussed. It was pointed out that except for cleanliness of restroom facilities the Department scored well on the report. Restrooms need to be addressed several times a day and this requires staff to be at the facilities. Another concern about maintenance was landscaping. If maintenance on lawns, plants and trees is deferred; we may see future budgets bloated by the need to replace these living assets.

The Golf Courses are self-sustaining. Golf Courses at Griffith Park and at Rancho Park are considered as among the best in Municipal Golf Courses. Management has had an outside consultant look at all the golf courses. They have created a Golf Strategic Plan which has these features:

1. Redo the reservation system to make it more open, transparent and user friendly. If a specific course is full on a given date, the new system would suggest nearby courses that had time available for that date.
2. Bring back golf tournaments at public courses.
3. Take over the operation of driving ranges on City courses.
4. Look at the possibility of dynamic pricing for a round of golf.
5. Upgrade the dining and bar facilities.
6. Look into computerized golf "Top Golf".

We have overall recreational needs that cannot be met by existing resources. The Department is open to partnerships where appropriate with either public-private financing or with joint enterprises with other public entities such as DWP or LAUSD. Over the past 5 years they have opened 39 parks. The key question is the determination of what the recreational need is. Then the process is to see if there is a Recreation and Park facility close enough to fill that need. If not, then the focus is to find available property that can be converted to recreational use. When pressed by us as to what can be done to provide

recreation in locations running out of space, the Department said that they need to creatively determine how to leverage existing facilities. By substituting artificial turf for grass and adding night lights, the Department can double or triple the amount of recreation available at a park.

We discussed what the Department would be doing to assist with the problem of homelessness. They are dedicated to being a part of the solution. They feel that they need more dedicated staff to keep the parks clean. Rotating staff is not appropriate to a solution that will entail a need for additional cleanliness. They propose purchasing temporary restrooms, mobile showers and hand washing stations in locations near or adjacent to the parks. They want the facilities to be located near the boundaries of the park in an open location to provide for safety of the homeless persons using these facilities.

As the meeting concluded we asked the Department to evaluate how our recommendations for last year's budget cycle were received. The CAO indicated that many of our recommendations could/would be considered in the then current budget year. The scorecard was:

1. Investigate a parcel tax. NO
2. Legislative approval re: Quimby funds YES
3. Assessment Districts for decommissioned DWP reservoirs. NO
4. Contracting out services. SPLIT they would consider for building maintenance but not for other services since these need immediate responses.
5. Appeal to have DWP charges reduced or renegotiated. DONE but no response from DWP
6. Fast track retirement planning and staff training action plans. DOING OK on this.

Finally, we asked whether the Department would be willing to allow the Budget Advocates to become involved in future years budgeting at an earlier time. The General Manager was amenable to holding one or two preparatory meetings starting in September to permit a greater understanding of the Department's budgeting process.

CONCLUSION

The Department continues to increase core services and expand to provide new services as necessary. Increasing green spaces and parks in the denser areas continues to be a challenge, but the Department is moving forward. Despite the shortcomings, the City has built more park and green space in urban locations than any other city in the United States. The department appears to be functioning well and addressing needs in an appropriate manner.

Budget Advocates Department of Recreation and Parks Committee Members: Jon Liberman, Brian Allen, Ivette Alé, Jack Humphreville, Glenn Bailey and Howard Katchen

BUREAU OF SANITATION (PUBLIC WORKS)

Date: October 30, 2017
Budget Advocates: Liz Amsden, Jack Humphreville, Joanne-Yvanek-Garb
Department Personnel: Enrique Zaldivar, General Manager; Lisa Mowery, Chief Financial Officer

RECOMMENDATIONS

- Insist that RecycLA fees are used by the Bureau to cover all related costs before any monies are transferred to the General Fund
- Provide a more effective complaint system for RecycLA customers, and develop and implement a program to educate them on best waste practices
- Expedite bringing no-charge green collection from RecycLA on line
- Continue to provide the City Council with five-year forecasts for Special Fund projects underlining the long term savings from these investments
- Fund the continued integration of the Bureau's information technology systems
- Request the City immediately fund a surveillance system targeting dumping scofflaws that can be funded from increasing fines
- Develop, market and run a pilot program of quarter-sized black bins with significantly reduced fees to encourage REAL solid waste reduction
- Fund and expand the pilot food grinder program to reduce organic waste in the solid waste stream
- Work with other City departments to ban leaf-blowing and require homeowners and gardeners to recycle all garden trimming
- Request funding from the City for at least five more Clean Streets Service Teams for at least the next three years for homelessness-related clean-up to get ahead of the crisis curve
- Expedite expansion of HOPE (homeless outreach) rapid response teams in conjunction with Council District offices
- Set up a City-County team on shared issues to avoid duplication of services and reduce costs

DISCUSSION

Overview:

The Los Angeles Bureau of Sanitation ("the Bureau") has about 3,000 employees and an annual revenue budget of over $1.1 billion. Only about 2% of their budget comes from the City's General Fund; the balance is derived from fees and Special Funds. In addition to its traditional garbage and sewage mandates, this year marks the advent of RecycLA, the private-public partnership intended to extend recycling and efficient waste-handling services to Los Angeles' commercial/industrial sector as well as multi-family homes.

The Bureau also oversees important environmental and infrastructure programs including the City's Clean Water program, the Solid Resources program, and the Watershed Protection program. Some of these are mandated by the state or federal governments; others are programs developed by the Bureau to put them on the cutting edge of waste management.

Issues:

The RecycLA roll-out has been less than successful, to put it mildly. The City and the Bureau should take this opportunity to educate both the RecycLA customers (multi-unit residents and businesses), as well as all those currently served by the Bureau, on new and upcoming best practices for waste disposal including green/organics and recycling separation and how to mitigate consumer costs. The City must expedite bringing no-charge green collection under RecycLA on-line now so customers don't have to face two upheavals within a year or so. Finally, a more effective complaint system that is equitable for the Bureau, RecycLA franchisees, and all customers must be developed and implemented to ensure that these changes and obligations are not so onerous as to encourage revolt against the system.

Given the issues experienced during the roll-out of RecycLA, the funding of proper planning and advance consultation with Neighborhood Councils and stakeholders is essential to ensure smooth execution and avoid the backlash that arises during times of change. Notices in paper bills or attached to online bills are NOT effective. In this digital age, the Bureau needs to develop better ways to reach out to its customers – a screen that must be acknowledged before clicking through to the website, priority messages on the recorded message for all callers, notices (large and bright) on the outside of envelopes – certainly the Bureau can come up with a variety of alternatives.

The City's stakeholders must also accept responsibility – this is their city and they need to commit to its improvement by appropriate and consistent recycling, not only at home but at work and on the road, educating themselves and their children on the water-wise and zero waste approaches so necessary for a sustainable future, refusing to buy over-packaged and environmentally unfriendly products to ensure compliance up and down the supply chain, avoiding washing or blowing debris into the streets and down the sewers, and working in their neighborhoods to prepare both personally and locally for emergencies.

In a rapidly changing world, especially one where sustainability, resilience, the remediation of air and water pollution and rectifying climate change have become imperatives, the Bureau's progressive plans regarding the City's water and waste should be included in their budget requests moving forward. This is why the implementation and expansion of the Bureau's IT systems is so important: accurate data is needed to inform decision-making and limit the high costs of emergency reaction to equipment failures and other system problems when most should be preventable with proper maintenance and upgrades.

Some ideas discussed with the Bureau this year and in the past include: targeted and expanded recycling, exceeding zero solid waste goals, expedited progress on tertiary water use, further improvement of storm water reclamation, development of secondary

water sources in the event of cross contamination due to a natural disaster or terrorist act, improved desalination technology, repurposing of our reservoirs, and efficiencies at individual, business and City levels.

Many of our recommendations are not one-year projects and would benefit from having a minimum three- or five-year budget projection along with their current needs. The Bureau already does this to a certain extent, but budget allocations from the City do not shadow these. To be effective, the City also needs to take a longer-term perspective of its and all the Departments' budgeting needs including developing effective ways to track expenses and projections over the long term. And, because capital investments will benefit several generations of Angelenos and the cost of financing is low today, this is an area in which debt-financing is appropriate to move forward on an expedited basis on needed capital improvements.

Such requests must indicate not only the cost to run pilot programs and implement them on a City-wide basis but also the projected savings, both direct and indirect, and the years necessary to offset the initial costs.

Homelessness is a primary component of the funding the Bureau receives from the City's General Fund (albeit only 2% of the Bureau's overall budget), due to the ever-increasing numbers of people living on the street and the lack of adequate services for the chronically homeless. Despite Measures H and HHH, current rehousing and support is inadequate.

Last year the Bureau requested $17.6 million, up from $10 million the previous year, for these projected clean-up efforts. The City funded a 5th Clean Streets service team but, with increasing homeless numbers and the construction of enough supportive housing still years in the future, the City needs to get ahead of the curve and double the number of these teams and expand services to encampments including drug-user mitigation (collection of sharps and other hazardous materials), as well as networking with the County on these and future issues related to homelessness and gentrification-driven population migration.

Finally, we need a permanent and intelligently-funded City and County team to develop a more effective way to direct inquiries and concerns to the appropriate departments, and to address shared issues such as homelessness, stormwater upgrades, green infrastructure and other long term proactive goals. Both jurisdictions must work together on reducing the Southland's reliance on imported water and continue to build sustainability and resilience in the face of climate change, economic swings and potential natural and manmade disasters.

CONCLUSION

NOT asking for what is necessary for the City's continued health for 'political reasons' is the epitome of dysfunction.

The Bureau should insist, in particular with regards to infrastructure concerns and long-term programs, on moving off the year-to-year line-item budgeting that continues to fail the City and instead developing a more suitable, more effective and more sustainable approach to budgeting that embraces a City moving into the future.

There is no shame in being turned down, so the Budget Advocates encourage the Bureau to push strongly to obtain the necessary funding to address their share of the homelessness equation including working with relevant Departments and the County to network on the issues.

The Bureau should continue to seek out innovative approaches from around the world to incorporate into their long term planning, and move forward expeditiously on those projects that are applicable to Los Angeles. They should develop and provide the Budget and Finance Committee with best-case/worst case scenarios for innovative strategies necessary for the City's continued successful growth and survival in the face of growth, drought and climate change.

The Budget Advocates stand behind our recommendation and encourage the Bureau to prioritize their needs, adopt a fiscally conservative approach that starts in the Bureau, expand innovation and track accountability but insist that the Bureau should categorically refuse to adhere to unrealistic demands to limit their requests to NO increase when their needs DO exceed what was doled out in past years.

Budget Advocate Bureau of Sanitation Committee Members:
Liz Amsden, Jay Handal, Jack Humphreville, Joanne-Yvanek-Garb

DEPARTMENT OF TRANSPORTATION

Date of meeting: September 29, 2017
ATTENDEES:
Budget Advocates: Valaida Gory, Ivette Alé, Jon Liberman, Glenn Bailey, and Estuardo Ruano
Transportation Staff: Monique Earl, Assistant General Manager, and Angela Berumen, Chief Management Analyst.

RECOMMENDATIONS

- Work closely with other Departments to reduce possible duplication/overlapping of services and create efficiencies.
- Allow parking revenue to remain with the DOT and not be absorbed into the General Fund.
- Address transit insecurity as it pertains to women and girls, because unsafe transport reduces revenue and has many other negative impacts.
- Reduce the negative impact of increased traffic in neighborhoods surrounding stadiums and other large, frequently trafficked public and private spaces.

DISCUSSION
Overview:

The Los Angeles Department of Transportation (DOT) oversees transportation planning, design, construction, maintenance and operations within the City of Los Angeles. DOT's total budget for 2017-18 is $320,364,216, of which $158,499,980 is the Department's operating budget and $161,864,236 reflects related and indirect costs. Revenue from the General Fund is 60% of their operating budget, with parking fines being the largest source of revenue. The remainder of the DOT budget is sustained by way of special funds, and allocations from propositions and measures that make up the balance of their revenue source.

Issues:

At this time, DOT believes it can operate within its budget, and can accommodate any underfunding and overtime gaps with special event reimbursements, special set asides, and transfers of funds. It is a complex process but one that enables DOT to stay in the black.

DOT's Strategic Plan has been revised for 2017-2018, and some of the goals and strategies include the following:

Goal 1: A Safe and Healthy City

- To develop a transportation culture of health and safety
- To design safe streets for all
- To pursue new policies to strengthen safety

Note: Vision Zero and Great Streets are addressed in benchmarks under this goal.

Goal 2: A Livable and Sustainable City

- To manage transportation demands
- To expand the network of bus services and dedicated bus facilities
- To increase the availability and efficiency of parking
- To expand the bicycle network
- To strengthen DOT's role in LA Comprehensive Homelessness Strategy

Goal 3: An Innovative Department

- Recruit and train the next generation of talent to DOT
- Modernize facilities, technology and tools to improve the efficiency of DOT staff

Goal 4: A Responsive and Transparent Department

- Implement process improvements to speed project delivery
- Improve external communication
- Focus on the customer

Most of the recommendations made by last year's Budget Advocates were addressed by DOT. The recommendation to maintain revenue from parking citations in the respective neighborhoods and keep funds generated from meters in the respective areas has not been addressed. DOT indicated that all parking revenue goes to the General Fund and diverting funds would create a shortfall for the General Fund. The Mayor and City Council ultimately decide on the use of those funds. The request for communication staff was denied in the 2017-2018 budget but DOT is in the process of re-organizing this function and will request additional resources in the 2018-2019 budget.

DOT has a succession plan in place that they feel is working adequately to fill job openings created by retirees.

Successes include the additional $13M allocated for Vision Zero and the addition of 5 new staff to the traffic division that should provide another tier to help monitor and increase accountability. The Great Streets Project is being implemented as part of a collaboration with the Mayor's Office. Also, the movement of the ATSAC program (which manages the streets) to the 11th floor of the California Transportation Building will enhance infrastructure and upgrade technology. However, the move and analysis of all upgrades to ATSAC will not be completed until 2019.

Challenges for the DOT include the need of additional staff to address the service needs of residents, especially relating to parking issues. Their goal is to increase staff back to levels before the Great Recession. This is the best way to increase their efficiency. Note: The Special Parking Revenue Fund (SPRF) is "swept" every year, i.e., excess funds not used go back to the General Fund. It would take an ordinance change to make any type of modification to the current policy and procedure.

One of the ways for Budget Advocates to help DOT would be to advocate for more staff in the traffic division to address issues such as abandoned vehicles. DOT plans to have more traffic officers available. The Budget Advocates could also support the use of Transportation Technology.

A specific percentage of how much of the DOT's budget is spent on homelessness was not provided, but DOT indicated that the costs will be absorbed in the current budget.

As stated above, transit should be made safer for women and girls. Unsafe transport not only causes women and girls to change their modes of movement, but also reduces how many trips they make, affecting public transportation revenue and participation in the local economy. This insecurity also reduces household income, as inadequate transportation limits women from accessing their full educational and employment opportunities. Transit insecurity is damaging to the environment, too, as more privileged women who are afraid to walk, cycle, or take public transportation turn to polluting private cars and taxis instead, further adding to Los Angeles' traffic problem.

The following recommendations should be implemented to reduce the negative impact of increased traffic to those areas impacted by stadiums and other large events:

1. DOT should hold informational sessions on permitting options and procedures to reduce parking congestion and the illegal sales of public street parking.
2. The City should allow churches and other private spaces to legally sell parking spaces during events.
3. In coordination with MTA, during high trafficked events public transit should be incentivized through reduced fares and increasing shuttling from farther parking facilities.

Budget Advocates Department of Transportation Committee Members:
Valaida Gory-chair, Ivette Alé, Jon Liberman, Michael Menjivar, Estuardo Ruano, Glenn Bailey, Carol Derby-David, Eleanor Smith, and Budget Representative Tony Michaelis

LOS ANGELES ZOO

ATTENDEES:
Budget Advocates: Melanie Labrecque, Jon Liberman
Zoo: John R. Lewis, General Manager; Denise Tamura, Directors Office

RECOMMENDATIONS

- Support continued fundraising by the Greater Los Angeles Zoo Association (GLAZA) for the growth and endowment of the Zoo..
- Fund the 20 year vision plan budget of approximately $23 million that was submitted for 2018 as essential for the stability and future of the Zoo.
- Pass a City Signing Ordinance that would allow the Zoo to place small advertisements on its grounds, to generate more revenue to cover its overhead.

DISCUSSION
Overview:

On November 28, 1966, the Los Angeles Zoo opened at Griffith Park, located in the city's Fourth Council District. With 133 acres, the Zoo is home to thousands of animals and plants. The Zoo hosts more than 1.5 million visitors per year**.** For 2016-2017 year the Zoo had 1,743,795 visitors, and 104,428 school field trips.

Issues:

For years the Zoo has not received any money from the General Fund. The last time money from the General Fund was allocated to the Zoo was 2005-2006, when the Zoo received $10,397,066 for operations. In 2016-17 the Zoo received income from:

--membership: $5,755,877
--contributions from sponsorships: $9,014,771
--special events, exhibitions and community sponsor events: $158,585
--net investment income: $19,983,515
--Perpetual Trust: $7,996
--miscellaneous revenue: $54,785, and
--visitor amenities: $3,376,917

The expenses for the Zoo have fallen upon GLAZA. In the past, GLAZA was used for capital improvements and extra money, but it has now become the Zoo's operational fund. The total expenses for 2016-2017 were $15,762,464, broken down as follows:

--programs: $12,492,310
--general administration: $1,735,457
--fundraising $1,534,697 for a total of $15,762,464.

The money raised by GLAZA just covers the general operational expenses of the Zoo. The City has abandoned the Zoo with regards to any financial opportunities for capital improvements or expansions. The Budget and Finance Committee and City Council have told the Zoo not to request money from the General Fund, and the Zoo was told to remove such requests from its budget submission. The City only pays for the Zoo's utilities and worker pensions.

Of the money raised by GLAZA, the Zoo receives 25%. GLAZA keeps 25% off the top, and the remaining 50% goes to GLAZA for website management, public relations work, and the Docent program.

The Zoo is more affordable for the family to visit than other zoos, such as the San Diego Zoo, which charges $50 per person. The Zoo charges $21.00 for those over 13, $18 for seniors (over 62), and $16 for children 2-12 (there is no charge for children under 2). Parking is free most of the time other than preferred parking, which has generated annual revenue of approximately $100,000. The Zoo must now create new revenue streams to stay afloat and be self-sufficient.

The Zoo's mission is to "Save Animals From Extinction." Its formal mission statement is "To serve the community through education and inspirations [and] inspire appreciation for wildlife through exhibition and education to ensure the highest level of animal welfare through diversity and habitats."

The expansion and updating of the Zoo is critical to serve its mission. The Zoo should be treated like a City park and given a budget within the General Fund. Budgeting for fiscal years going forward should be re-established. The Zoo requested for the current budget year funding for projects including repairing the north parking lot, roadway repairs, park spaces improvement, roofing work, air conditioning repair, signs at the entrance (lighting problems) and an increased expense account and staffing. For 2018 the Zoo has submitted a 20 Year Renovation Project that totals approximately $23 million.

The City Council should consider this project as a plan for the future and a potential source for additional revenue. For example, the San Diego Zoo sits on 100 acres and generates a large amount of revenue through ticketing and guest experiences. Our Zoo sits on 133 acres, and could expand its size and increase its earning potential. This would be an opportunity to add new habitats, new animals, behind-the-scenes tours and other experiences with keepers. The Zoo could partner with movie studios and allow permits for billboard sponsorships as additional means of creating revenue, but it would need City approval to do so.

CONCLUSION

The Zoo should be brought into the 21st century and seen as a potential profit center for the City. The Zoo should be rebuilt to what it was before the Great Recession, given its importance and value to the City.

Budget Advocates Zoo Department Committee Members: Melanie Labrecque, Joanne Yvanek-Garb, Diedra Greenaway, Janet Kim