

# CITY OF LOS ANGELES FISCAL YEAR 2015-16 BUDGET SUMMARY

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AS PRESENTED BY MAYOR ERIC GARCETTI



Back to Basics:  
**A city that works for everyone**

# MESSAGE FROM THE MAYOR:

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**Dear Angelenos:**

It is my honor to present my second Proposed Budget as Mayor, continuing our progress toward fiscal sustainability and *a city that works for everyone*.

Thanks to the creativity and entrepreneurial spirit of Angelenos -- and the groundwork we've laid together -- our local economy is turning the corner. As the cranes now dotting the downtown skyline attest, development permit valuation soared to \$6.4 billion during the past year, exceeding the pre-recession high. New jobs are also surging, with 70,000 more Angelenos employed since July 2013, the fastest pace in more than a decade.

The benefits of economic recovery are being seen across the city, and they bring increased revenues. But to expand and improve City services, we need to hold down costs. The deep cuts made during the recession eroded our capacity to deliver excellent services -- because we were forced to reduce our workforce at the same time we drastically curtailed training and investment in technology.

My *back to basics* agenda is about rebuilding capacity to deliver tangible results: a safer, more livable, more sustainable, and more prosperous Los Angeles.

The Budget is our annual blueprint for achieving those results. Building off the Performance Budgeting framework we initiated last year, we are further along the road to long-term fiscal sustainability -- and focusing our finite resources to achieve the greatest positive impact.

## **Budgeting for Results**

To best target our available resources, we reached out to all parts of the City family. Building on the collaboration we began last year, we worked closely with department management, line staff, the City Administrative Officer, and the elected offices, and convened teams of City staff to guide our spending to the most effective programs. For the first time, departments submitted joint budget proposals around collaborative efforts such as Great Streets and BuildLA. For the second year, I also met with Councilmembers individually and the Neighborhood Council Budget Advocates to collaborate on a shared vision for what matters most.

Based on the input and feedback, we've found ways to address our most pressing challenges and seize our most promising opportunities. We began with a projected shortfall of \$165 million, and thanks to these difficult choices and healthy revenue growth, this budget is balanced -- and moves Los Angeles forward as *a city that works for everyone*.



## Investing in Safe, Prosperous and Livable Neighborhoods

This budget invests in the vital services that support our diverse and vibrant neighborhoods. From Boyle Heights to Venice, from Granada Hills to Wilmington, our neighborhoods are home to the creative vitality of our city. They are home to the exceptional quality of life that has propelled Los Angeles to the front rank of global cities. They are home to four million Angelenos, living together with the common dream of a brighter future.

Our work starts with safety. While overall crime is at its lowest since 1949, we are determined to address the sobering recent increase in violent crime by expanding the successful Gang Reduction and Youth Development effort and doubling the number of Domestic Abuse Response Teams. To get the most effective use of our 10,000 Police Officers, we are investing in law enforcement technology by deploying cameras in every car and for every officer on the street. The Fire Department continues to be a major focus of results-based investment in everything from a strengthened geographic command structure to an innovative nurse practitioner pilot project that improves overall response by reducing non-emergency transport. And we will be at maximum capacity for firefighter hiring, with 180 new hires across five classes.

Citywide prosperity is anchored in healthy neighborhoods. Local commercial streets serve as backbone of strong neighborhoods, so we are scaling up my Great Streets Initiative across six departments. This funding will help improve a variety of City services along the 15 streets, helping to reconnect residential neighborhoods to their local shopping districts.


The most visible sign of a livable city is neighborhoods free of blight, trash and graffiti. We are building on the success of our pilot Clean Streets Initiative and adding an additional strike team to provide “deep cleans” in the most needed areas of the City. We are also more than doubling the number of trash cans on our streets and partnering with residents and businesses to clean up every corner of Los Angeles.

My proposed budget for fiscal year 2015-16 continues our back to basics emphasis on the services that make neighborhoods safer, cleaner, and more livable, including:

- Matching this year’s record-breaking goal of 2,400 lane miles of new pavement; stepping up sidewalk repair; and increasing the number of trees trimmed by 50%
- Going the distance to end veteran homelessness with an additional \$2.9 million in services to put a roof over those who’ve served our nation
- Rebuilding the Affordable Housing Trust Fund with a down payment of \$10 million as part of a larger effort to meet this pressing need
- Expanding restroom cleaning and park ranger services in our urban green spaces
- Implementing our Sustainable City pLAn, led by Chief Sustainability Officers in key departments, cutting energy and water use in City facilities and installing solar panels on street lights and the Convention Center
- Resourcing dispatch and data analysis to reduce Fire Department response times
- Hiring Detention Officers, Crime Analysts, and Fingerprint Specialists in the Police Department to put more officers on the street
- Replacing and modernizing technology to manage assets, purchasing, and fleet -- which will enable us to provide more timely and effective service to our communities
- Hiring and training the next generation of public servants

In the following pages, you will read more about these and other initiatives to make Los Angeles safer, more prosperous, more livable and more sustainable. I look forward to working with you to move Los Angeles forward. Together, we are ensuring that Los Angeles is a *city that works for everyone*.

Sincerely,



**ERIC GARCETTI**  
Mayor of the City of Los Angeles



**Eric  
Garcetti**  
#Iamayor



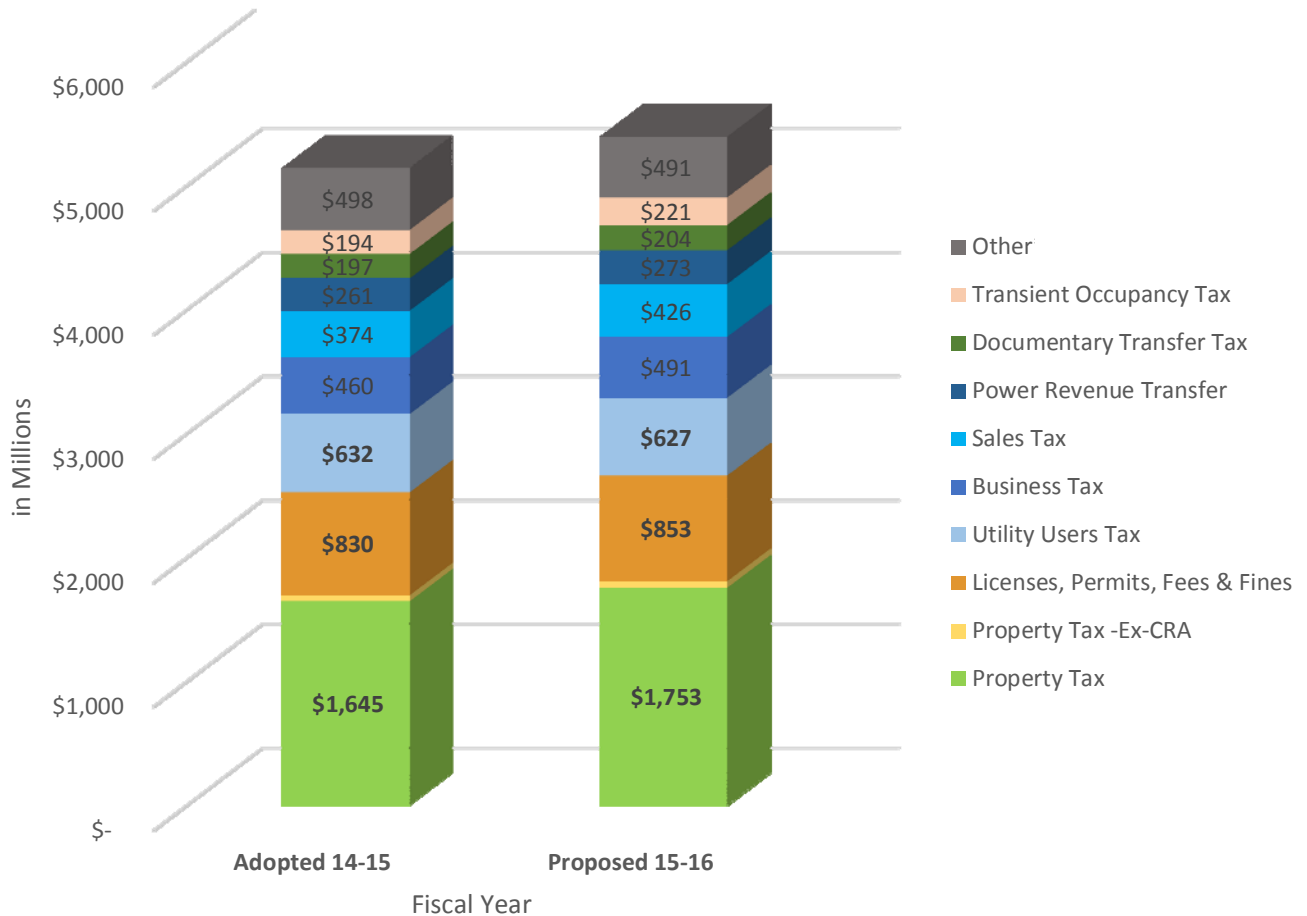


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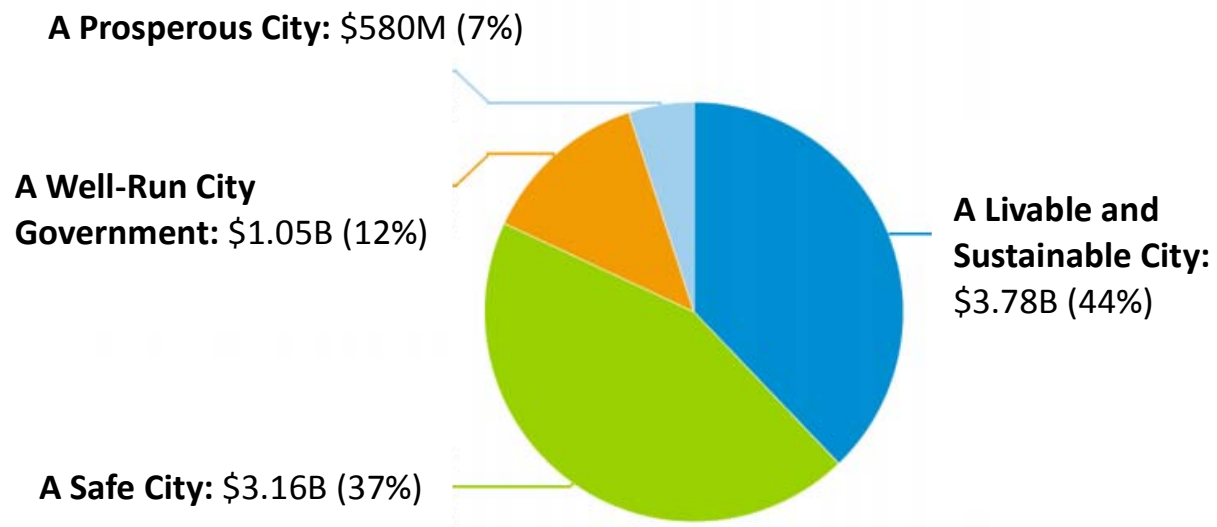
# FUNDING OUR PRIORITIES

## Summary of General Fund Receipts



Revenues are anticipated to grow steadily through 2015-16, led by Property and Transient Occupancy (Hotel) Taxes. Due to the State repaying the Economic Recovery Bond Act of 2004, Sales Tax is showing a growth rate of 14%, though natural growth in this source is only 4.4%. Note that Business Tax revenues are anticipated to grow in 2015-16 even after taking into account the Business Tax rate reduction adopted by the Mayor and Council in 2014-15. Offsetting this growth are projected decreases in Parking Fines and Utility Users taxes on natural gas and communications.

## Appropriations by Priority Outcome



Allocating the entire \$8.5 billion City budget by Priority Outcome demonstrates how the four different outcomes are funded in a given year. These figures represent direct costs of providing services as well as proportional allocations of pensions, benefits, and other centralized costs such as debt service and facilities. Totals here do not include the Proprietary Departments or spending authorized during the fiscal year due to grants or other interim actions.



# A SAFE CITY

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## Responding to Safety Needs

To meet the complex challenge of keeping our communities safe, the City has evolved its response through the expansion of evidence-based programs and the deployment of tailored approaches.

### *Key Investments:*

**Maintaining 10,000 Police Officers:** The proposed budget includes funding to support and maintain 10,000 officers. The LAPD will also roughly double the number of officers in the Metropolitan Division.

**Hiring New Firefighters:** The proposed budget will fund the recruitment, hiring and training of 180 new firefighters, to rebuild staffing, reduce overtime. Funding is also provided to the Personnel Department for targeted outreach and recruitment.

**FireStatLA:** To support the FireStatLA performance management and reporting system, \$250,000 is proposed for software maintenance. This software assists the Fire Department in integrating its existing data into a more understandable format, analyzing trends and aiding in allocating resources.

**Expanding GRYD:** The Mayor is proposing a \$5.5 million expansion of the Gang Reduction and Youth Development program, a national model for reducing gang-related crime. The proposed expansion will increase the number of zones from 17 to 23, covering 73% of all areas where gang-related violence occurs, and focus prevention, intervention, and re-entry services in the areas of most need. This proposal also expands the successful Summer Night Lights program beyond the summer, to cover Friday nights during the school year in key parks.

**Adding Animal Control Officers:** The Mayor's proposed budget provides funding for 12 new Animal Control Officers, who keep neighborhoods and animals safe by responding to stray animal calls and make it easier for pet owners to obtain licenses for their pets.



**Addressing Domestic Violence:** To address elder and child sexual abuse, the Mayor’s proposed budget increases funding for the citywide expansion of the Domestic Abuse Response Teams (DART) by \$567,000. In addition, the City Attorney will receive additional attorney positions in order to increase the number of prosecutions and convictions of violence and abuse against some of the most vulnerable victims in Los Angeles. The proposed budget will also fund the shortfall in CDBG Domestic Violence Shelter Operations (DVSO) to ensure that victims have access to the shelter services they need.

**Implementing “Vision Zero”:** This ambitious effort aims at eliminating pedestrian, bicycle, and automobile fatalities on City streets by the year 2025. The proposed budget provides six positions to redesign intersections and streets, conduct outreach and collect data to improve safety on the streets where the highest number of people are injured or killed in traffic crashes. The program is a data-driven comprehensive approach to safety, aligning enforcement, education, engineering, outreach, and evaluation.

## Building Trust

Fairness, reliability, and openness are critical components of public safety. The City is strengthening its efforts to protect its residents by investing in technology that aids accountability and transparency while allowing for more effective analysis of events.

**Body Cameras:** The Mayor’s proposed budget expands the successful LAPD body camera pilot program to all 7,000 officers on field duty.

**In-car Video:** With digital video cameras expected to be operational in patrol vehicles across three of the Department’s four bureaus in Fall 2015, the proposed budget includes funding for the final phase of the Digital In-Car Video project, deploying cameras in cars citywide.

## Fostering Resiliency

Improving LA’s preparedness and resiliency will ensure that our residents and businesses remain safe and prosperous before, during and after emergencies.

**Being Proactive and Prepared for Earthquakes:** As outlined in the City’s *Resilience by Design* plan, our city must safeguard buildings through seismic retrofits. This includes assessing and retrofitting vulnerable pre-1980 “soft story” buildings. In the Mayor’s proposed budget, Building and Safety will add more positions for plan check and inspection services needed to support this initiative, and improve customer service to the public.



# A PROSPEROUS CITY



## Supporting Economic Development

The City is taking a strategic approach to creating jobs and economic opportunity for Angelenos. The Mayor's proposed budget provides funding and sets policies that will help to attract and retain businesses and encourage development.

### *Key Investments:*

**Reduction of the Business Tax:** This is the first year the business tax reduction plan, adopted last year, goes into effect. The tax will drop from \$5.07 for each \$1,000 of gross receipts to \$4.75 in 2016. Cutting the business tax will encourage more businesses to come, stay, hire, and invest in Los Angeles.

**BuildLA:** The Mayor's proposed budget provides funding for new positions in the Information Technology Agency and the Planning Department to support the development of BuildLA: 'One Click to Development Services.' BuildLA is a series of interconnected systems that collectively deliver more transparent, convenient and accessible development services city wide.

**Real Estate Management:** To drive business growth and improve job opportunities for Angelenos, the proposed budget provides \$1 million in funding to the Economic and Workforce Development Department. This will support the strategic management of the City's real estate assets in order to encourage economic development.



## Investing in Affordable Housing

Los Angeles is one of the most expensive places in the country to live, with over 60% of Angeleno rental households spending 30% or more of their income in rent. The Mayor's proposed budget has allocated funding to help address the dearth of affordable housing.

**\$10 million for the Affordable Housing Trust Fund:** This modest but important investment in housing for our City's lowest-income families is part of the Mayor's ongoing efforts to ensure that housing is affordable to all of LA's residents. It will also contribute to the Mayor's goal of permitting 100,000 new housing units by 2021. The City will leverage both Federal and State funds to maximize the impact of this \$10 million commitment.

## Honoring Those Who Served

The Mayor is acutely aware of the need to assist those who serve this country. Therefore, the Mayor's proposed budget includes two veterans' initiatives:

**Adding Emergency Response Teams and Increasing Veteran Outreach:** Funding will be provided to the Los Angeles Homeless Services Agency to support 10 additional emergency response teams and increase outreach at targeted locations. This funding will also make it possible to conduct a veterans' homeless count.

**Increasing Veteran Access to City Hiring Halls:** The City's Information Technology Agency will be funded to increase its hiring of veterans to work on communications-related projects.

## ECONOMIC ACTIVITY

### Jobs and Employment

In 2014, more than 30,000 new payroll jobs were added in the City of Los Angeles, and more than 40,000 more Angelenos found employment.

### Tourism and Conventions

2014 was the fourth straight year of record tourism numbers for Los Angeles -- reaching 43.4 million visitors. 71 million passengers passed through LAX, beating the old record of 67 million set in 2000. Additionally, hotels broke a city record last year with an average of 79% occupancy rate, bringing in \$184 million in tax revenues in fiscal year 2013-14. In 2016 the WonderCon convention will come to Los Angeles, with an expected \$32 million in economic impact for the LA region.

### Development Activity

Construction is on the upswing, with permitted construction valuation in 2014 reaching \$6.4 billion, exceeding the pre-recession peak. The Department of Building and Safety predicts construction permit valuation to continue to rise through 2015.



# A LIVABLE AND SUSTAINABLE CITY

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## Investing in Neighborhoods

Neighborhood cleanliness is a leading indicator of livability, helping to foster a deep sense of pride and collective ownership among residents.

### *Key Investments:*

**Cleaner Streets:** \$4.1 million is being added to expand Public Works' neighborhood cleaning efforts, launching the Mayor's Clean Streets Initiative. Clean Streets provides each Council District with one dedicated day of clean-up per month. These clean-up efforts are complemented by reaching out to the homeless, with the assistance of Los Angeles Homeless Services Authority. The proposed budget also provides for 1,200 new public trash cans.

**Cleaner and Safer Parks:** Land maintenance is at the core of Recreation of Parks' mission to provide clean and safe parks. The \$1 million dedicated to the Park Restroom Enhancement Program will allow the Department to perform additional restroom cleanings, seven days a week, at 35 high-use locations. Additionally, to promote safety at neighborhood parks, the Mayor's proposed budget provides funding for 10 more Park Rangers.

**"Zero Waste LA:"** In the past, businesses and multifamily properties could use any private waste hauler to pick up trash -- resulting in haphazard pick-up schedules and differing quality standards. Zero Waste LA changed that when it established 11 collection zones consisting of 63,000 commercial accounts. As part of Phase Two, the Bureau of Sanitation will add 36 more employees to offer better customer service, contract management/finance, communication, facility certification/inspections and field inspection, and information technology.

**Expanding Code Enforcement Inspections:** This will be the second year of an expansion of Code Enforcement inspectors who will aggressively pursue quality-of-life violations, such as illegal fencing and zoning violations.

**Tree trimming:** The Mayor's proposed budget expands funding for street tree trimming by 50% -- to more than 57,000 trees.

## Maintaining the Public Realm

The public right-of-way makes up a significant proportion of land in any neighborhood. Deferred maintenance of streets, sidewalks, street trees and street lights not only impacts usability and aesthetics, but also makes maintenance much more expensive in the long run.

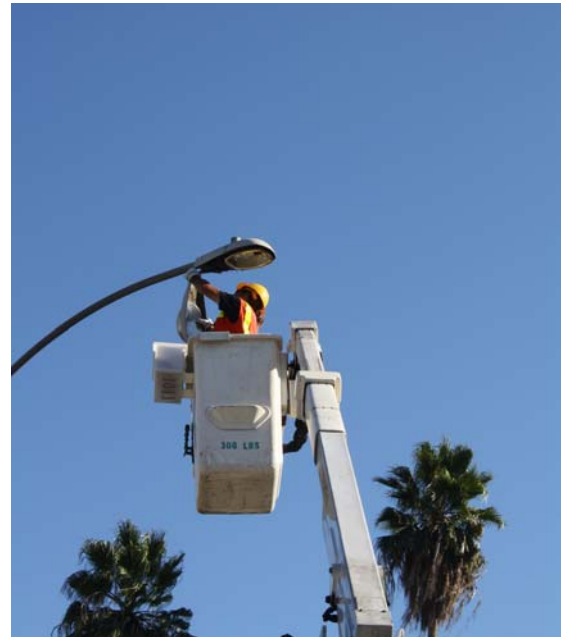
### *Key Investments:*

**Maintaining 2,400 Miles of streets:** To maintain the City's 28,000 lane miles at its current condition, the Mayor's proposed budget provides funding across multiple departments to meet the goal of maintaining 2,400 lane miles. This funding will assist DOT in meeting its goal of striping streets within 7-10 days of repaving.

**Fixing Potholes:** The Mayor's proposed budget provides \$1 million from the General Fund to replace a shortfall in gas tax revenues, which will allow the City to maintain filling 350,000 potholes. In addition, funding is being provided for software (Actsoft) that will automate dispatch of field crews and enable digital tracking of pothole service requests, enabling real-time monitoring of pothole repair activities.

**Repairing Sidewalks:** The City will invest \$31 million a year into sidewalk repairs, totaling \$1.4 billion over 30 years. This will increase mobility and safety while resolving a long-standing legal dispute.

**Converting Street Lights to LED:** Year Two of a four-year program will provide \$1.9 million to replace inefficient lamp lights with 7,500 LED fixtures/equipment and 15,000 remote monitoring units (these units alert the Bureau of Street Lighting when a light goes out and monitor energy usage). Over four years, the forecasted savings is \$3.1 million. This conversion effort is the largest such retrofit in the world.



# A WELL-RUN CITY GOVERNMENT

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## Modernizing and Improving Day-to-Day Operations

Deep cuts in resources and maintenance have contributed to increasingly outdated City government processes and systems. The Mayor's proposed budget provides for key investments in systems and infrastructure to begin to support the City workforce in responding to the contemporary needs of residents and businesses.

### *Key Investments:*

**Online Chat For Business Taxpayers:** Chat systems can assist customers four to six times faster than a call center or public counter and reduce unanswered calls by 9% during the peak season. By funding a pilot chat service in the Office of Finance, business taxpayers will be able to get detailed responses faster than waiting at public counters or on the phone.

**Investing in New Technology to Make Better Use of the City's Properties:** \$860,000 is proposed toward improving operations in GSD's Real Estate Services Division, supporting the tracking, analysis, and forecasting of the City's real estate, leases, and building maintenance.

**Replacing the City's Purchasing System to Pay Vendors Faster:** The Mayor's proposed budget includes the replacement of the City's antiquated purchasing system known as the Supply Management System (SMS). This replacement was approved by the City Council last year and requires close coordination by the Office of the Controller, Department of General Services, and the Information Technology Agency.

**Upgrading the Vehicle Management System:** \$510,000 is proposed to further a joint effort of GSD, ITA, Police, and Fire to upgrade the City's Vehicle Management System (VMS). This upgrade will improve data-sharing among mechanics, departments and management; make purchase of auto parts and fuel transactions more efficient; and better track vehicle life-cycle from procurement to salvage.

**Keeping the City's Fleet "Green":** \$525,000 is proposed for ongoing maintenance, inspection and repairs for the City's 13 alternative fuel (compressed and liquid natural gas) sites.



## Fiscal Responsibility

Los Angeles is committed to living within its current means, but the City also has a responsibility to make strategic decisions to protect its future. By spending responsibly on preventative measures, LA can plan for prospective challenges and capture new opportunities.

### Key Investments:

**Investing in Facilities:** Just over \$10 million is proposed to fund a variety of projects ranging from energy and water conservation projects at 10 City buildings to making repairs to Figueroa Plaza, the Police Administration Building, and the Public Works building. This investment helps address deferred maintenance of existing buildings, preventative maintenance for our newest large buildings, and the construction of new buildings to serve the public.

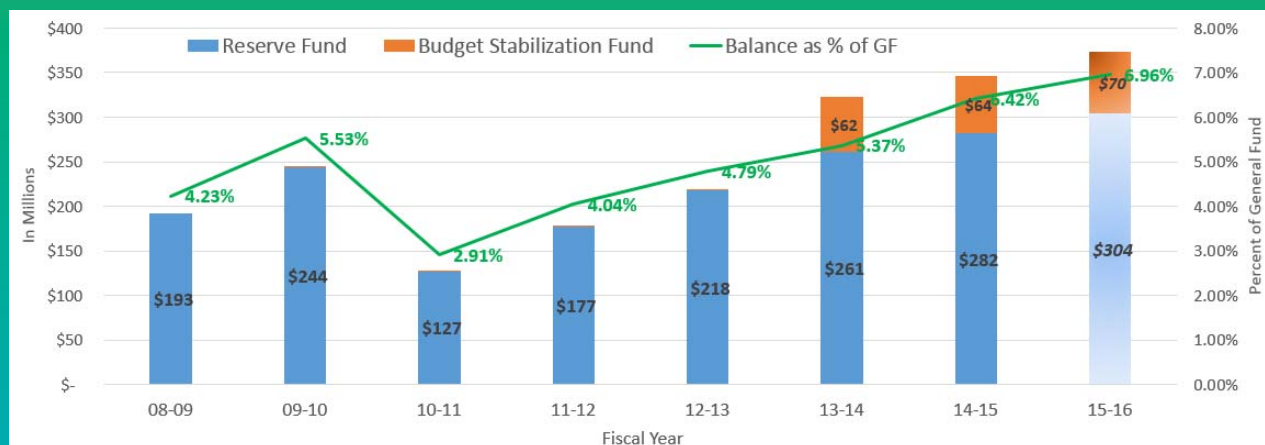
**Guarding Against Cyber Attacks:** This proposed budget provides funding for a “Cyber Security Operations Center” to provide cybersecurity services to all non-proprietary departments. These services include detection, prevention, and response to cyber-attacks.

**Attracting the “Next Generation” of Innovative Employees to Information Technology:** ITA is facing “brain drain” as a disproportionate number of employees will likely retire in the next five years. To address this exodus of experienced staff while attracting young talent, 10 students will work as Application Programmers in a structured information technology rotation program. This will provide new potential City employees with the foundation to support ITA’s systems and assist in determining areas of specialization. These new employees can later take exams for systems jobs in their chosen areas and provide fresh skill sets to help modernize ITA’s systems.

**Reforming Workers’ Compensation:** In collaboration with the City Controller, the City Attorney, the Personnel department and other key departments, the Mayor’s Office is working to reduce workers’ compensation costs as well as lost time due to injury.

### Reserve Fund:

In the interest of making Los Angeles a well-run City, the fiscal year 2015-16 Reserve Fund will be at 5.65% of General Fund revenue. At \$304.5 million, this figure is the largest amount ever for the City. Combined with the Budget Stabilization Fund, at it’s highest level ever at \$70.5M, the Budget holds 7% of General Fund revenue in reserve, preparing the City for whatever uncertainties lay ahead.



# pLAN

## SUSTAINABLE CITY PLAN



The Mayor recently unveiled the **Sustainable City pLAN for Los Angeles** that sets a vision for transforming Los Angeles' environment, economy, and equity over the next 20 years.

To keep the pLAN from ending up like a lot of other plans -- occupying shelves without creating significant, tangible outcomes -- we are also making sure we deliver results for LA's residents right away. For example, since July 2013 an estimated 4,750 green jobs have been created in fields like solar panel installations and waste recycling, with more jobs being created every day in other fields like lawn removal and energy efficiency upgrades.

The pLAN's time-based, measurable outcomes will help establish priorities to meet our longer-term goals by 2025 and 2035. At the same time, we are focused on short-term successes that build on LA's leadership and put in place targeted new initiatives. To that end, in the coming year the Mayor's Office will spur implementation of the pLAN's objectives, making meaningful investments by:

- Investing \$6 million in solar power panels at the Convention Center. This project will reduce the amount of power consumed, save \$300,000 in electricity costs in the first year, and ultimately save at least \$15 million over a 30-year time span.
- Creating and funding new departmental Chief Sustainability Officers (CSOs) in General Services, Transportation, Recreation and Parks, and Sanitation. Other General Managers have been asked to appoint departmental CSOs from within their ranks. These positions will implement the pLAN's objectives in their departments and work collaboratively with other departmental CSOs as well the Mayor's Office.
- Creating and funding three "Climate Change" positions to support the pLAN's greenhouse gas emissions goals. While these new staff will be stationed at the Bureau of Sanitation, these employees will develop climate change strategies -- including reducing energy use and utility bills -- to help the entire City reduce carbon dioxide and greenhouse gas emissions (GHG) to below-1990 levels as well as support the Mayor's Office in developing our first-ever climate action plan to meet our pLAN's target of 80% GHG reductions by 2050.
- Investing \$10 million into the Affordable Housing Trust Fund. This modest but important investment in housing for our City's lowest-income families will contribute to our efforts to increase overall housing affordability for every Angeleno. It will also help contribute to our goal of reaching 100,000 new housing units by 2021.
- Approving the creation and funding of the Clean Up Green Up Ombudsman and LA Riverworks positions. These new roles will improve our City's most polluted neighborhoods by helping residents and businesses, and continue our work to increase access to the LA River for all Angelenos, respectively.
- Providing \$4 million for our General Services Department to invest in energy and water efficiency upgrades that reduce utility bills for every department.





In 2013, the Mayor issued his first Executive Directive, launching the **Great Streets** initiative. Streets make up about 15% of the land in the City of Los Angeles, making them our largest public asset. The initiative coordinates City services across multiple departments with community efforts to help activate public spaces, promote economic development, enhance local culture, and support vibrant neighborhoods along 15 initial corridors.

Selected streets will undergo short term and community-designed improvements that encourage more people to use the streets as a public space. These improvements will be followed by long-term investments that redesign streets to be safer, cleaner, more economically and environmentally resilient places. . More permanent changes will include accessible curbs, enhanced street lighting, additional trees and expanded greenspace and street furniture like benches, tables and chairs.

Through active collaboration, departments including Transportation, Sanitation, Street Lighting, Street Services, Engineering, City Planning, Cultural Affairs and Economic and Workforce Development can more effectively maintain and enhance streets with minimal impact to residents.

Also, in fiscal year 2015-16, Transportation, with the assistance of the CAO and the Great Streets Studio, will explore the development of a pilot program to expand and maintain improvements on Great Streets using new parking revenues generated on, or adjacent to, the designated streets.

The following make up the first list of Great Streets:

- **North Figueroa St.**—btw. Aves 50 and 60
- **Lankershim Blvd.**—btw. Chandler and Victory
- **Sherman Way**—btw. Wilbur and Lindley
- **Western Ave.**—btw. Melrose and 3<sup>rd</sup> Street
- **Westwood Blvd.**—btw. Le Conte and Wilshire
- **Van Nuys Blvd.**—btw. Victory and Oxnard
- **Van Nuys Blvd.**—btw. Laurel Canyon and San Fernando
- **Crenshaw Blvd.**—btw. 78<sup>th</sup> Street and Florence
- **Central Ave.**—btw. MLK Boulevard and Vernon
- **Pico Blvd.**—btw. Hauser and Fairfax
- **Venice Blvd.**—btw. Beethoven and Inglewood
- **Reseda Blvd.**—btw. Plummer and Parthenia
- **Hollywood Blvd.**—btw. La Brea and Gower
- **Cesar Chavez Ave.**—btw. Evergreen and St. Louis
- **Gaffey St.**—btw. 15<sup>th</sup> St. and the Harbor Freeway





This year, the Mayor released the **“Resilience by Design”** report, focused on increasing the seismic safety and resilience of the City of Los Angeles.

Through a ground-breaking partnership over the past year between the City of Los Angeles and Dr. Lucy Jones of the US Geological Survey (USGS), Dr. Jones has studied LA’s seismic risk and has worked with an extensive coalition of experts, scientists, engineers, and community members to develop solutions to these challenges.

While LA has always been an epicenter for seismic risk, through this partnership the City is working on becoming a model for seismic preparedness, resilience, and safety. The purpose of the plan is to better protect our safety, our ability to live our daily lives, and our economy in the wake of a major earthquake.

Based on an extensive review into our most significant vulnerabilities, the Resilience By Design plan focuses on three key areas as a starting point for the City’s Resilience Plan:

- **Soft First Story and Concrete Buildings**
- **Water Infrastructure**
- **Telecommunications Systems**

The “Resilience by Design” report had a number of recommendations for increasing our seismic resilience in each of these areas:

### **Buildings**

- Mandatory assessment and retrofit of Pre-1980 Soft-First-Story and Concrete buildings
- Voluntary Seismic Safety Rating System
- Back To Business Program to rapidly supplement the capacity of the City’s building inspection force

### **Water System**

- Installation of seismic resilient pipes to critical portions of DWP network
- Fortification of aqueducts and water storage infrastructure
- Regional collaboration on water infrastructure resilience
- Improvement of local water supplies (including storm water capture, water conservation, water recycling, and San Fernando Groundwater Basin contamination remediation)
- Development of alternative water system for firefighting
- Implementation of DWP Resilience By Design Program

### **Telecommunications**

- Development of solar-powered Citywide Wi-Fi
- Partnerships with telecom providers to remove bandwidth barriers during emergencies
- Creation of a Southern California Utility Resiliency Consortium Protection to address utility issues
- Require new cell towers to be built to a stronger public safety standard
- Pilot projects for expansion of Earthquake Early Warning system

# THE MILLION DOLLAR CHALLENGE:



## Continuing the \$1M Innovation Fund

As part of last year's budget, the Mayor proposed a two-year, million dollar Innovation Fund (IF) pilot to unlock ideas with the potential to improve or change how the City delivers its services. While similar funds have been created in other cities, Los Angeles' stands apart in two key ways. First, it is the first year-round Innovation Fund, with the ability to seed proposals as they come in order to realize potential savings and benefits earlier. Second, because the best ideas for change often come from the experience of front-line staff, the Fund focuses on enabling individual City staffers to submit their ideas directly "to the top."

To bring in outside expertise and a fresh resident perspective, the Mayor and City Council charged the newly reformed Innovation & Performance Commission (IPC) to review all of the IF proposals on behalf of the City. Through its outreach, over 300 "What IF?" ideas have been submitted by City staff, departments, and City Commissioners via the IPC's website, [innovate.lacity.org](http://innovate.lacity.org).

Already, the City has approved the following innovative ideas that challenge business as usual:

- **Fire Department's Nurse Practitioner Response Unit: \$245,000**
- **Bureau of Engineering's 3D Printed Architectural Model-Making: \$10,000**
- **Transportation's "Can I Park Here Now?": \$60,000**
- **The Controller's MyPayLA: \$35,000**
- **Personnel's One-Stop Shop for City Workforce Candidates: \$35,000**
- **DWP's Automated Inspection Units: \$5,000**
- **LAPD's Online Police Reports: \$60,000**

To continue the success of this first year, the proposed budget will include \$1 million from the General Fund for the Innovation Fund. In addition, the proposed budget will also include \$500,000 to fund IF ideas for parking-related pilots and initiatives to be paid out of the Special Parking Revenue Fund.

# PROPRIETARY DEPARTMENTS

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Los Angeles is unique in its operation of major infrastructure assets, which it leverages to promote regional economic development, assist Los Angeles businesses, provide cost-competitive and high-quality services, and ensure environmental quality and sustainability. Our proprietary departments consist of the Port of Los Angeles, Los Angeles World Airports, and the Los Angeles Department of Water and Power. These publicly owned and operated entities finalize their budgets outside the City’s official process – but are fully engaged in performance management through our departmental PerformanceStat process.

## LOS ANGELES DEPARTMENT OF WATER AND POWER

The Los Angeles Department of Water and Power (LADWP) is the largest municipally-owned utility in the nation. The mission of the DWP is to provide clean, reliable water and power and excellent customer service in a safe, environmentally responsible and cost-effective manner. Key focus areas for the department in the coming year will be meeting customer needs through proactive drought response and making infrastructure upgrades to prepare for a strong economic future while meeting state environmental mandates.



## LOS ANGELES WORLD AIRPORTS

Los Angeles World Airports (LAWA) owns and operates four airports in Southern California: Los Angeles International (LAX), LA/Ontario International, Palmdale Regional Airport, and Van Nuys Airport. LAX is the world’s fifth busiest airport by passenger flights and the world’s busiest origin and destination airport, and has a regional economic impact of \$60 billion annually. The Mayor has launched the nation’s largest airport construction program to rebuild eight terminals and add a new international terminal. As chair of the Metro Board of Directors, the Mayor is also leading the effort to bring rail to LAX.



## PORT OF LOS ANGELES

America’s #1 container port and Southern California's gateway to international commerce, the Port of Los Angeles is strongly committed to the development of innovative and sustainable operations that benefit the economy, environment and quality of life for the region and nation it serves. A critical economic engine recognized for its environmental stewardship around the world, the Port generates 919,000 regional jobs and \$39.1 billion in wages and tax revenues each year. The Port’s plan to invest \$1 million per day in capital improvements over the next five years is expected to spur additional growth and increase efficiency and velocity of regional goods movement.





# SUMMARY OF APPROPRIATIONS

	Salaries	Expenses	Equipment	Special	Total
Aging	4,033,408	151,928	-	-	4,185,336
Animal Services	21,260,824	1,794,342	-	-	23,055,166
Building and Safety	103,779,433	2,559,747	1,866	-	106,341,046
City Administrative Officer	14,431,915	2,159,194	-	-	16,591,109
City Attorney	112,847,716	7,447,212	-	-	120,294,928
City Clerk	9,508,180	512,575	-	-	10,020,755
City Planning	33,909,149	7,212,295	256,427	-	41,377,871
Controller	16,397,904	1,029,648	-	-	17,427,552
Convention and Tourism Development	1,522,937	53,000	-	13,000	1,588,937
Council	22,097,847	908,219	-	-	23,006,066
Cultural Affairs	5,445,690	580,318	-	5,004,706	11,030,714
Disability	1,352,021	301,392	-	92,521	1,745,934
Economic and Workforce Development	16,022,379	2,544,659	-	-	18,567,038
El Pueblo de Los Angeles	1,345,893	414,457	-	-	1,760,350
Emergency Management	1,809,113	71,036	-	-	1,880,149
Employee Relations Board	341,427	75,320	-	-	416,747
Ethics Commission	2,366,810	337,046	-	-	2,703,856
Finance	30,225,411	7,485,169	-	-	37,710,580
Fire	587,597,590	32,462,178	118,000	-	620,177,768
General Services	110,693,591	127,196,125	120,000	3,494,814	241,504,530
Housing and Community Investment	56,338,517	5,962,647	-	500,000	62,801,164
Information Technology Agency	48,829,556	25,891,973	153,314	16,626,539	91,501,382
Mayor	6,042,280	389,256	-	-	6,431,536
Neighborhood Empow erment	2,306,430	390,747	-	14,000	2,711,177
Personnel	47,933,853	6,930,834	-	1,839,999	56,704,686
Police	1,357,887,099	70,888,779	13,777,413	-	1,442,553,291
Board of Public Works	7,485,365	7,426,631	-	-	14,911,996
Bureau of Contract Administration	32,237,255	1,936,443	-	-	34,173,698
Bureau of Engineering	73,644,021	3,636,004	220,000	-	77,500,025
Bureau of Sanitation	228,294,030	8,738,037	11,015	-	237,043,082
Bureau of Street Lighting	21,493,579	1,566,252	1,000	4,579,830	27,640,661
Bureau of Street Services	83,590,651	89,055,062	-	-	172,645,713
Transportation	127,236,383	26,720,915	342,000	-	154,299,298
Zoo	16,907,401	2,779,908	-	-	19,687,309
<b>Total-Budgetary Departments</b>	<b>3,207,215,658</b>	<b>447,609,348</b>	<b>15,001,035</b>	<b>32,165,409</b>	<b>3701991450</b>
Appropriations to City Employees' Retirement	-	-	-	102,171,275	102,171,275
Appropriations to Library Fund	-	-	-	147,623,777	147,623,777
Appropriations to Recreation and Parks Fund	-	-	-	165,318,884	165,318,884
<b>Total-Appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>415,113,936</b>	<b>415113936</b>
<b>Total-Departmental</b>	<b>3,207,215,658</b>	<b>447,609,348</b>	<b>15,001,035</b>	<b>447,279,345</b>	<b>4,117,105,386</b>
Bond Redemption and Interest	-	-	-	137,526,468	137,526,468
Capital Finance Administration	-	-	-	235,573,575	235,573,575
Capital Improvement Expenditure Program	-	-	-	277,728,929	277,728,929
General City Purposes	-	-	-	131,755,946	131,755,946
Human Resources Benefits	-	-	-	612,209,371	612,209,371
Judgment Obligation Bonds Debt Service Fund	-	-	-	9,031,025	9,031,025
Liability Claims	-	-	-	53,910,000	53,910,000
Proposition A Local Transit Assistance Fund	-	-	-	311,158,953	311,158,953
Proposition C Anti-Gridlock Transit Improvement Fund	-	-	-	28,996,080	28,996,080
Special Parking Revenue Fund	-	-	-	46,439,877	46,439,877
Tax and Revenue Anticipation Notes	-	-	-	1,077,728,572	1,077,728,572
Unappropriated Balance	-	-	-	94,807,735	94,807,735
Wastewater Special Purpose Fund	-	-	-	475,754,227	475,754,227
Water and Electricity	-	-	-	40,978,000	40,978,000
Other Special Purpose Funds	-	-	-	917,602,894	917,602,894
<b>Total-Non Departmental</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,451,201,652</b>	<b>4451201652</b>
<b>Total</b>	<b>3,207,215,658</b>	<b>447,609,348</b>	<b>15,001,035</b>	<b>4,898,480,997</b>	<b>8,568,307,038</b>

# SUMMARY OF RECEIPTS

<b>General Receipts:</b>	<b>Total</b>	<b>% of Total</b>
Property Tax .....	\$1,752,730,000	20.5%
Property Tax - Ex-CRA Increment.....	52,580,000	0.6%
Utility Users' Tax.....	627,400,000	7.3%
Licenses, Permits, Fees, and Fines .....	853,158,845	10.0%
Business Tax.....	491,000,000	5.7%
Sales Tax.....	426,120,000	5.0%
Documentary Transfer Tax.....	204,115,000	2.4%
Power Revenue Transfer.....	273,000,000	3.2%
Transient Occupancy Tax.....	221,000,000	2.6%
Parking Fines .....	157,590,000	1.8%
Parking Users' Tax.....	103,600,000	1.2%
Franchise Income.....	45,296,000	0.5%
State Motor Vehicle License Fees.....	1,678,000	0.0%
Grants Receipts.....	9,800,000	0.1%
Tobacco Settlement.....	9,106,000	0.1%
Transfer from Telecommunications Dev. Account.....	5,223,022	0.1%
Residential Development Tax.....	4,740,000	0.1%
Special Parking Revenue Transfer.....	56,500,000	0.7%
Interest.....	17,600,000	0.2%
Transfer from Reserve Fund.....	80,000,000	0.9%
<b>Total General Receipts.....</b>	<b>\$5,392,236,867</b>	<b>63.0%</b>
<b>Special Receipts:</b>		
Property Tax - City Levy for Bond Redemption and Interest.....	\$ 137,526,468	1.6%
Sewer Construction and Maintenance Fund.....	813,111,675	9.5%
Proposition A Local Transit Assistance Fund.....	157,509,671	1.8%
Prop. C Anti-Gridlock Transit Improvement Fund.....	73,061,199	0.9%
Special Parking Revenue Fund.....	23,289,753	0.3%
L. A. Convention and Visitors Bureau Fund.....	16,615,000	0.2%
Solid Waste Resources Revenue Fund.....	305,079,590	3.6%
Forfeited Assets Trust Fund.....	--	0.0%
Fines--State Vehicle Code.....	7,000,000	0.1%
Special Gas Tax Street Improvement Fund.....	100,978,900	1.2%
Housing Department Affordable Housing Trust Fund.....	10,185,000	0.1%
Stormwater Pollution Abatement Fund.....	37,718,917	0.4%
Community Development Trust Fund.....	20,535,490	0.2%
HOME Investment Partnerships Program Fund.....	6,642,148	0.1%
Mobile Source Air Pollution Reduction Fund.....	4,631,000	0.1%
City Employees' Retirement Fund.....	102,171,275	1.2%
Community Services Administration Grant.....	1,360,392	0.0%
Park and Recreational Sites and Facilities Fund.....	2,750,000	0.0%
Convention Center Revenue Fund.....	25,433,248	0.3%
Local Public Safety Fund.....	43,250,000	0.5%
Neighborhood Empowerment Fund.....	5,180,883	0.1%
Street Lighting Maintenance Assessment Fund.....	54,617,929	0.6%
Telecommunications Development Account.....	23,099,877	0.3%
Older Americans Act Fund.....	2,741,038	0.0%
Workforce Investment Act.....	18,779,430	0.2%
Rent Stabilization Trust Fund.....	14,723,950	0.2%
Arts and Cultural Facilities and Services Fund.....	17,372,880	0.2%
Arts Development Fee Trust Fund.....	1,663,000	0.0%
City Employees Ridesharing Fund.....	3,238,837	0.0%
Allocations from Other Sources.....	48,303,398	0.6%
City Ethics Commission Fund.....	2,452,515	0.0%
Staples Arena Special Fund.....	5,997,113	0.1%
Citywide Recycling Fund.....	21,506,000	0.3%
Special Police Comm./911 System Tax Fund.....	16,145	0.0%
Local Transportation Fund.....	1,893,699	0.0%
Planning Case Processing Revenue Fund.....	24,912,139	0.3%
Disaster Assistance Trust Fund.....	4,272,844	0.0%
Landfill Maintenance Special Fund.....	4,236,431	0.0%
Household Hazardous Waste Special Fund.....	3,393,000	0.0%
Building and Safety Enterprise Fund.....	138,037,649	1.6%
Housing Opportunities for Persons with AIDS.....	763,297	0.0%
Code Enforcement Trust Fund.....	48,687,800	0.6%
El Pueblo Revenue Fund.....	4,461,686	0.1%
Zoo Enterprise Fund.....	19,771,545	0.2%
Local Law Enforcement Block Grant Fund.....	--	0.0%
Supplemental Law Enforcement Services .....	5,060,000	0.1%
Street Damage Restoration Fee Fund.....	10,069,000	0.1%
Municipal Housing Finance Fund.....	3,576,000	0.0%
Measure R Traffic Relief and Rail Expansion Fund.....	42,400,000	0.5%
Efficiency and Police Hires Fund.....	--	0.0%
Central Recycling and Transfer Fund.....	4,905,000	0.1%
Multi-Family Bulky Item Fund.....	6,580,000	0.1%
<b>Total Special Receipts.....</b>	<b>\$2,431,562,811</b>	<b>28.4%</b>

<b>Available Balances:</b>	<b>Total</b>	<b>% of Total</b>
Sewer Construction and Maintenance Fund.....	\$ 86,482,323	1.0%
Proposition A Local Transit Assistance Fund.....	161,722,484	1.9%
Prop. C Anti-Gridlock Transit Improvement Fund.....	11,453,736	0.1%
Special Parking Revenue Fund.....	29,398,020	0.3%
L.A. Convention and Visitors Bureau Fund.....	2,838,424	0.0%
Solid Waste Resources Revenue Fund.....	124,739,257	1.5%
Forfeited Assets Trust Fund.....	3,401,765	0.0%
Traffic Safety Fund.....	946,672	0.0%
Special Gas Tax Fund.....	22,572,099	0.3%
Housing Department Affordable Housing Trust Fund.....	942,066	0.0%
Stormwater Pollution Abatement Fund.....	2,305,486	0.0%
Community Development Fund.....	--	0.0%
HOME Fund.....	--	0.0%
Mobile Source Air Pollution Reduction Fund.....	103,274	0.0%
CERS.....	--	0.0%
Community Services Admin.....	--	0.0%
Park and Recreational Sites and Facilities.....	--	0.0%
Convention Center Revenue Fund.....	5,049,862	0.1%
Local Public Safety Fund.....	335,631	0.0%
Neighborhood Empowerment Fund.....	1,288,683	0.0%
Street Lighting Maintenance Asmt. Fund.....	4,815,999	0.1%
Telecommunications Development Account.....	11,859,422	0.1%
Older Americans Act Fund.....	--	0.0%
Workforce Investment Act Fund.....	--	0.0%
Rent Stabilization Trust Fund.....	9,720,690	0.1%
Arts and Cultural Facilities and Services Fund.....	196,868	0.0%
Arts Development Fee Trust Fund.....	695,411	0.0%
City Employees Ridesharing Fund.....	218,403	0.0%
Allocations From Other Sources.....	--	0.0%
City Ethics Commission Fund.....	449,372	0.0%
Staples Arena Special Fund.....	10,873,203	0.1%
Citywide Recycling Fund.....	26,752,891	0.3%
Special Police Comm./911 System Tax Fund.....	203,855	0.0%
Local Transportation Fund.....	985	0.0%
Planning Case Processing Revenue Fund.....	13,977,203	0.2%
Disaster Assistance Trust Fund.....	44,710,167	0.5%
Landfill Maintenance Trust Fund.....	848,775	0.0%
Household Hazardous Waste Special Fund.....	1,734,875	0.0%
Building and Safety Enterprise Fund.....	106,589,136	1.2%
HOPWA.....	--	0.0%
Code Enforcement Trust Fund.....	34,885,839	0.4%
El Pueblo Revenue Fund.....	518,993	0.0%
Zoo Enterprise Trust Fund.....	2,044,775	0.0%
Local Law Enforcement Block Grant Fund.....	--	0.0%
Supplemental Law Enforcement Services Fund.....	3,393,558	0.0%
Street Damage Restoration Fee Fund.....	680	0.0%
Municipal Housing Finance Fund.....	270,588	0.0%
Measure R Traffic Relief and Rail Expansion Fund.....	6,723,854	0.1%
Efficiency and Police Hires Fund.....	--	0.0%
Central Recycling and Transfer Fund.....	2,424,387	0.0%
Multi-Family Bulky Item Fund.....	7,017,649	0.1%
<b>Total Available Balances.....</b>	<b>\$ 744,507,360</b>	<b>8.4%</b>
<b>Total Receipts.....</b>	<b>\$8,568,307,038</b>	<b>100.0%</b>



