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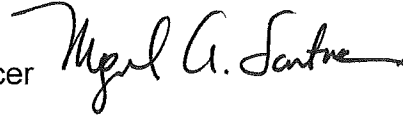
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 1

Date: April 29, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer


Subject: **PENSIONS – CONTAINMENT OF MEDICAL COSTS**

Retiree healthcare benefits are provided to eligible civilian retirees through the Los Angeles City Employees' Retirement System (LACERS) and for eligible sworn retirees through the Los Angeles Fire and Police Pensions System (LAFPP). While LACERS administers healthcare plans for retirees, LAFPP retiree healthcare plans are administered by the Los Angeles Police Relief Association (LAPRA) for police officers and by the Los Angeles Fire Relief Association (LAFRA) for firefighters.

LACERS and LAFPP members earn a medical subsidy after attaining 10 years of service (40% of the maximum medical subsidy) and age 55. For every year of service beyond 10 years, a member earns an additional 4%. After 25 years of service, a member earns 100% of the maximum medical subsidy. The following table lists the maximum medical subsidy amounts provided under LACERS and LAFPP since 2006:

LAFPP			LACERS		
Eff. Date	Subsidy (per month)	Increase	Eff. Date	Subsidy (per month)	Increase
7/1/06	\$782	n/a	1/1/06	\$928	n/a
7/1/07	\$837	7%	1/1/07	\$983	6%
7/1/08	\$895	7%	1/1/08	\$1022	4%
7/1/09	\$958	7%	1/1/09	\$1120	10%
7/1/10	\$1025	7%	1/1/10	\$1123	0.2%
7/1/11	\$1097	7%	1/1/11	\$1190	6%

There are a number of ways to contain retiree healthcare costs, many of which are complex and may require bargaining with employee organizations. The following is a list of some cost containment options being implemented or considered by the City:

1. Adopt an ordinance to freeze the maximum medical subsidy amounts.
2. Negotiate an active employee contribution towards healthcare.
3. In September 2010, LACERS enacted several plan design changes (e.g. copays, prescriptions, etc.) to its healthcare premiums, which led to a less than anticipated increase to the medical subsidy. This method is a proven way to mitigate rising healthcare premiums. LAFPP, LAPRA and LAFRA, should be requested to explore variations in plan design with the intent of mitigating costs.



4. Establish a new retirement tier for new hires that significantly reduces or even eliminates retiree healthcare as compared to current benefit levels.
5. Negotiate with labor unions on changes to the healthcare benefits. For example, negotiate a Health Reimbursement Account (HRA) or Health Savings Account (HSA) in-lieu of the current retiree health subsidy model.
6. Contract with third-party organizations to administer healthcare benefits.
7. Adopt an ordinance to no longer tie the increase in the LACERS medical subsidy to the Kaiser HMO two-party rate.
8. Adopt an ordinance to lower the current LAFPP maximum medical subsidy cap of 7% per year. For example, the cap may be lowered to 3%.
9. Consolidate healthcare plans amongst both systems (including LAFRA and LAPRA administered plans) and negotiate with insurance providers to obtain more competitive premium rates.
10. Contract with a healthcare consultant to develop new strategies and methodologies for cost containment.
11. Eliminate duplicative healthcare subsidies. For example, if a member of the City's retirement system already has a healthcare subsidy from another City retirement system (or outside the system), then the member would only be eligible to receive one healthcare subsidy.
12. Eliminate duplicative healthcare subsidies if a City employee is married to another City employee that is already receiving a subsidy.
13. Provide a retiree healthcare subsidy that does not exceed single-party coverage.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 2

Date: May 2, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer B.H.  
R.W.

Subject: **BUREAU OF SANITATION – SOLID WASTE INTEGRATED RESOURCES PLAN (SWIRP)**

The Budget and Finance Committee requested a report back on reinstatement of an Environmental Engineering Associate II position on resolution authority for the SWIRP. The SWIRP is a six-year effort to develop and implement a planning document for the City's solid waste activities for the next 10 to 20 years. The SWIRP will evaluate the Bureau's long-term solid waste management infrastructure needs. Major elements of the project include a stakeholder engagement process and development of a facility plan, environmental impact report (EIR), financial plan and implementation plan. Funding is provided by the Solid Waste Resources Revenue Fund (SWRRF) and the Citywide Recycling Trust Fund (CRTF) which supports six positions approved for this project in September 2006 (C.F. 06-1362), as follows:

<u>No.</u>	<u>Title</u>	<u>Funding Source</u>
1	Senior Environmental Engineer	SWRF
1	Environmental Engineer	CRTF
1	Environmental Engineering Associate II	SWRF
2	Environmental Engineering Associate II	CRTF
<u>1</u>	Management Analyst II	SWRF
6	Total	

The SWIRP is supported by an engineering consultant that was approved by Council in March (C.F. 07-0427). The project is currently in EIR development and will proceed to the financial and implementation plan through its conclusion in 2013.

The Proposed Budget did not continue one of the above Environmental Engineering Associate II position in efforts to phase down program staffing for this project. Arguments can be made either way on whether this one position is needed to bring the project to fruition by 2013 given the five remaining positions supporting the program. On the side of caution, we support continuation of the resolution authority but recommend deletion of an equivalent position in other operations to maintain the current budget level.

## RECOMMENDATION

Continue resolution authority for Environmental Engineering Associate II for the SWIRP and delete a vacancy in the same class in other Bureau operations.

MAS:ER:06110081

Question No.91

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 3

Date: May 2, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

DH  
AW

Subject: **BUREAU OF SANITATION – MULTIFAMILY REFUSE COLLECTION FRANCHISE**

The Budget and Finance Committee requested a report back on proposed staffing for the Multifamily Refuse Collection Franchise program. The program would transition refuse collection for 541,000 multifamily units from an open market, permit-based system to a franchise structure to augment the City's waste diversion and recycling efforts, among other benefits. Currently, about 400,000 units are recycling on a voluntary basis. This proposal redistributes vacant positions from the Clean Water program to recycling operations, as follows, with funding provided by the Citywide Recycling Trust Fund:

<u>No.</u>	<u>Title</u>
1	Environmental Engineering Associate II
1	Management Analyst I
1	Systems Analyst II
<u>1</u>	Clerk Typist
4	Total

The earliest that a franchise program could be launched is 2013 pursuant to a seven-year notice issued to private haulers in July 2006. The program would be approached over three phases. Phase I includes the completion of stakeholder meetings and release of a Request for Proposals. Phase II would include review and evaluation of proposals; assessment and development of data collection needs; development of franchise agreements; and outreach execution. Phase III would involve implementation and transition. The Bureau has engaged in some of these efforts with existing staff, particularly in conducting stakeholder meetings and preparation of a draft implementation plan.

The requested staffing is to help the program gain momentum to take advantage of a 2013 implementation date, given the potentially significant benefits to the City's zero waste strategy. Filling of the positions would be subject to managed hiring. The white paper on this item contained in the March 18, 2011 companion report to the Third Financial Status Report also recommends a status report from the Bureau on these efforts, which we reiterate here.

**RECOMMENDATION**

That the Bureau of Sanitation present a status report to Council on these efforts. No change is recommended to the Mayor's Proposed Budget on the proposed position redistributions.

MAS:ER:06110085

Question No.51

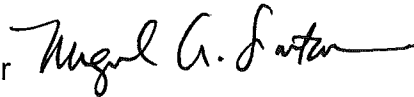
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 4

Date: May 2, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **BUREAU OF ENGINEERING – RESTORATION OF A CIVIL ENGINEERING  
ASSOCIATE IV POSITION IN THE PRIVATELY FINANCED PROGRAM**

The Budget and Finance Committee requested a report on restoring a Civil Engineering (CEA) IV position, without funding, in the Privately Financed Program (PFP) to address the workload of the program. In addition, the Bureau of Engineering (BOE) has requested that the position be corrected to a Structural Engineering Associate (SEA) IV, which is the vacant position. The salaries for both positions are the same.

The BOE's PFP fees, which are revised almost every year, are based on the direct and indirect costs associated with providing services. Because fees may not exceed the estimated costs of providing the direct service, they do not cover all costs associated with district offices' and public counters' operations such as responding to inquiries that do not result in the issuance of permits. Therefore, the program is not at 100 percent full cost recovery.

The PFP currently has three unfunded off-budget CEA III resolution authority positions, which are vacant, to support expedited review of private development cases and fully reimbursable activities. Based on the Bureau's estimated revenues for the PFP, the workload in 2011-12 will remain basically the same as this year. Therefore, there is no need to restore vacant positions for management flexibility. In addition, the Bureau has vacant resolution positions available to assist with management flexibility should workload increase significantly. As a result, this Office does not recommend restoring a regular authority position without funding to the Bureau's base budget. This Office does recommend correcting the position to be deleted to a SEA IV.

**RECOMMENDATION**

Correct the position deletion from a Civil Engineering Associate IV to a Structural Engineering Associate IV for the Privately Financed Program.

MAS:WYL:06110080

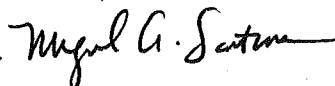
Question No. 90

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 2, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUREAU OF SANITATION – COST TO REMOVE FURLOUGHS FOR  
STORMWATER POLLUTION ABATEMENT (SPA) FUND POSITIONS**

Your Committee requested this Office to report back on the cost to remove furloughs for positions in the Bureau of Sanitation supported by the Stormwater Pollution Abatement (SPA) fund.

The Mayor's 2011-12 Proposed Budget includes furloughs for 68 of the 137 positions in the Bureau of Sanitation supported by the SPA fund. The 69 positions not proposed for furlough include critical positions needed to maintain uninterrupted coverage of the stormwater system. The cost of removing 68 employees in the Bureau of Sanitation from furlough are:

\$549,104 Direct Salary  
\$358,290 Related Costs (CAP 32)  
\$907,394 Total

There are no SPA funds available for this purpose. Since the General Fund currently subsidizes the SPA fund on related costs in the amount of \$5,475,051, removing furloughs for the Bureau of Sanitation would increase the General Fund subsidy, unless reductions are identified elsewhere in the SPA budget. It should also be noted that all other SPA-implementing departments are being furloughed. Imposing furloughs on the Bureau of Sanitation's SPA program would establish parity across the fund.

### RECOMMENDATION

No change to the Mayor's 2011-12 Proposed Budget is recommended.

MAS:MBC:06110086

Question No. 57

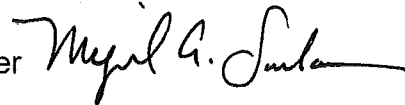
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 6

Date: May 2, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BOARD OF PUBLIC WORKS – REDUCTIONS TO THE GRAFFITI ABATEMENT AND CLEAN AND GREEN PROGRAMS**

Your Committee requested this Office report back on options to restore a \$500,000 reduction to the graffiti abatement program and to confirm that the reduction to the Clean and Green program does not result in a double reduction.

The Mayor's 2011-12 Proposed Budget includes a \$500,000 reduction to the graffiti abatement program, which reduces the overall funding from \$7.7 million in Fiscal Year 2010-11 to \$7.2 million in Fiscal Year 2011-12. The Board of Public Works' (Board) Office of Community Beautification (OCB) administers contracts with 13 community based organizations and one private organization to provide graffiti abatement services Citywide. Contractors are assigned a geographical service area and respond to requests for service, and proactively patrol the City streets on a daily basis. It has not yet been determined how the reduction would be distributed among the 14 contractors.

Separately, the Mayor's 2011-12 Proposed Budget includes a \$120,497 reduction to the Clean and Green program, which reduces General Fund support from \$1,204,971 in Fiscal Year 2010-11 to \$1,084,474 in Fiscal Year 2011-12. Funding for the Clean and Green program is budgeted in General City Purposes. This program is administered by the Los Angeles Conservation Corps to employ about 900 youth to perform clean-up activities throughout the City such as removing litter, cleaning alleyways, removing graffiti, and planting trees. The Los Angeles Conservation Corps is also one of the 14 contractors for graffiti abatement services. Since it has not yet been determined how the \$500,000 reduction would be distributed among the contractors, the actual reduction to the contracts with the Los Angeles Conservation Corps has not yet been determined.

In light of the proposed Commercial Paper borrowing, should the Committee desire to restore funding for the graffiti abatement program, we recommend that the cost be offset by a reduction elsewhere in the budget. Any incremental revenue identified by the Committee is recommended to be budgeted towards reducing the amount of the proposed borrowing and/or increasing the Reserve Fund.

**RECOMMENDATION**

No change to the Mayor's 2011-12 Proposed Budget is recommended.

MAS:MBC:06110082

Question No.39 and 132

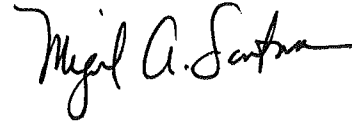
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 7

Date: May 2, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **BUREAU OF SANITATION – CONSTRUCTION AND DEMOLITION (C&D)  
RECYCLING PROGRAM**

The Budget and Finance Committee requested a report back on reinstatement of an Auditor I position on resolution authority for the Construction and Demolition Recycling Program. The ordinance for this program requires all waste haulers and contractors that haul their own waste to recycle all mixed construction and demolition debris at a City certified processor for reuse markets. In addition to the Auditor I, the program is staffed with a Senior Management Analyst I, an Environmental Engineering Associate II and a Clerk Typist. Funding is provided by the Citywide Recycling Trust Fund (CRTF) which receives permit fees from approximately 140 private waste haulers servicing multifamily and commercial properties under the AB 939 Private Hauler Program.

The function of the Auditor I is to perform field audits of private haulers to determine compliance with the C&D recycling ordinance. The position has been vacant since December 2009. The Bureau has two other audit positions, including a Senior Auditor and Auditor I, that perform compliance audits for the AB 939 program. The work for C&D would appear to involve many of the same private haulers doing business in the City and we therefore suggest that work be folded into existing staffing. It is difficult to predict revenue attributed to the C&D program since the ordinance just went into effect in December 2010. In general, the Bureau reports that audit activity for the AB 939 program has revealed under reporting of receipts by approximately 58 percent.

**RECOMMENDATION**

No change to the Mayor's Proposed Budget is recommended.

MAS:ER:06110095

Question No. 50

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 8

Date: May 2, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **BUREAU OF SANITATION – ALTERNATIVE TECHNOLOGY STUDY/  
SUNSHINE CANYON FEE RECEIPTS**

The Budget and Finance Committee requested a report back on the cash flow or appropriation to the Sunshine Canyon fee. This was in reference to a request for consultant funding of \$1.6 million contained in the Bureau of Sanitation's budget requests for the fourth phase of the Alternative Technology (Alt Tech) program. The goal of the project is the establishment of a viable Alt Tech facility capable of processing residual municipal solid waste and is in response to the Council's RENEW LA plan and the Mayor's directives for increasing landfill diversion and moving the City toward zero waste. Phase IV tasks include Environmental Impact Report preparation, design review development, permitting support, and community outreach and marketing.

Funding for Phase IV was approved in the amount of \$2.6 million (Contract 111500, Amendment 2) and was divided over two fiscal years. The first portion was awarded in 2009-10 for \$1 million. The balance of \$1.6 million was funded from the Integrated Solid Waste Management Fund (ISWM) in the 2010-11 First Financial Status Report, thereby rendering the budget request unnecessary. Sunshine Canyon franchise fee receipts comprise approximately \$4 million of ISWM's annual funding stream. At this time, revenues are on target with the budget.

**RECOMMENDATION**

No change to the Mayor's Proposed Budget is recommended.

MAS:ER:06110096

Question No. 52



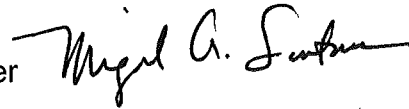
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 9

Date: May 2, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer


Subject: **CONTROLLER –APPROPRIATE LEVEL OF SALARY SAVINGS RATE**

As requested by the Budget and Finance Committee, the following is a report back regarding the Controller's salary savings rate.

The 2011-12 Proposed Budget includes a 4 percent salary savings rate for the Office of the Controller which is the same rate as the current year. This represents approximately \$590,960 in required salary savings or the equivalent of holding about six positions vacant throughout the year. During the Budget and Finance Committee's budget deliberations, the Controller stated that this target will be difficult to meet due to the deletion of 19 vacant positions in the Proposed Budget. The Controller subsequently advised that the Department anticipates retirements with potentially large payouts in 2011-12, as well as only six funded vacancies. The Department also has four unfunded resolution positions for FMS implementation proposed in 2011-12. The Controller is requesting a reduction of its salary savings rate to maintain flexibility to fill positions throughout the year to meet critical service levels.

Should the Council wish to reduce the 4 percent salary savings rate, additional funding would need to be appropriated to the Controller's Salaries General account as follows:

<b>Salary Savings Rate</b>	<b>Savings Target</b>	<b>Additional Appropriation Required</b>
4%	\$590,960	Current Level N/A
3%	\$443,220	\$147,740
2%	\$295,480	\$295,480
1%	\$147,740	\$443,220

**Recommendation:**

It would be appropriate to reduce the Controller's salary savings rate by one or two percent. However, in light of the proposed Commercial Paper borrowing, should the Committee desire to approve a reduction in the Controller's salary savings rate, we recommend that the cost be offset by a reduction elsewhere in the budget. Any incremental revenue identified by the Committee is recommended to be budgeted towards reducing the amount of the proposed borrowing and/or increasing the Reserve Fund.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 2, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **CONTROLLER – ADDITIONAL FUNDING FOR FINANCIAL AUDITS**

Your Committee requested this Office to report back on the Controller's request for an additional \$500,000 in funding to conduct financial audits and on the potential for year-end savings from 2010-11 that can be reappropriated to the Controller's 2011-12 budget for this purpose.

The Proposed Budget provides \$500,000 in the Controller's Contractual Services account for outside audit assistance. The Controller has requested an increase of \$500,000 for total funding of \$1,000,000. The Controller has advised that it is her intent to undertake only financial audits during 2011-12. The number of audits that can be accomplished with a \$500,000 budget will depend on the type and scale of the audits. According to the Controller, on average, the cost of a financial audit can range between \$75,000 to \$125,000. The amount of \$500,000 could potentially fund about four to five financial audits.

Over the last several years the Controller has been authorized a one-time re-appropriation of \$250,000 in year-end salary savings to supplement outside audit resources for the following year. Should there be year-end savings within the Controller's budget, the Controller requests that these funds be reappropriated in 2011-12 to supplement the audit budget.

	<b>Adopted Budget</b>	<b>Supplemental (from prior year savings)</b>	<b>Amt. Expended</b>
<b>2008-09</b>	\$500,000	\$250,000	\$750,000
<b>2009-10</b>	\$500,000	\$250,000	\$750,000
<b>2010-11</b>	\$500,000	\$250,000	\$750,000(projected)

The Controller's staff has advised that up to \$400,000 in year-end savings may be available to be reappropriated towards the 2011-12 budget for financial audits. Specifically, the Controller's staff has indicated that they are looking at the potential for halting paid overtime, delaying orders, delaying hiring and other options to identify additional savings in other Controller accounts that may be available for the financial audits. However, the accounts with the potential savings have yet to be determined.

The Controller's Year-End Financial Status Report identifies \$250,000 in MICLA savings in the Salaries General account and savings of \$246,561 in the Salaries As Needed account relative to the Accounting Resource Pool. However, the MICLA funds are restricted and cannot be used for the financial audits and the Controller has indicated the need to reappropriated the accounting resource pool funds for the same purpose in 2011-12. At this time, this Office cannot confirm additional savings beyond these amounts. Should any year end savings be reappropriated in 2011-12, this will reduce potential reversions to the Reserve Fund since every dollar reappropriated reduces reversions by the same amount.

**Recommendation:**

Should there be any additional savings beyond the MICLA salary savings and the Controller's Accounting Resource Pool, the additional savings can be reappropriated in 2011-12.

*MAS:BC:MDG:01110057*

*Question No.15*

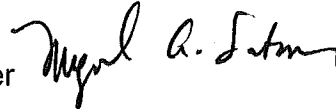
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 11

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **RECREATION AND PARKS – REVENUE STREAMS FROM FILMING ON BEACHES**

Your Committee requested this Office to report on possible revenue streams from filming on beaches and how other coastal cities are handling this issue. Revenues from filming are generated through permits. Film permits for Department of Recreation and Parks (Department) facilities, including those adjacent to beaches, are handled through the Department Park Film Office. Currently, the location fees charged to use City parkland are as follows:

Prep days: \$150/day/park  
Film days: \$450/day/park (includes base camp & crew parking)  
Wrap/Clean-up days: \$150/day/park  
Equipment base camp: \$450/day/park  
Crew Parking: \$100/day/park (1-15 vehicles); \$300/day/park (16+ vehicles)  
Location Hold: \$450/day/park  
Still Photo: \$75/day/park for 1-14 persons; \$150/day/park for 15+ persons  
Catering: \$225/day/park (1-74 persons); \$450/day/park (75+ persons)  
Water/Electricity: \$75/day/utility (invoiced after shoot)  
Spot Check: \$150  
Special Facility - Administration Fee: \$150

The Department may also require Park Monitor/s depending on what is being done and the location of filming. Currently, the rate for a Park Monitor is \$38/hour. The Park Monitor facilitates filming while protecting park resources.

It should be noted that filming on beaches from the sand to the water is permitted through the County of Los Angeles (County). The County charges \$100 for prep days, \$400 for film days and \$60 to \$100 for film monitors/lifeguards. According to Film LA, film permits for most beaches at other coastal cities are also handled by the County while some are handled by the State of California.

To ensure that Los Angeles remains a "film-friendly" city, a feasibility study should be conducted before any increases to film permit fees are implemented.

This memorandum is informational only. There is no fiscal impact.

MAS:VES:08110161c

Question No.28

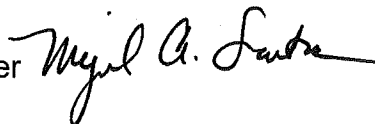
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 12

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **RECREATION AND PARKS - \$3.0 MILLION ROLLOVER**

Your Committee requested this Office to report on the \$3.0 million rollover in the 2011-12 Proposed Budget for the Department of Recreation and Parks (Department). The Department's projected revenue for 2011-12 is increased by \$3.3 million to recognize one-time available funding. This funding is anticipated to become available from the Department's UUFB or Undesignated and Unreserved Fund Balance when the Department converts from the City's FMIS or Financial Management Information System to the new FMS or Financial Management System.

This memorandum is informational only. There is no fiscal impact.

MAS:VES:08110160c

Question No.26

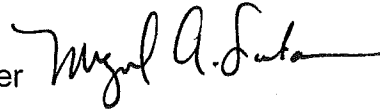
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 13

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **RECREATION AND PARKS – USE OF COMMERCIAL PAPER TO FUND  
\$4.3 MILLION EARLY RETIREMENT INCENTIVE PROGRAM PAYOUT**

Your Committee requested this Office to report on the use of Commercial Paper to fund \$4.3 million in Department of Recreation and Parks (Department) Early Retirement Incentive Program (ERIP) payout. The 2011-12 Proposed Budget includes \$4.3 million appropriation in the Department budget for the second of two ERIP payouts. As part of the overall Department budget, this appropriation is funded by a combination of funding sources, including Charter-mandated funding and Departmental revenues.

Issuing Commercial Paper for the \$4.3 million Department ERIP payout would make \$4.3 million available for recreational programming. It should be noted that, generally, other City Departments were asked to identify budget reductions to offset ERIP payouts. The Proposed Budget includes the issuance of Commercial Paper for ERIP payouts that require General Fund monies. Special funds, such as the Solid Waste Resources Revenue Fund and the Sewer Construction and Maintenance Fund, were required to offset ERIP payouts to the extent possible.

**RECOMMENDATION**

Using Commercial Paper for the \$4.3 million Department ERIP payout would increase the amount of proposed borrowing to close the budget gap and is therefore not recommended.

MAS:VES:08110169c

Question No. 118

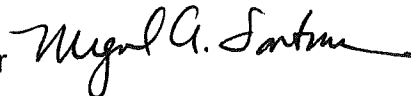
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 14

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: RECREATION AND PARKS – FEE ADJUSTMENTS

Your Committee requested this Office to report on adjusting Department of Recreation and Parks (Department) fees, including Community Garden fees. In accordance with the Charter, Department rates and fees are set by the Board of Recreation and Park Commissioners (Board). Generally, adjustments to the Department Schedule of Rates and Fees are made at the beginning of the fiscal year. One of the main drivers for fee adjustments is the Departmental revenue targets set through the regular budget process. Fee adjustments are also made throughout the fiscal year to address policy or operational issues that may arise on an interim basis.

For example, the Board is currently reviewing proposed changes to the Community Garden fees. The Department is proposing increases to the Community Garden fees after an extensive review of the type and level of services provided and analysis of the current pricing, policies and procedures. The proposed fee increase will not bring full cost recovery but has already generated significant reaction from community garden users.

The Department reports that, generally, its fees do not fully recover staff and facility costs. The Department further reports that, in some cases, full cost recovery models would make programs cost-prohibitive. The Department has various programs that provide fee subsidies to low-income and at-risk youths.

This memorandum is informational only. There is no fiscal impact.

MAS:VES:08110170c

Question No. 119

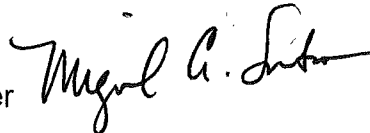
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 15

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **RECREATION AND PARKS – VENICE BEACH PARKING LOTS AND BEACH MAINTENANCE**

Your Committee requested this Office to report on the status of the agreement with the Los Angeles County relative to the Venice Beach parking lots and beach maintenance and the revenue implications if the City were to operate the parking lots and maintain the beaches.

The Joint Powers Agreement (JPA) between the City and the County dated May 20, 1975, as amended on August 18, 1987, states that the City has assigned to the County the "right to provide lifeguard and maintenance services, to administer and award concessions, and to operate parking facilities" in several beach areas within City limits, including a portion of Venice Beach. Under the JPA, the County retains all revenue from concession operations and the operation of parking lots within those beach areas.

If the City were to operate the parking lots, the City would be responsible for the operation and maintenance of the lots and the beach areas, including the provision of lifeguard services. In addition, the City may have to compensate the County for any capital improvements provided during the term of the JPA.

The JPA may be terminated by either party for any reason, subject to a 365-day prior written notice. The JPA does not include provisions regarding re-negotiation of the agreement.

It should be noted that the beaches covered by the JPA are leased by the State of California (State) to the City. Therefore, should the JPA be terminated or modified, the terms of a new agreement or any new operating practices may be subject to State approval.

This memorandum is informational only. There is no fiscal impact.

MAS:VES:08110171c

Question No. 123



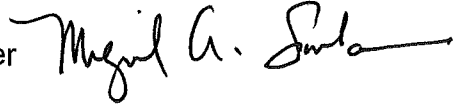
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 16

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **Cultural Affairs – One Percent of Transient Occupant Tax as Special Fund and the Implementation of Furloughs**

Your Committee requested this Office to report back on whether the one percent of Transient Occupancy Tax (TOT) allocated to the Department of Cultural Affairs (DCA) results in a Special Fund designation and the reason why Special Fund employees are subject to furlough.

The one percent of the TOT allocated to the DCA is considered a Special Fund because the allocation is mandated by Ordinance. However, the TOT is a General Fund receipt and the one percent allocation can be changed by revising the Ordinance. DCA was able to reach full-cost recovery in 2011-12 with reductions to their Special Appropriations and the imposition of furloughs. If furloughs had not been implemented for the Department, the General Fund subsidy would have been \$231,000.

It should be noted that in 2011-12, the DCA will receive an allocation \$10.5 million. If the Council should elect to change the Ordinance and reduce the allocation to the DCA, the savings could be used to fund other budget priorities.

This memorandum is informational only. There is no fiscal impact.

MAS:CEA:08110173


Question No. 125

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 17

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **Disaster Assistance Trust Fund – Schedule 37**

Your Committee requested a report back on the Disaster Assistance Trust Fund (DATF).

The DATF was established by Ordinance No. 166519 on December 12, 1990, effective January 24, 1991, to receive all monies for emergency and disaster response and recovery provided under the public assistance provisions of the Stafford Act and the California Disaster Assistance Act. In accordance with LAAC, Article 9.6, Section 8.72.1(e), the fund is administered by the City Administrative Officer (CAO) subject to the provisions of the grant authorities, Federal Emergency Management Agency (FEMA) and California Emergency Management Agency (CalEMA).

The DATF is limited to serving as a holding fund to receive and disburse FEMA and CalEMA disaster public assistance response, recovery and hazard mitigation cost reimbursements and to provide funding for the costs of administering the grants. Under FEMA's statutory administrative allowance, in accordance with 44 CFR 207.9(b)(2), in addition to disaster cost reimbursement the City may receive funding to cover the necessary costs of requesting, obtaining, and administering public assistance subgrants. Reimbursements from FEMA and CalEMA are placed into the DATF and then, after proper verification, are disbursed to the appropriate departmental fund that originally financed the emergency protective measures and repair work. A small percentage of the funds are retained for grant administrative processing costs, including applications, appeals, accounting and audits.

The CAO is responsible for processing and coordinating all City requests for disaster assistance. The CAO submits all initial requests and appeals, maintains all documentation, accounts for all funds and responds to all requests for information and audit documentation from FEMA, CalEMA, the United States Inspector General, the California State Controller, and Single Audit Act auditors. Utilization of the administrative funds is a year to year budgetary decision. Beginning July 1, 2011, the administrative allowance balance in the DATF is expected to be approximately \$747,000. Of this balance, \$275,000 is included in the proposed 2011-12 Budget to fund CAO staff dedicated to administering the funds and processing grants.

Historically, a significant amount of administrative allowance money was available in the trust fund from the Northridge Earthquake. However, the level of receipts has been dramatically reduced due to diminished disaster applications and a change in FEMA administrative allowance. Whereas, FEMA regulations had previously provided a 0.5 to 3 percent administrative allowance based on a sliding scale which translated into millions of dollars for the Northridge Earthquake disaster, subsequent disasters received a smaller percentage and

in November 2007, FEMA did away with the administrative allowance. FEMA now pays only administrative direct costs on a project by project basis. The State still provides a small percentage for administrative allowance, however not enough to sustain administrative costs. These changes will not provide a sufficient funding level to sustain the necessary staffing level to continue the City's efforts to recover reimbursements for existing recovery projects and the inevitable future events.

Furthermore, in recent years the City has experienced significant delays in receiving reimbursements primarily due to turnover and staffing reductions by FEMA and the State in processing the City's requests. Disaster grant reimbursement has been delayed due to State and Federal cutbacks.

**RECOMMENDATION:**

Receive and file.

*MAS:WRK:DR*

*Question No. 106*

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 18

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **RECREATION AND PARKS – LIST OF FACILITIES WITH REDUCED OPERATIONS**

Your Committee instructed the Department of Recreation and Parks (Department) to prepare a list of facilities that will have reduced operations as a result of the Proposed Budget. Attached is the Department's response.

This memorandum is informational only. There is no fiscal impact.

Attachment

MAS:VES:08110166c

Question No. 30

BOARD OF RECREATION AND  
PARK COMMISSIONERS

BARRY A. SANDERS  
PRESIDENT

LYNN ALVAREZ  
W. JEROME STANLEY  
JILL T. WERNER  
JOHNATHAN WILLIAMS

CITY OF LOS ANGELES  
CALIFORNIA



ANTONIO R. VILLARAIGOSA  
MAYOR

DEPARTMENT OF  
RECREATION AND PARKS

221 NORTH FIGUEROA STREET  
15TH FLOOR, SUITE 1550  
LOS ANGELES, CA 90012

(213) 202-2633

FAX (213) 202-2614

JON KIRK MUKRI  
GENERAL MANAGER

May 2, 2011

Honorable Bernard C. Parks, Chair  
Budget and Finance Committee  
City Clerk, City Hall Room 395  
Los Angeles, CA 90012

ATTN: Erica Pulst, Legislative Assistant

Dear Councilmember Parks:

**FISCAL YEAR 2011-12 QUESTION NO. 30 – REDUCED OPERATIONS AT  
FACILITIES AND PARKS**

The Department of Recreation and Parks (RAP) is responding to your Committee's request for information on RAP's plan to reduce operations at facilities and parks as a result of reduced funding in the Mayor's Fiscal Year 2011-12 Proposed Budget.

RAP is committed to providing full summer programming up to the ability of current resources and will report back to the Committee with a reduction plan for the remainder of the fiscal year, which is expected to include:

- Reduce hours of operations at local recreation centers by 4-6 hours per week;
- Reduce the number of subsidies in the Girls Play LA program by ten percent (10%);
- Reduce by ten (10) hours per week the number of part-time hours assigned to the "CLASS Parks" Recreation Centers from September through May at each site;
- Create additional Recreation Center "Clusters" as full-time recreation staff leave the Department (retire, transfer, promote, etc.);
- Reduce the number of days the Aquatic Centers operate during the fall, winter and spring season from 6 to 5 days per week.

Once we know the final budget due to the Coalition Agreement more detailed operational plans can be developed. We do expect some supervisory and operational issues due to some RAP employees being on furlough. Should you have any questions, please contact Kevin Regan, Assistant General Manager at (213) 202-2633 or Regina Adams, Executive Officer at (213) 202-2633.



Honorable Bernard C. Parks  
May 2, 2011  
Page 2

Sincerely,



JON KIRK MUKRI  
General Manager

JKM:RA:FM:ndw

cc: Jeff Carr, Chief of Staff, Mayor  
Georgia Mattera, Office of the Mayor  
Romel Pascual, Office of the Mayor  
Lisa Sarno, Office of the Mayor  
Chris Espinosa, Office of the Mayor  
Neil Guglielmo, Office of the Mayor  
Matthew Rudnick, Office of the Mayor  
Jennie Carreon De Lacey, Office of the Mayor  
Gerry Miller, Chief Legislative Analyst  
Barry A. Sanders, President, Board of Recreation and Park Commission  
Miguel Santana, City Administrative Officer  
Ray Ciranna, City Administrative Officer  
Terry Sauer, City Administrative Office  
Veronica Salumbides, City Administrative Office

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 19

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **RECREATION AND PARKS – QUIMBY FEES**

Your Committee instructed the Department of Recreation and Parks (Department) to report on status of Quimby fees and what other cities are doing. Attached is the Department's response.

This memorandum is informational only. There is no fiscal impact.

Attachment

MAS:VES:08110165c

Question No. 29

BOARD OF RECREATION AND  
PARK COMMISSIONERS

BARRY A. SANDERS  
PRESIDENT

LYNN ALVAREZ  
W. JEROME STANLEY  
JILL T. WERNER  
JOHNATHAN WILLIAMS

CITY OF LOS ANGELES  
CALIFORNIA



ANTONIO R. VILLARAIGOSA  
MAYOR

DEPARTMENT OF  
RECREATION AND PARKS

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LOS ANGELES, CA 90012

(213) 202-2633

FAX (213) 202-2614

JON KIRK MUKRI  
GENERAL MANAGER

May 2, 2011

Honorable Bernard C. Parks, Chair  
Budget and Finance Committee  
City Clerk, City Hall Room 395  
Los Angeles, CA 90012

ATTN: Erica Pulst, Legislative Assistant

Dear Councilmember Parks:

**FISCAL YEAR 2011-12 QUESTION NO. 29-REPORT ON STATUS OF QUIMBY FEES  
AND OTHER MUNICIPALITIES PRACTICES**

The Department of Recreation and Parks is responding to a request from your Committee on information related to Quimby Fees.

**BACKGROUND**

The City's Quimby Program consists of two separate, but related, programs known as the Quimby Program and the Zone Change Program:

- Quimby Program: The State Quimby Act (California Government Code §66477) was first established by the California legislature in 1965. It provided provisions in the State Subdivision Map Act for the dedication of parkland and/or payment of in-lieu fees as a condition of approval of residential development projects requiring a subdivision (e.g. condominiums, tract houses). To implement the State Quimby Act the City established the Subdivision Fees Trust in 1971 (L.A.M.C. Sections 17.12 & 17.58).
- Zone Change Program: The Zone Change Park Fee (L.A.M.C. Section 12.33) applies to the finalization of zone changes for multi-unit residential projects, including rental projects. It was established by the City in 1985.

The fee schedule, collection, and administration of the Quimby Program and the Zone Change Program are identical. The Department of City Planning (DCP), with input from the Advisory Agency, is responsible for determining if a residential development project would be required to





dedicate land for recreation and park purposes or pay a fee in-lieu. The amount of land required to be dedicated or the amount of Quimby Fees required to be paid is determined and calculated by DCP. If a project is required to pay Quimby Fees those fees are collected, and administered by, the Department of Recreation and Parks (RAP).

The amount of land required to be dedicated is based on a development's maximum permitted density and is calculated as a percentage of the project's gross land area. The in-lieu fees vary by zone and are charged on a per unit (or per lot) basis. The current in-lieu fee schedule (effective March 1, 2011) is below:

**In accordance with Section 17.12H, the rates are revised as follows:**

<u>ZONE</u>	<u>Current Fee Per Dwelling Unit</u>	<u>RERC Index Oct 2010</u>	<u>Fee Per Dwelling Unit Effective March 1, 11</u>
A, RA, RE, RS, R1, RU, RZ, RW1, R2	\$2,008	3.9%	\$2,086
RW2, RD, R3, RAS3	\$3,014	3.9%	\$3,132
R4, RAS4	\$4,109	3.9%	\$4,269
R5	\$5,789	3.9%	\$6,015
All Other Zones	\$4,109	3.9%	\$4,269

Any land dedication required and/or in-lieu fees required to be paid pursuant to the City's Quimby regulations are to be used to acquire and develop new parks or fund capital improvements at existing parks that would serve residents of the new development. City and State regulations do not allow for in-lieu fees to be used to offset staff operation and maintenance costs, to purchase materials and supplies, or to replace equipment.

In-lieu fees can only be spent, and land can only be dedicated, within a service radius of one to two miles from the development that paid the fee. This geographic restriction is based on a requirement in the City's Quimby regulations that land dedications and fees be used in a manner that complies with the City's Public Recreation Plan (a portion of the Service System Element of the City's General Plan), which was adopted in 1980. According to the City's Public Recreation Plan, the service radius is the geographic area whose population the park or facility serves. Neighborhood parks and facilities have a service radius of up to one mile from the park or facility. Community parks and facilities have a service radius of two miles. Definitions of neighborhood and community parks and facilities can be found in the Public Recreation Plan.

## ISSUES

The City's park dedication and fee regulations have largely remained unchanged since they were adopted. There are several aspects of the City's Quimby regulations that should be reviewed and possibly updated.

In 2008, in response to several City Council Motions (Council Files No. 05-1562, 07-3387-S2, and 07-3619) and a City Controller's Audit (Audit No. 08-18), DCP, in conjunction with RAP, began an analysis of the City's Quimby Program and related City regulations. A number of significant issues and potential reforms were identified during this analysis and are summarized below:

- Apartments and Condominium Conversions. The City's Quimby regulations only apply to subdivisions and certain multi-unit residential projects requiring a zone change. Therefore, some residential development projects are not required to dedicate land for recreation and park purposes or pay a fee in-lieu.
- Geographic Restrictions. Pursuant to the City's Quimby regulations, in-lieu fees can only be spent, and land can only be dedicated, within a service radius of one to two miles from the development that paid the in-lieu fee. State regulations are more flexible, as they only require that there be a "reasonable relationship" between the development and any land dedication and/or in-lieu fees required.
- In-Lieu Fee Credits. The City's Quimby regulations allow the awarding of credits to offset fees for developments that provide certain recreational amenities. The value of the fee credits, and the types of recreational amenities that qualify for fee credits, have not changed since 1981.
- In-Lieu Fee Deferrals. The City's Quimby regulations currently allow for a deferral of in-lieu fees for developments that provide 20% of their units for affordable housing, or housing for persons over the age of 62, or for persons who are handicapped. State regulations do not require a provision for a deferral of in-lieu fees.
- In-Lieu Fee Schedule. The current Quimby in-lieu fee schedule has no relationship to the current value of land. The collection of in-lieu fees alone is insufficient to purchase the amount of parkland necessary to meet the needs (per the long-range park land standards identified in the City's Public Recreation Plan) of new residents.
- Land Dedication Policy. The City's Quimby regulations allow the DCP to require developments of 50 or more units to dedicate land for park purposes. However, for a variety of reasons, DCP does not typically require developments to dedicate land but instead allows them to pay the in-lieu fee.

In 2008, as a part of DCP's research and analysis of these issues, DCP staff surveyed other cities' practices and requirements relative to the types of developments that pay park fee and what level of fees those developments are required to pay:

## Park Fees in Other Cities

City	Who pays park fees?	Fee amounts
San Jose	All residential development	About \$10K per unit for MFD; \$30K per SFD
San Diego	All residential development	\$3699 - \$6754 per unit
Sacramento	All residential, commercial and industrial development	\$2,868 per unit for MFD; \$4,868 per SFD
San Francisco	All residential & some commercial, in certain neighborhoods	\$11 per sq ft in downtown (Rincon Hill)
Long Beach	All residential development	\$3260 per unit for MFD; \$4221 per SFD
Glendale	All residential, commercial and industrial development	\$10,500 per unit
Chicago	All residential development	About \$1000 per unit
Portland	All residential and some commercial & industrial development	\$4988 per unit for MFD; \$7600 per SFD
Miami	All residential development	\$4-6K / MFD; \$7K / SFD

Any updates to the City's Quimby regulations that require code amendments or updates to the City's General Plan or General Plan Elements would need to be adopted by the City Planning Commission and approved by the City Council.

Should you have any questions, please contact Michael A. Shull at (213) 202-2655 or Regina Adams, Executive Officer at (213) 202-2633.

Honorable Bernard C. Parks  
May 2, 2011  
Page 5

Sincerely,



JON KIRK MUKRI  
General Manager

JKM:MS:ndw

Cc: Jeff Carr, Chief of Staff, Mayor  
Georgia Mattera, Office of the Mayor  
Romel Pascual, Office of the Mayor  
Lisa Sarno, Office of the Mayor  
Chris Espinosa, Office of the Mayor  
Neil Guglielmo, Office of the Mayor  
Matthew Rudnick, Office of the Mayor  
Jennie Carreon De Lacey, Office of the Mayor  
Gerry Miller, Chief Legislative Analyst  
Barry A. Sanders, President, Board of Recreation and Park Commission  
Miguel Santana, City Administrative Officer  
Ray Ciranna, City Administrative Officer  
Terry Sauer, City Administrative Office  
Veronica Salumbides, City Administrative Office

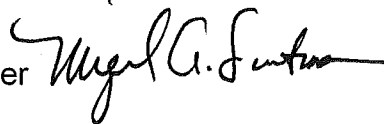
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 20

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **RECREATION AND PARKS – CHILD CARE FACILITIES**

Your Committee instructed the Department of Recreation and Parks (Department) to report on how child care facilities are currently being used. Attached is the Department's response.

This memorandum is informational only. There is no fiscal impact.

Attachment

MAS:VES:08110167c

Question No. 31

BOARD OF RECREATION AND  
PARK COMMISSIONERS

BARRY A. SANDERS  
PRESIDENT

LYNN ALVAREZ  
W. JEROME STANLEY  
JILL T. WERNER  
JOHNATHAN WILLIAMS

CITY OF LOS ANGELES  
CALIFORNIA



ANTONIO R. VILLARAIGOSA  
MAYOR

DEPARTMENT OF  
RECREATION AND PARKS

221 NORTH FIGUEROA STREET  
15TH FLOOR, SUITE 1550  
LOS ANGELES, CA 90012

(213) 202-2633

FAX (213) 202-2614

JON KIRK MUKRI  
GENERAL MANAGER

May 2, 2011

Honorable Bernard C. Parks, Chair  
Budget and Finance Committee  
City Clerk, City Hall Room 395  
Los Angeles, CA 90012

ATTN: Erica Pulst, Legislative Assistant

Dear Councilmember Parks:

**FISCAL YEAR 2011-12 QUESTION NO. 31 – CURRENT USE OF DOWNSIZED  
CHILDCARE FACILITIES**

The Department of Recreation and Parks (RAP) is responding to your Committee's request for information on RAP's current use of childcare facilities that were downsized in Fiscal Year 2010-11. On July 1, 2010, RAP shifted operations at 24 of its 26 "Licensed" Child Care Centers from licensed child care to regular recreational programming.

During the summer of 2010, the recreation center located adjacent to each former licensed child care site offered summer camp programs, classes, and in some cases, the Summer Night Lights program. Since September of 2010, the child care centers have been used for classes such as pre-school, after school clubs, gymnastics, and arts and crafts. The facilities are also being used for park meetings, local community meetings, and employee training sites.

The remaining two licensed child care centers (Jim Gilliam Child Care Center and Ralph M. Parsons Child Care Center) continue to be licensed for pre-school aged youth only, due to grant funding.

To date, RAP has not approved any lease or permit to any for-profit or non-profit organization to utilize the facility as a licensed Child Care Facility.

Should you have any questions, please contact Kevin Regan, Assistant General Manager at (213) 202-2633 or Regina Adams, Executive Officer at (213) 202-2633.



Honorable Bernard C. Parks  
May 2, 2011  
Page 2

Sincerely,



JON KIRK MUKRI  
General Manager

JKM:RA:FM:ndw

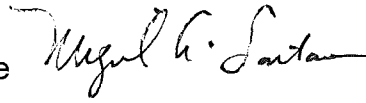
cc: Jeff Carr, Chief of Staff, Mayor  
Georgia Mattera, Office of the Mayor  
Romel Pascual, Office of the Mayor  
Lisa Sarno, Office of the Mayor  
Chris Espinosa, Office of the Mayor  
Neil Guglielmo, Office of the Mayor  
Matthew Rudnick, Office of the Mayor  
Jennie Carreon De Lacey, Office of the Mayor  
Gerry Miller, Chief Legislative Analyst  
Barry A. Sanders, President, Board of Recreation and Park Commission  
Miguel Santana, City Administrative Officer  
Ray Ciranna, City Administrative Officer  
Terry Sauer, City Administrative Office  
Veronica Salumbides, City Administrative Office

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 21

Date: May 3, 2011

To: Budget and Finance Committee



From: Miguel A. Santana, City Administrative Officer

Subject: **RECREATION AND PARKS – POTENTIAL RESTORATION OF FUNDING TO THE RECREATION AND PARKS BUDGET AND OPTIONS TO PROVIDE RELIEF FROM BUDGET CUTS**

Your Committee requested the Chief Legislative Analyst and this Office to work with the Department of Recreation and Parks (Department) to identify funding that could be restored to the Department's budget and options to provide relief from a 27 percent cut to the Department's budget since 2005-06.

The 2011-12 Proposed Budget include the following "reductions" in the Department's budget:

- \$2.4 million – Increase in General Fund cost reimbursements
- \$3.7 million – Trash collection services
- \$2.0 million – As-Needed funding reduction
- \$11.7 million – 26/36 Furlough Plan
- \$19.8 million – Total

In addition to the above, the Department is also required to offset the second of two installments of Early Retirement Incentive Program payouts (ERIP) in the amount of \$4.3 million. It should be noted that, generally, other City departments were asked to identify budget reductions to offset ERIP payouts. Additionally, other Special Funds were also budgeted to fund their share of ERIP payouts in order to minimize the amount borrowed.

Attached is the Department's response that provides a list of programs and services that could be restored should additional funding be provided to the Department.

**RECOMMENDATION**

In light of the proposed Commercial Paper borrowing, should the Committee desire to restore any of the reductions listed above, we recommend that the cost be offset by reductions elsewhere in the budget. Any incremental revenue identified by the Committee is recommended to be budgeted towards reducing the amount of the proposed borrowing and/or increasing the Reserve Fund.



**BOARD OF RECREATION AND  
PARK COMMISSIONERS**

BARRY A. SANDERS  
PRESIDENT

LYNN ALVAREZ  
W. JEROME STANLEY  
JILL T. WERNER  
JOHNATHAN WILLIAMS

**CITY OF LOS ANGELES**  
CALIFORNIA



ANTONIO R. VILLARAIGOSA  
MAYOR

**DEPARTMENT OF  
RECREATION AND PARKS**

221 NORTH FIGUEROA STREET  
16TH FLOOR, SUITE 1650  
LOS ANGELES, CA 90012

(213) 202-2633

FAX (213) 202-2614

JON KIRK MUKRI  
GENERAL MANAGER

May 2, 2011

Honorable Bernard C. Parks, Chair  
Budget and Finance Committee  
City Clerk, City Hall Room 395  
Los Angeles, CA 90012

ATTN: Erica Pulst, Legislative Assistant

Dear Councilmember Parks:

**FISCAL YEAR 2011-12 QUESTION NO. 33 RESTORED PROGRAMS/SERVICES  
BASED ON FUNDING AVAILABILITY**

The Department of Recreation and Parks (RAP) is responding to your Committee's request for information on programs/services which could be restored if funding were made available for the next fiscal year. The Department would restore the following programs/services if additional funding were made available in the As-Needed Salaries, Hiring Hall Salaries, and expense accounts:

- Maintenance of sanitary and safe conditions in high use facilities and parks (i.e. restrooms, locker areas, children's play areas, etc.);
- Restoration of part-time staff to support Summer Day Camp for 70 low income communities;
- Restoration of part-time staff at 100 Urban Impact Centers to allow programming to be conducted an extra 8-10 hours per week;
- Restoration of equity sports programs (i.e. Girls Play LA and other youth sports subsidies);
- Provide subsidies to allow 800 additional youth to participate in the After School Youth Program;
- Provide additional part-time hours to the Camping Division to allow one extra night each week during the Summer Residential Camp Program and restore the Wonderful World of Camping for inner City youth;

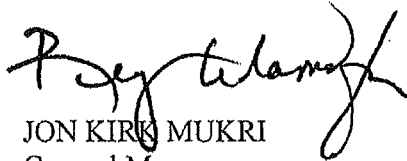


Honorable Bernard C. Parks  
May 2, 2011  
Page 2

- Restore part-time funding for Senior Citizen Centers allowing centers to be opened 2 more hours per week; and,
- Restore funding for youth and senior citizen bus allocations.

Should you have any questions, please contact Kevin Regan, Assistant General Manager or Regina Adams, Executive Officer at (213) 202-2633.

Sincerely,



JON KIRK MUKRI  
General Manager

JKM:RA:ndw

Cc: Jeff Carr, Chief of Staff, Mayor  
Romel Pascual, Office of the Mayor  
Georgia Mattera, Office of the Mayor  
Neil Guglielmo, Office of the Mayor  
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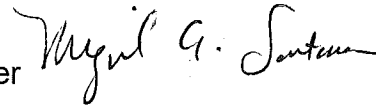
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 22

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **OTHER SPECIAL PURPOSE FUNDS – TECHNICAL ADJUSTMENTS**

Our Office requests the following technical adjustments to correct an inadvertent allocation of funds on pages 198 to 199, Other Special Purpose Funds, of the 2011-12 Proposed Budget. These corrections are consistent with the 2011-12 Proposed Budget for Schedule 3, Forfeited Assets Trust Fund located on pages 215 to 216.

	2011-12 Proposed Budget	2011-12 Revised Budget	Difference
<b>Forfeited Assets - US Dept. of Justice (Sch. 3)</b>			
Contractual Services	1,500,000	--	1,500,000
Office and Technical Equipment	2,342,722	896,000	1,446,722
<b>Forfeited Assets - US Treasury Dept. (Sch. 3)</b>			
Office and Technical Equipment	27,721	57,142	(29,421)
<b>Forfeited Assets - State of California (Sch. 3)</b>			
Contractual Services	(1,500,000)	--	(1,500,000)
Expense and Equipment	2,524,308	--	2,524,308
Office and Technical Equipment	(2,370,443)	1,571,166	(3,941,609)
<b>Total</b>	<b>2,524,308</b>	<b>2,524,308</b>	<b>--</b>

These are technical adjustments only. There is no fiscal impact.

MAS: AMY:04110120

Question No. 161

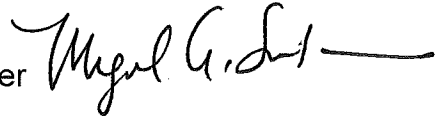
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 23

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **CITY ADMINISTRATIVE OFFICER – FURLOUGH OF SPECIAL FUNDED POSITIONS**

The Budget and Finance Committee requested a report back on the implementation of the proposed furlough program with regard to special funded positions. As provided for in the Proposed Budget and detailed on page 839 of the Detail of Department Programs, Volume II, the program includes 36 furlough days for civilian employees scheduled to receive cost of living adjustments and 26 furlough days for other civilian employees. These furloughs will begin July 2011 in the absence of ratified agreements between the City and civilian bargaining units.

Consistent with the Fiscal Year 2010-11 furlough program, the proposed program provides exemptions for proprietary departments, special fund departments, and other departments that are funded via a departmental trust or revenue fund, as follows:

Proprietary Departments

Airports

Harbor

Water and Power

Los Angeles City Employees Retirement System

Los Angeles Fire and Police Pensions System

Special Fund Departments and Bureaus

Building and Safety (Enterprise Fund positions)

Community Development

Housing

PW Bureau of Sanitation (except Stormwater support positions)

PW Bureau of Street Lighting

Other Departments

Convention Center

El Pueblo

Library

Zoo

In addition to department exemptions, individual positions within a department may be exempt from furloughs if 90 percent or more of direct and indirect labor costs are reimbursed by special funds. Exemptions have also been proposed for the following groups of General Funded positions:

Animal Services field positions (13 unpaid days only)  
General Services Heliport Division  
Traffic Officers and Sr. Traffic Supervisors

Finally, furloughs have been eliminated for all employees represented by the fourteen Coalition bargaining units that recently approved amendments to their respective Memorandum of Understanding with the City (C.F. No. 09-2624). However, in lieu of furloughs, those units have agreed to a temporary salary reduction of 1.5 percent, equivalent to four unpaid holidays. This reduction will apply to all employees belonging to these bargaining units, regardless of whether positions are funded by special funds or the General Fund.

**Recommendation:**

In light of the Commercial Paper borrowing and the Committee's instruction to identify alternative options for borrowing and as a hedge against potential revenue shortfalls, we recommend that the positions in the Zoo which are not directly involved with its upcoming accreditation process, no longer be exempt from furloughs. This recommendation does not apply to those employees represented by the fourteen Coalition bargaining units that recently approved amendments to their respective Memorandum of Understanding with the City. Furthermore, to avert any potential General Fund subsidy for special funded departments that fall short on their revenue targets, we recommend that a new policy be established whereby special funded departments that do not meet their revenue targets implement furloughs as a means to reduce expenses. We recommend that El Pueblo and the Bureau of Sanitation's Wastewater funded positions pilot this policy for the first six months of the fiscal year.

Alternatively, should the Committee desire to exempt any additional positions from furloughs that are less than 90 percent (direct and indirect costs) reimbursed by special funds, we recommend that the cost be offset by a reduction elsewhere in the budget. Any incremental revenue identified by the Committee is recommended to be budgeted towards reducing the amount of the proposed borrowing and/or increasing the Reserve Fund.

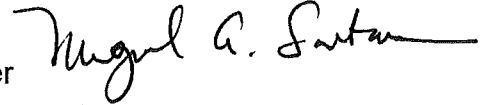
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 24

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **BUILDING AND SAFETY – ANNUAL INSPECTION MONITORING (AIM)  
PROGRAM SURVEY IN COUNCIL DISTRICT EIGHT**

Your Committee requested the Department of Building and Safety (LADBS) to report back regarding the identification of businesses within Council District Eight that are subject to LADBS's Annual Inspection Monitoring (AIM) Program. The Department's response is attached. LADBS indicates they will provide a listing of businesses subject to inspections associated with the AIM program directly to Council District Eight staff within the next few days.

MAS:MAF:02110165c

Question No. 115

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 2, 2011

TO: Honorable Bernard C. Parks  
Chair, Budget and Finance Committee  
City Hall, Room 460FROM: Robert R. "Bud" Ovrom, General Manager  
Department of Building and SafetySUBJECT: **FISCAL YEAR 2011-12 BUDGET MEMO RESPONSE TO QUESTION NO. 115 REGARDING THE "FEASIBILITY OF REVIEWING BUSINESSES IN THE EIGHTH DISTRICT IN ORDER TO CONDUCT NEEDED INSPECTIONS FOR NEW BUSINESS WHICH WERE CREATED SUBSEQUENT TO THE ANNUAL BUILDING INSPECTION PROGRAM".**

This memo is in response to the Budget and Finance's request during their Committee Hearing on April 29, 2011 for the Department of Building and Safety (LADBS) to provide a report back on the "feasibility of reviewing businesses in the Eighth District (CD 8) in order to conduct needed inspections for new businesses which were created subsequent to the annual building inspection program".

The LADBS Code Enforcement Bureau's (CEB) Annual Inspection Monitoring (AIM) program conducts an annual survey of all automotive repair and auto body repair shops, window tinting facilities, recycling centers and used car lots throughout the City.

The FY 2010-11 Survey was completed for CD 8 sometime in January 2011. Additionally, CEB has previously conducted surveys of areas at the request of and as specified by CD 8 outside of the annual survey. The results of the last annual survey revealed that there were 426 sites located in CD 8. LADBS staff will generate a summary report in the next few days for CD 8 that will contain the following information for each type of establishment (Auto Repair, Window Tinting Facilities, Used Car Lots, and Recycling Centers):

- o Total number of establishments surveyed;
- o Number of establishments opened since the last survey;
- o Number of establishments in compliance;
- o Number of establishments not in compliance; and
- o Number of establishments closed since the last survey

The Department will provide an alphabetical listing (by Address or Location or both) of the establishments in CD 8 along with the above-referenced summary report. The CEB is available to discuss the results of these surveys, including locations that are of specific concern, with staff from CD 8 wherever and whenever it is convenient for them.

Please contact Frank Bush, Assistant Chief of LADBS' Code Enforcement Bureau at (213) 252-3904 should you need additional information regarding this response. If I may be of assistance, please contact me directly at (213) 482-6800.

c: Matt Karatz, Deputy Mayor, Office of Mayor Villaraigosa  
Georgia Mattera, Budget Director, Office of Mayor Villaraigosa  
Melissa Fleming, CAO

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 25

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **Cultural Affairs – Vera Davis Art Center**

Your Committee requested this Office to report back on incorporating the Vera Davis Art Center (previously the Venice Library) into the Request for Proposals currently under development for the public-private operations of certain art centers.

The 2011-12 37<sup>th</sup> Year Housing and Community Development Consolidated Plan (C.F. 10-2440) includes a recommendation (Motion 25A) for the transfer of the facilities from the Community Development Department (CDD) to the Department of Cultural Affairs (DCA) and further requests that the DCA initiate the RFP process for the Vera Davis Art Center. The item was approved by Council on March 18, 2011. The DCA was also instructed to execute amendments to the current agreements with the agencies operating within the Vera Davis Art Center to ensure that services continue without interruption. DCA will work with the City Attorney to review the feasibility of executing a month-to-month lease agreement until such time as the RFP is finalized.

This Office is currently preparing a Request for Proposals for ten art and cultural facilities. It is anticipated that the operations will be transferred to public-private partnerships by January 2012. The Council can elect to add the operation of the Vera Arts Davis center to the proposed RFP, however there are a number of outstanding issues related to the improvement and operation of the facility which require resolution.

The Proposition K ballot measure included funding in the amount of \$500,000 to convert the Venice Library into a junior arts center. However, the project is in the preliminary planning stages and is at a minimum three to four years away from completion. The scope of the renovation has not been determined nor has the full funding been identified for this project. Additionally there are several outstanding issues in regards to the restrictions imposed by Proposition K relative to the use of the facility which much be resolved. This Office is working with the Bureau of Engineering, City Attorney and Council District 11 to address the issues with this project. At this juncture it may not be feasible to include Vera Davis Art Center in the pending RFP because the property will not be ready to transition by January, 2012. This Office will continue to work with the stakeholders to issue an RFP for Vera Davis, at such time as the improvements to the facility are completed.

This memorandum is informational only. There is no fiscal impact.



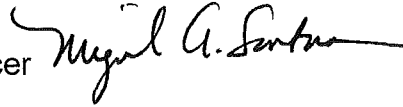
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 26

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **ALLOCATION OF ONE PERCENT OF THE GENERAL FUND FOR CAPITAL AND INFRASTRUCTURE INCLUDING BEST POLICY IDEAS FOR INVESTING IN INFRASTRUCTURE IMPROVEMENTS**

At its meeting of April 29, 2011, the Budget and Finance Committee requested a report from this Office with recommendations on how the City could meet its Capital and Infrastructure Funding Policy of allocating one percent of General Fund revenues for infrastructure improvements on a continuing basis. As part of our review, we will contact the Keston Institute of the University of Southern California regarding best practices for investing in infrastructure as requested by the Committee.

The Proposed Budget allocates \$6.51 million from the General Fund for municipal facilities projects. This represents 0.15 percent of the \$4.38 billion in estimated General Fund revenues. To meet the one-percent target at this time, an additional allocation of \$37.28 million from the General Fund would entail reducing funding for other activities and programs in the Proposed Budget.

Since the Policy was established in 2005-06, the City met the one percent funding target one time (in the 2006-07 Adopted Budget) with \$48.88 million allocated for municipal facilities (\$20.74 million) and physical plant projects (\$28.14 million), including funding in the Bureau of Street Services budget for street resurfacing, sidewalk repair, sidewalk access ramps and alley paving. Since established, the calculation of the one percent has been based solely on actual General Fund monies budgeted for capital improvements.

Due to competing priorities for General Fund monies, it has been difficult to meet the target without impacting other programs. However, the City has used MICLA funding to meet its capital and infrastructure needs, although these expenditures have not been attributed towards meeting the Policy. It should be noted that since the establishment of this Policy, the City has financed numerous projects through MICLA, including acquisition of the Figueroa Plaza office towers and construction of the new Police Administration Building. Given that MICLA financing is a General Fund cost, we believe it is appropriate to consider attributing these project costs toward compliance with the one percent funding policy. However, we are still analyzing whether we should capture the total cost in the year it is authorized or the debt service over time.

This Office continues to recommend suspending the Policy because of the challenge in increasing funding for infrastructure improvements at this time. However, in the meantime we will revisit the definition of what items should be included (i.e., technology

infrastructure and capital repair) in our review of the Policy. Additionally, we will look at establishing an achievable timeframe to get the City to a one percent set aside in the annual budget for capital and infrastructure expenditures. The evaluation will also include an analysis of the funding strategies review by the Keston Institute and a determination of the best means of capturing MICLA expenditures.

## **RECOMMENDATIONS**

1. Suspend the Capital and Infrastructure Funding Policy of allocating one percent of General Fund revenues to infrastructure improvements while an evaluation of the policy and best practices and funding strategies are underway; and,

2. Instruct the Office of the City Administrative Officer to work with stakeholders on a funding strategy to budget one percent of the General Fund for capital and infrastructure projects.

*MAS:MRC:WYL:06110094*

*Question Nos. 93 & 129*

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 27

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUREAU OF SANITATION – TIP FEES FOR ILLEGAL DUMPING AND DEBRIS REMOVAL**

Attached is a memorandum from the Bureau of Sanitation dated May 2, 2011, addressing the Committee's request for additional information on tip fees for trash and debris removal programs being functionally transferred from the Bureau of Street Services. This Office supports the Bureau of Sanitation's proposal to front fund any necessary tip fees and implementation costs from the Solid Waste Resources Revenue Fund (SWRF) and seek reimbursement from the General Fund or other available sources through the Financial Status Reports.

MAS:ER:06110084

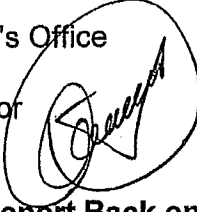
Question No.56

Attachment

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

**DATE:** May 2, 2011

**TO:** Councilmember Bernard C. Parks, Chair  
Councilmember Greig Smith, Vice Chair  
Councilmember José Huizar  
Councilmember Paul Koretz  
Councilmember Bill Rosendahl  
Budget and Finance Committee  
Miguel A. Santana, CAO  
Gerry F. Miller, CLA  
Georgia A. Mattera, Mayor's Office

**FROM:** Enrique C. Zaldivar, Director  
Bureau of Sanitation 

**SUBJECT:** Bureau of Sanitation – Report Back on Budget & Finance  
Question No. 56: Tip Fees for Illegal Debris Removal

During the Fiscal Year 2011-12 Proposed Budget Deliberations which were held on April 28, 2011 for the Bureau of Sanitation (Bureau), the Bureau was asked to report back on Tip Fees for Illegal Debris Removal. The Bureau respectfully submits its response as discussed below.

Based on discussions between the staff of the various involved Bureaus/Departments, the Bureau recommends that the cost of disposal, transfer, and contract hauling for the Trash Receptacle Collection Program and the Lot Cleaning, Debris Removal, Weed Abatement, and Illegal Dumping Program be front funded by the Solid Waste Resource Revenue Fund (Fund 508). The Bureau will include recommended transfers in its Financial Status Report to the CAO for the month ending September 30, 2011.

Details regarding how the recommended transfer was calculated and an estimate of the funding that will be needed through the end of the Fiscal Year will be included as justification for the recommended transfer. Front funding by the Solid Waste Resource Revenue Fund is necessary because the Bureau does not have sufficient budget in its Fund 100 expense accounts to cover these costs.

The Bureau has already initiated internal discussions regarding the cost accounting techniques that will be used to document solid waste disposal expenditures. The Bureau believes that it needs several months of data to be able to assess whether the cost accounting collection techniques are reliable and to have sufficient data upon which to base an annualized projection.

Thank you in advance for your continued support of the Bureau of Sanitation. If you have any questions or would like to discuss this item further, please feel free to contact myself at (213) 485-2210 or Neil Guglielmo, the Bureau's Chief Financial Officer at (213) 485- 2374.

ECZ:NG:cp  
ECZ355.cp

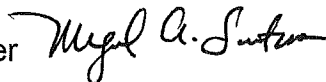
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 28

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUREAU OF STREET SERVICES – REPORTBACK ON STRATEGY TO INCREASE SPECIAL EVENTS FEE**

Your Committee requested the Bureau of Street Services to report back on a strategy to increase the Special Events fee in comparison to the City of Santa Monica.

Attached is the Bureau of Street Services' response letter dated May 2, 2011.

MAS:JDC:06110100

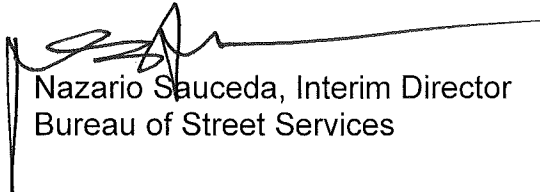
Question No.38

JDC  
6

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 2, 2011

To: Budget and Finance Committee

From:   
Nazario Saucedo, Interim Director  
Bureau of Street Services

Subject: 2011-12 Budget Memo – Question No. 38  
Strategy to Increase Special Event Fee

The Budget and Finance Committee instructed the Bureau of Street Services (BSS) to report back with information relative to increasing the Special Events Fee in comparison to City's like Santa Monica.

Throughout the City, fees are structured to provide for full cost recovery of the services provided by the City. The current ordinance relative to fee collection requires full payment of the "estimated cost" of services to be provided. As "actual costs" are determined after the Special Event, the event organizer is either refunded if the actual costs are less than the estimated costs or billed if the actual costs are greater than the estimated costs.

The City of Santa Monica fee structure for special events also appears to provide for full cost recovery of the services provided by the City and does not appear to be based upon a fixed rate.

NS:RO:JFC:jfc

2011 MAY -2 PM 3:12  
CITY ADMINISTRATIVE OFFICER

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 29

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUREAU OF STREET SERVICES – STATUS OF ILLEGAL SIGN REMOVAL  
REVISED FEE SCHEDULE**

Your Committee requested the Bureau of Street Services to report back on the illegal sign removal revised fee schedule.

Attached is the Bureau of Street Services' response letter dated May 2, 2011.

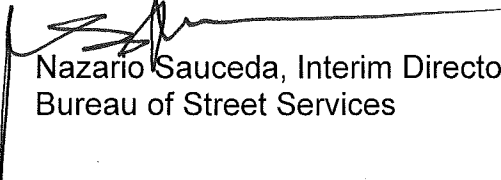
MAS:JDC:06110101

Question No.46

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 2, 2011

To: Budget and Finance Committee

From:  Nazario Saucedo, Interim Director  
Bureau of Street Services

Subject: 2011-12 Budget Memo – Question No. 46  
Status of the Fee Increase for Illegal Sign Removal

The Budget and Finance Committee instructed the Bureau of Street Services (BSS) to report back on the status of the fee increase for Illegal Sign Removal Program (Program).

The funding for the Program was eliminated in FY 2009-10. However, BSS has continued to provide enforcement at a much reduced level of service because the ordinance regarding removal of signs is still active. Given the reduction of service level for the Program due to elimination of funding, it would be difficult to justify an increase of the fee at this time.

The Council adopted an Ordinance (No. 180,998) that became effective on January 4, 2010 that imposes an additional administrative penalty on top of the existing sign removal fees. It is anticipated that this fine will further encourage compliance with the Program.

NS:RO:JFC:jfc



**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 30

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **DEPARTMENT OF TRANSPORTATION – ESTIMATED REVENUE FOR CITATIONS ISSUED FOR CAR SHARE VIOLATIONS**

The Budget and Finance Committee requested a report regarding an increase to the citations issued for parking violations related to car share spaces. According to the Department of Transportation, the estimated revenue from increasing the parking fine from \$63 to \$158 may result in additional annual revenue of \$66,120. See attached chart developed by the Department.

MAS:ALB:06110104

Question No. 155

Estimated Revenue from Proposed Fine Increase for Carshare Parking Violation

		\$63 Fine (Current)	\$158 Fine (Proposed)
Total Issued thru April	841		
Estimated issuance thru May	1,009		
Estimated number to be paid with no penalty (62.07%)	626		
Estimated revenue		\$39,438	\$98,908
Estimated number to be paid with penalty (6.93%)	70		
Estimated revenue		\$4,410	\$11,060
Total estimated revenue		\$43,848	\$109,968
Estimated State/County share @\$12.50 per paid citation		\$8,700	\$8,700
Estimated City Share		\$35,148	\$101,268
<b>Estimated Additional Revenue for FY 11-12</b>			<b>\$66,120</b>

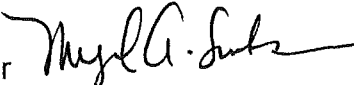
Notes:

1. Revenue from July thru May issuance will be transferred to the General Fund during the fiscal year
2. Assumed collection rate is 69%

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE      Memo No. 31

Date:            May 3, 2011

To:              Budget and Finance Committee

From:           Miguel A. Santana, City Administrative Officer 

Subject:        **TRANSPORTATION – PRINCIPAL TRANSPORTATION ENGINEER**

Your Committee requested information on restoring a Principal Transportation Engineer position to the Department of Transportation (DOT) under the Special Parking Revenue Fund (SPRF) Budget.

The Principal Transportation Engineer position was originally authorized in the 2008-09 Budget under resolution authority to head the Parking Operations and Facilities Bureau in the Department of Transportation. The position was vacated in 2009-10 as a result of the Early Retirement Incentive Program (ERIP), and the authority was subsequently discontinued in the 2010-11 Budget per Mayor and Council instructions on the deletion of ERIP vacancies.

DOT has operated without this position for approximately one year. In addition, the Department did not submit an official request to restore the position in the 2011-12 Budget. DOT did recommend the restoration of the position in the Special Parking Revenue Fund Five-Year Operations and Maintenance Plan report (C.F. 10-0596), but did not submit a request for position authority as is required for consideration in the proposed budget.

Funding a Principal Transportation Engineer position would require \$158,418 in salary and \$163,820 in related costs for a total of \$322,238. No direct revenue is associated with this position, and no additional revenue is anticipated from the addition of the position. Therefore, funding the position through the SPRF would require an equal reduction in either the SPRF budget or in the proposed SPRF surplus transfer to the Reserve Fund, which would impact the Reserve Fund and possibly the overall General Fund budget.

Attached is information from the Department regarding its request for the position.

## **RECOMMENDATION**

In light of the City's current economic situation and the proposed Commercial Paper borrowing, it is not recommended to restore the Principal Transportation Engineer position at this time. Should the Committee desire to fund the position, it is recommended that the cost be offset by a reduction elsewhere in the budget, either in the SPRF or the General Fund. Any incremental revenue identified by the Committee is recommended to be budgeted towards reducing the amount of the proposed borrowing and/or increasing the Reserve Fund.

**FISCAL IMPACT STATEMENT**

Funding a Principal Transportation Engineer position would result in a \$322,238 reduction to the proposed Special Parking Revenue Fund transfer to the Reserve Fund.

*MAS:JHC:06110097*

*Question No. 62*

**ATTACHMENT**

**CITY OF LOS ANGELES**  
**INTER-DEPARTMENTAL CORRESPONDENCE**

DATE: April 29, 2011

TO: Honorable Members of the Budget and Finance Committee

FROM: Amir Sedadi, Interim General Manager  
Department of Transportation



**SUBJECT: FISCAL YEAR 2011-12 PROPOSED BUDGET – QUESTION # 62**

At the budget hearing on April 28, 2011, the Los Angeles Department of Transportation (LADOT) was asked to report back on the Principal Transportation Engineer position requested in the Special Parking Revenue Fund (SPRF) 5-Year Operations and Maintenance Plan, which was approved by the City Council on April 13, 2011 but is not currently reflected in FY2011-2012 Proposed Budget.

The Principal Transportation Engineer (PTE) shall be in charge of the Bureau of Parking Operations and Facilities. The job responsibilities include planning, organizing, directing and evaluating the development and administration of the policies and regulations, technical standards, work standards and procedures of operation of and improvement of the parking management program of the City. The PTE will provide management level technical expertise in parking related activities and interfaces with Departmental transportation planners and engineers; directs programs establishing parking policies and guidelines in the use of the City's parking resources; analyzes parking/traffic flow relationships and recommends programs and/or program changes, and recommend revisions in Municipal Codes and States Codes. As the head of the Bureau of Parking Operations and Facilities, the position will be overseeing the Meter Operations, Parking Facilities, and Permits Divisions, which are producing over \$60 million in parking revenues and permit fees to the City of Los Angeles.

This leadership position is critical in providing proactive engagement with diverse stakeholders including City Council, Mayor, CAO, CLA, business entities, residents and other Departments and Agencies to successfully plan and implement best parking management practices to enhance services, reduce costs and increase revenues. The position was eliminated after the position became vacant through the ERIP process.

There is no fiscal impact to the General Fund. The position will be fully funded through SPRF.

In order to continue the gains achieved in the implementation of the Enhanced Parking Management approved in fiscal year 2008-2009, LADOT requests restoration of the position authority to be added in the budget and approve SPRF funding for the position.

c: Georgia Mattera, Mayor's Office  
Jaime De La Vega, Mayor's Office  
Miguel Santana, CAO

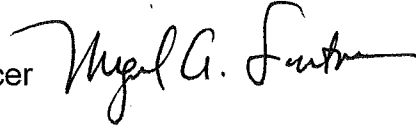
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**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **AGING – REPORT BACK ON PROPOSED CUTS TO GENERAL CITY PURPOSES (GCP) FUNDS**

Your Committee requested the Department of Aging to report back concerning their level of comfort with the proposed 35 percent reduction in GCP funding for the Adult Day Care Centers.

Please see the Department's response attached.

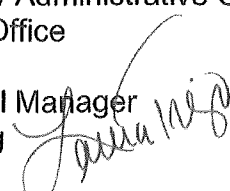
MAS:EOS:08110179

Question No. 131

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Miguel Santana, City Administrative Officer  
City Administrative Office

From: Laura Trejo, General Manager  
Department of Aging 

Subject: **QUESTION NO. 131: AGING REPORT BACK ON PROPOSED CUTS TO GENERAL CITY PURPOSES (GCP) FUNDS**

The Los Angeles Department of Aging (LADOA) appreciates the support of both the Mayor's Office and the CAO in the development of its proposed budget for FY 2011-12. GCP fund budgeted amounts are unchanged for the senior nutrition programs. The 35% reduction in GCP funds used in support of our transition from Adult Day Support to Evidence-based Programs is as follows:

LADOA has been working with the Mayor's Office and our network of community based service providers towards this very exciting transition that we believe will:

- Improve the quality of life, health outcomes, and services we deliver to seniors and their family caregivers;
- Implement state of the art programming with proven track records of producing measurable outcomes;
- Increase the number of residents who can benefit from our services on a magnitude of 3-5 times as many clients being served;
- Restore service to the west Wilshire and Hollywood service areas;
- Implement programming that has emerged funding streams (as evident by the President's budget that creates a budget line in the Administration on Aging's budget for the dissemination of these programs) and provides an opportunity to become independent of general fund support;
- Develop new partnerships in support of these programs (LAUSD and UCLA).

**What Are Evidence-based Programs? (Source: CDA website  
<http://www.aging.ca.gov/ebhp/whatAreEBHP.aspx>)**

The short answer is that Evidence-based Programs have been developed using scientific research to develop and test the intervention and then document that the program achieves what it claimed for the majority of participants. Evidence-based programs used a tested curriculum so that every participant receives the

Page 2  
City Administrative Officer  
May 3, 20011

same information. These programs are led by individuals trained and certified to lead this specific workshop.

Older adults, adults with disabilities, and family caregivers are looking for programs that are proven to work. So are policymakers who provide the funds and agency leaders who must focus their limited resources on the most responsive and effective programs.

There are Evidence-based Programs addressing many health, care giving, mental health, and chemical dependency issues. The California Department of Aging, in collaboration with the California Department of Public Health, and a growing number of counties throughout the state, has focused its efforts on implementing the following Evidence-based Programs:

- Chronic Disease Self Management/Healthier Living
- Diabetes Self Management
- A Matter of Balance
- Savvy Caregiver
- Cuidando con Respeto
- Tomando de Salud / CDSMP

JD:mn:m/Budget memo no 131

cc: Elaine Owen-Sanchez, City Administrative Office



**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **CAPITAL FINANCE ADMINISTRATION FUND – 2011-12 DEBT SERVICE AMOUNT ATTRIBUTABLE TO ACQUISITION OF TECHNOLOGY ITEMS**

The Budget and Finance Committee asked for the debt service amount attributable to technology items acquired by the City for the Information Technology Agency.

For Fiscal Year 2011-12, approximately \$7.2 million of the \$202.4 million in debt service amounts budgeted in the Capital Finance Administration Fund are attributable to technology items.

The \$7.2 million in debt service translates to approximately \$55.2 million in bond proceeds that have been used to acquire such technology items as antennas, fiber wiring, internet filtering systems, computer servers, transmitters and the Financial Management System (FMS).

MAS:MV:09110246

Question No. 141

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **MAYOR'S OFFICE – REPORT BACK ON CLARIFICATION ON GENERAL CITY PURPOSES FUNDED PROGRAMS AT THE PARK AFTER DARK, YOUTH EMPLOYMENT AND LEARN AND EARN WERE THE SAME AS LA'S BEST AND GRYD**

Your Committee requested a report back to clarify whether General City Purposes (GCP) funded programs listed on page 752 in the Fiscal Year 2011-12 Proposed Budget were the same programs as LA's BEST and GRYD.

The programs listed on page 752 of the GCP, At the Park After Dark, Youth Employment Program and Learn and Earn, are not the same programs as LA's BEST and GRYD. At the Park After Dark is a program administered by the Department of Recreation and Parks (RAP) and was established in Glassell Park about six years ago. For the last two years, implementation of At the Park After Dark was aligned to be consistent with Summer Night Lights and programming is jointly administered by GRYD and RAP. GRYD will be providing Summer Night Lights recreational activities at Glassell Park during the period of July 6 – September 3, 2011. Funding for Summer Night Lights at Glassell Park is provided through a Congressional Earmark grant.

LA's BEST is an after school educational enrichment and recreational program provided to elementary school age kids ages 5-12 at LAUSD elementary school sites. The Youth Employment Program and Learn and Earn are two programs that are administered by the Community Development Department and provided to high school students. The Learn and Earn program consists of 3 components: CAHSEE test preparation (high school exit exam), Youth Opportunity Movement work experience internships and leadership and civic engagement skills training. In Summer 2010, 112 GRYD youth were employed through the Learn and Earn program. The Youth Employment Program provides employment and skills training for youth and young adults ages 14-29.

This memorandum is provided for informational purposes. There is no fiscal impact.

MAS:CLF:02110166c

Question No. 130

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **CITY CLERK – POSSIBLE FUNDING SOURCES TO BE ALLOCATED TO THE CITY CLERK FOR EXPEDITED GCP FUND ADMINISTRATION**

Your Committee requested this Office to report back on possible funding sources including Council District Funds, to support two positions in the Office of the City Clerk dedicated to expedited administration of GCP funds.

The City Clerk requested the restoration of two positions deleted in the Proposed Budget with Council controlled funds:

Position	Salary*	Related Costs**	Total Cost
Senior Management Analyst I	\$ 96,931	\$ 28,265	\$ 125,196
Management Analyst II	\$ 79,582	\$ 23,206	\$ 102,788
Totals	\$ 176,513	\$ 51,471	\$ 227,984
Approximate Cost Per Council District	\$ 11,768	\$ 3,431	\$ 15,199

\*Wages and Count Salary minus 2% Salary Savings Rate

\*\*Add/Delete rate 29.16%

Subsequent to the Budget and Finance hearing, the City Clerk advised that they will also require a new position as a result of the added responsibility administering the AB 1290 funds.

Position	Salary*	Related Costs**	Total Cost
Accounting Clerk II	\$ 59,435	\$ 27,939	\$ 87,374
Approximate Cost Per Council District	\$ 3,962	\$ 1,863	\$ 5,825

\*Wages and Count Salary minus 2% Salary Savings Rate

\*\*Add/Delete rate 29.16% and FLEX

The total cost for the three positions is approximately \$315,358 or \$21,024 per Council District. The positions and related costs could be funded by various special funds under the control of each Council District and administered by the City Clerk. Potential funding sources include:

- General City Purposes Funds - These funds are supported by the General Fund and provide financial support for programs supporting the promotion of the City, governmental services and intergovernmental relations.
- AB1290 Funds – With the enactment of AB1290 in October 1993, 20 percent of all property tax increment funds generated from redevelopment areas created or amended after December 1993 are allocated by formula to the affected taxing entities. Of the 20 percent set aside, the City is eligible to receive 32 percent of these funds with no restrictions on their use. In October 2003, Mayor/Council adopted a Citywide policy that AB1290 revenue be

retained for use in the project area or Council District in which it is generated (C.F. 00-0801-S1). The funds were formerly administered by the CRA but have recently been transferred to the City.

- Real Property Trust Funds – The provisions of Los Angeles Administrative Code (LAAC) Section 5.500 directs that 50 percent of all net proceeds collected from the sale of Surplus City real property to be deposited into the Real Property Trust Fund for the Council District in which the property was located. It also directs that 50 percent of pipeline franchise fees to be placed in each fund according to established guidelines. Although the LAAC Section determines specific uses for the funds, it also allows for the assistance of City departments with operating program funds.
- CLARTS Funds – The Central Los Angeles Recycling and Transfer Station Community Amenities Trust Fund is administered by the City Clerk. The fund is used for the purpose of financing community amenities within Council District 14.

MAS:EOS:08110175

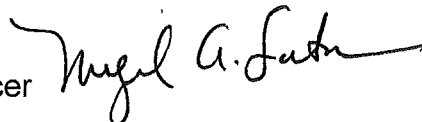
Question No. 126

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **FINANCE – LATAX TECHNOLOGY PACKAGE**

The Budget and Finance Committee requested a report back on the funding requests made by the Office of Finance for the City's tax and permit system (LATAX). The Office of Finance (Finance) is requesting \$886,000 for three technology items to support LATAX. Finance advises that LATAX is critical to its revenue generation efforts. Revenue collection efforts such as lien attachment and litigation are highly dependent upon the accuracy and availability of revenue data maintained by LATAX. The requests consist of 1) \$615,000 for the upgrade of the LATAX Oracle Database Management Software; 2) \$101,000 for the replacement of the tape library hardware used for backup and recovery of LATAX; and 3) \$170,000 in contractual services funding to provide programming support for the LATAX system.

- **LATAX Oracle Database (\$615,000):** Finance reports that the current LATAX database hardware was installed in 2007 and will have been in operation for five years. Since Finance's existing system software version will no longer be supported by Oracle, there will be no further updates including security patches. According to Finance, funding in the amount of \$309,000 is requested to cover the Oracle Database Management Software license and licensing support. However, of the \$309,000, the amount of \$116,000 for licensing support is expected to be an annually recurring cost. The remaining \$306,000 (one-time) is proposed to be used to purchase server equipment with a useful life of six years.

Finance staff has confirmed that the majority of the existing servers will continue to be utilized for LATAX development support. However, if the current package is approved, Finance will be able to have a database test environment to support testing of Oracle patch upgrades (which does not currently exist).

- **LATAX Tape Library Equipment (\$101,000):** The Office of Finance is requesting \$101,000 in one-time funding for the replacement of the tape library hardware used for back-up and recovery of LATAX. The current tape library and related equipment will have reached its useful lifespan (ten years) by 2012. The funding is requested to cover the tape library hardware and cartridges. In order to ensure that the LATAX data is properly backed-up, replacement of the tape library is essential. According to Finance,

the tape library infrastructure is crucial in ensuring that important tax and permit information is reliably backed-up for restoration in case of accidental deletion or emergency. Finance reports that the tape library hardware is prone to failure due to the mechanical nature of its operation. Finance has advised that there have been failures on back-up tape libraries from time to time. Although Finance has been able to secure service repairs in the past, this hardware is no longer supported for maintenance.

- **LATAX Application Support (\$170,000):** In 2010-11, two positions assigned to the LATAX system were eliminated from the Information Technology Agency (ITA): one Programmer Analyst V (direct cost \$97,050) and one Programmer Analyst III (direct cost \$83,207). Specifically, ITA laid off a Programmer Analyst III that was assigned to LATAX and transferred a Programmer Analyst V to SMS, which they determined to be a higher priority. As a result, Finance could only perform core work on Council-mandated items, such as the New Business Tax Exemption, and perform work associated with web efficiencies. Other customizations have been delayed.

There are currently 11 ITA positions in support of the project. Seven of these positions are developers (down from the previous 9). Due to these reductions, and in anticipation of further loss of ITA staff, Finance proposes to use contract staff. The requested funds are proposed to be used to hire one full-time contract position for the full fiscal year at a cost of \$170,000 in-lieu of filling vacant City programmer positions (approximately \$180,257 in direct costs). The contract staff funded by this package is expected to have the expertise necessary to maintain the programming code of the LATAX system.

## **Cost Analysis**

This Office examined whether any of the proposed expenditures for the LATAX Oracle database and LATAX tape library equipment could be phased in over time. However, Finance has advised that the request for database servers already represents a phased in approach as it does not replace all of the equipment utilized for this purposes. A full replacement of all database machines was identified as a total of five machines with a total hardware and software licensing cost of over \$1 million. The request is only for the purchase of three machines which provide the minimum configuration needed.

Further, Finance advises that this technology request focuses on the most urgent funding needs to ensure successful day to day operation of revenue collection processes, particularly given the high web-based activity and taxpayers' 24/7 access to the system. The requested budget items are intended to mitigate risks to the operation of the system which could impact revenue collection.

Finance reports that it worked with ITA in developing these technology packages. However, upon further review by ITA staff, there may be additional opportunities for reducing the ongoing cost of the packages should Finance maximize the use of existing ITA infrastructure. The cost to purchase Hitachi Storage Area Network (SAN) Disk Storage space is currently estimated at \$72,000. However, based on ITA's analysis, the amount may be

further reduced through the use of existing ITA SAN space. This issue will need to be further discussed between ITA and Finance.

### **Use of MICLA Financing**

Beginning with the 2009-10 Budget (CF 09-0600), the Council instituted a policy requiring that all projects proposed for MICLA financing must be approved by the Council before expending MICLA Commercial Paper or long-term MICLA bond proceeds. If the Council deems this a high priority, the \$306,000 server equipment for the LATAX Oracle Database and a portion of the LATAX Tape Library Equipment costs (\$87,900) could potentially be MICLA financed for a total of \$393,900. Using existing ITA SAN space could further reduce these costs.

### **Recommendation:**

In light of the proposed Commercial Paper borrowing, should the Committee desire to approve funding for the LATAX Technology Package, we recommend that the cost be offset by a reduction elsewhere in the budget. Any incremental revenue identified by the Committee is recommended to be budgeted towards reducing the amount of the proposed borrowing and/or increasing the Reserve Fund. MICLA financing is not recommended.

*MAS:BC:MDG:01110060*

*Question No.20*

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUREAU OF STREET SERVICES – FEASIBILITY OF KEEPING TREE SURGEON VACANT POSITIONS UNFUNDED**

Your Committee requested this Office report back on deleted, vacant Tree Surgeon positions and the feasibility of keeping these unfunded until a policy decision could be made on the future of tree-trimming functions.

In the 2011-12 proposed budget, 17 Tree Surgeons and one Tree Surgeon Assistant vacancies are recommended for deletion. Our Office continues to support the elimination of these positions. Moreover, after undertaking a Charter Section 1022 analysis, we found that contracting tree trimming was, on average, 28 percent less expensive when compared to City staff.

**RECOMMENDATION**

If there is future expansion of tree trimming, it should be done through contracting.

MAS:JDC:06110093

Question No.97

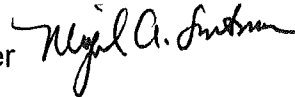


**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUREAU OF STREET SERVICES – ELIGIBILITY OF PROPOSITION C FOR  
MEDIAN ISLAND MAINTENANCE**

Your Committee requested that this Office report back on whether Proposition C can be used to provide an additional \$500,000 to maintain median islands. The Bureau of Street Services' Urban Forestry Division is responsible for maintaining these (as well as tree trimming).

Median island maintenance is an eligible activity under Proposition C guidelines if public transit vehicles run down that street. The Bureau can cross-reference which Proposition C-eligible streets also have medians that are maintained by the Bureau. However, there are no Proposition C funds unallocated for 2011-12. Should the Committee desire to fund median island maintenance, a reduction elsewhere in the budget would need to be identified to offset this cost.

This memorandum is information only. There is no fiscal impact.

MAS:JDC:06110088

Question No. 43

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **INFORMATION TECHNOLOGY AGENCY: REPORT BACK FROM THE CITY ATTORNEY REGARDING THE LEGALITY OF PROPOSED EXPENDITURE OF TELECOMMUNICATIONS DEVELOPMENT ACCOUNT FUNDS**


The Budget and Finance Committee requested that the Office of the City Attorney report on the legality of the proposed uses of the Telecommunications Development Account funding in the 2011-12 Budget. The funding in question is generated through the payment of franchise fees by cable companies that provide services in the City. The City Attorney reports that there is no state or federal restrictions on the use of these franchise fees. Attached, please find the City Attorney's memo submitted to the Committee on May 3, 2011, detailing the information requested.

MAS:JWW: 11110025c

Question No.37

**MEMORANDUM**

TO: The Honorable Budget and Finance Committee

FROM: Office of the City Attorney 

DATE: May 3, 2011

SUBJECT: Budget and Finance Committee Question No. 37 – Report back on the legality of the proposed expenditures of TDA funds.

The Digital Infrastructure and Video Competition Act of 2006 (DIVCA) was passed by the State Legislature, signed by the Governor, and chaptered into law on September 28, 2006 (AB 2987). DIVCA became effective on January 1, 2007. DIVCA provides for state-wide franchising for video providers, which is administered by the California Public Utilities Commission (CPUC) with certain rights delegated to local authorities.

DIVCA allows for the payment of franchise fees of up to five percent (5%) of gross revenues (Franchise Fees) and the payment of Public, Education, and Government PEG access fees of up to (1%) of gross revenues (PEG Fees) to the City of Los Angeles.

There is no state or federal restriction on the use of Franchise Fees. Article 5.5 of the Los Angeles Administrative Code presently obligates the City to deposit 40% of all monies received from the payment of Franchise Fees to be deposited into the “Telecommunications Development Account” (TDA Fund) to be spent “only for the betterment and improvement of cable television in the City.” LAAC section 5.97.1. In creating the account, the City Council declared that it is in the public interest to promote and maintain public, educational and government access programming on cable television systems. Drawing on this intent, the ordinance creating the fund specified that “[e]xpenditures may be made from the Telecommunications Development Account only for public access, educational access and government access programming and other telecommunication uses in the City.”

In creating the TDA Fund, recognizing the lack of restriction of the use of the monies received, the Council expressly reserved the right to transfer monies from the TDA Fund to the General Fund upon a majority vote of the Council and approval by the Mayor. LAAC section 5.97.1. As a result of this express reservation of authority, the Council may, by simple majority vote, transfer funds from the TDA Fund to the General Fund, without restrictions on the use of those funds.

With respect to PEG Fees, federal law caps, for any twelve-month period, the franchise fees paid by a cable operator with respect to any cable system at 5 percent of such cable operator’s gross revenues. 47 USC 542(b). Franchise fees are defined to

include “any tax, fee, or assessment of any kind imposed by a franchising authority or other governmental entity on a cable operator or cable subscriber.” 47 USC 542(g)(1). PEG Fees are specifically excluded from this 5% cap if they are spent on “capital costs which are required by the franchise to be incurred by the cable operator for public, educational, or governmental access facilities.” 47 USC 542(g)(2)(C).

Therefore, any PEG Fees money spent on anything other than capital costs in support of public, educational, or governmental access facilities can be considered a franchise fee, and used by a video provider to offset its Franchise Fee obligation to the City.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUREAU OF STREET SERVICES – POSSIBLE FUNDING FOR PAVING ALLEYS**

Your Committee requested this Office to report back on possible funding sources/swaps for resurfacing paving alleys. Traditionally, alley paving is usually not eligible for special funding. There is no General Fund in the Bureau of Street Services' Pavement Preservation Plan.

As a result of your inquiry, the City Department of Transportation consulted with Metro. Metro indicated that Measure R Local Return funds can be used for alley paving. In addition, once an alley is paved and formally added to the City street system by an action of the City Council, Special Gas Tax funds can be used for maintenance.

The Mayor's Proposed Budget provided \$3 million in Measure R for the Sepulveda Grade Separation project. However, On March 18, 2011, the Council approved a motion to use \$5.3 million in West LA TIMP money for this purpose. No additional funding is required for this project. Therefore, up to \$3 million in Measure R funds can be redirected by the Council for other capital projects, including alley paving.

Options on the \$3 million include the following:

1. Swap \$3 million in Gas Tax with Measure R. This switch would occur in the Wilshire Boulevard resurfacing project (from San Vicente Boulevard to Western Avenue). The freed-up Gas Tax could then be used to reimburse the General Fund for related costs and the General Fund can be used to reduce Commercial Paper borrowing by \$3 million.
2. Use up to \$3 million in Measure R to directly fund alley repaving.
3. Swap \$3 million in Gas Tax with Measure R; use Gas Tax to reimburse related costs. This will allow up to \$3 million in General Fund to pay for alley paving and count towards the City's One Percent Capital Infrastructure Funding Policy.

**RECOMMENDATION:**

Swap \$3 million in Gas Tax with Measure R, reimburse the General Fund for related costs, and use \$3 million in General Fund to reduce Commercial Paper borrowing.

MAS:JDC:0611089

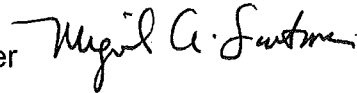
Question No.45

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUREAU OF STREET SERVICES – USING METRO FUNDS FOR BUS PADS**

Your Committee requested this Office to report back on Proposition A funding to replace bus pads and proposals to re-energize efforts with Metro to implement/replace concrete pads.

Metro believes that the streets are the responsibility of each jurisdiction. MTA pays for the cost of operating bus service in each community, but the cities should pay for the cost of repairing roadways that are used by all vehicles. In instances where Metro decides to move one of their bus stop locations, Metro would be responsible for installing the concrete bus pad in the new location.

Propositions A and C, and Measure R funds can be used for bus pads. For 2011-12, \$2,324,000 in Proposition A funds are proposed for the Bureau of Street Services to build 30 bus pads.

The Mayor's Proposed Budget provided \$3 million in Measure R for the Sepulveda Grade Separation project. However, On March 18, 2011, the Council approved a motion to use \$5.3 million in West LA TIMP money for this purpose. No additional funding is required for this project. Therefore, up to \$3 million in Measure R funds can be redirected by the Council for other capital projects, including bus pads.

Options on the \$3 million include the following:

1. Swap \$3 million in Gas Tax with Measure R. This switch would occur in the Wilshire Boulevard resurfacing project (from San Vicente Boulevard to Western Avenue). The freed-up Gas Tax could then be used to reimburse the General Fund for related costs and the General Fund can be used to reduce Commercial Paper borrowing by \$3 million.
2. Use up to \$3 million in Measure R to directly fund bus pads.
3. Swap \$3 million in Gas Tax with Measure R; use Gas Tax to reimburse related costs. This will allow up to \$3 million in General Fund to pay for bus pads and count towards the City's One Percent Capital Infrastructure Funding Policy.

**RECOMMENDATION:**

Swap \$3 million in Gas Tax with Measure R, reimburse the General Fund for related costs, and use \$3 million in General Fund to reduce Commercial Paper borrowing.

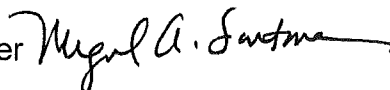
*MAS:JDC:0611090*

*Question No.49*

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **BUREAU OF STREET SERVICES – FUNDING SOURCES FOR ADDITIONAL  
MEDIAN ISLAND MAINTENANCE**

Your Committee requested that this Office report back on funding sources that could provide an additional \$500,000 to maintain median islands. The Bureau of Street Services' Urban Forestry Division is responsible for maintaining median islands (as well as tree trimming).

Measure R Local Return funds can be used for median island maintenance. However, the intent of Measure R is to build capital improvements, like sidewalk access ramps. So while this is eligible, Metro does not believe that this is the best use of these funds.

The Mayor's Proposed Budget provided \$3 million in Measure R for the Sepulveda Grade Separation project. However, On March 18, 2011, the Council approved a motion to use \$5.3 million in West LA TIMP money for this purpose. No additional funding is required for this project. Therefore, up to \$3 million in Measure R funds can be redirected by the Council for other capital projects and for median island maintenance. Although given the cautionary note provided by Metro, an amount significantly less would be advisable.

Options on the \$3 million include the following:

1. Swap \$3 million in Gas Tax with Measure R. This switch would occur in the Wilshire Boulevard resurfacing project (from San Vicente Boulevard to Western Avenue). The freed-up Gas Tax could then be used to reimburse the General Fund for related costs and the General Fund can be used to reduce Commercial Paper borrowing by \$3 million.
2. Use up to \$3 million in Measure R to directly fund median island maintenance, though again, less would be recommended.
3. Swap \$3 million in Gas Tax with Measure R; use Gas Tax to reimburse related costs. This will allow up to \$3 million in General Fund to pay for median island maintenance.

**RECOMMENDATION:**

Swap \$3 million in Gas Tax with Measure R, reimburse the General Fund for related costs, and use \$3 million in General Fund to reduce Commercial Paper borrowing.

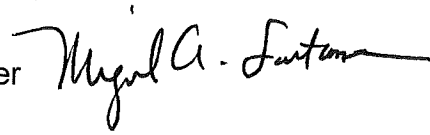


**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **CITY CLERK – DEPARTMENT REPORT BACK ON THE STATUS OF ESTABLISHING A BUSINESS IMPROVEMENT DISTRICT IN COUNCIL DISTRICT 5**

Your Committee requested that the Office of the City Clerk report back on the status of establishing a Business Improvement District (BID) in Council District 5.

Please see the Department's response attached.

MAS:EOS:08110178

Question No. 124

JUNE LAGMAY  
CITY CLERK  
-----  
HOLLY L. WOLCOTT  
EXECUTIVE OFFICER

CITY OF LOS ANGELES  
CALIFORNIA



ANTONIO R. VILLARAIGOSA  
MAYOR

OFFICE OF THE  
CITY CLERK

ROOM 360, CITY HALL  
200 N. SPRING STREET  
LOS ANGELES CA 90012  
(213) 978-1020  
FAX: (213) 978-1027

May 3, 2011

Miguel Santana, City Administrative Officer  
City Hall East, Room 1600  
Los Angeles, California 90012

2011 MAY -3 AM 11:00  
CITY ADMINISTRATIVE OFFICER

**SUBJECT: OFFICE OF THE CITY CLERK, PROPOSED FISCAL YEAR 2011-12  
BUDGET – Report Back on the Status of 2011 Westwood Village Business  
Improvement District Establishment**

Mr. Santana:

In accordance with the Budget and Finance Committee Chair's request of April 29, 2011, the Office of the City Clerk is providing status for the establishment of the Westwood Village Business Improvement District (BID). The establishment of the proposed Westwood Village BID is nearly complete. The ordinance of establishment was approved by the Council on April 27, 2011 and is currently in the Mayor's Office for signature. After the Mayor's signature is obtained, the ordinance of establishment will be published and becomes effective 30 days after publication.

Upon legal establishment, the City Clerk will execute an agreement with the Westwood Village Improvement Association for the administration of the Westwood Village BID. The City Clerk will commence collection of the pro-rated assessment for the first year (January 1, 2011 – December 31, 2011) and thereafter the collection will be placed on the annual property tax rolls.

The Council process for establishing Business Improvement Districts begins with the selection of a BID consultant who works with the property or business owners to analyze the feasibility of a BID, and drafts the Management District Plan and hires an Engineer to complete an Engineer's Report if it is a Property-Based BID. If funds are available, the City pays roughly \$40,000 for half of the cost for the consultant and study. The remaining \$40,000 (half) comes from the community. The most successful BIDS are those with strong community support. Upon completion of a Management District Plan and Engineer's Report, the BID Consultant must achieve 50% of the assessment petition level in order for the BID establishment to move forward. Upon reaching the 50% petition level, the City Clerk submits a report to the City Council for consideration along with the Management District Plan, Engineer's Report, Ordinance of Intention and Ordinance of Establishment. The Notice of Public Hearing, along

Miguel Santana, City Administrative Officer

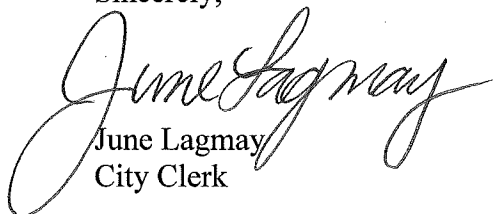
May 3, 2011

Page 2

with the Proposition 218 ballot, is mailed to the list of property owners submitted to the City Clerk by the Consultant. The City Clerk collects the returned Proposition 218 ballots and, if there is majority approval by amount of assessment, generally the City Clerk report and Ordinances are adopted. After the Mayor signs the Ordinance of Establishment, the ordinance becomes effective in 30 days. The City Clerk will process invoices to collect assessments for the current calendar year. If it is a Property-Based BID, the second year of assessments will be on the tax rolls. If it is a Business-Based BID, the City Clerk will continue the collection of assessments. Finally, the City Clerk executes an agreement with a property owner's association to administer the BID.

A flow chart of the BID Council process is attached for your reference. If you have any additional questions, please do not hesitate to contact Miranda Paster of my staff at 213-978-1111 or at [miranda.paster@lacity.org](mailto:miranda.paster@lacity.org).

Sincerely,



June Lagmay  
City Clerk

JL/HW/MP:jo

Attachment

cc: Honorable Members of the Budget and Finance Committee  
Honorable Paul Koretz, Council District 5

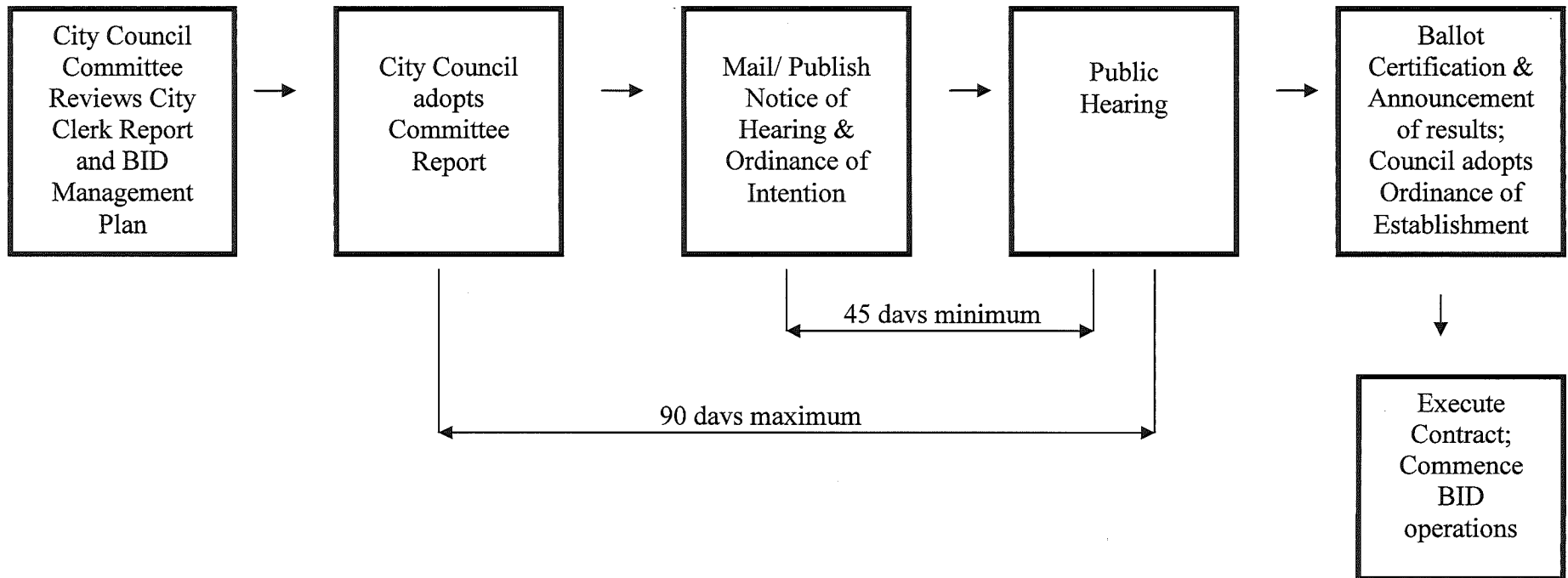
EXE-025-11

OFFICE OF THE CITY CLERK  
SPECIAL ASSESSMENTS SECTION  
BUSINESS IMPROVEMENT DISTRICT PROGRAM

ESTABLISHMENT FLOWCHART

PROPERTY-BASED

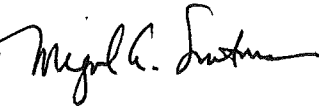
PURSUANT TO STREETS AND HIGHWAYS CODE 36600 ET SEQ, GOVERNMENT CODE 53753, ARTICLE XIIIID OF THE CALIFORNIA CONSTITUTION



**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **LIBRARY – USE OF COMMERCIAL PAPER TO FUND \$1.9 MILLION EARLY RETIREMENT INCENTIVE PROGRAM PAYOUT**

Your Committee requested this Office to report on the use of Commercial Paper to fund the \$1.9 million Library Department (Library) Early Retirement Incentive Program (ERIP) payout. The 2011-12 Proposed Budget includes a \$1.9 million appropriation in the Department budget for the second of two ERIP payouts. As part of the overall Department budget, this appropriation is funded by a combination of funding sources, including Charter-mandated funding and Departmental revenues.

Issuing Commercial Paper for the \$1.9 million Department ERIP payout would make \$1.9 million available for Library programming. It should be noted that, generally, other City Departments were asked to identify budget reductions to offset ERIP payouts. The Proposed Budget includes the issuance of Commercial Paper for ERIP payouts that require General Fund monies. Special funds, such as the Solid Waste Resources Revenue Fund and the Sewer Construction and Maintenance Fund, were required to offset ERIP payouts to the extent possible.

### **RECOMMENDATION**

Using Commercial Paper for the \$1.9 million Department ERIP payout would increase the amount of proposed borrowing to close the budget gap and is therefore not recommended.

MAS:EOS:08110176i

Question No. 121

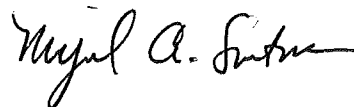
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 45

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **CITY ATTORNEY – SEVEN PERCENT VS TEN PERCENT INCREASE**

Your Committee requested this Office to report back on the dollar amount should the City Attorney's budget increase be reduced from ten percent to seven percent. Also attached is the City Attorney's response to this report back.

The City Attorney's overall proposed department budget increase of \$9,053,711 represents a ten and one half percent increase from 2010-11. This change includes a General Fund increase of \$5,551,574; a \$1,790,348 increase in Special Funds; and \$1,711,789 in Commercial Paper (CP) for the Early Retirement Incentive Program Payout. A reduction of approximately \$3,040,908 would reduce the overall budget increase to \$6,012,803, or from ten and one half percent to seven percent.


It should be noted that this increase includes the use of CP which is a one-time funding source. Without the CP appropriation of \$1,711,789, the overall department budget increase is eight and one half percent, or \$7,341,922. Therefore, excluding the CP appropriation, a reduction of approximately \$1,790,348 would reduce the aggregate increase from eight and one half percent to seven percent.

MAS:IR:04110119

Question No. 24

**MEMORANDUM**

TO: The Honorable Budget and Finance Committee

FROM: Office of the City Attorney 

DATE: May 2, 2011

SUBJECT: Budget and Finance Committee Question No. 24 – Cost of items on the City Attorney's Wish List

The FY 2011/12 Proposed Budget for the Office of the City Attorney includes a 10% increase in the amount of \$9,053,711. Of this amount, \$3,000,000 is funded by enforcement penalties collected under state law and deposited in the Consumer Protection Trust fund, which are generated by the Office of the City Attorney. The difference of \$6,053,711 provided by the General Fund is equivalent to a 7% increase.

As noted previously, the Mayor's proposed FY 2011/12 budget for the Office of the City Attorney is an attempt to restore the disproportionate reduction of 10% it suffered in FY 2010/11 (actually 14% when other City-wide costs were imposed upon this Office), as compared to the LAPD, which this fiscal year received a 1% increase and LAFD, which received only a 2% reduction.

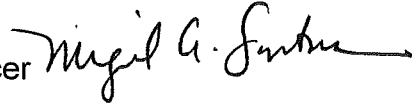
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 46

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer


Subject: **CITY ATTORNEY – WISH LIST**

Your Committee requested this Office to report back on the cost of additional items relative to a "wish list" for the City Attorney's Office. Also attached is the City Attorney's response to this report back.

The City Attorney's Office reports that the Mayor's Proposed Budget provides sufficient resources to effectively perform critical public safety and legal defense functions with the following exceptions; the imposition of 10 additional furlough days beyond the current 26 days and required funding for Investigators and technology upgrades.

**ADDITIONAL ITEMS**

- Furlough Days – Reduction in furlough days from 36 to 26. This item is subject to negotiation. The cost to reduce the amount of furlough days from 36 to 26 would be \$2,918,275 for those employees who rejected the coalition agreement.
- Investigators – Seven Investigators are requested for Workers' Compensation, Complex and Specialized Litigation, Criminal Branch investigations and other investigation activities associated with civil claims.

No. of Positions	Class Code	Class Title	Direct Salary	Indirect Cost	Sub Total	Total Cost
7	0560	City Atty Investigator II	\$74,730	\$32,399	\$107,129	\$749,903

It should be noted that a current request for two Investigator II positions is pending in Managed Hiring Committee. These Investigators would be assigned to the Los Angeles World Airports (LAWA) and will be fully reimbursed by LAWA. The Department currently has two vacant regular position authorities which will be utilized should the request be approved. The Mayor's Proposed Budget includes funding for the existing two regular vacant Investigator II positions.



- Technology Upgrades – The City Attorney's Office has requested increased funding for the replacement of 100 personal computers and standard software, Mobile Connectivity for 135 Blackberries and recurring yearly software maintenance and license costs. Total cost \$336,500.


In light of the proposed Commercial Paper borrowing, should the Committee desire to find some or all of the requested funding, we recommend that the cost be offset by a reduction elsewhere in the budget. Any incremental revenue identified by the Committee is recommended to be budgeted towards reducing the amount of the proposed borrowing and/or increasing the Reserve Fund.

*MAS:IR:04110118*

*Question No. 19*

**MEMORANDUM**

TO: The Honorable Budget and Finance Committee

FROM: Office of the City Attorney 

DATE: May 2, 2011

SUBJECT: Budget and Finance Committee Question No. 19 – Cost of items on the City Attorney's Wish List

The so-called "wish list" for the City Attorney's Office, in order of preference, includes the Mayor's FY 2011/12 Budget as presented, with the following exceptions:

- 1) Mayor's proposed budget with only 26 furlough days (not 36 days) - \$3,022,218
- 2) Item #1 above with the 7 investigators as requested on the FY 2011/12 City Attorney Budget Request - \$757,789
- 3) Items #2 above with the technology upgrades requested on the FY 2011/12 City Attorney Budget Request - \$336,500

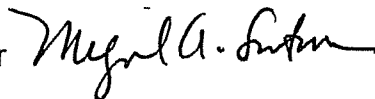
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 47

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **BUREAU OF STREET SERVICES – REPORT BACK ON LIABILITIES  
RELATED TO TREE TRIMMING DEFERRAL**

Your Committee requested the Bureau of Street Services to report back on the liability issues associated with deferring tree trimming. The Bureau's response is attached.

Effective 2010-11, tree trimming is only provided on an emergency, safety-related basis. The Bureau reports that deferred tree trimming leads to limb and whole tree failure; impedes vehicle and pedestrian movement; blocks traffic signals and obscures street lighting which creates the potential for crime. All these factors increase the City's liability.

The Bureau estimates that tree trimming costs about \$100 per tree under contract. With funding, the department could embark on a plan, under contract, to trim trees in the worst shape. The total number of trees trimmed on a yearly basis would be a function of available funding, i.e., \$ 1 million could pay for about 10,000 trees trimmed.

**RECOMMENDATION**

If there is future expansion of tree trimming, it should be done through contracting.

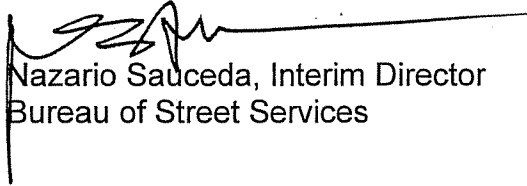
MAS:JDC:06110103

Question No.95

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 2, 2011

To: Budget and Finance Committee

From:   
Nazario Saucedo, Interim Director  
Bureau of Street Services

Subject: 2011-12 Budget Memo – Question No. 95  
Deferral of Tree Trimming and Contracting

The Budget and Finance Committee instructed the Bureau of Street Services (BSS) to report back on the liability associated with deferring tree trimming and the possibility of contracting this work.

When properly maintained, the urban forest enriches our quality of life and environment by improving air and water quality, increasing property values, promoting psychological and physical well-being, creating aesthetically pleasing neighborhoods, restoring wildlife habitat and building communities where people want to live.

When maintenance is deferred trees become overgrown and are more susceptible to limb and whole tree failure, which leads to property damage and personal injury, exposing the City to greater risk of claims and potential litigation. Tree and limb failure increases the Bureau's need to respond to emergency tree calls, which ultimately is more costly than proactive or routine maintenance. Tree and limb failure also contributes to an increase in the disruption of electrical power delivery.

Deferred maintenance also impacts travel on our major and secondary streets. Overgrown trees impact the unobstructed passage of Police, Fire, Sanitation, mass transit vehicles as well as the general motoring public. They impact the flow of traffic in residential areas and obstruct parking in these neighborhoods. Overgrown trees also impede the flow of pedestrian traffic where pedestrians are forced to walk in the street because the sidewalk is obstructed.

Overgrown trees obstruct traffic control devices, which significantly increases the potential for traffic collisions, again exposing the City to greater liability risk. Overgrown trees also significantly restrict useful illumination from the City's Street Light system, often rendering a street light or group of street lights useless. This has a great impact in high crime areas where criminals take advantage of the reduced lighting due to the overgrown trees.

Contracting of tree trimming services is a policy decision that must be made by the Mayor and the City Council.

*NS:RO:JFC:jfc*

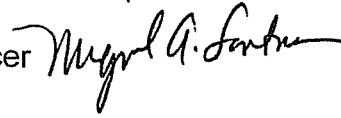
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 48

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer


Subject: **BUILDING AND SAFETY – GENERAL FUND BUDGET, REVENUE AND COST RECOVERY**

Your Committee requested this Office report back on the Department of Building and Safety's (LADBS) request to reduce the Department's General Fund revenue projection by \$600,000 and on projected General Fund cost recovery rates for LADBS.

LADBS has three main General Funded services, each with associated revenue: the Local Enforcement Agency (LEA), the Annual Inspection Monitoring (AIM) Program, and the General Code Enforcement operation. The following chart details LADBS's Proposed 2011-12 General Fund Budget by service area, associated revenue projection, and estimated cost recovery percentage. Following the chart is a brief description of each fee and the justification for each revenue projection.

Service Area	Fee	General Fund Cost				General Fund Revenue	
		FTE *	Total Direct Costs (Salary + Expense)	Estimated Related Costs (CAP 32)	Total (Direct + Related) Cost	2011-12 Proposed Budget Revenue Projection	Estimated Cost Recovery Percentage
LEA	LEA Enforcement Fees	11	\$ 951,870	\$ 457,764	\$ 1,409,634	\$1,210,000	86%
AIM	AIM Enforcement Fees	20	1,676,454	806,223	2,482,677	2,481,967	100%
General	Code Violation Inspection Fee (CVIF)	34	2,884,663	1,387,262	4,271,925	2,100,000	50%
General	Non-Compliance Fee and other various fees	21	1,797,788	864,574	2,662,362	1,997,000	75%
<i>Subtotal General Fees:</i>		55	4,682,451	2,251,836	6,934,287	4,097,000	60%
<b>Total 2011-12 Proposed Budget:</b>		<b>86</b>	<b>\$7,310,775</b>	<b>\$3,515,823</b>	<b>\$10,826,598</b>	<b>\$7,788,967</b>	<b>72%</b>

\*Full Time Equivalent (FTE) is an estimate, and includes staff involved in both direct service as well as administrative and support functions.

### Local Enforcement Agency (LEA)

The Local Enforcement Agency is a State-mandated local program responsible for inspection and monitoring of solid waste facilities. This function was transferred to LADBS from the previous Environmental Affairs Department in the 2010-11 Adopted Budget. The estimated 2011-12 cost to the City for providing these LEA inspection services is approximately \$1.4 million. The General Fund revenue projection for the LEA is approximately \$1.2 million, and includes receipt of inspection fees billed to private property owners, the Sunshine Canyon Landfill Joint Powers Authority, and City facilities for which there are Special Funds available to reimburse the LEA fees. Actual inspection fees billed associated with each

property vary based on the type and size of facility. There are approximately \$200,000 in additional inspection services provided by the LEA to City properties for which there is no source of Special Funds available to reimburse the LEA fees, resulting in an overall estimated cost recovery percentage of approximately 86%.

#### Annual Inspection Monitoring (AIM) Program

The AIM Program is responsible for conducting annual inspections of automobile repair garages, automobile dismantling facilities and storage yards, used car sales facilities, recycling centers, and other similar, potentially public nuisance facilities. The estimated 2011-12 cost to the City for providing these AIM inspection services is approximately \$2.5 million. The General Fund revenue projection for the AIM program is approximately \$2.5 million, which includes reimbursement from private property owners of the AIM fee of \$457 per property for the approximately 5,500 properties subject to the fee. The AIM Program is therefore 100 percent cost recovery.

#### General Code Enforcement

General Code Enforcement refers to the LADBS's response to all complaints regarding violations of the building and zoning codes. Unlike the LEA and AIM programs previously discussed, which are proactive enforcement mechanisms, the General Code Enforcement operation is entirely complaint driven. The total 2011-12 General Fund cost of General Code Enforcement is estimated at \$6.9 million. Projected revenue for 2011-12 is approximately \$4.1 million, providing approximately 60 percent cost recovery for the General Code Enforcement operation. However, cost recovery rates vary from 50 to 75 percent for various portions of the General Code Enforcement operation as detailed in the subsequent sections.

The Council and Mayor recently approved the Code Violation Inspection Fee (CVIF), which provides full cost recovery for LADBS's initial response to complaints in which an Order to Comply (Order) is issued to the property owner (C.F. 10-2486). This fee is \$336 per Order. However, through analyzing statistics provided by LADBS, it is estimated that in approximately 50 percent of initial inspections conducted in response to complaints, no Order is issued. There are three main reasons why an inspection does not result in a Order: 1) the complaint is regarding a violation that is determined to be a duplicate violation for which an Order or other enforcement action is already in process (10 percent); 2) the violation is associated with an infraction for which the Department is not the applicable enforcement agent and therefore the Department refers the violation to another organization for enforcement (10 percent); and 3) the complaint the Department receives results in an inspection in which the Department determines there is no violation of the building or zoning code (30 percent). Therefore, the Department's cost recovery associated with initial inspections is estimated at 50 percent, as in approximately 50 percent of initial inspections the CVIF fee cannot be charged. The estimated 2011-12 General Fund cost associated with initial response to complaints is \$4.3 million, and the associated projected revenue is \$2.1 million for the CVIF.

In addition to the CVIF, the Department also has various other General Code Enforcement fees, for which the revenue projection totals approximately \$2 million. All of these fees are associated with obtaining compliance of a verified violation. The largest of these fees is the non-compliance fee, for which the revenue projection is \$1.3 million. The non-

compliance fee is billed if the property owner continues to be out of compliance after the initial inspections, which are cost-recovered under the CVIF, occur. As detailed in this Office's report on the most recent non-compliance fee study (C.F. 09-0600, CAO report dated August 7, 2009), the existing non-compliance fee of \$550 provides full cost recovery for the typical non-compliance case which requires approximately 7.45 hours of LADBS staff time to process. Complex cases were estimated at taking 13.25 hours of time to process, for a total cost of \$979. However, as the non-compliance fee is not a penalty and therefore cannot exceed the cost of services provided, the non-compliance fee was set at the amount estimated for full cost recovery for a typical, as opposed to a complex, case. Therefore, cost recovery associated with the non-compliance fee and the various other smaller fees associated with obtaining compliance is estimated at 75 percent, as LADBS is not collecting revenue for the additional costs associated with complex cases. The estimated 2011-12 General Fund cost associated with the various fees associated with obtaining compliance in response to verified violations is \$2.7 million, and the associated estimated revenue projection is \$2 million.

## **RECOMMENDATION**

The preceding sections provide justification for the General Fund revenue projections associated with LADBS. In light of the proposed Commercial Paper borrowing, should the Committee desire to reduce LADBS's General Fund revenue projection by \$600,000 in response to the Department's request, we recommend an offsetting General Fund expenditure reduction elsewhere in the budget. Note that due to anticipated cost recovery percentages as detailed above, any additional expenditure reductions to LADBS would require additional revenue reductions.

*MAS:MAF:02110163c*

*Question No. 100*



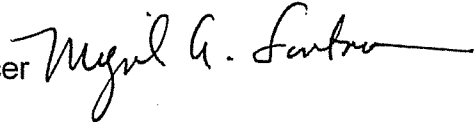
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 49

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **FIRE - URBAN SEARCH AND RESCUE (USAR), CAN THE CITY AFFORD THE RELATED TRAINING AND OVERTIME COSTS?**

During consideration of the Fire Department budget, the Committee instructed the City Administrative Officer (CAO) to report back on the justification for additional funding for training and overtime costs for the Urban Search and Rescue (USAR) resources for the Fire Department.

Recent earthquake events in New Zealand and Japan heightened interest in the City's USAR Team preparedness. Funding additional training will enhance the City's USAR Task Force ability to respond to local, regional and national incidents.

The \$1 million in funding provided in the 2011-12 Proposed Budget will enable the Department to conduct additional training for 50 USAR Task Force members, bringing them closer to the National Fire Protection Association (NFPA) 1670 Standard on Operations and Training for Technical Search and Rescue Incidents. The NFPA is the world's leading advocate of fire prevention and an authoritative source on public safety. NFPA develops, publishes, and disseminates more than 300 consensus codes and standards intended to minimize the possibility and effects of fire and other risks. Most of the Task Force members are at the current required level of four classes for Technical Rescue but the NFPA requirements are being elevated to include three additional courses, as listed below:

- Intermediate Rope
- Swiftwater Rescue Technician
- Structure Collapse/Rescue Systems II

The Proposed Budget adequately funds the Department's USAR Task Force training and associated overtime sufficient to maintaining nationally recognized standards of preparedness.

MAS:MCD:04110122d

Question No. 10

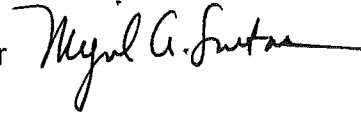
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 50

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



**Subject: CULTURAL AFFAIRS AND GENERAL SERVICES – TOTAL COST OF SERVICES PROVIDED TO THE DEPARTMENT OF CULTURAL AFFAIRS BY THE GENERAL SERVICES DEPARTMENT FOR MAINTENANCE AND OTHER SUPPORT COSTS**

Your Committee requested this Office to report back on the total cost of services provided to the Department of Cultural Affairs (DCA) by the Department of General Services (GSD) for building maintenance and all other support costs. DCA will pay all related costs, including GSD costs, in 2011-12.

GSD provides building maintenance, custodial and security services to DCA. The DCA reimburses the General Fund for services received by other City departments through the Arts and Cultural Facilities and Services Trust Fund. Additionally, DCA will provide \$250,000 directly to GSD to partially offset the cost of building maintenance at the art centers. The cost of providing services to DCA in 2010-11 is projected as follows:

Building Maintenance	\$353,400
Custodial*	187,560
Security*	440,000
Total	\$980,960
*Not all facilities receive security and custodial Services	

The cost of utilities at DCA facilities is paid through the Water and Electricity Special Fund and is not part of GSD's operating budget. The Water and Electricity Fund is used to pay water and electricity costs citywide and is managed by GSD. Due to the complexity of the Water and Electricity Fund, GSD was not able to provide the cost for all the DCA facilities. GSD has indicated that the utility cost for the six facilities which are currently partnered with non-profit agencies is approximately \$54,000.

Of the total cost of \$980,960 for services provided by GSD, \$76,000 can be attributed to the six partnered facilities. In addition, the City will pay \$54,000 in utility costs for the partnered facilities for a total projected city subsidy of \$130,000.

This memorandum is informational only. There is no fiscal impact.

MAS:CEA:08110177

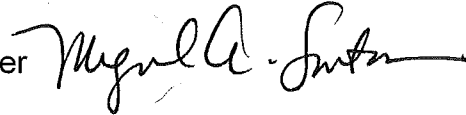
Question No. 77  
Question No. 122

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **EL PUEBLO – REINSTATEMENT OF FOUR POSITIONS**

Your Committee requested this Office to report back on the El Pueblo Department's proposed reinstatement of four positions at no cost.

This Office has not received a proposal from the Department on reinstating the positions.

The 2011-12 Proposed Budget eliminates four positions: one Public Relations Specialist I, one Senior Management I, one Management Assistant and one Accounting Clerk I. The cost for the four positions is \$253,116 and \$141,644 in related costs for a total cost of \$394,760. In 2010-11, only the Senior Management Analyst I position was funded at a cost of \$88,740 and \$49,659 in related costs for a total cost of \$138,399. As proposed, the Budget does not assume furloughs for El Pueblo as the Department is at full cost recovery. The only alternative for restoring positions without impacting the General Fund would be to impose furloughs. If imposed, the furlough savings for the Department would be \$61,045 based on nine employees. Therefore, there would not be sufficient savings to reinstate any of the positions eliminated in the 2011-12 Proposed Budget.

This memorandum is informational only. There is no fiscal impact.

MAS:CEA:08110172

Question No. 111

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUREAU OF STREET SERVICES – FUNDING OPTIONS FOR REGULAR TREE-TRIMMING CYCLE**

Your Committee requested this Office to report back on options for long-term funding relative to tree trimming.

The Bureau's Urban Forestry Division is currently funded by Traffic Safety Funds, Special Gas Tax, and the General Fund. Effective 2010-11, tree trimming is only done on an emergency, as-needed basis.

According to the Bureau, it costs about \$100 to trim a tree. A long-term, six-year plan to trim 700,000 trees, or 116,000 trees annually, would cost nearly \$12 million a year. Alternatively, as described in Question Number 95, "*Report back on the liability issues associated with continuing to defer tree trimming and the possibility of doing this work through a contract,*" BSS could implement a plan, under contract, to trim trees in the worst shape. The total number of trees trimmed on a yearly basis would be a function of available funding, i.e., \$1 million could pay for about 10,000 trees trimmed.

Should the Committee desire to implement a regular tree trimming program, a reduction elsewhere in the budget would need to be identified to offset this cost and through contracts.

MAS:JDC:0611092

Question No.96

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **GENERAL SERVICES – ENVIRONMENTALLY PREFERRED PURCHASING  
ORDINANCE AND BUY RECYCLED ORDINANCE**

Your Committee requested the Department of General Services to report back on the Environmentally Preferred Purchasing Ordinance and Buy Recycled Ordinance.

Attached is the Department's response.

This memorandum is informational only. There is no fiscal impact.

MAS:CEA:08110181

Question No. 78

CITY OF LOS ANGELES  
CALIFORNIA

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT



DEPARTMENT OF  
GENERAL SERVICES  
ROOM 701  
CITY HALL SOUTH  
111 EAST FIRST STREET  
LOS ANGELES, CA 90012  
(213) 928-9555  
FAX No. (213) 928-9515

ANTONIO R. VILLARAIGOSA  
MAYOR

May 2, 2011

Honorable Bernard C. Parks  
Chair, Budget & Finance Committee  
Room 395, City Hall  
Los Angeles, CA 90012

Attention: Erika Pulst, Legislative Assistant

**BUDGET & FINANCE COMMITTEE QUESTION NO. 78**  
**FOR THE 2011-12 PROPOSED BUDGET**

During the budget deliberations, your Committee requested a report back on whether the City's environmentally preferred procurement programs were still in effect and information as to how they were being implemented.

Based on discussions with the City Attorney, GSD believes the recycled products purchasing program is still in effect as it was incorporated into the Environmentally Preferable Purchasing Program. The discussion below outlines our understanding of how this occurred.

GSD has also forwarded your question to the City Attorney's Office for additional clarification. If additional changes in the ordinance are necessary to effectuate the intent of Council policy, GSD will work with your staff to develop amending language.

**Recycled Products Purchasing Program:** In 1993 the City of Los Angeles implemented a Recycled Products Purchasing Program. The intent of the Program was to ensure that, to the extent permissible and consistent with the City's interests, the City's specifications for its purchases of the contracting for goods, supplies and equipment allow, and do not arbitrarily exclude, bids for products that contain recycled material. The program specified eighteen product categories to which the program was most applicable. The program also established a 'ten percent preference' policy for bidders submitting bids that include products consisting of recycled materials.

In 2000 the program was updated and the Buy Recycled 2000 Policy was adopted. This policy designated certain product categories and mandated bidding for recycled only products.

As time passed, the City recognized that a more comprehensive purchasing policy was necessary. It became apparent that purchasing decisions should consider a wider range of environmental factors including but not limited to recycled content.


In response to the Council Motion entitled, "Recycling Products Purchasing Program" (Council File # 03-1365-S1), an Environmentally Preferable Purchasing (EPP) Task Force consisting of representatives from the Department of General Services, Environmental Affairs, City Attorney, Sanitation and Council District 12 was formed to explore improving the City's Recycling Products Purchasing Program and Ordinance by including additional environmental factors in the City's purchasing decisions.

**Environmentally Preferable Purchasing Program:** The Environmentally Preferable Purchasing (EPP) Policy was adopted in 2008. During 2009, an EPP Ordinance, which incorporates the Recycled Products Purchasing Program and the Buy Recycled 2000 Policy, was developed and became effective. The ordinance went into effect on August 4, 2009. As part of the implementation of the new EPP Program, all the previously existing Administrative Code language regarding the procurement of recycled products was removed and included in a single section regarding the EPP Program (which includes buying recycled products).

Essentially, with the enactment of the EPP the City has broadened the criteria for procurement of environmentally preferable products. Now, the recycled materials content of products bid is one of twenty-two other criteria considered when selecting vendors for City procurement contracts. All the criteria are weighted equally when determining if a product meets established specifications.

The heads of all City departments, bureaus, boards, commissions, offices, and other City agencies were directed to review the City of Los Angeles Environmentally Preferable Purchasing Program and assign staff to participate in its implementation by purchasing and using recycled and other environmentally preferable products whenever possible, while recognizing that their principal requirements are product performance and fiscal responsibility.

Should you have any questions or concerns, please contact Deborah Ramos at (213) 928-9559.



Tony M. Royster  
General Manager

c: Georgia Mattera, Deputy Mayor  
Miguel A. Santana, City Administrative Officer  
Gerry F. Miller, Chief Legislative Analyst

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **PLANNING – VACANT POSITIONS**

During consideration of the Planning Department budget, the Budget and Finance Committee instructed the Department to report back regarding the number of unfunded vacant positions required to meet workload demands when the economy improves. The Department's response is attached.

The proposed 2011-12 Budget eliminates 17 vacant regular authorities in Planning which were funded by the General Fund. As of July 1, 2011, the Department will have 17 vacancies which are listed in the following table by type of authority and funding source. Planning will need to hold two regular positions vacant to achieve its new one percent salary savings rate.

	General Fund	Special Fund	Total
Regular Authority	2	8	10
Resolution Authority	2	5	7
Total	4	13	17

The proposed Budget added the following as-needed authorities:

- Associate Zoning Administrator
- City Planning Associate
- Commission Executive Assistant I
- Principal City Planner
- City Planner
- Clerk Typist
- Planning Assistant
- Senior City Planner

In addition, voters approved Charter Amendment Q in March 2011, which extends the time retirees may work from 90 to 120 days. As funding becomes available, the Planning Department may hire former City employees and as-needed staff to address increased workload during the year.

This Office believes that the remaining pool of funded vacancies, as-needed authority and ability to hire retirees for up to 120 days provide the flexibility requested by the Department. Restoration of unfunded vacancies is not recommended.

MAS:MMR:02110162C

Question No. 73

Attachment



DEPARTMENT OF  
CITY PLANNING  
200 N. SPRING STREET, ROOM 525  
LOS ANGELES, CA 90012-4801  
AND  
6262 VAN NUYS BLVD., SUITE 351  
VAN NUYS, CA 91401

CITY PLANNING COMMISSION

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BARBARA ROMERO  
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COMMISSION EXECUTIVE ASSISTANT II  
(213) 978-1300

CITY OF LOS ANGELES  
CALIFORNIA



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INFORMATION  
[www.planning.lacity.org](http://www.planning.lacity.org)

May 2, 2011

Honorable Members of the City Council  
Budget and Finance Committee  
c/o Office of the City Clerk  
Room 395, City Hall  
Mail Stop 160

Attention: Erika Pulst, Legislative Assistant

**BUDGET REPORT BACK REGARDING UNFUNDED VACANT POSITIONS  
REQUIRED TO MEET WORKLOAD DEMANDS WHEN THE ECONOMY IMPROVES**

In its discussion of the Planning Department's 2011-12 budget, the Council Budget and Finance Committee on April 28, 2011 requested a report back on the possible restoration of positions, without funding, to allow the Department the flexibility to increase staffing should case processing workload improve during the fiscal year.

The proposed 2011-12 budget eliminates authority and funding for 17 positions, ten of which are in the Planner series. By eliminating the majority of the Department's vacant positions, there is virtually no quick way to increase staffing levels to react to incoming workload. Case processing currently takes a significant amount of time. If the incoming caseload were to increase during the year, Planning would not be able to commit additional resources to this function, increasing the overall processing time and case backlog. Delays in project approvals result in delays in project implementation, which then restrains development and economic growth.

The Department's ability to address the National Football League (NFL) stadium project needs demonstrates the benefit of having some vacancies. Because position authorities were already in place, the Department was able to quickly request for and receive Managed Hiring approvals. This shorter process enabled the Department to obtain the required staff capacity to handle the project without any delay.

In addition to case processing, restoring vacant positions would put the Department in a much better position to begin implementation of the Sustainable Transit Communities work program discussed both in the Department's budget submittal and the Budget and Finance Committee hearing. Without position authorities, adding the staff required to

Budget and Finance Committee

May 2, 2011

Page 2

begin this crucial aspect of planning our communities around new transit corridors will be an extremely lengthy process, even after funding has been secured.

To address these two critical flexibility issues, the Department recommends restoration of seven City Planning Associates, two City Planners, One Geographic Information Systems Supervisor I, one Systems Analyst II, one Accounting Clerk II, and one Management Analyst II, without funding, to the Planning Department. The positions will be subject to Managed Hiring, and the Department will not request hiring approval until workload requirements and funding have been identified.

We look forward to discussing this issue further. If you have any questions, please contact me at 978-1271 or Deputy Director of Planning Eva Yuan McDaniel at 978-1273.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. LoGrande". The signature is stylized and includes a horizontal line extending to the right.

Michael J. LoGrande  
Director of Planning

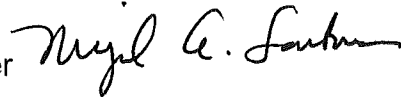
cc: Madeline Rackley, CAO

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUREAU OF STREET SERVICES – REPORTBACK ON STATUS OF CENTURY CITY STREETScape PLAN AND PROJECT PRIORITIZATION**

Your Committee requested the Bureau of Street Services to report back on the Century City Streetscape Plan and the procedures/protocols that the Bureau of Street Services uses to prioritize various projects.

Attached is the Bureau of Street Services' response letter dated May 2, 2011. While concerned that the Century City Streetscape Plan will be used to memorialize mandatory standards, rather than as a set of guidelines and recommendations, the Bureau is committed to assist in the adoption of a mutually agreeable plan before the Board of Public Works.

Regarding procedures/protocols used to prioritize projects, BSS describes strategies that include reassigning staff, using overtime, and requesting to fill critical, vacant positions. The challenges faced by all Department of Public Works' bureaus in meeting program/project objectives underscore the need for a Street/Transportation Project Oversight Committee to assist bureaus in meeting their goals.

### **RECOMMENDATION**

As part of the adoption of the 2011-12 Budget, approve the Street/Transportation Project Oversight Committee (CAO White Paper referred to Budget and Finance Committee C.F. 10-0600-S61).


MAS:JDC:06110102

Question No.47

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 2, 2011

To: Budget and Finance Committee

From:   
Nazario Saucedo, Interim Director  
Bureau of Street Services

Subject: 2011-12 Budget Memo – Question No. 47  
Status of the Century City Streetscape Plan

The Budget and Finance Committee instructed the Bureau of Street Services (BSS) to report back on the status of the Century City Streetscape Plan and identify protocols for project prioritization.

Century City Streetscape Plan

**Status**

BSS recently provided CD-5 staff an outline of a 6-month schedule for Board of Public Works adoption of the CCSP (estimated to be in late July of 2011). CD-5 will be updated within the next 2-3 weeks. BSS is committed to completing the project as staff availability allows.

**Background**

In June 2009, the Department of Public Works (DPW) was asked to obtain Board of Public Works adoption of the Plan. CD-5, City Planning, and their consultant developed a draft plan and had not previously involved DPW. The Plan was intended to be used as a mandatory set of design standards and other requirements for all DPW and private development projects within the project area (generally the Century City area). While the Plan was found to be acceptable for use as a set of guidelines and recommendations, DPW staff could not support it as a mandatory project implementation document. There were several issues of concern involving all DPW Bureaus but BSS was asked to be the DPW lead in coordinating changes and presenting a joint report to the Board of Public Works.

Meetings, follow up communication on proposed changes, and several iterations of draft documents followed over the next six to nine months with no final agreement reached. Unfortunately, BSS had to defer efforts at that time because of a high loss in applicable staff mainly due to transfers to Special Funded Departments. Remaining staff have been focused on design and project management support for transportation grant-funded and off-budget funded construction projects since that time. BSS plan check support for Private Development Projects involving landscape, irrigation and specialized hardscape has also needed to continue uninterrupted.

Completion of the CCSP has now been assigned solely to a middle manager in BSS who has the background necessary to insure a mutually acceptable document and implementation process. However, his efforts to move the CCSP forward have been hampered recently with extended negotiations on a City-wide Bus Bench Contract and his involvement to help plan for program implementation of the recent influx of CRA projects to BSS (which could total over \$100 million), while still continuing to administer the City-wide street furniture contract (the program for which the position is authorized).

#### Procedures/Protocols BSS uses to Prioritize Projects

In general, specific BSS staffing is authorized in the budget for specific programs. Staff must be assigned to their respective programs in order to meet the budgeted production goals and expend the funds earmarked for those goals. When staffing falls below what's required, re-assignments are made during the year to insure that BSS' core programs are delivered first, as well as insuring that certain funding is spent that would otherwise be lost to the City. These programs include street resurfacing, street maintenance and cleaning, constructing bus pads and access ramps, managing the City's Urban Forest, investigation and enforcement of the public right of way, and weed abatement. There is little flexibility to absorb new unplanned work in these operations during the year, except for fully reimbursed overtime opportunities as staffing allows.

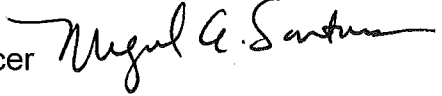
BSS also has a significant "Off-Budget Program", with grant management, design, project management and construction staff authorized to deliver an on-going capital program funded from a variety of special funds and reimbursable sources. This program historically allowed for some flexibility to accommodate new projects that were not previously planned for. However, BSS' Engineering Division (responsible for all activities other than construction) currently has a vacancy rate of over 50%. Virtually all of this available staff must now be focused on delivery of projects that have already been committed. Unfortunately, BSS has to periodically turn away new proposed projects (even if they are fully funded) because of the lack of sufficient staff. A request has been submitted to the Managed Hiring Committee (MHC) to fill seven of the most critical vacancies in the Engineering Division, which could help provide more flexibility to accommodate new requests. The CAO's Office has agreed to review and forward the request to the MHC.

The Off-Budget Program currently consists of a five year program of 72 projects worth over \$130 million. There are ongoing opportunities to replenish the program with new projects as other projects are completed. Status of the projects is continuously managed by the Bureau's Engineering Division. Bi-weekly meetings chaired by the Assistant Director are held, with all disciplines participating, to review each project's production and budget status, assess and adjust relative priorities based on a number of factors, and evaluate the ability to add new project requests. At this time, new projects are considered only if they are fully funded, do not require substantial stakeholder outreach and design work, and have a flexible time line.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **PW BUREAU OF STREET LIGHTING – OCEAN FRONT WALK LIGHTING**

The Budget and Finance Committee requested a report on the upgrade of lighting along Ocean Front Walk in Council District 11, especially around bathrooms and pedestrian areas. The Bureau of Street Lighting's response is attached.

It should be noted that Gas Tax funding for this project will be based on eligibility (needs to serve street or road purposes), availability of funds and priority. Gas Tax funding for general benefit lighting is only eligible for lighting along the City street system and on pedestrian walkways that provide access to or cross City streets.

MAS:JHC:06110108

Question No. 88

# CITY OF LOS ANGELES

CALIFORNIA



ANTONIO R. VILLARAIGOSA  
MAYOR

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## DEPARTMENT OF PUBLIC WORKS

BUREAU OF  
STREET LIGHTING  
1149 S. BROADWAY, STE. 200  
LOS ANGELES, CA 90015

ED EBRAHIMIAN  
DIRECTOR

(213) 847-2020  
FAX: (213) 847-1860

E-mail: [streetlighting@lacity.org](mailto:streetlighting@lacity.org)  
World Wide Web (WWW): <http://www.lacity.org>

May 3, 2011

Honorable Bernard C. Parks, Chairperson  
Budget and Finance Committee  
Room 395, City Hall

Dear Councilmember Parks:

This is in response to Question No. 88 of the Budget and Finance Regarding the Proposed Budget 2011-12.

"Report back on funding for lighting on Ocean Front Walk, especially around bathrooms and pedestrian areas"

The lighting on Ocean Front Walk is under the jurisdiction of the Bureau of Street Lighting. The area in question has been identified as Ocean Front Walk from Dudley to 24th Street. It will require approximately \$340,000 to upgrade the lighting fixtures on 63 units to a more energy efficient light source with better visibility. Street Lighting Maintenance Assessment Fund can not be used for this upgrade since it is a general benefit walkway adjacent to a city beach. In the past the City has funded general benefit lighting projects with Gas Tax funds based on the availability.

If you have any questions, please contact me at 213 847 2020.

Sincerely,



Ed Ebrahimian  
Director

C: Miguel A. Santana, CAO  
Janice Chang, CAO

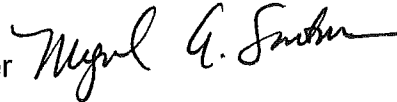
H:\EXE\FEXEEX1\Budget11-12\Lighting Ocean Front Walk

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUREAU OF STREET SERVICES – POINT-OF-SALE SIDEWALK PROGRAM**

Your Committee instructed the Bureau of Street Services to report back on status of Point-of-Sale Program for sidewalks (C.F. 05-1853). The Bureau's response is attached.

The Bureau indicates that the direction of the Council is required and that the Bureau would need additional staff to implement the Point-of-Sale Program. With the termination of the sidewalk program in 2008-09, BSS staff needed for inspection have been absorbed in other programs. Street Services Investigators would be responsible for any future inspections and would need additional training. These investigators do not do this work now.

The Bureau believes that under a POS program, the determination to have a homeowner repair a sidewalk will be contested far more than instances where tree roots have clearly destroyed a sidewalk. This makes the inspection function even more important.

Additional staff are not included in the 2011-12 Proposed Budget. Should the Council desire to approve the Point-of-Sale Program, additional funding may need to be identified at that time.

MAS:JDC/DHH:0611098

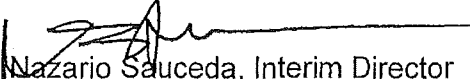
Question No.98



CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 2, 2011

To: Budget and Finance Committee

From:   
Nazario Saucedo, Interim Director  
Bureau of Street Services

Subject: 2011-12 Budget Memo – Question No. 98  
Status of Point-of-Sale Program for Sidewalks

The Budget and Finance Committee instructed the Bureau of Street Services (BSS) to report back on the status of the proposal for the Point-of-Sale Program for sidewalks (CF 05-1853).

The City Attorney transmitted a Revised Draft Ordinance to the Council, dated 3/31/11, which would repeal the exception (damage resulting from tree root growth) contained in Section 62.104 of the LA Municipal Code. The change would provide the adjacent property owner 90 days after notice is given (increased from two weeks) to repair or reconstruct damaged curbs, driveways and/or sidewalks regardless of cause.

City Council consideration of the Budget and Finance and Public Works Committees Report on file (based on the Joint Meeting conducted 4/19/10) has been deferred at least in part awaiting transmittal of the referenced Draft Ordinance since any implementation option(s) would also require Council approval of the Ordinance. BSS is awaiting City Council adoption of the Committee Report or alternate instructions prior to proceeding with any efforts. Everything now seems to be in place for Council consideration of the Committee Report.

It should be noted that BSS previously presented a comprehensive proposal for a Point of Sale Program (BSS Report dated 2/12/08 – on file); however, BSS was instructed to develop other options. Some of these options developed in conjunction with the Point of Sale Committee were presented in the 4/8/10 BSS Report on file, which was considered at the 4/19/10 Joint Committee Meeting. At this point, BSS needs direction from the Council on which specific option(s) to implement (if any) so we can report back with a required staffing plan. Additional staffing will be needed at least for inspection and administration responsibilities, even if it is left to the property owner to make the required repairs by private contractor.

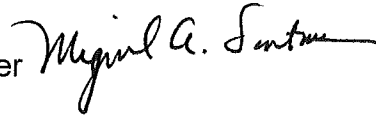
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**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **DEPARTMENT OF TRANSPORTATION – ONGOING MEASURE R COSTS**

The Budget and Finance Committee requested a report regarding the approved Mayor and City Council policy regarding the use of Measure R for ongoing personnel costs.

On April 28, 2011, the City Council adopted City policy guidelines for the expenditure of Measure R Local Return Funds (C.F. 09-0600-S48). These guidelines included the policy "that Measure R funds will be used primarily for capital projects and that ongoing, non-capital programs will be limited to ten percent of the current year revenue" (Recommendation 1d).

The 2011-12 Proposed Budget includes funding totaling \$424,915 (\$208,896 in direct salary costs and \$216,019 in indirect salary costs) for three positions in the Department of Transportation (DOT) responsible for fund administration. Funding for these positions represent 1.2 percent of the estimated revenue for that fiscal year.

The 2011-12 Proposed Budget also includes funding for 13 positions that are moved from the General Fund to Measure R, for a total of \$1,872,378 (\$920,495 in direct salary costs and \$951,883 in indirect salary costs). These positions will be responsible for design and installation of pedestrian safety projects. Funding for these positions represent 5.3 percent of the estimated revenue for that fiscal year. If these costs are interpreted to be ongoing, non-capital expenditures, along with the funding for administration, these costs represent 6.5 percent of the estimated revenue for that fiscal year, in compliance with Mayor and City Council policy.

MAS:ALB:06110107

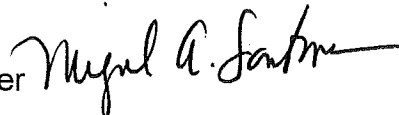
Question No. 54

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **NEIGHBORHOOD EMPOWERMENT – REPORT BACK ON STAKE HOLDER ISSUES, FUNDS IN CD 11, AND MANDATING NCs AS A CERT TEAM**

Your Committee instructed the Department of Neighborhood Empowerment (Department) to report on the following:

- How can the stakeholder issue be resolved?
- Report back on the status of funds for six Neighborhood Councils in CD11.
- Report back on the feasibility of mandating that every Neighborhood Council is a CERT Team

Attached is the Department's response. This memorandum is informational only.

Attachment

MAS:DP:08110184c

Question No. 153, 154, 182

## **DEPARTMENT OF NEIGHBORHOOD EMPOWERMENTS BUDGET AND FINANCE COMMITTEE RESPONSES**

Question 153: How can the stakeholder issue be resolved?

*Assuming Councilmember Parks is referring to the Factual Basis Stakeholder (FBS) definition, there are 3 main options: 1. Keep it as is. 2. Remove it. 3. Keep it with modifications that may or may not require City Council action.*

*With regards to the third option, a NC that wishes to limit the impact of the FBS can make 1 seat available to them to run and vote for. At most, this request would have to go to the Commission for further approval.*

*For those NC's who feel this could still open them up for a takeover, the Commission could limit the percentage of total FBS seats that these stakeholders can run and vote for.*

*For those NC's who just don't want the FBS seat, but to also appease those who do, the City Council can alter the definition to allow NC's the option of adding FBS seats only if they want to.*

*The NC's are looking at how to handle the FBS though and should be involved in any further discussions as should the City Attorney's Office.*

Question 154: Report back the status of funds for the six (6) Neighborhood Councils in CD 12?

*Per the Department's records, there are seven (7) Neighborhood Councils whose boundaries lie within CD 11. The projected ending balances for the seven (7) NC's in CD 11 are listed below. The number was based on YTD actual spent by each NC, what the department has currently to be processed and paid and estimated P-Card purchases.*

*They are as follows:*

*West Hills – None  
Westchester/Playa del Rey- \$30,110.43  
Venice - \$19,967.60  
Mar Vista - None  
West Los Angeles - None  
Del Rey – None*

*Palms - None*

**Question 182: Report back on the feasibility of mandating that every Neighborhood Council is a CERT Team?**

*The City Council would have to pass an amendment to the existing Ordinance with regards to the NC Funding. According to Plan for NC - Article 9 Section 1 and Administrative Code Section 22.8.10.1 (G)( 1) it leaves funds to be used "at the discretion of Neighborhood Councils and subject to the approval of DONE."*

*The Department would recommend that if the Ordinance was changed by City Council:*

- 1) City Council would be better to specify a percentage due to funding amount changing year to year.*
- 2) The amount should include funds for outreach for training classes as well as conducting the training.*

*Lastly, City Council would need to inquire about LAFD's capacity to meet increased training workload and their ability to manage the increased volunteer pool.*

**Question 183: Report back on the Demand Warrant process and encumbering funds for large projects?**

*The Department will be notifying NC's this week instructing them that have been granted the use of their funds if they can provide proper documentation and meet certain qualifications set by the Department for the use of their funds for infrastructure type projects. A Survey Monkey checklist will be set up for the NC's to complete and will be used by the Department to determine if the NC's qualify to use their funds. Some of the qualifications may include: NC Board approved projects approved prior to May 1, 2011; Cannot be a new project; Project should be fully funded by May 1, 2011; Project should be completed by June 30, 2012; and, Project needs to have a scope of work, in conjunction with and/or partners with some another entity (such as a non-profit, Council District, City Department, other Governmental Agency).*

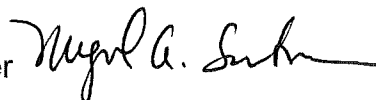
*The Department has already discussed with the Controller's Office the steps necessary to do a General "open" Encumbrance per NC to encumber these funds.*

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **CITYWIDE – FEASIBILITY OF POOLING PURCHASING POWER FOR INSURANCE**

Your committee requested this office to report back on the feasibility of pooling purchasing power Citywide, including the proprietary departments, to obtain lower insurance premiums.

This item is currently being considered in Budget and Finance Committee as Council File 10-06000-S13. The item was introduced by a Council Motion on June 23, 2010 (Rosendahl/Parks) relative to a City-commissioned consultant study from 2007. The study conducted by ARM Tech reviewed the insurance-buying practices of City departments, proprietary (Water and Power, Airports, and Harbor) and non-proprietary, and the benefits of a risk pool for the departments. The study concluded that the development of a Citywide property insurance risk pool provided a significant opportunity to save money and stabilize coverage.


The proprietary departments submitted a joint report dated August 31, 2010 in response to the Council Motion addressing the 2007 ARM Tech Study. In their joint report the proprietary departments outlined a variety of concerns about insurance pooling and respectfully requested "...that the Budget and Finance Committee move that the pooling of the City's purchasing power for insurance premiums is not feasible for the proprietary departments."

This office will continue to work with the proprietary departments to look for opportunities to reduce overall insurance costs for the City.

MAS:VTP:14110132

Question No. 176

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

**DATE:** May 3, 2011  
**TO:** Ray Ciranna, Assistant City Administrative Officer  
**FROM:**  Kathy Merkovsky, Risk Manager, Harbor Department  
**SUBJECT:** Pooling of City's Purchasing Power of Insurance  
(Council File No. 10-0600-S13)

**EXECUTIVE SUMMARY**

The Budget and Finance Committee (Committee) in its goal of increased efficiency has asked the Harbor Department to report back on the possibility of consolidating the purchase of insurance throughout the City. A previous report, which is attached, provided a response to the initial study that examined the potential savings of such pooling. That study was conducted in 2006 by ARM Tech. The conclusions of the ARM Tech study were examined in 2007 by the Mayor's Finance Advisory Cabinet chaired by Ms. Karen Sisson and found not to have merit.

On September 13, 2010, representatives from all proprietary departments appeared before the committee to present a unified report opposing the pooling of insurance. The legal constraints of each department were discussed. These constraints generally prevent the departments from a broad pooling of insurable assets but left open specific opportunities for efficiency. One alternative solution was presented by Executive Director Geraldine Knatz suggesting that the proprietary departments insure allowable assets from the City's schedule that fits each department's expertise. She provided the example of perhaps boats owned by the City may be insured by the Harbor Department. The meeting concluded with the Committee asking the CAO to contact the proprietary departments, work with them, and come back with a different solution that has been vetted by legal counsel and does not conflict with the constraints of the departments.

**BACKGROUND**

In reviewing the possible options for insurance pooling, one method considered is to centralize the City's purchasing power of insurance. Based on the 2006 ARM Tech study, it was estimated that the City could save \$4.6 million through a pooling arrangement. Further investigations have found this savings estimate not to be correct.

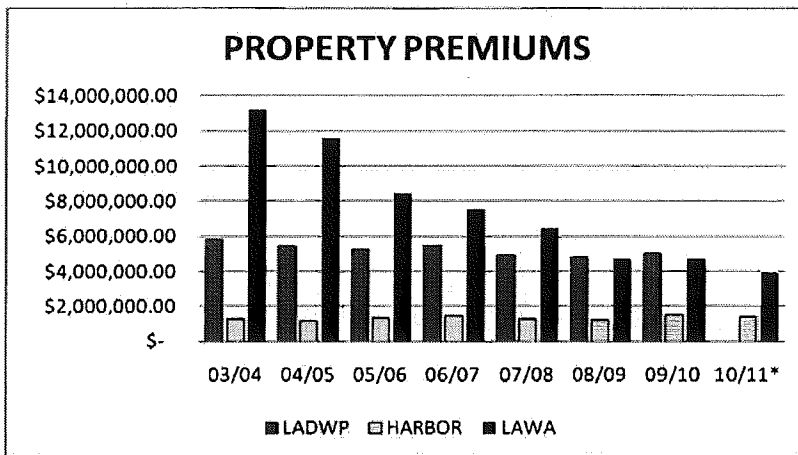
The Budget and Finance Committee Motion 10-0600-S13 asks that the CLA and CAO report on the feasibility of the City pooling its purchasing power for insurance premiums relative to all general funded and all proprietary departments. The proprietary departments' feedback to the motion is hereby presented forthwith.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

**COMMON CONCERNS TO ALL DEPARTMENTS**

Although pooling may provide benefits to smaller agencies with similar exposures, there are greater risks, exposures, and associated costs within the City's proprietary departments that would increase risks and cost to the City as well to the proprietary departments. LAWA, LADWP, and the Harbor opposed this recommendation on September 13, 2010, and stated it was not in the best interest of the City. The following points were discussed in the August 31, 2010 report to the committee:

1. Diversion of funds.
2. Cost savings not proven.
3. Reduction of insurance limits.
4. Outdated study.
5. Pooling not justified:



As of 2/23/11

\*Renewal of LADWP policy will occur before the end of FY10/11.

6. Pooling penalties.
  - Increased costs of future insurance premiums resulting from the loss,
  - Increased deductible structure affecting all pool members,
  - Shared deductible structure of pooling program,
  - Retroactive assessments levied against all entities,
  - Limit sharing and dilution of the overall available limits.
7. Negative implications.
  - Loss of dedicated limits specifically for the department and shared with no other entity,
  - Loss of superior rate/cost benefit,
  - Loss of customized insurance policy coverages, specifically tailored for each department's individual needs (aviation/airport risks, water and power utility risks, and maritime risks).
8. Broker reduction and knowledge.
9. Unsuccessful pilot program.



**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

**INABILITY TO SAVE COSTS**

A broad pooled insurance program is not able to save the Harbor in its risk mitigation costs. Such costs can and are achieved by increasing deductibles and continuing to receive premium credits from the Harbor's long term insurer. Pooling actually increases costs and creates greater insurance limitations given higher administrative costs, as confirmed by Willis the Department's insurance broker, limited insurer and reinsurers' capacity, the inability to obtain \$1.5 billion terrorism limit, and past pooling experience.

**POSSIBLE OPTIONS**

A. As expressed at the September 13, 2010 meeting, the expertise of the proprietary departments can benefit the City. Currently the Harbor Department insures the fire boats operated by the Los Angeles Fire Department as well as the stations where they are berthed. These properties can be insured by the Harbor Department, do not conflict with the constraints provided by the Tidelands Trust Grant, and will create premium savings for the City. Upon review of the City's online property schedule, we believe it would be in the best interest of the City if the Harbor Department were to insure the following locations:

1. Fire Station 49, 400 Yacht Street, Wilmington

This fire station is located in Berth 194 and is adjacent to the water on the northwest side of the harbor. The Port Police at 300 Water St. is the station's neighbor on the north. According to the City's valuation of this structure on January 13, 2011, this building's replacement value is \$8,484,000.

2. Fire Station 40, 330 Ferry Street, Terminal Island

This structure is already insured by the Harbor Department; however it appears that this fire station is also insured by the City, per the City's insurance schedule. The Department suggests that Fire Station 40 be removed from the City's schedule and be solely insured by the Harbor Department.

The savings to the City would be based upon the property's value, square footage, etc., and the current insurance rate. The approximate savings may reach \$5,000 total for both locations.

B. On March 9, 2010, the Risk Managers from CAO, DWP, LAWA, and Harbor met to discuss insurance pooling. The CAO Risk Manager advised that since the other departments were not in favor of pooling, it would be requested that Council File 10-0600-S-13 should be received and filed.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

**CONCLUSION**

Should you or your staff have any questions, please contact Kathy Merkovsky, Risk Manager, at 310-732-3971 for assistance.

Thank you for the opportunity to provide this report on behalf of the Harbor Department.

Attachment: Report of August 31, 2010

cc: L. McLennan, Deputy Chief of Staff, Councilman Rosendahl  
J. Gregory, Legislative Deputy, Councilman Rosendahl  
M. Campbell, Deputy Executive Director, Harbor  
K. Pan, Chief Financial Officer, Harbor  
K. Merkovsky, Risk Manager, Harbor  
A. Gross, Legislative Representative, Harbor  
R. Henry, Legislative Representative, Harbor

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

**DATE:** August 31, 2010

**TO:** Honorable Members of the Budget & Finance Committee  
Attention: Maria Espinoza, Legislative Assistant

**FROM:** Gina Marie Lindsey, Executive Director, Los Angeles World Airports  
Austin Beutner, General Manager, Department of Water & Power  
Geraldine Knatz, Ph.D., Executive Director, Harbor Department

**SUBJECT:** Pooling of City's Purchasing Power of Insurance  
(Council File No. 10-0600-S13)

**EXECUTIVE SUMMARY**

The Budget and Finance Committee (Committee) in its goal of increased efficiency and budget relief on the General Fund has asked the CLA and the CAO to report back on the possibility of consolidating the purchase of insurance throughout the City based a study conducted in 2006 by ARM Tech. The conclusions of the ARM Tech study were vetted in 2007 by the Mayor's Finance Advisory Cabinet chaired by Ms. Karen Sisson and found not to have merit. From 2007 until now the study has not been mentioned and no new information has been presented that would change the original conclusion.

The proprietary departments of the City have serious concerns with this proposal and believe the 2006 study is not only out of date but parts of it are flawed and that the City continues to be better served by allowing the risk manager at each proprietary department to monitor the risks specific to their industry and to insure for them as appropriate.

The pooling of insurance coverage is normally pursued by small agencies with similar risks to take advantage of economies of scale. The pooling being discussed with the City involves four large entities with unique risks.

The ARM Tech study recommended the pooling of property insurance but noted that the liability exposures of the various City departments do not present a situation that readily suits pooling.

It is the belief of the proprietary departments that the pooling of the City's purchasing power for insurance premiums is not feasible. Below is the background information on this motion, a listing of nine common concerns shared by the proprietary departments, a listing of concerns by each proprietary department individually that are more specific

to their *insurance program, and a conclusion. We respectfully request that the Committee review* this information and concur with the opinion of the proprietary departments.

### **BACKGROUND**

On May 17, 2010, the Los Angeles City Council adopted its Fiscal Year 2010 -2011 City Budget. The City continues to consider new methods for cutting costs, adding new revenue and making government more efficient. One method currently being considered is to pool and centralize the City's purchasing power of insurance. Based on the 2006 ARM Tech study, it was estimated that the City could save \$4.6 million through a pooling arrangement.

The Budget and Finance Committee Motion 10-0600-S13 asks that the CLA and CAO report on the feasibility of the City pooling its purchasing power for insurance premiums relative to all general funded and all proprietary departments. The proprietary departments' feedback to the motion is hereby presented forthwith.

### **COMMON CONCERNS TO ALL DEPARTMENTS**

Although pooling may provide benefits to smaller agencies with similar exposures, there are greater risks, exposures, and associated costs within the City's proprietary departments. Therefore, LAWA, LADWP, and the Harbor do not believe this to be in the best interest of the City and oppose the recommendations made by the 2006 ARM Tech study for the following reasons:

1. Diversion of Funds. The study states that there would be a jointly financed self-insurance fund up to \$2,000,000. Each department would have to contribute to this fund. The fund would be used to pay for losses up to \$2,000,000 at any location within the City, including the proprietary departments. The study also states that each enterprise in the study has obligations imposed by law and regulations and if a pool restricts the department's ability to meet these obligations or the obligations prohibit the department's participation in the pool, then it cannot be implemented.

Due to state and federal regulations, each proprietary department has certain legal restraints and is thus restricted from participating in such a program as there will be a diversion of revenue for use by other departments to pay for losses from a pooled self-insurance fund. Use of a jointly financed fund of \$2,000,000 by other departments would prohibit participation by LAWA due to FAA (Federal Aviation Administration) regulations, by LADWP due to restrictions embodied in the Charter, and by the Harbor due to the California Tidelands Trust Act of 1911.

Pooling insurance places an element of financial risk on its participants. Poor loss experience and unpredictable losses lead to increased costs for the pool and its participants. One department's loss affects all participating departments.

Although the City's non-proprietary departments individually may benefit from a pooled insurance program due to local site-specific coverages, a pooled insurance program would negatively impact all departments as losses in one department would affect the cost for every department in the pool. For much higher risk departments such as LAWA and the Harbor, this places an unfair burden on lower risk departments.

2. Cost Savings Not Proven. The 2006 ARM Tech study stated that a premium savings of up to 25% could be obtained by pooling the property insurance program. The pooled program suggests a jointly financed layer up to \$2,000,000. See figure below:

Excess Layer	Jointly Purchased Commercial Insurance		\$1,500,000,000
Mezzanine Layer	Jointly Financed Self-Insured Losses		\$2,000,000
Primary Layer	Individual-Department Financed Self-Insured Losses		\$100,000
	Water & Power and Waste Water	Airports, Harbor, Convention Center, MICLA, Other CAO	Limits

The pooled program suggests a primary layer of \$2,000,000 for LADWP and Waste Water while the remaining departments would have a \$100,000 primary layer, and then jointly self-insure up to the \$2,000,000 mezzanine level. The jointly purchased insurance is the excess layer, which begins from the top of the mezzanine layer of \$2,000,000 and provides coverage up to \$1.5 billion for the entire City, including the proprietary departments.

The report does not identify what the deductible would be and whether or not LADWP and Waste Water would have to contribute to the self-insured or mezzanine layer. It is therefore uncertain as to the cost savings to be had with respect to LADWP and Waste Water. Conceptually, any savings by these two departments would be spent on contribution to the self-insured fund. Overall, the report simply does not identify the deductible structure or the contribution

schedule.

Additionally, some departments may experience cost savings by increasing their deductible. This approach would have to be analyzed based on actual claims history to determine if an increase would be beneficial. In the case of LADWP, the average claim before application of the deductible was \$4,318,142. After application of the deductible, the average cost per claim was \$2,179,769. In order to realize a significant decrease in premium cost, the deductible would have to be increased to at least \$5,000,000. In this event, none of the claims incurred in the 11 year history would have been paid. Therefore, any consideration of deductible increases should be made on a case by case, department by department basis.

3. Reduction of Insurance Limits. The study does not address the reduction, dilution, or sharing of limits, which is a significant downside to pooling and a major concern of the proprietary departments.

The proposed limit of \$1.5 billion would be shared amongst all entities. Currently, LAWA has \$1.5 billion of limits, LADWP has \$500 million in limits, and the Harbor has \$1.5 billion in limits. Therefore, the total limits are \$3.5 billion. Due to strong insurance coverages, the proprietary departments have also enjoyed strong bond ratings. The City as a whole, and each of the proprietary departments, would suffer under this program because of inadequate limits, a loss would reduce coverage available to the other members of the pool, and the financial bond ratings of each could be negatively impacted.

4. Outdated Study. The 2006 ARM Tech study needs to be updated as the data is stale.

Insurance market conditions have changed significantly with much lower insurance rates available. Many assumptions are no longer valid, such as the availability of Terrorism Risk insurance. The study states a significant reason to pool the property program is to maintain terrorism coverage. In 2006, ARM Tech assumed that this coverage would not be available in the future. Since that time, the insurance market for terrorism has dramatically expanded and the market will remain in place until at least 2014, at which time Congress will determine that terrorism coverage will continue to be provided by the insurance industry or a federal program will be put into place.

LAWA and the Harbor are primary terrorist targets and, as a result, both departments have substantially increased homeland security measures. City departments would not want to take on the terrorism exposure and the terrorism insurance coverage that LAWA and the Harbor are obligated to bear.

The 2006 ARM Tech study was reviewed by the brokers of each of the proprietary departments and all are in agreement that pooling will not result in cost savings; pooling does not provide a benefit to the proprietary departments as there are

other methods to reducing premiums; pooling will mean funding other department's losses; and sharing limits will dilute the limits currently in place.

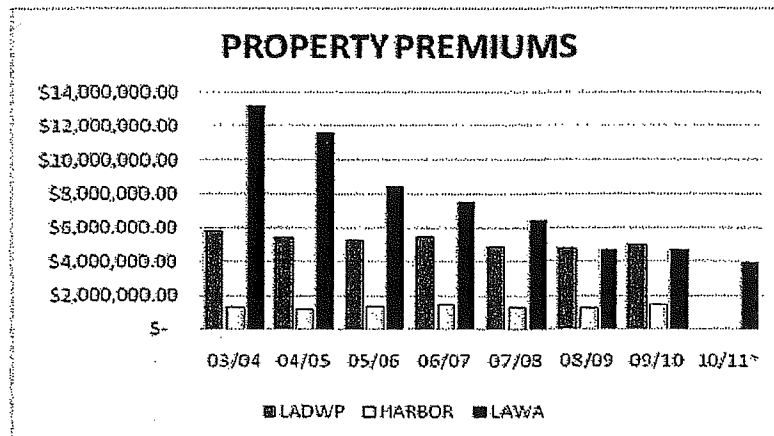
If it is determined that a new study be performed, all the proprietary departments would be willing to participate in providing information to and working with a consultant chosen by the affected parties along with the CAO's Risk Management. This would provide fresh data and the opportunity to compare and contrast their current insurance programs with a pooled program. We believe the conclusions would be consistent with what is presented here.

5. Pooling Not Justified. The 2006 ARM Tech study states that the advantage of an insurance pool is to jointly finance exposures to loss for which no insurance is available or is too expensive.

Pooling insurance is typically favorable to businesses that are small to medium-sized and not large enough to take on the financial obligations of either self-insuring or purchasing insurance. Pooling would only be favorable to the non-proprietary departments who are not financially capable of self-insuring or purchasing insurance. The proprietary departments, due to their revenue streams, are capable of both self-insuring and procuring insurance.

Each of the proprietary departments are insured because there is insurance available to cover each departments' unique exposures. Pooling the property insurance program would create insuring difficulties because the capacity of insurance companies is limited and unique exposures cannot be fully insured under a boilerplate insurance policy. The unique exposures would fall outside of the pool's coverage and the departments would then have to obtain coverage on its own or self-insure these orphaned exposures.

The cost for insurance can be expensive. However, each of the proprietary departments has overcome this challenge by working with their specific insurance industries (LAWA's insurance coverage is marketed to aviation insurance companies, LADWP with energy, and Harbor with maritime) to obtain the broadest and most affordable coverage. The graph below shows the positive change to premiums that have occurred as a result of the department's efforts to reduce costs.



*\*Renewal of LADWP and Harbor policies will occur before the end of FY10/11.*

The proprietary departments would like to continue this favorable trend and also keep those premiums that have been maintained at a stable or reduced level.

Under a pooling scenario, these trends would not continue. Reinsurance restrictions may preclude some of the insurance companies from participating in a combined program due to the diverse nature of each department's operations, thus resulting in reduced competition. Reduced insurance company participation and competition will increase rates and reduce the City's leverage and negotiating ability. The development of a manuscript or specialized policy that would be comprehensive enough to provide sufficient coverage for the City inclusive of its proprietaries would come at a cost as well.

6. Pooling Penalties. The 2006 ARM Tech study does not address the penalties the departments could face by pooling. Instead, the study suggests designing a cost sharing formula.

The departments could be penalized for insurance pooling. Any participating department with an excellent loss record could be penalized by another department's participation in the program, in the event a department with a poor loss record suffers another loss. This could affect at least five major cost-related items of the program:

- Increased costs of future insurance premiums resulting from the loss
- Increased deductible structure affecting all pool members
- Shared deductible structure of pooling program
- Retroactive assessments levied against all entities
- Limit sharing and dilution of the overall available limits

7. Negative Implications. The 2006 ARM Tech study does not address the implications of moving away from separate specialized policies. It addresses the



loss of decision-making authority and states that it can be rectified with time and diplomacy.

Each of the proprietary departments has worked years to put together a unique and customized insurance policy to address their exposures. The downside of moving away from specialized policies is as follows:

- Loss of dedicated limits specifically for the department and shared with no other entity
- Loss of superior rate/cost benefit
- Loss of customized insurance policy coverages, specifically tailored for each department's individual needs (aviation/airport risks, water and power utility risks, and maritime risks)

It may be difficult and perhaps impossible but most certainly more costly to ever recover these benefits in the marketplace once they are lost

Each proprietary department has developed its property programs, seeking out the appropriate experts at each insurance company. By moving to a pooled insurance program, the departments would lose industry-specific loss control expertise and experience. Each department relies upon their experts who have particular knowledge in that industry segment. In a consolidated or pooled program, with generic carriers, the specialized expertise would not be readily available to assist each department in keeping its operations safe and secure.

With each industry-specific insurance program, there are claims adjusting services that are unique to each industry as well. In a pooled program, with generic carriers, the proprietary departments would lose the specialized expertise and experience relied upon to adjust and resolve claims unique to each department. Adjustment of a loss at a power plant is markedly different than adjustment of a maritime loss, with cargo in transit and contingent downstream losses.

8. Broker Reduction and Knowledge. The study does not address the benefits of having more than one broker or the reduction of contracting opportunities. Instead the study recommends a joint decision to determine the one company to be used for the pooling program.

The proprietary departments use a variety of insurance brokers, which are hired specifically to market a department's property program. Currently there are a limited number of insurance companies interested in a particular type of organization at any point in time. The best strategy is to select a broker familiar with the specific industry, then give that broker the exclusive right to seek quotes from the insurance marketplace. One pooled property program would require the service of just one insurance broker, who may likely have public sector experience but may not have aviation, energy, or maritime expertise. A knowledgeable industry-specific broker is more likely to obtain competitive premium quotes and find cost savings than a generic broker.

Furthermore, the proprietaries understand that the City encourages business with numerous companies, especially those located within the Los Angeles area. The proprietaries would not want to limit or reduce contracting opportunities, eliminate competition, and decrease small business subcontracting opportunities unnecessarily.

9. Unsuccessful Pilot Program. One outcome of the study was that all departments' risk managers agreed to participate in a trial or a pilot pooling program for Crime Insurance.

CAO Risk Management marketed the consolidated crime risk in 2007, only to find that there was not a cost savings. With the outcome of the pilot program not being cost-beneficial, the pooling concept was set aside.

### **PROPRIETARY-SPECIFIC CONCERNS**

The following provides information from each of the proprietary departments:

#### **LAWA**

1. The proposed pool would not have the ability to write airport-specific terrorism coverage. LAWA would instead have to purchase a stand-alone terrorism policy at great cost to prudently protect against this risk.
2. LAWA currently has \$25 million in earthquake perils coverage written into its property policy at a much discounted rate. California earthquake coverage in almost all instances is prohibitively expensive for public entities and LAWA has worked long and hard to secure this primary, low deductible coverage. To purchase this California earthquake coverage at a stand-alone rate could easily cost up to 50% of LAWA's entire property insurance program.
3. As part of LAWA's property insurance, included is the "Business Interruption" coverage component that provides valuable protection in the event of a business closure due to a man-made or natural disaster. This coverage was invoked after the 9/11 attacks and subsequent closure of LAX, and provided several million dollars in reimbursement to LAWA. Again, this is an airport-specific coverage that would not be available as a stand-alone coverage at anything approaching a reasonable cost.
4. LAWA has issued several billion dollars in bonds for reconstruction of the Tom Bradley terminals, runways, taxiways and various other infrastructure improvements. A major factor in the decision of bond purchasers (ranging from large pensions to elderly retirees) was the comprehensive insurance protections and transference of risk that LAWA's insurance program provided. To reduce coverage would potentially increase the risk associated with those holding these bonds. At a minimum, any significant changes to the Airport's insurance program would probably require a full legal disclosure of risks to those holding LAWA bonds. The net effect could be a potential inability for LAWA to generate all necessary funds for continued construction or, at the very least, the cost of money borrowed could increase by many basis points.

5. The potential savings that LAWA may incur from pooling has already been achieved and bettered from good loss control and competition in the worldwide insurance marketplace.
6. LAWA's revenues are restricted and can only be used for capital and operating costs for the airport system. The FAA has strict guidelines and statutes that expressly prohibit the diversion of funds for non-aviation related expenses (40 USC Section 47107 (b) and 47133 and Federal Register dated 2-16-99, Section IV). Any pooling of insurance funds with non related City Departments would potentially violate FAA and Federal guidelines.

#### LADWP

##### Unique Policy Issues Specific to LADWP Manuscript Policy Form:

1. Tiered deductible structure ranging from \$100K to \$2 million. It is unclear if this would still be available to LADWP under a pooled program.
2. Increased cost of working provision that allows LADWP to recover the increased cost of generation as part of the physical damage deductible.
3. \$50 million in sub-limits each for unnamed and newly acquired locations.
4. Commission sharing, which has generated \$2,121,118 to date.
5. Hazardous substance sub-limit of \$5 million per occurrence.
6. Loss adjustment fees of \$1 million per occurrence to recover LADWP costs in preparing claim data presented to the insurance companies.
7. Flood coverage, which would not be available under the pool.
8. Full boiler and machinery breakdown coverage.
9. Ability to negotiate policy language changes in subsequent policy periods.
10. Renewal rate for 2010/11 estimated at \$.0442/\$100 of value. It is uncertain if this favorable rate could be achieved under a pooled program
11. Agreed adjuster clause to eliminate conflicts in coverage between carriers.

##### Insurance Pooling Concerns:

1. No renewable energy coverage.
2. Rate per \$100 in excess of what current market conditions will provide.
3. Claim administration eliminated from LADWP.
4. Corporate Property Insurance Program (CPIP) carriers are willing to provide stand-alone renewable energy insurance programs, which, for example, are needed for large windfarms. (CPIP carriers are specialized in the utility/energy industry.)
5. Diverse loss exposures increase cost of risk.
6. Risk sharing impacts non-loss participants negatively.

#### Harbor

A pooled insurance program is not in the best interest of the Harbor for the following reasons:

1. Premium savings can be achieved in the Harbor's current program just by increasing deductible to \$2,000,000 from \$250,000.
2. Pooled administrative costs would be higher than the Harbor's current cost of \$20K.

3. The Harbor has received \$444,283 in premium credits due to excellent loss history and 12 year relationship with insurance company.
4. Limited capacity available in the insurance market to insure a port the size of the Port of Los Angeles.
5. The Harbor was able to double its terrorism coverage from \$750 million to \$1.5 billion for \$50,000 in current program. This would not have occurred in a pooled program.
6. Broker has indicated that a premium reduction up to 25% through pooling will not be achieved with a \$1.5 billion terrorism limit.
7. The State of California Tidelands Trust Act has strict guidelines preventing the diversion of funds for non-maritime related activities. As a result, no funds would be allowed to support losses incurred at other members of the pool, whether it be LAWA, LADWP or another City department.

The Harbor has past pooling experience:

1. In 1993, the Harbor separated from California Association of Port Authorities (CAPA) pooled insurance program after learning it could purchase the same type and amount of insurance coverage on its own at a lower premium.
2. In 2004, the Harbor was invited by CAPA to rejoin the insurance pool program. Again, the Harbor found that premium dollars were saved by purchasing insurance as a sole port instead of as a pool member.
3. In 2005, the Harbor was invited by the Port of Long Beach's broker to participate in a pooled property program with the Port of Long Beach. The pool included a variety of public agencies. The Harbor chose not to participate in order to preserve its insurance limit capacity, since an incident in the Port of Long Beach would impact both ports and reduce the insurer's ability to fully cover the Harbor's potential losses, to which the Port of Long Beach concurred. Currently, both the Port of Los Angeles and the Port of Long Beach have separate policies with FM Global. Each policy provides over \$1 billion of terrorism coverage for each port.
4. Recently, a California port pulled out of a property insurance pool program. The port sought its own insurance coverage and achieved a 15% reduction in premium.

Based on past experience, the Harbor has determined that insurance pooling is not in its best interest and purchasing its insurance as a sole entity has proven to be the preferred method due to the savings in premiums achieved and the quality and depth of coverage obtained.

**CONCLUSION:**

The study recommended the pooling of property insurance and also noted that the liability exposures of the various City departments do not present a situation that readily suits pooling.

Therefore, based on the information provided above, the proprietary departments of the City of Los Angeles, respectfully request that the Budget and Finance Committee move that the pooling of the City's purchasing power for insurance premiums is not feasible for the proprietary departments.

Should you or your staff have any questions, please contact any of the following individuals for assistance:

- Bruce Brown, LAWA Risk Manager, 424-646-5495,
- Avery Neaman, LADWP Senior Risk Manager, 213-367-4678,
- Michael Salazar LADWP Property Risk Manager, 213-367-4672,
- Madeline Ramirez, LADWP Casualty/Risk Transfer Risk Manager, 213-367-3028,
- Kathy Merkovsky, Harbor Risk Manager, 310-732-3971.

The proprietary departments thank you for the opportunity to provide the facts and their insight on this motion.

- cc: S. Mengistu, Deputy Executive Director I, LAWA  
M. Molina, Deputy Executive Director II, LAWA  
W. Chi, Deputy Executive Director II/Comptroller, LAWA  
B. Brown, Risk Manager, LAWA  
M. Adams, Chief Management Analyst, LAWA  
R. Raj, Chief Operating Officer, LADWP  
M. Ignacio, Chief Financial Officer, LADWP  
P. Huynh, Dir. of Finance & Risk Control/Asst. Treasurer, LADWP  
A. Neaman, Senior Risk Manager, LADWP  
M. Salazar, Property Risk Manager, LADWP  
M. Ramirez, Casualty/Risk Transfer Risk Manager, LADWP  
W. Yancey, Legislative Representative, LADWP  
M. Campbell, Deputy Exec. Director of Finance & Administration, Harbor  
K. Pan, Chief Financial Officer, Harbor  
K. Merkovsky, Risk Manager, Harbor  
B. Henry, Legislative Representative, Harbor  
M. Santana, Chief Administrative Officer  
G. Miller, Chief Legislative Analyst

10-0600-813

BUDGET & FINANCE

JUN 23 2010

MOTION

On May 17, 2010, the Los Angeles City Council adopted its FY 10-11 City Budget. It was balanced based on cost cutting measures and focusing on the City's core functions of public safety and public works. Additionally, a number of key revenue projections were made which will be reviewed at mid-year to keep the City on track to maintain its fiscal health. As part of this ongoing budget process, the City continues to explore new ideas for cutting costs, adding new revenue and making government more efficient.

One such idea is the concept of the City of Los Angeles' general-funded and proprietary departments pooling their buying power for insurance to cover the costs for damage to all of its public facilities, buildings and infrastructure.

Currently, the City employs a risk manager for all of the City's buildings and facilities operated by non-proprietary departments to make recommendations to the City Council and Mayor relative to insurance coverage and related costs. The City also employs three (3) separate risk managers for LAWA, the Port of L.A. and LADWP which make recommendations to their respective Mayor-appointed Commissions on insurance coverage and related costs. This type of de-centralized organizational structure is premised on the notion that each risk manager is best suited to evaluate the individual risks facing their respective agencies.

Nevertheless, the City of Los Angeles commissioned a consultant's study in 2006 to evaluate the feasibility of insurance pooling. This study, conducted by ARM Tech, discovered that during the five-year period between 2001-2006, the City spent \$130 Million on insurance premiums but paid out losses of \$14 Million sustained under its policies during this period.


The study also concluded that through a pooling arrangement, the DWP could save \$2 Million, LAWA could save \$1.7 Million, the Port could save \$300,000 and the City's general-funded departments could save \$600,000 annually for a combined total of \$4.6 Million. Centralizing the City's purchasing power for insurance would require the City Council and Mayor to address some critical issues and possible changes to the City Charter. If there is even a remote possibility that the City's General Fund could benefit from this new source of revenue and greater efficiencies, that option should be explored.

I THERFORE MOVE that the CLA and CAO be requested to report to Budget and Finance Committee on the feasibility of the City pooling it's purchasing power for insurance premiums relative to all general funded and all proprietary departments.

PRESENTED BY:

  
BILL ROSENDAHL  
Councilmember, 11<sup>th</sup> District

SECONDED BY:





ORIGINAL



# **City of Los Angeles, California**

## **Study on City-Wide Insurance and Self-Insurance Risk Pool**

**February 8, 2007**



February 8, 2007

725

City of Los Angeles  
200 North Main Street, Room 1240  
Los Angeles, California 90012

Attn: Victor Parker  
Director of Risk Management  
Office of CAO

**Study on City-Wide Insurance and  
Self-Insurance Risk Pool**

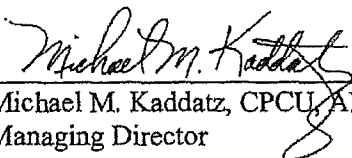
This report presents our findings on the insurance-buying practices of City departments, proprietary and non-proprietary, and the benefits of a risk pool for the departments.

The development of a City-wide property risk pool is a significant opportunity to save money and stabilize coverage. The concept is broadly presented. Many issues would have to be addressed to meet the unique needs of the participating departments. These issues can be readily treated in pool design features between now and program implementation. We see no substantive issue that would derail the success of such a program.

Comments and questions should be directed to the undersigned.

Respectfully submitted,

*ARM Tech*

By   
Michael M. Kaddatz, CPCU, ARM  
Managing Director

MMK:pem

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D	Port
E	Convention Center
F	MICLA
G	CAG-All Other

## I. Executive Summary

The purpose of this study is to review the property and liability insurance programs of City departments, including the proprietary departments, and identify where program improvements might be achieved through a joint insurance or self-insurance approach.

Summaries of the insurance programs maintained over the last five years by Water & Power, the Airports, the Port and the CAO Office of Risk Management on behalf of Wastewater, MICLA, the Convention Center and several other City units are contained in the appendix to this report. In aggregate, the City departments have spent \$130 million on insurance protection between 2001 and 2006. During this same five-year period, insurers have incurred losses under these policies of only about \$14 million.

Because many of the insurance programs apply over substantial deductibles or self-insured retentions, ranging from \$100,000 to \$3,000,000, insurers are expected to incur losses only in catastrophic loss scenarios. During the five-year period reviewed, the City experienced few large losses. Thus, during this period, the City has contributed substantially to the profitability of its insurers.

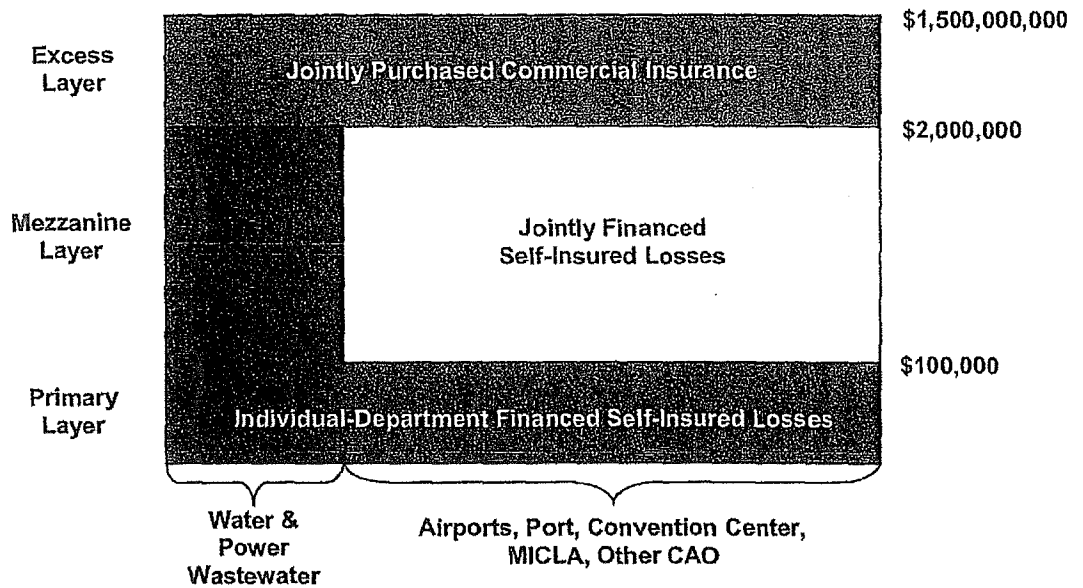
Our analysis turned up a major cost-saving opportunity for the City. By consolidating the placement of property insurance now procured separately by City departments, we estimate the City can reduce its annual insurance costs by at least \$4.6 million (or 25%). Table I-1 compares the costs of 2006 property insurance programs to estimated annual costs of a pooled property program serving all departments. It also shows an approximation of how the savings might be distributed among the departments.

**Table I-1  
Property Insurance Cost Comparison  
2006 Department Premiums vs. Model Pooled Program Costs  
(\$000)**

Department	2006 Property Insurance Premium	Estimated Cost of Pooled Property Program	Annual Savings
Water & Power	\$5,548	\$3,493	\$2,055
CAO - Wastewater	519	326	193
Airports	8,464	6,768	1,696
Port	1,356	1,074	282
CAO - Convention Center	931	746	185
CAO - MICLA	903	729	174
Other CAO	93	78	15
<b>Total</b>	<b>\$17,814</b>	<b>\$13,214</b>	<b>\$4,600</b>

The property insurance pool model we have developed in this analysis is similar to those that have been successfully deployed by governmental units in California and elsewhere for decades. The success of these programs demonstrates that savings can be sustained and the parochial interests of the participants addressed simultaneously. Figure 1 below is a schematic drawing of the major components of the program.

**Figure 1  
City of Los Angeles  
Multi-Department Property Pool Model**



This is just one of several reasonable models that the City can consider. During an implementation stage for such programs, it is customary to refine the program design so it responds to the unique desires of the participants. Regardless of design refinements, it is common in our experience with governmental risk pools that savings of 10% to 25% can realistically be sustained over the long term. The City can gain other material advantages by taking this pooled approach to property insurance.

One such advantage is to use the pool to jointly finance exposures to loss for which no insurance is available or for which insurance is too expensive. To illustrate, limited terrorism coverage is now offered by insurers because of financial backing provided to insurers by the federal government under the *Terrorism Risk Insurance Act (TRIA)*. *TRIA* sunsets at the end of 2007. No one is confident *TRIA* will be extended. Commercial insurance coverage is almost certainly going to be unavailable without *TRIA*'s extension.

Given the City's substantial exposures to loss of property due to terrorist acts, the loss of insurance coverage is significant. A risk pool of City departments could jointly fund a mechanism to respond to terrorism losses, reducing the drain on any one department that a random terrorist act could create.

Our findings and a detailed explanation of the pooled approach to property insurance are contained in the body of the report that follows. We recommend the report be read in its entirety for a full understanding of these concepts.

## II. Pooling Programs

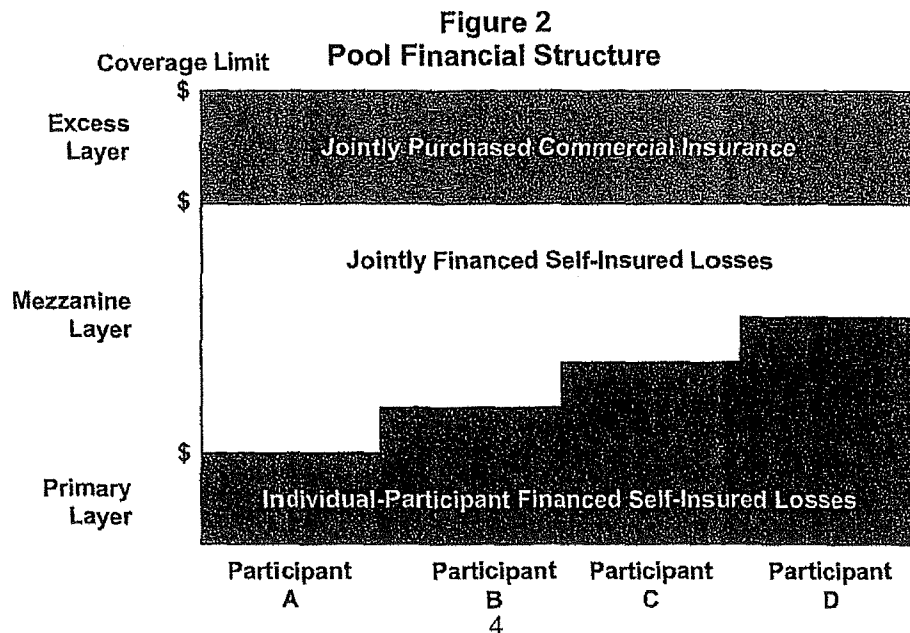
### A. Pool Concept

Risk pools are a prominent tool used to finance losses arising from the property and casualty risks of government and public enterprise functions. A pool is an entity (in California, usually a joint powers authority) in which two or more agencies jointly finance self-insured losses, purchase insurance, afford themselves risk management services or, more likely, conduct a combination of the preceding activities. The goals of forming a pool are to:

- Reduce costs vs. conventional insurance.
- Stabilize costs vs. insurance or individual-entity self-insurance.
- Develop highly specialized, effective loss prevention, claims management and related risk management services vs. those available from conventional sources.
- Improve the scope of protection vs. traditional insurance.

The California public sector has led the nation in forming pools. In the last 25 years, 150 pools serving hundreds of California local government agencies have been formed and are the dominant method of financing risk. Other states have followed this trend.

Figure 2 is a schematic of a typical pool financial structure.



Each of the protection layers is further described:

- **Primary Layer.** In this layer, each participating governmental unit is financially responsible for some level of its own losses. Usually, the larger the entity, the higher is its level of responsibility. The primary layer can operate like an insured deductible plan or retrospective rating stop loss, where the pool handles the claims and charges back their costs (up to the pooled layer) to the participant. Alternatively, this layer can operate like a self-insured retention, where the participant directly handles the claims and pays their costs. If the concept is used among City departments, deductible levels can be adjusted to the risk-bearing capacity of each department.
- **Mezzanine Layer.** Losses in this layer are jointly financed by the participants. There could be an actual sharing of risk, where a participant's contributions to the layer are determined by an agreed formula dependent on exposure (e.g., property values) and, often, a loss-experience rating component. Alternatively, this layer could operate like a bank, where each participant places a deposit and has the right to withdraw money for losses. To the extent a participant's withdrawals exceed its deposits, it is obligated to reimburse the pool over an agreed number of years, usually with interest. This layer is the source of the bulk of savings arising from pooling programs.
- **Excess Layer.** Usually, this layer is financed by the transfer of risk to a commercial insurer or reinsurer, the cost of which is favorably influenced by the buying power of the participants. Costs for this layer are shared on an agreed formula, usually an exposure measure, occasionally supplemented by a loss-experience modifier. More common in recent years, especially in California, is that this layer is financed using another pool specifically formed to serve excess coverage needs.

The organizational structure of any pool the City might form is an open issue. If a joint powers authority legal structure does not fit, then a trust or other format may have to be utilized.

## ***B. Risk Financing***

Best practices in risk financing suggest that an entity retain (self-insure) as much risk as it can afford and purchase insurance to protect only against losses that exceed its risk retention capacity. Generally, the larger the entity, the greater is its risk retention capacity. While risk retention can create year-to-year cost variability, larger organizations

tend to have the resources (e.g., revenue stream, borrowing power, cash reserves) to deal with such risk cost variances. Because they are not buying insurance, the large self-insured entities save at least the profit and overhead charges that are a component of the insurance premium charge and range from 5% to 12% of the premium.

Pooling offers the opportunity for smaller entities to create a financial resource to absorb risk cost fluctuations. Since not all entities would be expected to draw on that resource in a given time period, the amount of money the pool must collect in total is less than the sum of amounts each participant would need to accumulate to bear the risk on its own. Thus, the pool takes advantage of the law of large numbers like an insurer does. Large entities, too, can benefit from pools by jointly financing large levels of risk too daunting for even their substantial resources.

The City's non-proprietary departments have long been self-insured, using insurance only where unique contract or financing arrangements require it. Significant levels of self-insurance exist among the proprietary units of the City as well. Workers compensation exposures are substantially self-insured in proprietary and non-proprietary departments. Water & Power maintains \$2 million and \$3 million retentions on its property and liability programs. The Port self-insures its core liability exposures to \$1 million. The Airports self-insure the first \$1 million of off-premises auto liability exposure.

One City department has been utilizing the pooling concept. Water & Power participates in a utility industry mutual insurance company, Aegis, for excess, fiduciary and directors & officers liability protection. Formed in 1975 in the spirit and model of the pooling concept, Aegis was capitalized by the utility industry and continues to serve it with stable pricing, coverage forms uniquely responsive to utility exposures and a willingness to respond to the needs of the industry. As an owner/policyholder, Water & Power shares in the profits of Aegis, helping to reduce its insurance outlay.

In addition, the CAO Risk Management unit is currently pursuing a pooling opportunity by consolidating the placement of the now separate property insurance programs for MICLA, the Convention Center and Wastewater. The economies of scale by this consolidation are expected to produce savings of at least 20% or about \$500,000 annually.

### **C. Department Pool Concerns**

Though a tested concept, any entity considering a pool will have concerns about the affect of pooling on their entity. A discussion of these concerns follows:

1. **Loss of decision-making authority.** Versus an individual insurance placement, pooling requires joint decisions on how much insurance to buy, who to buy it from, what coverage features are important, is that claim

covered and how will insurance and other pool costs be shared. Agreement is not always easy, and compromise is sometimes required. In a pool, each participant sits on a governing body and must work through the decision issues. It requires time and diplomacy like any other interdepartmental task.

2. **Shared risk.** Concerns about one department's adverse loss experience affecting the cost of another department's coverage under the pool. Equity can be achieved with properly designed cost-sharing formulas that consider both a participant's exposure to loss and its loss experience. Generally, pools achieve better equity in this regard when compared to insurers where the premium formulas and their basis are proprietary and seldom subject to discussion.
3. **Unique business requirements.** Each enterprise in the study has obligations imposed by law, regulations, business partners and the every-day demands of functions it performs. If a pool restricts a department's ability to meet these obligations or the obligations prohibit the department's participation in the pool, it cannot be implemented. While these requirements are real, seldom have we seen them bar an entity's participation in a pool. Features can be added during pool design to address issues that exist. From the standpoint of the department, the issues have to be identified and resolved prior to the commitment to participate.
4. **Long-term commitment.** To be effective, a risk pool needs to operate for the long term. Periods of adverse loss experience arise and recovery can take years. Recovery is difficult if pool participants have an unfettered option to withdraw. Stable pools, especially in their infancy, usually require a three- to five-year commitment up front and 6 to 12 months' advance notice of intent to withdraw.
5. **Favorable coverage features.** Every department works diligently to gain the best coverage features it can in its insurance program. Naturally, department risk managers would be concerned that coverage subtleties they have secured might be lost in a consolidated program. Like unique business requirements, the coverage concerns need to be identified and resolved early in the pool implementation process.



### III. Liability

#### A. Current Programs

Table III-1 summarizes the 2006 core liability insurance programs used by City departments. Core liability programs as used in this study are those addressing the tort liability exposures commonly labeled general, auto, public officials and law enforcement liability. While we collected data on other liability insurance categories, like aircraft, railroad and maritime, we focused on the core programs as being those most likely to be combinable in a pooling arrangement.

**Table III-1  
Core<sup>1</sup> Liability Insurance  
2006 Program Summaries (\$000)**

Department	Core Coverage Limits	Deductibles/ Retention	Premium
Water & Power <sup>2</sup>	\$100,000	\$3,000	\$2,699
Airports	1,000,000	10 <sup>3</sup>	4,740
Port <sup>4</sup>	150,000	1,000	1,369
CAO - Convention Center <sup>5</sup>	75,000	10	232
CAO - MICLA <sup>5</sup>	5,000	10	199
CAO - All Other <sup>5</sup>	1 to 3,000	Nil	77
Total			\$9,316

**Notes:**

1. General, auto, public officials (and D&O) and law enforcement liability.
2. Except: fiduciary is \$35 million excess of \$250,000, D&O is \$25 million excess of \$150,000.
3. Except \$1 million self-insured retention for off-premises auto liability.
4. Except: auto has no deductible, public officials is \$10 million excess of \$250,000, law enforcement liability is \$10 million excess of \$250,000.
5. General and auto coverages only.

Our significant findings on the programs are:

1. The liability coverage limits maintained by Water & Power and the Port are prudent in relation to their operations, though the Port's \$10 million lower limit for public officials liability seems low in view of the

employment litigation environment in California. The Airport's \$1 billion limit displays the extremely risk-averse nature of this department. The Convention Center's limit is at the lower end of a prudent range in relation to its exposure to catastrophic loss, primarily multiple injuries from a single event. The limits for other CAO-placed coverages appear to be minimums to meet financing agreement requirements.

2. Self-insured retentions maintained by Water & Power appear reasonable in relation to the size of the department. By purchasing full coverage for auto liability, the Port has an inconsistent risk retention posture that should be reviewed. Since the Port was unable to give us insured loss information, we cannot comment further on this issue. The Airport's \$10,000 retention is extremely low for an entity its size. Deductibles in the other placements appear sized to the entities.
  
3. Water & Power and the Port are hampered in their risk retention decision-making by the unavailability of timely, complete and accurate claims and loss data. Claims are handled by the City Attorney's office. While no one questions the office's ability to defend claims against the City, its systems do not easily serve other risk management needs. Case reserves are not established on most claims. The data systems used to record claims financial data do not have the capability to readily sort the financial information that is maintained in ways that produce reports useful for risk retention decision-making. For example, loss data for Water & Power and the Port are the amounts paid for injuries and damages in the indicated fiscal years. However, we understand it contains data for claims and losses other than tort liability. This situation is a major deterrent to making informed risk financing decisions.
  
4. For liability insurers covering the City departments in this study, it appears the departments have been profitable policyholders over the last five years. Table III-2 summarizes the loss and premium history.

**Table III-2**  
**Core<sup>1</sup> Liability Insurance**  
**Five-Year\* Premium and Loss Summary (\$000)**

Department	Premium	Insurer-Paid Losses	City-Paid Losses
Water & Power	\$10,684	\$0	\$106,011
Airports	22,329	2,632	1,831
Port**	3,840	Not provided	18,377

Department	Premium	Insurer-Paid Losses	City-Paid Losses
CAO - Convention Center <sup>2</sup>	968	120	26
CAO - MICLA <sup>2</sup>	509	0	5
CAO -- All Other <sup>2</sup>	312	0	1
Total or Average	\$38,642	\$2,752	\$126,251

**Notes:**

1. General, auto, public officials (and D&O) and law enforcement liability.

2. General and auto coverages only.

\* 2001 through 2006, except four-year (2002 through 2006) for Convention Center, and MICLA and three-year (2003 through 2006) on CAO--All Other.

\*\* The Port expended another \$1.6 million in premium for specialty liability coverages related to its rail and maritime exposures.

## ***B. Pooling Opportunities***

The liability exposures of the various City departments do not present a situation that readily suits pooling. Key factors present among the departments and their liability programs that do not afford good pooling criteria are:

1. The absence of reliable loss data on which to project future results for the mezzanine layer.
2. The wide variation in exposure to loss among the departments.
3. The disparity in insurance markets that serve the industries in which the departments operate. Airport insurers are different than utility insurers, which are different than port insurers. Coverage forms differ substantially as well. It would be a challenge to put together a unified excess layer placement.

One area of potential cooperation could be in the placement of aircraft liability insurance. Both the CAO Risk Management unit and Water & Power place coverage for aircraft. The insurers that write aircraft are in the same marketplace that writes the Airport's liability coverages. Because of the premium size (\$4.7 million) of the Airport liability placement, it would have leverage in this marketplace. This leverage may favorably influence the pricing on the CAO and Water & Power aircraft liability insurance, if it is marketed with the Airport liability. Even if not jointly marketed, the Airport may be able to convince its insurers to extend the high (\$1 billion) coverage limits to apply over the primary limits of the CAO and Water & Power aircraft liability programs. Such an extension may be available for little or no cost.

## IV. Property

### A. Current Programs

Table IV-1 summarizes the key features of the 2006 property insurance programs used by City departments.

**Table IV-1  
Property Insurance  
2006 Program Summaries (\$000)**

Department	Coverage Limits	Deductibles	Covered Perils*	Insured Values	Premium	Rate (per \$100 Value)
Water & Power	\$500,000	\$2,000	(1) (2) (3)	\$9,616,779	\$5,548	\$0.058
CAO - Wastewater	100,000	2,000	(1) (2) (4)	2,281,580	519	0.023
Airports	1,500,000	100	(1) (2) (3) (4)	1,716,524	8,464	0.493
Port	500,000	100	(1) (2) (4)	1,362,266	1,356	0.100
CAO - Convention Center	937,000	50	(1) (2) (4)	937,000	931	0.099
CAO - MICLA	139,000	100	(1) (2) (4)	857,216	903	0.105
CAO - Other	40,370	10	(1)	40,370	93	0.230
Total or Average				\$16,811,735	\$17,814	\$0.106

- \* **Key**
- (1) Conventional, All-Risk Perils
  - (2) Boiler & Machinery
  - (3) Earthquake
  - (4) Terrorism

All programs are with strong insurers. Coverage limits appear adequate, being established in relation to locations where values are most concentrated. Our significant findings about the current programs are:

1. The designs of the programs appear appropriate to the size of the respective departments except:
  - The Airports \$100,000 deductible is disproportionately low in relation to the likely risk-bearing capacity of the enterprise,

especially when considering the department has a \$100 million contingency fund (only recently designated for earthquake damage losses to avoid a 400% increase in earthquake insurance premiums). This is one factor that has driven its property insurance cost to the highest among the study departments.

- The Port's \$100,000 deductible is disproportionately low in relation to the likely risk-bearing capacity of the enterprise, especially when considering the department has an \$85 million emergency fund.
2. The high costs of the Airport property insurance programs are probably in part due to the department being viewed by the underwriting community as a prime terrorist target. Because the placements involve multiple insurers, such a stigma could become a challenge to developing a more reasonably priced replacement program on either an individual or a pooled placement basis.
  3. Coverage for insured perils is consistent except for terrorism and earthquake. However, those who now buy earthquake are likely to discontinue the practice on the next renewal due to the major price increases being imposed, such as those recently experienced by the Airport. Terrorism coverage is now available, but its future availability is tenuous. A pooled approach among City departments for both of these perils is a financing option that offers more certainty and stability than insurance.
  4. The City has had good loss experience as summarized in Table IV-2.

**Table IV-2**  
**Property Insurance**  
**Five-Year\* Premium and Loss Summary (\$000)**

Department	Premium	Insurer-Paid Losses	City-Paid Losses
Water & Power	\$ 28,642	\$ 11,359	\$ 10,000
CAO - Wastewater	2,428	0	0
Airports	47,744	0	0
Port	5,848	0	0
CAO - Convention Center	3,855	0	0
CAO - MICLA	2,921	0	0

Department	Premium	Insurer-Paid Losses	City-Paid Losses
CAO - Other	312	0	0
Total	\$91,750	\$ 11,359	\$ 10,000

\* 2001 through 2006, except four-year (2002 through 2006) for CAO-handled units = Convention Center, MICLA and Figueroa/Hollenbeck/Cultural.

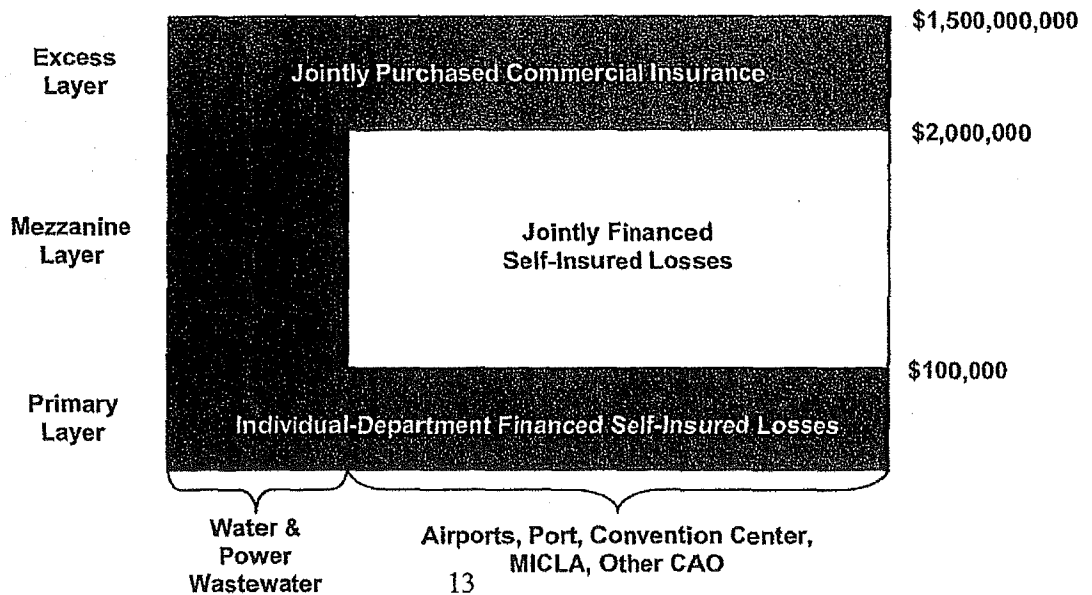
### B. Pooling Opportunities

The City's property exposures can be consolidated in a single insurance placement. Commercial property insurers can readily handle the various types of property held by the departments. By addressing the departments' property exposures as a whole, the City has a significant opportunity to:

- Achieve material cost savings through economies of scale, and
- Build a stable program, with more insulation from cost and coverage swings that are created by insurance market cycles.

With reference to the pooling concepts discussed in Chapter II, a City-wide pool that covers the property exposures of the proprietary and non-proprietary departments could be structured like the model presented in Figure 3.

**Figure 3**  
**City of Los Angeles**  
**Multi-Department Property Pool Model**



The model contemplates the joint placement of a comprehensive property insurance program covering all risk and boiler & machinery perils, but not earthquake and flood, above a \$2 million deductible. For those departments that want a deductible lower than \$2 million, a jointly funded pool covering losses between \$100,000 and \$2 million would be created. Based on the departments' current program designs, we have assumed in the model that Water & Power and Wastewater would choose the \$2 million deductible and other departments would select the \$100,000 deductible. Each loss within the chosen deductible would be funded by the department incurring the loss.

We have estimated the costs of such a program and summarize them in Table IV-3.

**Table IV-3  
Proposed Property Insurance Pool  
Financial Summary  
(\$000)**

Department	2006 Property Insurance Premium	Pool Insurance Premium	Pool Administration Costs	Pool Loss Funding	Total Pool Cost	Savings
Water & Power	\$5,548	\$3,404	\$89	\$0	\$3,493	\$2,055
Wastewater	519	318	8	0	326	193
Airports	8,464	5,192	136	1,440	6,768	1,696
Port	1,356	832	22	220	1,074	282
Convention Center	931	571	15	160	746	185
MICLA	903	554	15	160	729	174
Other CAO	93	57	1	20	78	15
All	\$17,814	\$10,928	\$286	\$2,000	\$13,214	\$4,600

We explain each pool cost element below.

1. **Pool Insurance Premium.** The placement of the comprehensive property insurance above a \$2 million deductible is estimated to be \$0.065 per \$100 of insured value. This estimate is based on informal contacts with insurance market sources. We have allocated the cost among the departments, based on their current premiums which are assumed to represent underwriters' assessment of their exposure to loss.

2. **Pool Administration Costs.** We contemplate a formal operating structure that would be governed by a pool "Board of Directors", on which each department has a representative. In addition, the pool would require staff time to perform various tasks such as:

- Collecting and maintaining department property exposure information.
- Working with insurance brokers to place the required excess layer coverage.
- Maintaining Board meeting minutes and other organizational documents.
- Pursuing various risk control or management initiatives as decided by the Board.

The staff function could be filled by City employees or contracted to an outside firm. The \$286,000 shown in the exhibit is a conservative estimate of administrative costs. We have allocated the administration costs in proportion to pool insurance premium allocations.

3. **Pool Loss Funding.** The \$2 million loss estimate is based on having adequate funds to respond to one mezzanine layer loss per year. Given that there are no reported losses in the last five years for the departments that we have assumed would participate in this layer, the estimate seems conservative. Yet property losses are random in nature. It's possible for two or more losses to occur in a given year. However, over time, we would expect losses to average less than the \$2 million estimate. The loss allocations are roughly based on the premium allocations.

In total, pool costs are about \$13 million, or \$4.6 million less than current program costs. This is a projected savings of over 25% versus the current cost of property insurance.

The model presented above is one of several reasonable approaches to the City's insured property exposures. It is likely that, in implementing a pool, modifications to the above model would be made to meet specific needs of one or more departments, allocate costs on a different basis, achieve even greater cost efficiency or secure a coverage advantage. Within the pooling structure, great flexibility in program design exists.



Our experience indicates such programs continue to produce savings over the long-term of between 10% and 25% compared to individual placements. In addition they offer a platform that affords:

1. Participants the ability to jointly self-fund hard-to-insure exposures. This could be of great benefit to the City in addressing its exposure to loss by terrorism. The *Terrorism Risk Insurance Act (TRIA)* provides federal support to commercial insurers permitting them to offer coverage for loss or damage caused by terrorist acts. *TRIA* is now set to run through 2007, but its continuation after that is in question. If *TRIA* does not continue beyond 2007 and insurers do not develop their own replacement, City departments may be forced to self-insure the exposure. A City-wide pool could develop a joint funding mechanism for terrorism losses so no single department must bear the full burden of a random terrorist act on its properties.
2. Reduced dependence on the insurance industry that is subject to business cycles that sometimes produce indigestible cost fluctuations.
3. Increased negotiating leverage. In periods where proposed excess layer insurance costs appear disproportionate to the risk, the pool can elect to raise its responsibility in the mezzanine layer coverage and reduce insurers' participation in the excess layer. Alternatively, when insurance is more competitively priced, the pool can reduce its level of risk and transfer more to insurers.

**Appendix A**  
**Water & Power**

*A R M T e c h*

Department: **LADWP**  
 Coverage: **Property**  
 Why Purchased: **Prudent Utility Practice**

Contact: Michael Salazar  
 213.367.4672  
 Michael.Salazar@ladwp.com

Period	Limits (all layers)	SIR or Deductible	Premium	Values	Incurred Losses (by Insurance)	Incurred Losses (by LAWDP)
2001 / 02	200,000,000	2,000,000	5,686,000	9,188,339,000	775,000	2,000,000
2002 / 03	200,000,000	2,000,000	6,137,000	9,225,092,000	472,437	2,000,000
2003 / 04	500,000,000	2,000,000	5,808,000	9,219,757,000	10,112,000	6,000,000
2004 / 05	500,000,000	2,000,000	5,463,000	9,396,125,558	0	0
2005 / 06	500,000,000	2,000,000	5,548,000	9,616,779,300	0	0
<i>Total</i>			28,642,000		11,359,437	10,000,000

Department: **L A D W P**  
 Coverage: **Liability** (includes - see below)  
 Why Purchased: Prudent Utility Practice

Contact: Madeline Ramirez      Avery Neaman  
 213.367.3028                      213.367.4678

Period	Limits (all layers)	SIR or Deductible	Premium	Paid Losses (by Insurance)	Paid Losses (by LAWDP)
2001 / 02	100,000,000	3,000,000	1,384,000	0	17,122,000
2002 / 03	100,000,000	3,000,000	1,871,000	0	19,757,000
2003 / 04	100,000,000	3,000,000	2,344,000	0	20,223,000
2004 / 05	100,000,000	3,000,000	2,386,000	0	24,624,500
2005 / 06	100,000,000	3,000,000	2,699,000	0	24,284,500
<i>Total</i>			10,684,000	0	106,011,000

Paid losses received 7/20/06. All losses are assumed to be within the self-insured retention.

The following policies constitute the Liability program:

- 1 Fiduciary (\$35million x/s of \$250,000)
- 2 Directors & Officers (\$25million x/s of \$150,000)
- 3 General/Auto Liability - Excess (see above)
- 4 Professional (\$35million x/s of \$3,000,000)

Department: **LADWP**  
 Coverage: **Liability** (Aviation / Aircraft)  
 Why Purchased: Prudent Utility Practice

Contact: Madeline Ramirez      Avery Neaman  
           213.367.3028            213.367.4678

Period	Limits (all layers)	SIR or Deductible	Premium	Paid Losses (by Insurance)	Paid Losses (by LAWDP)
2001 / 02	40,000,000	0	65,000	0	0
2002 / 03	40,000,000	0	105,000	0	0
2003 / 04	40,000,000	0	161,000	0	0
2004 / 05	40,000,000	0	158,000	0	0
2005 / 06	40,000,000	0	158,000	0	0
<i>Total</i>			647,000	0	0

Department: **LADWP**  
 Coverage: **General Liability** (Lone Pine Visitors center)  
 Why Purchased: Prudent Utility Practice

Contact: Madeline Ramirez      Avery Neaman  
 213.367.3028                      213.367.4678

Period	Limits (all layers)	SIR or Deductible	Premium	Paid Losses (by Insurance)	Paid Losses (by LAWDP)
2001 / 02	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>
2002 / 03	↓	↓	↓	↓	↓
2003 / 04	↓	↓	↓	↓	↓
2004 / 05	↓	↓	↓	↓	↓
2005 / 06	2,000,000	2,500	5,000	0	0
<i>Total</i>			5,000	0	0

n / a <sup>(1)</sup> - not applicable (coverage not purchased)

Department: **LADWP**  
Coverage: **Liability (Medical Malpractice)**  
Why Purchased: **Prudent Utility Practice**

Contact: Madeline Ramirez      Avery Neaman  
213.367.3028                      213.367.4678

Period	Limits (all layers)	SIR or Deductible	Premium	Paid Losses (by Insurance)	Paid Losses (by LAWDP)
2001 / 02	5,000,000	10,000	81,000	0	0
2002 / 03	5,000,000	10,000	104,000	0	0
2003 / 04	5,000,000	10,000	130,000	0	0
2004 / 05	5,000,000	10,000	125,000	0	0
2005 / 06	5,000,000	10,000	100,000	0	0
<i>Total</i>			540,000	0	0

Department: **L A D W P**  
Coverage: **Crime**  
Why Purchased: **Prudent Utility Practice**

Contact: Madeline Ramirez      Avery Neaman  
                 213.367.3028                      213.367.4678

Period	Limits (all layers)	SIR or Deductible	Premium	Incurred Losses (by Insurance)	Incurred Losses (by LAWDP)
2001 / 02	10,000,000	100,000	25,000	0	0
2002 / 03	20,000,000	100,000	49,000	0	0
2003 / 04	20,000,000	100,000	60,000	0	0
2004 / 05	20,000,000	100,000	59,000	0	0
2005 / 06	20,000,000	100,000	57,000	0	0
<i>Total</i>			250,000	0	0



**Appendix B**

**Wastewater**

*A R M T e c h*

Department: **CAO - Wastewater**  
 Coverage: **Property** (includes B & M)  
 Why Purchased: Bond Financing Requirement

Contact: Paul Ruelas  
 213.978.7661  
 Paul.Ruelas@lacity.org

Period	Limits (all layers)	SIR or Deductible	Premium	Values	Losses (Incurred by Insurance)	Losses (Incurred by CAO)
2001 / 02	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(2)</sup>	0	0
2002 / 03	100,000,000	2,000,000	720,481	↓	0	0
2003 / 04	100,000,000	2,000,000	628,894	↓	0	0
2004 / 05	100,000,000	2,000,000	559,900	↓	0	0
2005 / 06	100,000,000	2,000,000	518,670	2,281,580,012	0	0
<i>Total</i>			2,427,945		0	0

n / a <sup>(1)</sup> - not applicable (City records incomplete for this year).  
 n / a <sup>(2)</sup> - not applicable (not provided).  
 Loss information from HRH and Emails.

Status - Vetted by Ms. Gomez.

## **Appendix C**

### **Airports**

*A R M T e c h*

Department: **L A W A**  
 Coverage: **Liability** (includes War & Allied Perils Liability)  
 Why Purchased: See below <sup>(2)</sup>

Contact: Bruce Brown  
 310.215.5495  
 bbrown@lawa.org

Period	Limits (all layers)	SIR or Deductible <sup>(1)</sup>	Premium	Losses (Incurred by Insurance)	Losses (Incurred by LAWA)
2001 / 02	750,000,000	10,000	1,311,000	901,051	276,724
2002 / 03	750,000,000	10,000	5,220,304	1,038,378	253,883
2003 / 04	1,000,000,000	10,000	5,276,000	420,049	1,221,537
2004 / 05	1,000,000,000	10,000	5,781,250	200,746	73,990
2005 / 06	1,000,000,000	10,000	4,740,043	72,034	5,185
<i>Total</i>			22,328,597	2,632,258	1,831,319

( @1/30/06 )

(1) SIR / deductible is \$10,000 per occurrence and \$300,000 aggregate on non-auto liability. SIR / deductible is \$1 million per occurrence on off premises auto liability.

(2) (from Email) The Airport must guarantee loans and bonds in which our bond rating is factored by the that we are insured with the stated limits & coverages. The Airport is a self funding Department and must protect its financial & physical assets. The Airport has found that procuring insurance is a very cost effective means to assist in the transfer of risk.

Status - vetted by Bruce.

The following policies constitute the Liability program:

- 1 Primary
- 2 XS

Department: **LAWA**  
 Coverage: **Property** (includes All Risk, Terrorism, Flood and Earthquake)  
 Why Purchased: See below <sup>(2)</sup>

Contact: Bruce Brown  
 310.215.5495  
 bbrown@lawa.org

Period	Limits (all layers)	Deductible <sup>(1)</sup>	Premium	Values	Losses (Incurred by Insurance)	Losses (Incurred by LAWA)
2001 / 02	1,000,000,000	100,000	3,735,175	1,375,654,000	0	0
2002 / 03	1,000,000,000	100,000	10,734,153	1,444,437,000	0	0
2003 / 04	1,000,000,000	100,000	13,195,264	1,516,659,000	0	0
2004 / 05	1,000,000,000	100,000	11,616,364	1,634,784,688	0	0
2005 / 06	1,500,000,000	100,000	8,463,650	1,716,523,922	0	0
<i>Total</i>			47,744,606		0	0

(1) On standard coverage perils.

(2) (from Email) The Airport must guarantee loans and bonds in which our bond rating is factored by the that we are insured with the stated limits & coverages. The Airport is a self funding Department and must protect its financial & physical assets. The Airport has found that procuring insurance is a very cost effective means to assist in the transfer of risk.

Last major loss - Northridge Earthquake 9'94, \$8M at Van Nuys.

The following policies constitute the Property program:

- 1 All Risk / TRIA (100MM)
- 2 All Risk / TRIA (150MM XS 100MM)
- 3 All Risk / TRIA (250MM XS 250MM)
- 4 All Risk / TRIA (500MM XS 500MM)
- 5 All Risk / TRIA (500MM XS 1B)
- 6 XS Flood & Earth (10M)
- 7 XS Flood & Earth (15MM XS 10MM)
- 8 XS Flood & Earth (10MM XS 50MM)
- 9 XS Flood & Earth (15MM XS 60MM)
- 10 XS Flood & Earth (10MM XS 75MM)
- 11 XS Flood & Earth (15MM XS 85MM)
- 12 XS Flood & Earth (25MM XS 100MM)

Department: **L A W A**  
 Coverage: **Crime**  
 Why Purchased: See below <sup>(1)</sup>

Contact: Bruce Brown  
 310.215.5495  
 bbrown@lawa.org

Period	Limits (all layers)	SIR or Deductible	Premium	Losses (Incurred by Insurance)	Losses (Incurred by LAWA)
2001 / 02	2,000,000	50,000	16,419	0	0
2002 / 03	2,000,000	50,000	19,589	0	0
2003 / 04	2,000,000	50,000	18,476	0	0
2004 / 05	2,000,000	50,000	17,619	0	0
2005 / 06	2,000,000	50,000	15,233	0	0
<i>Total</i>			87,336	0	0

( @1/30/06 )

(1) (from Email) The Airport must guarantee loans and bonds in which our bond rating is factored by the that we are insured with the stated limits & coverages. The Airport is a self funding Department and must protect its financial & physical assets. The Airport has found that procuring insurance is a very cost effective means to assist in the transfer of risk.

## Appendix D

### Port

*A R M T e c h*

Port of LA - 5 Year Premium History

Period	C O R E					N O N C O R E					
	Excess GL	Auto	POL	LEL	Sub	POC GL	RRL	P&I	Pilotage	Pilot Lic	Sub
2001 / 02	209,901	152,765	27,242	0	389,908	12,596	0	60,202	134,313	30,665	237,776
2002 / 03	315,045	174,961	37,554	0	527,560	14,517	0	65,124	139,911	32,000	251,552
2003 / 04	396,824	205,187	110,515	0	712,526	12,659	0	136,364	146,698	38,813	334,534
2004 / 05	386,425	151,672	302,823	0	840,920	11,206	0	142,913	141,770	36,169	332,058
2005 / 06	374,501	221,285	465,246	308,436	1,369,448	11,936	134,193	142,913	146,845	42,167	478,054
<i>Total</i>	<i>1,682,696</i>	<i>905,850</i>	<i>943,380</i>	<i>308,436</i>	<i>3,840,362</i>	<i>62,914</i>	<i>134,193</i>	<i>547,516</i>	<i>709,537</i>	<i>179,814</i>	<i>1,633,974</i>



Department: **Port of LA**  
 Coverage: **Liability** (includes Auto, POL, LEL and Excess GL)  
 Why Purchased: - ? -

Contact: Kathy Merkovsky  
 310.732.3971  
 kmerkovsky@portla.org

Period	Limits (all layers)	SIR or Deductible	Premium	Losses (Paid by Insurance)	Losses (Paid by Harbor)
2001 / 02	150,000,000	1,000,000	389,908	n / a <sup>(1)</sup>	3,208,000
2002 / 03	150,000,000	1,000,000	527,560	↓	2,001,000
2003 / 04	150,000,000	1,000,000	712,526		497,000
2004 / 05	150,000,000	1,000,000	840,920		2,828,000
2005 / 06	150,000,000	1,000,000	1,369,448		9,843,000
<i>Total</i>			3,840,362	n / a <sup>(1)</sup>	18,377,000

n / a <sup>(1)</sup> - not applicable (not provided)

Losses per CAFR footnote 8

The following policies constitute the Liability program:

- 1 - Auto (no deductible)
- 2 - POL (\$10million limit x/s of \$250,000 deductible)
- 3 - LEL (\$10million limit x/s of \$250,000 deductible)
- 4 - Excess GL

Department: **Port of LA**  
 Coverage: **Liability (Pilot License)**  
 Why Purchased: - ? -

Contact: Kathy Merkovsky  
 310.732.3971  
 kmerkovsky@portla.org

Period	Limits (all layers)	SIR or Deductible	Premium	Losses (Paid by Insurance)	Losses (Paid by Harbor)
2001 / 02	1,000,000	0	30,665	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>
2002 / 03	1,000,000	0	32,000	↓	↓
2003 / 04	1,000,000	0	38,813	↓	↓
2004 / 05	1,000,000	0	36,169	↓	↓
2005 / 06	1,000,000	0	42,167	↓	↓
<i>Total</i>			179,814	0	0

n / a <sup>(1)</sup> - not applicable (not provided)

Department: **Port of LA**  
 Coverage: **Liability (Pilotage)**  
 Why Purchased: - ? -

Contact: Kathy Merkovsky  
 310.732.3971  
 kmerkovsky@portla.org

Period	Limits (all layers)	SIR or Deductible	Premium	Losses (Paid by Insurance)	Losses (Paid by Harbor)
2001 / 02	1,000,000	25,000	134,313	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>
2002 / 03	1,000,000	25,000	139,911		
2003 / 04	1,000,000	25,000	146,698	↓	↓
2004 / 05	1,000,000	25,000	141,770		
2005 / 06	1,000,000	25,000	146,845		
<i>Total</i>			709,537	0	0

n / a <sup>(1)</sup> - not applicable (not provided)

Department: **Port of LA**  
 Coverage: **Liability** (Ports of Call)  
 Why Purchased: - ? -

Contact: Kathy Merkovsky  
 310.732.3971  
 kmerkovsky@portla.org

Period	Limits (all layers)	SIR or Deductible	Premium	Losses (Paid by Insurance)	Losses (Paid by Harbor)
2001 / 02	1,000,000	1,000	0	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>
2002 / 03	1,000,000	1,000	14,517		
2003 / 04	1,000,000	1,000	12,659	↓	↓
2004 / 05	1,000,000	1,000	11,206	↓	↓
2005 / 06	1,000,000	1,000	11,936	↓	↓
<i>Total</i>			50,318	0	0

n / a <sup>(1)</sup> - not applicable (not provided)

Department: **Port of LA**  
 Coverage: **Liability (Protection and Indemnity)**  
 Why Purchased: - ? -

Contact: Kathy Merkovsky  
 310.732.3971  
 kmerkovsky@portla.org

Period	Limits (all layers)	SIR or Deductible	Premium	Losses (Paid by Insurance)	Losses (Paid by Harbor)
2001 / 02	1,000,000	2,500	60,202	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>
2002 / 03	1,000,000	2,500	65,124	↓	↓
2003 / 04	1,000,000	2,500	136,364	↓	↓
2004 / 05	1,000,000	2,500	142,913	↓	↓
2005 / 06	1,000,000	2,500	142,913	↓	↓
<i>Total</i>			547,516	0	0

n / a <sup>(1)</sup> - not applicable (not provided)

Department: **Port of LA**  
 Coverage: **Liability (Railroad)**  
 Why Purchased: - ? -

Contact: Kathy Merkovsky  
 310.732.3971  
 kmerkovsky@portla.org

Period	Limits (all layers)	SIR or Deductible	Premium	Losses (Paid by Insurance)	Losses (Paid by Harbor)
2001 / 02	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	0	n / a <sup>(2)</sup>	n / a <sup>(2)</sup>
2002 / 03	↓	↓	0	↓	↓
2003 / 04	↓	↓	0	↓	↓
2004 / 05	↓	↓	0	↓	↓
2005 / 06	50,000,000	25,000	134,193	↓	↓
<i>Total</i>			134,193	0	0

n / a <sup>(1)</sup> - not applicable (not purchased)

n / a <sup>(1)</sup> - not applicable (not provided)

Department: **Port of LA**  
Coverage: **Property (includes All Risk and Terrorism)**  
Why Purchased: - ? -

Contact: Kathy Merkovsky  
310.732.3971  
kmerkovsky@portla.org

Period	Limits (all layers)	SIR or Deductible	Premium	Values	Losses (Paid by Insurance)	Losses (Paid by Harbor)
2001 / 02	941,158,657	100,000	666,966	941,158,657	0	0
2002 / 03	500,000,000	100,000	1,362,193	920,341,586	0	0
2003 / 04	500,000,000	100,000	1,272,714	1,203,936,000	0	0
2004 / 05	500,000,000	100,000	1,190,851	1,232,045,000	0	0
2005 / 06	500,000,000	100,000	1,355,586	1,362,266,000	0	0
<i>Total</i>			5,848,310		0	0

Losses are minor and not recorded or have been charged back.

The following policies constitute the Property program:

- 1 - All Risk
- 2 - Terrorism

Department: **Port of LA**  
Coverage: **Crime**  
Why Purchased: - ? -

Contact: Kathy Merkovsky  
310.732.3971  
kmerkovsky@portla.org

Period	Limits (all layers)	SIR or Deductible	Premium	Losses (Paid by Insurance)	Losses (Paid by Harbor)
2001 / 02	20,000	1,000	1,311	0	0
2002 / 03	20,000	1,000	1,311	0	0
2003 / 04	100,000	5,000	4,681	0	0
2004 / 05	100,000	5,000	4,406	0	0
2005 / 06	100,000	5,000	4,620	0	0
<i>Total</i>			16,329	0	0



Department: **Port of LA**  
 Coverage: **Public Officials Liability**  
 Why Purchased: - ? -

Contact: Kathy Merkovsky  
 310.732.3971  
 kmerkovsky@portla.org

Period	Limits (all layers)	SIR or Deductible	Premium	Losses (Paid by Insurance)	Losses (Paid by Harbor)
2001 / 02	1,000,000	200,000	37,554	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>
2002 / 03	1,000,000	200,000	64,363	↓	↓
2003 / 04	1,000,000	200,000	110,515	↓	↓
2004 / 05	10,000,000	250,000	302,823	↓	↓
2005 / 06	10,000,000	250,000	465,246	↓	↓
<i>Total</i>			980,501	0	0

n / a <sup>(1)</sup> - not applicable (not provided)

**Appendix E**  
**Convention Center**

*A R M T e c h*

Department: **CAO - Convention Center**  
 Coverage: **Liability (includes Auto)**  
 Why Purchased: **Bond Financing Requirement**

Contact: Angelica Gomez  
 213.978.7662  
 Angelica.Gomez@lacity.org

Period	Limits <sup>(2)</sup> (all layers)	Deductible <sup>(3)</sup>	Premium	Losses (Incurred by Insurance)	Losses (Incurred by CAO)
2001 / 02	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	23,915	10,000
2002 / 03	75,000,000	10,000	157,128	96,827	10,000
2003 / 04	75,000,000	10,000	314,540	0	4,930
2004 / 05	75,000,000	10,000	263,998	0	850
2005 / 06	75,000,000	10,000	232,359	0	0
<i>Total</i>			968,025	120,742	25,780

n / a <sup>(1)</sup> - not applicable (City records incomplete for this year).

Loss information from Kaercher report "Loss Summaries 2006 ..." - submitted via Email by Henry Graham to George Hwang.

(2) Primary GL & Auto Liability \$1,000,000/occurrence and \$2,000,000 aggregate; Primary Umbrella & Excess \$25,000,000 limit each

(3) Deductible/SIR on Primary GL & Primary Umbrella only, not on Excess or Auto Liability

Status - Vetted by Ms. Gomez (except for losses).

Department: **CAO - Convention Center**  
 Coverage: **Property**  
 Why Purchased: **Bond Financing Requirement (insure to value)**

Contact: Angelica Gomez  
 213,978.7662  
 Angelica.Gomez@lacity.org

Period	Limits (all layers)	Deductible <sup>(3)</sup>	Premium	Values (Incurred by Insurance)	Losses (Incurred by Insurance)	Losses (Incurred by CAO)
2001	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(2)</sup>	n / a <sup>(2)</sup>
2002	750,000,000	50,000	585,175	750,000,000	↓	↓
2003	815,000,000	50,000	628,136	815,000,000	↓	↓
2004	816,000,000	50,000	950,341	816,000,000	↓	↓
1/1/05 - 9/30/05	933,000,000	50,000	759,889	933,000,000	↓	↓
9/30/05 - 9/30/06	937,000,000	50,000	931,423	937,000,000	↓	↓
<i>Total</i>			3,854,964		0	0

n / a <sup>(1)</sup> - not applicable (City records incomplete for this year).

n / a <sup>(2)</sup> - not applicable (not provided).

(3) \$100,000 Deductible on Earth Movement Sprinkler Leakage

Status - Vetted by Ms. Gomez (except for losses).

**Appendix F**

**MICLA**

Department: **CAO - MICLA**  
 Coverage: **Liability**  
 Why Purchased: **Bond Financing Requirement**

Contact: **Paul Ruelas**  
**213.978.7661**  
**Paul.Ruelas@lacity.org**

Period	Limits (all layers)	SIR or Deductible	Premium	Losses (Incurred by Insurance)	Losses (Incurred by CAO)
2001 / 02	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	0	0
2002 / 03	2,000,000	10,000	69,500	0	0
2003 / 04	5,000,000	10,000	85,600	0	0
2004 / 05	5,000,000	10,000	155,345	0	0
2005 / 06	5,000,000	10,000	199,200	0	5,000
<i>Total</i>			509,645	0	5,000

n / a <sup>(1)</sup> - not applicable (City records incomplete for this year).

Status - Vetted by Ms. Gomez.

Department: **CAO - MICLA**  
 Coverage: **Property - Flood, Terrorism** (includes policies for Piper Tech)  
 Why Purchased: **Bond Financing Requirement**

Contact: Paul Ruelas  
 213.978.7661  
 Paul.Ruelas@lacity.org

Period	Limits (all layers)	SIR or Deductible	Premium	Values (Incurred by Insurance)	Losses (Incurred by Insurance)	Losses (Incurred by CAO)
2001 / 02	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	0	0
2002 / 03	139,000,000	100,000	492,751	857,216,000	0	0
2003 / 04	139,000,000	100,000	678,005	857,216,000	0	0
2004 / 05	139,000,000	100,000	847,392	857,216,000	0	0
2005 / 06	139,000,000	100,000	903,075	857,216,000	0	0
<i>Total</i>			2,921,223		0	0

n / a <sup>(1)</sup> - not applicable (City records incomplete for this year).

Loss information is from renewal ("no losses in last 5 years").

Status - Vetted by Ms. Gomez.

**Appendix G**  
**CAO—All Other**

*A R M T e c h*



Department: **CAO - All Other**  
 Coverage: **Liability** (includes policies for Channel 35, Beautification, Cultural Affairs and Volunteers)  
 Why Purchased: Based on analysis of risk.

Contact: Paul Ruelas  
 213.978.7661.  
 Paul.Ruelas@lacity.org

Period	Limits (all layers)	SIR or Deductible	Premium	Losses (Incurred by Insurance)	Losses (Incurred by CAO)
2001 / 02	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	0	0
2002 / 03	n / a <sup>(2)</sup>	n / a <sup>(2)</sup>	n / a <sup>(2)</sup>	0	0
2003 / 04	1 to 3,000,000	0 to 500	71,103	0	1,394
2004 / 05	1 to 3,000,000	500 to 2,500	74,468	0	0
2005 / 06	1 to 3,000,000	500 to 2,500	77,089	0	0
<i>Total</i>			222,660	0	1,394

n / a <sup>(1)</sup> - not applicable (City records incomplete for this year).

n / a <sup>(2)</sup> - not applicable (multiple policies / amounts).

Status - Vetted by Ms. Gomez.

Department: **CAO - All Other**  
 Coverage: **Liability** (Channel 35 Auto and General)  
 Why Purchased: Based on analysis of risk.

Contact: Paul Ruelas  
 213.978.7661  
 Paul.Ruelas@lacity.org

Period	Limits (all layers)	SIR or Deductible	Premium	Losses (Incurred by Insurance)	Losses (Incurred by CAO)
2001 / 02	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	0	0
2002 / 03	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	0	0
2003 / 04	1,000,000	500	30,333	0	1,394
2004 / 05	1,000,000	500	31,004	0	0
2005 / 06	1,000,000	500	33,516	0	0
<i>Total</i>			94,853	0	1,394

n / a <sup>(1)</sup> - not applicable (City records incomplete for this year).

Status - Vetted by Ms. Gomez.

The following policies constitute the Liability program:

- 1 Auto
- 2 General

Department: **CAO - All Other**  
 Coverage: **Liability (Beautification)**  
 Why Purchased: Based on analysis of risk.

Contact: Paul Ruelas  
 213.978.7661  
 Paul.Ruelas@lacity.org

Period	Limits (all layers)	SIR or Deductible	Premium	Losses (Incurred by Insurance)	Losses (Incurred by CAO)
2001 / 02	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	0	0
2002 / 03	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	0	0	0
2003 / 04	1,000,000	500	8,370	0	0
2004 / 05	1,000,000	500	9,764	0	0
2005 / 06	1,000,000	500	9,873	0	0
<i>Total</i>			28,007	0	0

n / a <sup>(1)</sup> - not applicable (City records incomplete for this year).

Status - Vetted by Ms. Gomez.

Department: **CAO - All Other**  
 Coverage: **Liability (Cultural Affairs)**  
 Why Purchased: Based on analysis of risk.

Contact: Paul Ruelas  
 213.978.7661  
 Paul.Ruelas@lacity.org

Period	Limits (all layers)	SIR or Deductible	Premium	Losses (Incurred by Insurance)	Losses (Incurred by CAO)
2001 / 02	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	0	0
2002 / 03	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	0	0
2003 / 04	3,000,000	0	32,400	0	0
2004 / 05	3,000,000	2,500	33,700	0	0
2005 / 06	3,000,000	2,500	33,700	0	0
<i>Total</i>			99,800	0	0

n / a <sup>(1)</sup> - not applicable (City records incomplete for this year).

Status - Vetted by Ms. Gomez.

The following policies constitute the Liability program:

- 1 2MM policy
- 2 1MM / 2MM policy

Department: **CAO - All Other**  
 Coverage: **Property** (includes policies for Figueroa Plaza and Fine Arts)  
 Why Purchased: Plaza - Lease agreement requirement. Fine Arts - Based on analysis of risk.

Contact: Paul Ruelas  
 213.978.7661  
 Paul.Ruelas@lacity.org

Period	Limits (all layers)	SIR or Deductible	Premium	Values	Losses (Incurred by Insurance)	Losses (Incurred by CAO)
2001 / 02	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	0	0
2002 / 03	12,640,000	10,000	41,889	12,640,000	0	0
2003 / 04	13,170,000	10,000	92,808	13,170,000	0	0
2004 / 05	34,000,000	10,000	85,165	34,000,000	0	0
2005 / 06	40,370,000	10,000	92,597	40,370,000	0	0
<i>Total</i>			312,459		0	0

n / a <sup>(1)</sup> - not applicable (City records incomplete for this year).

n / a <sup>(2)</sup> - not applicable (multiple policies / amounts).

Status - Vetted by Ms. Gomez.

Department: **CAO - All Other**  
 Coverage: **Crime** (including position bonds)  
 Why Purchased: Charter requirement

Contact: Paul Ruelas  
 213.978.7661  
 Paul.Ruelas@lacity.org

Period	Limits (all layers)	SIR or Deductible	Premium	Losses (Incurred by Insurance)	Losses (Incurred by CAO)
2001 / 02	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	0	0
2002 / 03	4,000,000	100,000	88,851	0	0
2003 / 04	4,000,000	100,000	100,977	0	0
2004 / 05	5,000,000	100,000	92,778	0	0
2005 / 06	5,000,000	100,000	81,438	0	0
<i>Total</i>			364,044	0	0

n / a <sup>(1)</sup> - not applicable (City records incomplete for this year).

Source - Loss data from provided loss run labelled "primary".

Status - Vetted by Ms. Gomez.

Department: **CAO - Aircraft**  
 Coverage: **Liability**  
 Why Purchased: **Bond Financing Requirement**

Contact: Paul Ruelas  
 213.978.7661  
 Paul.Ruelas@lacity.org

Period	Limits (all layers)	SIR or Deductible	Premium	Losses (Incurred by Insurance)	Losses (Incurred by CAO)
2001 / 02	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	n / a <sup>(1)</sup>	0	0
2002 / 03	30,000,000	0	1,748,215	0	0
2003 / 04	50,000,000	0	1,334,496	0	731,250
2004 / 05	50,000,000	0	1,263,246	0	0
2005 / 06	50,000,000	0	1,179,734	0	0
<i>Total</i>			5,525,691	0	731,250

n / a <sup>(1)</sup> - not applicable (City records incomplete for this year).

Loss information is from AIG Loss Run and Email (just one claim in last 5 years).

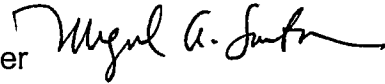
Status - Vetted by Ms. Gomez.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **INFORMATION TECHNOLOGY AGENCY: REPORT BACK ON THE AVAILABILITY OF NEW 800 MHz FREQUENCIES AND THE PROPOSED MICLA FINANCING TO UPGRADE THE CURRENT 800 MHz SYSTEM**

The Budget and Finance Committee requested that this Office report on the status of new frequencies that will become available and used for the proposed Los Angeles Regional Interoperable Communications System (LA-RICS). Given these new frequencies, the Committee also asked whether it is advisable to continue to upgrade the radio infrastructure on the City's existing 800 MHz system. The City's 800 MHz system is not among the systems that would be replaced by LA-RICS, and therefore it is appropriate to continue to upgrade and replace components as necessary.

The City's 800 MHz Simulcast Trunked Radio System (System) is used by 14 City departments including the Office of Public Safety, the Department of Transportation, and the Department of Public Works, Bureau of Sanitation. This System is not used by the Police Department or the Fire Department. Due to an order issued by the Federal Communications Commission (FCC), there are expected to be additional frequencies available on the 800 MHz band within the next year. No new frequencies, however, will be made available on the portion of the band used by the City's 800 MHz System.

The \$400,000 in Municipal Improvement Corporation of Los Angeles (MICLA) financing included in the 2011-12 Budget is for the third year of a four-year, \$1,600,000 project to upgrade the System. Many components of the System are obsolete and failing with increasing regularity. Therefore, to enable the System to continue to be used, the infrastructure (such as radio antennas, channel banks, and monitoring equipment) must be periodically upgraded and replaced.

MAS:JWW: 11110026c

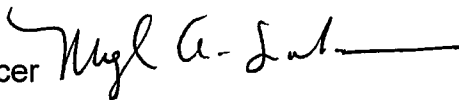
Question No. 140



**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **AIRPORTS – REPORT BACK ON SEVEN QUESTIONS PERTAINING TO THE DEPARTMENT**

The Budget and Finance Committee requested that the Department of Airports report back on the status of seven specific issues pertaining to Airports. These issues are: the training of Airport sworn personnel; the interaction between the Airport Response and Coordination Center and the City's emergency centers; the Department's commitment to local preference; the operation of the Ontario Airport; the number of active certified Air Traffic Controllers; information on a presentation to the Trade Commerce and Tourism Committee on Los Angeles World Airports concessions; and, the status of runway status lights. Attached is the Department of Airports response letter dated May 3, 2011.

Attachment

MAS:AVM:10110127

Question Nos. 169, 170, 171, 172, 173, 174, and 175



Los Angeles  
World Airports

May 3, 2011

Budget and Finance Committee  
Los Angeles City Council  
c/o City Administrative Officer  
City Hall East, Room 1200  
Los Angeles, California 90012

LAX

LA/Ontario

Van Nuys

City of Los Angeles

Antonio R. Villalobos  
Mayor

Board of Airport  
Commissioners

Michael A. Lawson  
President

Valeria C. Velasco  
Vice President

Joseph A. Arcoria  
Robert D. Beyer  
Boyd Hight  
Fernando M. Torres-Gil  
Walter Zilkin

Gina Marie Lindsey  
Executive Director

Honorable Committee Members:

On May 2, 2011, the Council's Budget and Finance Committee asked a number of questions of LAWA staff during its annual budget hearings. This is to provide answers to those questions.

**Question No. 169: Report back on LAWA officers getting trained at LAPD Academy. When did the City make this transition?**

LAWA officially changed its policy to send all new recruits to the LAPD Academy in October 2006. Prior to that time, some recruits attended a different POST-certified training academy. At present, 45% of LAWA's 515 sworn personnel attended the LAPD Academy.

**Question No. 170: How does LAWA's EOC coordinate with the City's EOC and EMD? What are the functions? Do the centers communicate with each other?**

LAWA recently dedicated the Airport Response and Coordination Center (ARCC), The \$13.9-million facility greatly enhances LAX's operational efficiency and crisis management capabilities by centralizing communications and streamlining management of all the airport's many operations, while improving service to passengers, airlines, concessionaires, tenant service providers, governmental agencies and the surrounding community. The ARCC is staffed around-the-clock with personnel from LAX's airfield and terminal operations, Los Angeles Airport Police and Construction & Maintenance Services divisions, as well as from governmental agencies, including the Transportation Security Administration. The ARCC staff is expected to expand as other airport monitoring activities are merged into the ARCC.

A separate section of the ARCC, called the Incident Management Center (IMC), is activated during a major incident or airport emergency -- calling in additional personnel to specifically respond to the event, from initial onset, to securing the incident, and through recovery of impacted operations until the airport fully resumes normal operations and the incident officially "closed."



The IMC functions as the "nerve center" for dealing with a critical event, receiving information from emergency responders at the on-scene Incident Command Post and from other parts of the airport, and allocating critical resources as required in a timely and efficient manner. By improving coordination during a critical incident, airport officials expect to reduce response time to incidents that could impact the traveling public.

LAWA is working to ensure effective communications between the ARCC and the City's EOC. The ARCC remains in constant contact with the EMD Duty Officer at the EOC, and is connected to the EOC via the City's WebEOC software. The EOC receives electronic notice of events at LAWA through LAWA's Everbridge messaging system. We are currently working with the City to complete a video conferencing link between the two facilities.

***Question No. 171: Report back on the status of the LAWA Commission's adoption of two Local Preference ordinances. What is being done to incorporate the two? How will LAWA, in the interim, address the hiring preference?***

LAWA is committed to local hiring and implements these through its Project Labor Agreement (PLA) and Community Benefits Agreement. The Board of Airport Commissioners ratified an extension of its PLA in 2010 covering nearly \$2 billion in construction projects at LAX that maximizes the employment of qualified local residents with the goal that at least 30% of each contractor's employees hired under the PLA are residents of the cities immediately adjacent to LAX or of the City of Los Angeles. The PLA features hiring of qualified construction personnel through employment processes established by local contractors and union hiring halls, and participation of local residents in employment and training programs, such as pre-apprenticeship programs and priority entrance of local residents into the state-certified apprenticeship programs jointly administered by contractors and labor unions.

***Question No. 172: Report back on the relationship between Ontario Airport and the Ontario community. What options are there for Ontario Airport?***

LAWA continues to work to ensure the recovery of LA/Ontario International Airport (ONT) from the adverse impacts of three years of economic downturn that have hit both the nation's medium-sized airports and the Inland Empire particularly hard. We participated in discussions with the City of Ontario and solicited expressions of interest from potential third-party operators. We are exploring a variety of alternative management structures for the airport, with the objectives of increased air service at ONT and long-term airport financial viability.

**Question No. 173: Report back on the number of active certified Air Traffic Controllers, number currently in training, and a summary of any adjustments/ changes to number of hours worked by each (to reduce fatigue).**

Staffing of the air traffic control tower is the responsibility of the Federal Aviation Administration (FAA). Air traffic control tower staffing at LAX currently includes 38 CPCs, 4 TMCs and 12 CPC-ITs (CPC-ITs are transfers from other FAA control facilities that are receiving additional training). In addition, FAA anticipates the addition of three more controllers in the near future.

In response to recent fatigue-related concerns at certain air traffic control facilities, FAA instituted new national policies increasing the time between controllers' shifts. The controllers' shifts at LAX are currently spaced greater than the mandated minimums, so these changes are expected to have little impact at LAX. FAA also added controllers to the overnight shift at 27 facilities where that shift had only one controller, including ONT and Bob Hope (Burbank) Airport.

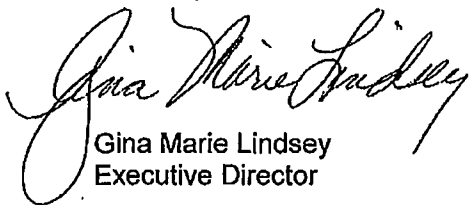
**Question No. 174: Forward to the Trade Commerce and Tourism Committee a copy of the presentation giving the status of LAWA concessions.**

In response to the motion on Council File 11-0602, LAWA staff made a comprehensive verbal report on its concession program to the City Council's TC&T Committee on April 20, 2011.

**Question No.: 175: Report back on the status of runway status lights.**

Installation of Phase 1 of runway status lights at LAX has been completed. FAA is currently designing Phase 2 that will involve installing lights in additional locations and upgrading lights in some existing locations. In order to minimize runway and taxiway closures, this work will be conducted in conjunction with other runway and taxiway construction projects.

Sincerely,



Gina Marie Lindsey  
Executive Director

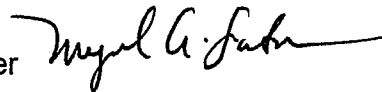
MSA

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **DEPARTMENT OF TRANSPORTATION – COMPENSATION FOR CROSSING GUARDS**

The Budget and Finance Committee requested a report on bonus pay provided for as-needed, part-time Crossing Guard employees and other compensation.

Attached is a chart reflecting Crossing Guard salary and mileage costs for the fiscal years 2008-09, 2009-10, and the first 22 pay periods of 2010-11.

Crossing Guard Bonus (GB) compensation is comprised of bonuses for Crossing Guards that (a) work the last shift of the day, (b) work a split shift (work a morning and afternoon shift but no "middle" shift due to the implementation of a full-day kindergarten schedule), (c) act as a lead guard (oversees specific geographic locations to ensure all locations are covered), and (d) have been employed continuously on or before September 1, 1986. The City began paying these bonuses to address recruitment and retention problems.

This memorandum is information only. There is no fiscal impact.

MAS:ALB:06110105

Question No. 64

### CROSSING GUARDS SALARY AND MILEAGE COSTS

VARIATION CODE	DESCRIPTION	FY 2008-09	FY 2009-10	FY 2010-11 PP1 to PP 22
HW	HOURS WORKED ON THE JOB	\$4,233,118	\$3,764,895	\$2,734,500
GB	CROSSING GUARDS BONUS	2,213,722	3,251,258	1,632,167
VC	VACATION	236,517	253,634	162,104
HO	HOLIDAY HOURS	180,316	167,455	133,557
SK	100% SICK TIME	94,831	113,754	75,403
79	ERIP SEPARATION CASH BONUS INSTALLMENT	0	0	30,000
SS	75% SICK TIME	14,671	13,898	24,287
CS	CASH-IN-LIEU PAYMENT	30,611	26,339	19,834
86	100% SICK TIME BALANCE PAID AT RETIREMENT	4,478	21,031	18,965
IS	INJURY ON DUTY - NET	50,081	24,197	12,159
83	VACATION BALANCE PAID AT TERMINATION/RETIREMENT	14,251	26,319	10,841
73	ERIP PAYOUT (SK/VC/OT) INSTALLMENT	0	0	5,490
87	50% SICK TIME BALANCE PAID AT RETIREMENT	5,913	8,323	4,922
BL	BEREAVEMENT LEAVE	5,796	4,941	3,199
80	PAYOUT OF SICK LEAVE>800 HOURS	1,655	1,577	1,852
70	COALTN PAYOUT OF EXC100% SK	0	0	1,577
JD	JURY DUTY	1,617	4,475	844
CV	CATASTROPHIC TIME USED	0	0	413
AR	HOURS WORKED AT ADJUSTED RATE	303	22,907	290
PA	OVERTIME (1.5) WORKED AND PAID	1,370	495	284
XA	CURRENT YEAR IOD CONVERSION ADJUSTMENT	102	196	257
BF	FLEXIBLE BENEFITS ADJUSTMENT	0	0	25
FI	FAMILY ILLNESS	1,069	1,449	0
PM	PREVENTATIVE MEDICINE	119	0	0
60	COALITION DEFERRED PAYMENT OF EXCESS 100% SICK	0	-1,577	0
63	ERIP PAYOUT (SK/VC/OT) DEFERRED	0	-35,230	-10,514
	<b>TOTAL SALARY COSTS</b>	<b>\$7,090,540</b>	<b>\$7,670,336</b>	<b>\$4,862,457</b>
MI	MILEAGE	116,418	98,913	62,144
	<b>TOTAL SALARY AND MILEAGE COSTS</b>	<b>\$7,206,958</b>	<b>\$7,769,249</b>	<b>\$4,924,600</b>

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **DISABILITY – FEEDBACK ON CONSOLIDATION OF DISABILITY INTO  
COMMUNITY DEVELOPMENT DEPARTMENT**

Your Committee requested the Department on Disability was asked to report back on the feedback received from the disabled community during outreach efforts to discuss consolidation of the Department into the Community Development Department.

Attached is the Department's response.

This memorandum is informational only. There is no fiscal impact.


MAS:CEA:08110185

Question No. 180

**CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE**

Date: May 3, 2011

To: Councilmember Bernard C. Parks, Chair  
Budget and Finance Committee

From:   
Regina Houston-Swain, Executive Director  
Department on Disability

Subject: Response to **question #180** (Report back with the feedback that was received from the disabled community during outreach efforts to discuss consolidation of DOD into CDD.)

The Department on Disability (DOD) did not engage in formal outreach to the Disabled community regarding the earlier proposal to consolidate or eliminate the Department. Similarly, the Commission on Disability did not hold a formal hearing or broad public discussion of the issue, pending additional information from the Mayor's Office and CAO, who ultimately withdrew the recommendation.

However, numerous community inquiries were made to the Department and Commission about the status of the DOD, mostly in response to awareness of the City's current budget circumstances and past years' efforts to restructure or eliminate the Department. As community organizations became aware of the proposal, additional inquiries and comments were received at DOD, in subsequent Commission meetings, and at various Boards and Commissions throughout the City and State that City staff participate in.

Such inquiries include several of the various Independent Living Centers, the Los Angeles County Commission on Disability, the Los Angeles County HIV Commission and the Los Angeles County Prevention Planning Committee. Various organizations serving the deaf community, including Greater Los Angeles Agency on Deafness (GLAD), California State University National Center on Deafness and the California Association for the Deaf all approached staff to express their fear that eliminating the stand alone department into separate programs would diminish the level of services. Other organizations, including the Westside Center for Independent Living, were anxious that the changes could reduce the availability and or quality of technical assistance.

Directors, executives or staff from numerous HIV/AIDS organizations such as AIDS Project Los Angeles, AIDS Healthcare Foundation, Bienestar, JWCH, and East Los



Chair, Budget and Finance  
Question 180  
Page 2 of 2  
May 3, 2011

Angeles Women's Center, as well as representatives of the City of West Hollywood and Long Beach, informally expressed their concerns about the potential impact on the AIDS Coordinator's Office (ACO). Their concerns were primarily based around the fear of the ACO's diminished visibility and efficacy were it to be returned to CDD. Many of those organizations had actively advocated moving the ACO to DOD over a decade ago for the same reasons.

We have also heard from members of the State Commission on Disability Access; Los Angeles County Medical Association; members of the judiciary, the Western Region Director of Medicare; Loyola Law School; State Department of Rehabilitation and domestic violence organizations including Peace over Violence. E-mailed concerns have come from as far as international partners from Spain, China and Africa nations.

Staff from the Department of Justice also informally expressed their worry about the City's likely diminished ability to implement the Americans With Disabilities Act (ADA), i.e. ensure that City programs, services, facilities and activities are accessible pursuant to federal law. This raised particular concern in light of the ongoing issues with miles of inaccessible sidewalks and curb cuts, as well as the formal announcement that Street Services had chosen to eliminate the blue curb program due to budget cuts.

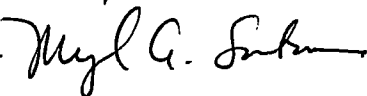
Additionally, staff have heard from the community that the proposed elimination/consolidation would: make the DOD's current programs less accessible and less visible to the community; and leave disability issues subject to the priorities and culture of another department, and ultimately trivialize the City's commitment to providing equal access and services to the Disabled community.

C: Brian Currey, Mayor's Office  
Claudia Aguilar, CAO's Office

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **LOS ANGELES POLICE DEPARTMENT BOOKING FEE REIMBURSEMENTS**

During its consideration of the Police Department's 2011-12 Proposed Budget, the Committee asked the Police Department (LAPD) whether the Port of Los Angeles (Port) and the Los Angeles World Airports (LAWA) reimburse the City for booking fees associated with their arrestees. In addition, the Committee requested the Department to provide the amount of reimbursements the City could expect if these fees were charged. Below is the Department's response:

In Fiscal Year 2005-06 the LAPD, the Office of the City Administrative Officer and the City Attorney evaluated the potential to recover booking fees from the Port and LAWA for booking their prisoners at LAPD facilities instead of with the County. At the time it was estimated that it would cost the Department approximately \$80 to book a prisoner from an outside agency. LAPD statistics showed that LAPD books approximately 1,000 arrestees combined from both agencies. The total revenue is estimated to be approximately \$80,000. It should be noted that the Department is not permitted to charge more than it costs to perform a service.

From a public policy perspective and as indicated by Chief Beck during the Department's budget hearing, it is in the City's best interest that the Port and LAWA continue their policy of arresting and booking prisoners, as it frees up LAPD Officers to pursue other initiatives.

This memorandum is informational only. There is no fiscal impact.

MAS: AMY:04110125

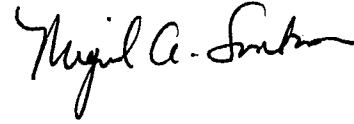
Question No. 13

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **GENERAL SERVICES – FUEL GROUP PRICING**

Your Committee requested the Department of General Services to report back on fuel group pricing options with the Department of Water and Power, Los Angeles World Airports and Harbor Department.

Attached is the Department's response.

This memorandum is informational only. There is no fiscal impact.

MAS:CEA:08110180

Question No. 80

# CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT



ANTONIO R. VILLARAIGOSA  
MAYOR

DEPARTMENT OF  
GENERAL SERVICES  
ROOM 701  
CITY HALL SOUTH  
111 EAST FIRST STREET  
LOS ANGELES, CA 90012  
(213) 928-9555  
FAX No. (213) 928-9515

May 2, 2011

Honorable Bernard C. Parks  
Chair, Budget & Finance Committee  
Room 395, City Hall  
Los Angeles, CA 90012

Attention: Erika Pulst, Legislative Assistant

## **BUDGET & FINANCE COMMITTEE QUESTION NO. 80** **FOR THE 2011-12 PROPOSED BUDGET**

During the budget deliberations, your Committee requested a report back regarding the Department of General Services' (GSD) efforts to collaborate with the City's proprietary departments to receive better prices on fuel:

In general, some proprietary departments do piggy back on the GSD fuel contracts to obtain the best fuel pricing available. GSD has also tried to collaborate with the County. However, the contract the County ended up awarding was to a bidder who responded to the County only section of the joint Request For Bid (RFB). The City has also tried working with a major national cooperative to obtain better pricing. Additional details are provided below.

A status on the City's fuel contracts is as follows:

1. Both the Harbor Department and LAWA piggyback on GSD fuel contracts. GSD's solicitation includes notification to potential bidders that other agencies will likely use the contract.
2. GSD has no record of LADWP inquiring about GSD fuel contracts. LADWP has not been involved in a cooperative or joint solicitation with GSD.
3. The City and County of Los Angeles issued a Joint Powers RFB in November 2009. This solicitation combined City of Los Angeles Council Controlled volume with the County's volume. LADWP did not participate in the Joint Powers RFB.

Differences in procurement philosophy between the City and County resulted in a multi-section price structure. Most bidders submitted responses only for the County section, and only one bidder submitted a

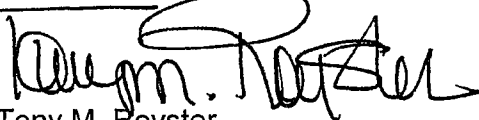
response for both sections. It was in the County's best interest to award their contract to one of the bidders responding to the County only section.

Based on comparisons of then current City contract prices to the bid prices submitted, it was in the City's best interest to maintain its current contracts in place, and exercise contract renewal options.

4. The National Intergovernmental Purchasing Alliance, a joint government purchasing cooperative, issued a nationwide RFB in April 2009, managed by the City of Fort Worth, Texas. City of Los Angeles Council Controlled volume was included in this solicitation.

While some product pricing was favorable in comparison to City of Los Angeles prices, the overall price structure, transportation/freight costs and delivery times were not favorable in comparison to the City's service needs, requirements, terms and conditions. It was in the City's best interest to maintain its current contracts and exercise renewal options.

Should you have any questions or concerns, please contact Deborah Ramos at (213) 928-9559.



Tony M. Royster  
General Manager

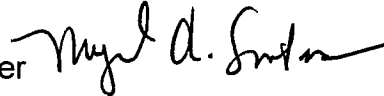
- c: Georgia Mattera, Deputy Mayor  
Miguel A. Santana, City Administrative Officer  
Gerry F. Miller, Chief Legislative Analyst

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUREAU OF STREET SERVICES – FUNCTIONAL TRANSFER TIMELINES**

Your Committee requested this Office to report back on how each functional transfer will occur before they are implemented.

Special Events Permit Office: Four resolution authorities (one filled Senior Clerk Typist) are not recommended for continuation in the Bureau of Street Services. The coordination of Special Events - including receiving applications, notifying departments of their estimated costs, and billing - is recommended for transfer to the Department of Transportation. Rather than making this transfer effective July 1, 2011, our Office recommends the transfer officially start in December 2011. This would allow DOT the time needed to understand the Special Events process and workflow. This six-month timeline would also be used to change the existing ordinance and allow DOT's Business Solutions Group to begin automating the process. Our Office recommends authorizing one Senior Clerk Typist resolution authority in the Bureau to assist in this transition.

Waste Receptacle Program: Funding for five Truck Operators (only one filled) is deleted from the Bureau of Street Services budget. The responsibility of emptying 3,000 waste receptacles would be transferred to the Bureau of Sanitation, along with five Truck Operator positions. Due to BOS' expertise in waste collection, it does not foresee any problem in meeting a July 1, 2011 implementation, nor any impact on service delivery.

Weed Abatement, Brush and Debris Removal: Of the 52 regular positions currently in BSS, 24 would be transferred to the Bureau of Sanitation. The balance, 28 (of which 25 are filled) are expected to be absorbed in both BSS and Sanitation to staff higher priority functions. Because debris removal is a core Sanitation service, we do not expect any significant service delivery problems. However, weed abatement/lot cleaning is a new activity for Sanitation. We recommend allowing BSS and BOS some flexibility in transitioning the 24 staff prior to July 1, 2011. We will also work with the Bureaus on transition issues, including tip fees, through implementation.

## RECOMMENDATION

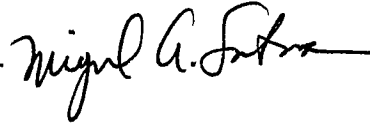
It is recommended that the Special Events, Waste Receptacles and Weed Abatement transfers be implemented as part of the Mayor's 2011-12 Budget.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUREAU OF STREET SERVICES – SPECIAL EVENTS TRANSFER**

You instructed the Bureau of Street Services to identify the Special Events functions that would be transferred to the Department of Transportation (DOT). The Bureau's report is attached. The Bureau's report is accurate with one exception. The Bureau assumes that the road closure permit would remain with the Department of Public Works. However, in an effort to streamline the special event permit process, the Council could provide the Department of Transportation with the ability to approve road closures.

Exhibit H, page 29, of the Proposed Budget instructs the City Attorney to prepare and present any necessary ordinances required to effectuate the transfer of the Special Events Permit Office. If the Council desired to do so, it could specify providing the Department of Transportation with the ability to approve road closures as well as issue the Special Event Permit.

### RECOMMENDATIONS

Our Office supports the transfer for the following reasons:

1. The transfer would centralize Special Events in the department that, along with LAPD, has the largest investment in this activity.
2. The transfer would yield efficiencies by using only three, instead of four, resolution authorities. DOT also expects that automation will substantially minimize the administrative tasks associated with Special Events and could reduce staffing to two exempt positions.
3. DOT's Business Solution Group has a track record of automating manual processes. In fact, DOT has already automated its billing/cost reimbursement related to Special Events.
4. The transfer would allow Street Services to focus on its core services: resurfacing, street sweeping, tree trimming and investigations and enforcement – and not on permit processing. Two Street Services Investigators would have been assigned to this permit function. Transferring Special Events to DOT allows Street Services Investigators to focus on field work.

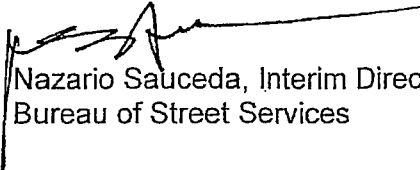
MAS:JDC/DHH:06110099

Question No.94

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 2, 2011

To: Budget and Finance Committee

From:   
Nazario Saucedo, Interim Director  
Bureau of Street Services

Subject: 2011-12 Budget Memo – Question No. 94  
Special Events Functions Transferred from BSS to DOT

The Budget and Finance Committee instructed the Bureau of Street Services (BSS) to identify the Special Events functions that would be transferred to the Department of Transportation (DOT).

The BSS currently serves as the coordinator for the Special Events Program. All City departments involved retain authority to issue their own permits; however, BSS acts as a primary contact for applicants, Council offices and stakeholders for information on events.

The transfer of coordinating activities to DOT will not include responsibility for BSS permit functions. The functional transfer moves the responsibility for receiving initial applications and disseminating information to DOT. BSS would retain authority for issuing related street closure permits.

The specific functions DOT would be responsible for are as follows:

- Receive applications for Special Events
- In the initial discussion with prospective Special Event contacts and/or sponsors, discuss payment requirements and explain the payment, refund, and billing process, including a timeline.
- During the initial notification to all City Departments involved in Special Events, request estimated costs that the sponsor pays before the event is held. At that time, also inform the departments of the requirement to provide us final costs within 60 days of the close of the event.
- Receive final costs; review the costs and the payment record to determine if a refund or additional billing is due.

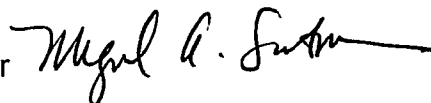


**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **NEIGHBORHOOD EMPOWERMENT – PROCESS OF ENCUMBERING FUNDS FOR LARGE PROJECTS**

Your Committee requested this Office to report back on the encumbrance process for Neighborhood Councils. In April 2011, the Office of the Controller (Controller) met with staff from the Department of Neighborhood Empowerment (Department) to discuss issues relative to the Neighborhood Council Funding Program, to include the encumbrance process for Neighborhood Councils (NCs). The Controller reports that the Department sets forth the encumbrance policy and requirements for each NC. The Controller's Financial Management Information System can accommodate the encumbrance process, and the Controller will implement such policy as requested by the Department. The Controller will require sufficient documentation to support the encumbrance request. The Department provides each NC with a Treasurer's Handbook that provides a guideline that NCs can follow when preparing a request to encumber funds (Attachment - Accessing the Funding Page 8). The Department can then verify the documentation in accordance with the encumbrance policy and then prepare the appropriate encumbrance documents for the Controller.

The Department reports that NCs will be provided with instructions for encumbering funds for infrastructure type projects. The instructions will specify the type of documentation required. A Survey Monkey checklist will be set up for the NC's to complete and will be used by the Department to determine if NCs are eligible to encumber funds. Some qualifications may include:

- NC Board approved projects approved prior to May 1, 2011;
- Cannot be a new project;
- Project should be fully funded by May 1, 2011;
- Project should be completed by June 30, 2012; and,
- Project needs to have a scope of work, in conjunction with and/or partners with some another entity (such as a non-profit, Council District, City Department, other Governmental Agency).

The Department should work with the Office of the Controller to ensure that all procedures are followed within the due dates required by the implementation of the new Financial Management System.

**RECOMMENDATION**

Instruct the Department of Neighborhood Empowerment to report back to the Budget and Finance Committee with a status report detailing the amount on behalf of Neighborhood Councils and provide a final description of the encumbrance process by the Department.

Attachment

*MAS:DP:08110182c*

*Question No. 183*

## NEIGHBORHOOD COUNCIL FUNDING PROGRAM FIDUCIARY RESPONSIBILITY

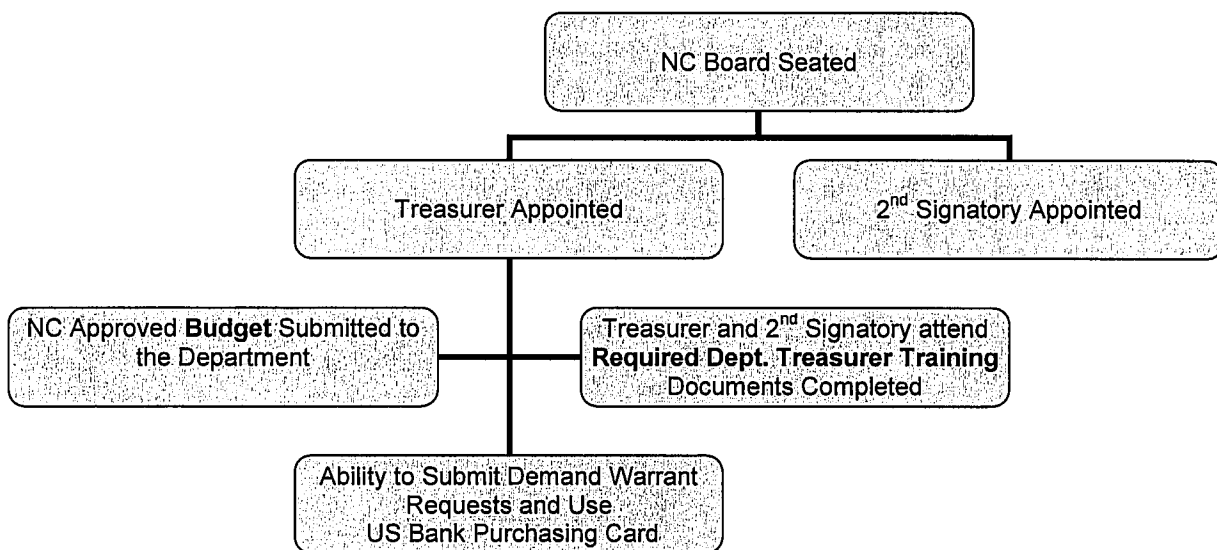
Although the Treasurer is most likely charged with the day-to-day bookkeeping responsibilities such as; keeping track of expenses, making purchases, reconciling documents and providing reports to the board and public, it is the responsibility of the entire Neighborhood Council Governing Board to manage the funds of the council.

All transactions must be included on a board agenda and discussed and approved at a public meeting. The board should include enough information regarding a funding item on its agenda so that the public can make a reasonable decision whether they would like to attend and weigh in on a matter or not. At a minimum, the information on the agenda should include the name of the vendor and/or organization requesting the funding, the amount being requested and the intended purpose. Once a decision is made by the board, it should be confirmed in the minutes or by a board resolution and kept in the official file of the Neighborhood Council.

Treasurers should report to the board and its stakeholders on a monthly basis regarding the status of its funding; including expenses that have been paid, expenses that have been approved but are still outstanding and the total remaining balance. If at any time a NC board member discovers a funding discrepancy, they should notify the board immediately so that it may be discussed and corrected. The board should notify the Department immediately, if the discrepancy cannot be resolved or is of a nature that may involve criminal activity.

### ACCESSING THE FUNDING

A Neighborhood Council may access funding once there is a governing body in place and a Treasurer and 2<sup>nd</sup> Signatory has been selected by the board and trained by the Department. Once training has occurred the Treasurer and the second signatory will be required to complete certain confidential documents in order to receive a US Bank Purchasing Card. Upon receipt of all applicable documents, the Neighborhood Council will be able to submit requests to process Demand Warrants (paper checks) for payment and use the purchasing card. The following is a workflow chart for accessing funding:



**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **HOME-GARAGING AUTHORITIES**

During its consideration of the Police Department's 2011-12 Proposed Budget, the Committee requested the Department report back on historical data on take home vehicles, home-garaging authorities with a breakdown of the various vehicles. In addition, the Committee requested the Department to report on the contributions/give-backs Motorcycle Officers make for receiving take home privileges. The Department's response is attached.

This memorandum is informational only. There is no fiscal impact.

MAS: AMY:04110124

Question No. 11 and 12

# LOS ANGELES POLICE DEPARTMENT



**CHARLIE BECK**  
Chief of Police

P. O. Box 30158  
Los Angeles, Calif. 90030  
Telephone: (213) 486-8410  
TDD: (877) 275-5273  
Ref #: 1.10

**ANTONIO R. VILLARAIGOSA**  
Mayor

May 4, 2011

The Honorable Budget and Finance Committee  
c/o Lauraine Brathwaite  
Legislative Assistant  
Office of the City Clerk  
Room 395, City Hall  
Los Angeles, California 90012

Honorable Members:

The enclosed Home-Garaging Executive Summary outlines the progress the Los Angeles Police Department (Department) has made towards reducing home-garaging authorities. The Department has implemented automated tracking systems and is closely reviewing the justifications and monitoring the use of vehicles that have been approved by the Chief of Police, his designated review committee (Assistant Chiefs and Chief of Staff) and the Board of Police Commissioners. As a result of these efforts, the Department has reduced home-garaging by 151 authorities since 2006.

Criteria Guidelines:

- Employees whose duties regularly subject them to emergency call-outs and/or are on standby status where time is a critical factor and direct response serves the public interest; and/or employees who, because of their individual expertise, use of specialized equipment or assignment of a specially equipped vehicle are regularly required to respond, without prior notice, directly to a crime scene
- Crime task force employees whose duties require direct reporting to locations other than their assigned headquarters
- Unique circumstances at the Chief of Police's discretion

Department policy requires that the home-garaging renewal process includes a review of each justification on an annual basis. Command Staff home-garaging authorities are assigned based on a long-standing union agreement approved by the City Council and the Board of Police Commissioners in March 1997, and is subject to meet and confer.

The Honorable Budget and Finance Committee

Page 2

1.10

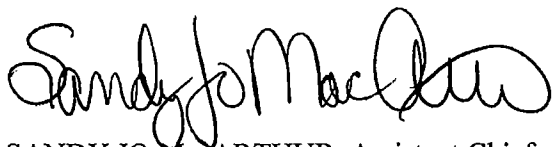
In response to Councilmember Grieg Smith's specific question regarding a fee paid by motorcycle officers resulting from their home-garaging authorities, the Department verified that the only fee required at this time is a parking fee of approximately \$14.37 per pay period for parking the motorcycle outside Los Angeles County. Currently, we have 85 motorcycle officers who pay this fee.

Please note, in addition to reducing home-garaging authorities over the past five years, the Department has also reduced its overall fleet by 352 vehicles and has a goal of reducing the fleet by another 60 vehicles by the end of the 2011 calendar year. Monthly Fleet Utilization Reports are providing critical information that assists our commanding officers and our Fleet Manager to ensure the most efficient use of our vehicles and optimize each vehicle's useful life without significantly compromising officer and/or public safety.

If you have further questions, please contact Police Administrator Rhonda L. Sims-Lewis, Commanding Officer, Administrative Services Bureau, at (213) 486-7060.

Very truly yours,

CHARLIE BECK  
Chief of Police

A handwritten signature in black ink, appearing to read "Sandy Jo MacArthur". The signature is fluid and cursive, with the first name "Sandy" and last name "MacArthur" clearly distinguishable.

SANDY JO MacARTHUR, Assistant Chief  
Director, Office of Administrative Services

Enclosures

## HOME-GARAGING EXECUTIVE SUMMARY

Below is a chronological history of the Los Angeles Police Department's approved Home-Garaging Authorities (HGAs) from Fiscal Year 2006/07 to 2011/12. The Department's annual reviews and monthly monitoring of HGAs has resulted in a 20 percent reduction of reviewable authorities and a 14 percent overall reduction over the past six years.

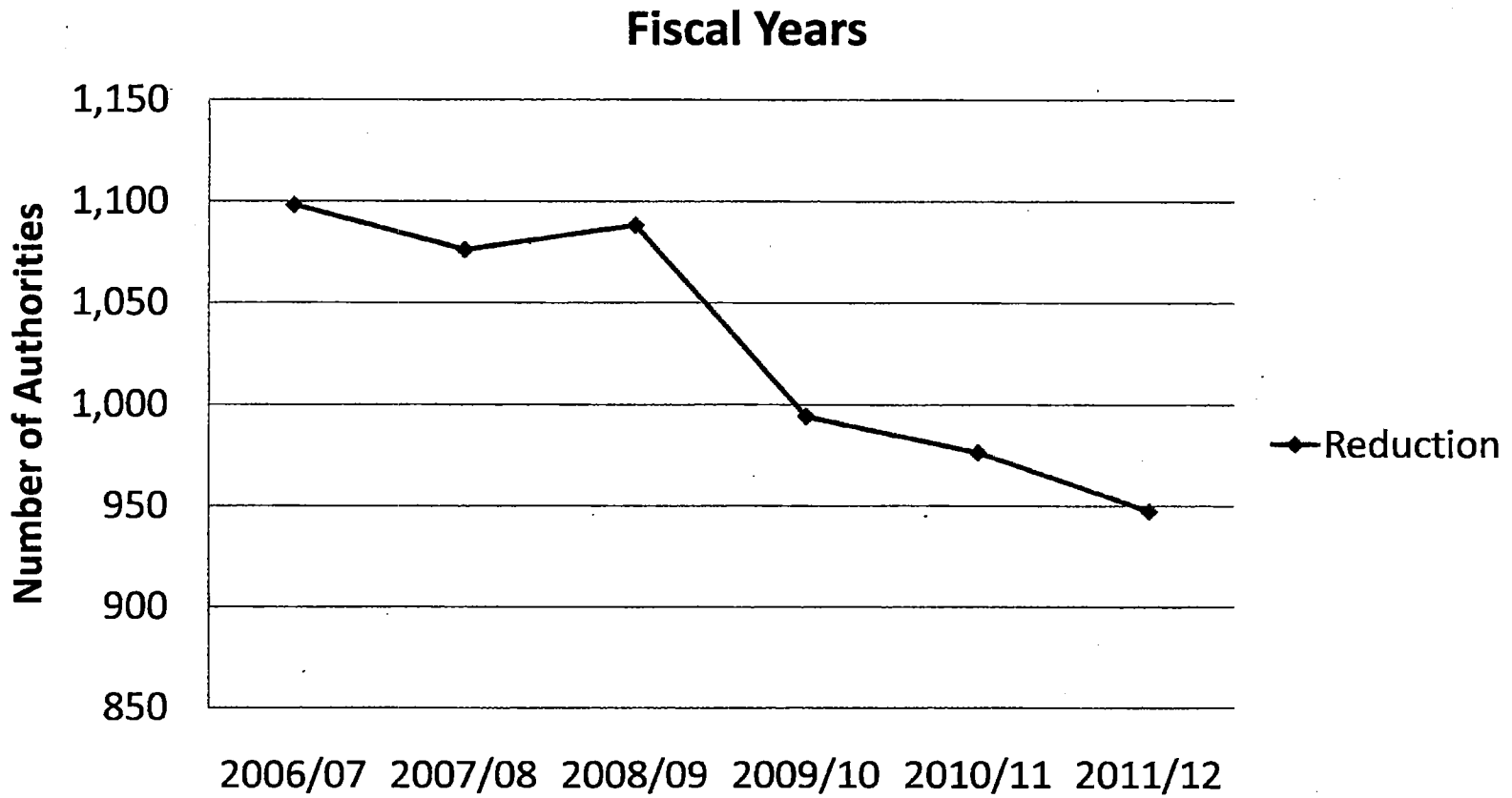
2006/07	Command and Staff Officers	126
	Motorcycle Authorities	291
	Reviewable Authorities	<u>681*</u>
		1,098
2007/08	Command and Staff Officers	127
	Motorcycle Authorities	302
	Reviewable Authorities	<u>647*</u>
		1,076
2008/09	Command and Staff Officers	127
	Motorcycle Authorities	302
	Reviewable Authorities	<u>659*</u>
	Total	1,088
2009/10	Command and Staff Officers	126
	Motorcycle Authorities	305
	Reviewable Authorities	<u>563*</u>
	Total	994
2010/11	Command and Staff Officers	124
	Motorcycle Authorities	305
	Reviewable Authorities	<u>547*</u>
	Total	976
2011/12	Command and Staff Officers	123
	Motorcycle Authorities	280
	Reviewable Authorities	<u>544**</u>
	Total	947

**Total reduction from 2006 to present – 151**

### HGA Breakdown

123 Command Staff\*\*\*  
 544 Reviewable (Lieutenant and below) HGAs\*

# HOME-GARAGING DECREASES 2006 TO PRESENT





**\*Annual review by the Home Garaging Review Committee consisting of the three Assistant Chiefs of Police and the Chief of Staff; also, annually approved by the Police Commission. Approvals require compliance with threshold criteria outlined in Department Policy.**

**\*\*Of the 544 Reviewable HGAs, 30 HGAs ARE PAID FOR BY OUTSIDE AGENCIES as a result of cooperative task force agreements and donations.  
(GAS, MAINTENANCE, AND VEHICLES)**

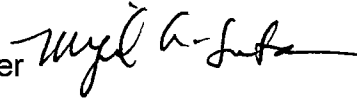
**\*\*\*Per agreement adopted by City Council and approved by the Police Commission in March, 1997**

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **DEPARTMENT OF WATER AND POWER – REPORT BACK ON FOUR QUESTIONS FROM THE HEARING ON MAY 2, 2011**

The Budget and Finance Committee requested that the Department of Water and Power report back on four specific issues:

1. The status on the implementation of the Auxiliary Maritime Power (AMP) and the timeline for its implementation;
2. The status of the renewable energy program;
3. The status of the health plans; and
4. The status of the health plan negotiations.

Attached is DWP's response letter dated May 3, 2011.

Attachment

MAS:OAV:10110128

Question Nos. 177, 178, 179, 187



ANTONIO R. VILLARAIGOSA  
*Mayor*

Commission  
THOMAS S. SAYLES, *President*  
ERIC HOLOMAN, *Vice-President*  
CHRISTINA E. NOONAN  
JONATHAN PARFREY  
BARBARA E. MOSCHOS, *Secretary*

RONALD O. NICHOLS  
*General Manager*

May 3, 2011

The Honorable City Council  
Office of the City Clerk  
Room 395, City Hall  
Mail Stop 160

Attention: Councilmember Bernard C. Parks  
Chair, Budget and Finance Committee

Honorable Members:

Subject: Fiscal Year 2011-12 Los Angeles Department of Water and Power (LADWP) responses to Questions from the Budget and Finance Committee Budget Hearings held on Monday, May 2, 2011.

The responses below are respectfully submitted in accordance with the request from the Budget and Finance Committee for the LADWP to report back on questions related to the fiscal year 2011-12 budget.

1. (Question No.: 177) Report back on status of implementation of Auxiliary Maritime Power (AMP) and timeline.

Response: The AMP rate was presented to the LADWP Board of Water and Power Commissioners, approved on February 15, 2011 and forwarded to City Council immediately thereafter. Subsequently, some legal implementation issues arose requiring the rate package to be modified, requiring it to be reconsidered by the LADWP Board. It is anticipated that the AMP rate will come before the Board of Water & Power Commissioners for approval in June 2011. Upon passage of the resolution establishing the AMP rate by the Board, the AMP rate will come before City Council for approval by Ordinance. The Ordinance becomes effective after adoption by the Council, Mayoral approval, and the requisite publication period.

**Water and Power Conservation ... a way of life**

111 North Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles 90051-5700  
Telephone: (213) 367-4211 Cable address: DEWAPOLA

Recyclable and made from recycled waste.



2. (Question No.: 178) Report back on the status of renewable/solar energy.

Response: RPS legislation, Senate Bill 1X-2 was recently signed by the Governor. SB 1X-2 establishes a mandatory 33% RPS for all electric utilities, regardless of ownership type, with intermediate ramp points between 2011 and 2020. LADWP achieved 20 percent renewable energy in 2010. Maintaining 20 percent requires continued investment in renewable energy to replace short-term purchases and to address minor total energy requirements of our customers as we slowly start to come out of the recession. As our total energy requirements grow, our total amount of renewable energy needs to increase slightly as well, requiring more investment. The budget includes sufficient amounts to continue the purchases to maintain an average of 20 percent RPS required to be maintained over the period from 2011 through 2013 under SB 1X-2. This includes the completion of one contracted wind project and other renewable projects to maintain this level.

3. (Question No.: 179) Report back on the status of health plans

Competitive Process: In December 2010, LADWP's healthcare consultant, Mercer, recommended that we continue to offer Kaiser and Health Plan of Nevada (the latter being for LADWP's Owens Valley employees). Mercer also recommended that LADWP competitively market the Blue Shield and PacifiCare plans on a consolidated basis to potentially leverage the combined volume for overall cost savings as well as obtain administrative efficiencies. Through the competitive process, proposals were solicited from four carriers including: AETNA, CIGNA, Blue Shield, and United Healthcare / PacifiCare. AETNA and CIGNA did not submit proposals in response to this competitive process. Blue Shield and United Healthcare / PacifiCare did submit proposals. Mercer reviewed the proposals and recommended consolidation under United Healthcare / PacifiCare with an associated \$8.4 million in savings to LADWP for the 2011-12 fiscal year. The consolidation under United Healthcare / PacifiCare eliminates Blue Shield as a carrier.

Union-Sponsored Health Plans: The International Brotherhood of Electrical Workers (IBEW) Local 18 administers its own Anthem Blue Cross health plans for its members, by authority of a Letter of Agreement dated June 11, 1996 with LADWP. A subsequent Resolution adopted by LADWP's Board of Water and Power Commissioners on June 3, 1997 established the health plan subsidy limits for employees enrolling in the IBEW-sponsored plans at an amount not to exceed the Kaiser family rate. Due to the nature of the existing Letter of Agreement with IBEW that provides the authority for them to administer their own health plans, LADWP did not have the ability to competitively bid the IBEW-sponsored plans.

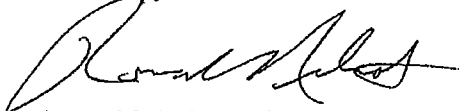
4. (Question No. 187) Report back on the status of health plan negotiations.

LADWP administers four health plans for active and retired employees: Health Plan of Nevada, PacifiCare, Blue Shield, and Kaiser. On May 19, 2010 the Personnel Committee considered LADWP Health Plans contract renewals for the 2010-11 fiscal year. During this meeting, questions were raised by the Personnel Committee related to: LADWP's health plan carriers being embedded in labor agreements; health plan carrier cost increases over a 10-year period; and preventive care and wellness programs. LADWP responded via a written communication to the Personnel Committee dated June 9, 2010.

Following the above Personnel Committee meeting, LADWP's 2010-11 Health Plans contract renewals were considered by the full Council for approval in June 2010. At that time, there was discussion during the Council Meeting related to LADWP's health plan carriers and questions were raised regarding LADWP's effort to competitively bid its health plans contracts. LADWP explained the nature of the health plan carriers being embedded in labor agreements (see the response to item 4 above), and also made a commitment to explore competitive bidding prior to the 2011-12 fiscal year. The competitive bidding for that portion of LADWP's employees and retirees for which the Department has unilateral ability to undertake competitive bids was undertaken. This action has resulted in an approximately \$8.6 million savings in health care costs to LADWP and our customers who pay our rates for FY 11-12. Open enrollment for that new plan at lower costs is underway as of the date of this letter.

As the LADWP moves forward to finalize the fiscal year budget, it is our goal to respond to your questions and concerns in an open and timely manner. Upon your review of the responses above, please contact me if additional information or clarification is required.

Sincerely,



Ronald O. Nichols  
General Manager

GJB/RON:ap/lz  
Enclosures

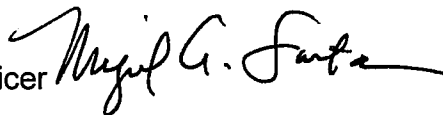
c: The Honorable Greig Smith, Vice-Chair, Budget and Finance Committee  
The Honorable Jose Huizar, Member, Budget and Finance Committee  
The Honorable Paul Koretz, Member, Budget and Finance Committee  
The Honorable Bill Rosendahl, Member, Budget and Finance Committee

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **RECREATION AND PARKS – RESTROOM MAINTENANCE**

Your Committee instructed the Department of Recreation and Parks (Department) to report on a strategy for maintaining restrooms, especially at Venice Beach. Attached is the Department's response.

This memorandum is informational only. There is no fiscal impact.

Attachment

MAS:VES:08110164c

Question No. 27

BOARD OF RECREATION AND  
PARK COMMISSIONERS

BARRY A. SANDERS  
PRESIDENT

LYNN ALVAREZ  
W. JEROME STANLEY  
JILL T. WERNER  
JOHNATHAN WILLIAMS

CITY OF LOS ANGELES  
CALIFORNIA



ANTONIO R. VILLARAIGOSA  
MAYOR

DEPARTMENT OF  
RECREATION AND PARKS

221 NORTH FIGUEROA STREET  
15TH FLOOR, SUITE 1550  
LOS ANGELES, CA 90012

(213) 202-2633

FAX (213) 202-2614

JON KIRK MUKRI  
GENERAL MANAGER

May 3, 2011

Honorable Bernard C. Parks, Chair  
Budget and Finance Committee  
City Clerk, City Hall Room 395  
Los Angeles, CA 90012

ATTN: Erica Pulst, Legislative Assistant

Dear Councilmember Parks:

**FISCAL YEAR 2011-12 QUESTION NO. 27 REPORT ON STRATEGY FOR  
MAINTAINING BATHROOMS/FACILITIES ESPECIALLY AT VENICE BEACH**

The Department of Recreation and Parks (RAP) is responding to your Committee's request for information on the maintenance of bathrooms for RAP facilities, especially Venice Beach.

Venice Beach is one of Southern California's most popular tourist destinations and should be staffed adequately to support such an attraction. Unfortunately over the past few years, RAP has lost funding in our part-time salary accounts and due to the Early Retirement Program has lost over 500 full-time employees as well. These reductions in personnel seriously impact RAP's maintenance activities as loss of staff has reduced the frequency of bathroom cleanings and trash pickups and our ability to have dedicated staff at park facilities.

Venice Beach has more than 250 trash cans and six restrooms that include 57 stalls. The high usage of the trash cans come through the hundreds of thousands of visitors who visit the beach, enjoy the arts and generate a great deal of trash from patronage at the local restaurants. Once trash reaches capacity, it becomes prone to being carried away by birds and high winds.

One approach is to replace the existing trash cans with solar powered containers that self-compact as they begin to fill thus increasing the capacity of each container and reducing the number of trash pick-ups required daily. The capital outlay for each container is approximately \$3,100. Even though we have a few solar powered trash cans in place at Venice Beach, it appears that adding additional solar powered trash containers would be a benefit and RAP recommends that a pilot study be done (if funding for the capital outlay can be identified) to see if this will improve maintenance conditions at the Beach.



Honorable Bernard C. Parks

May 3, 2011

Page 2

RAP maintains more than 1,500 stalls in more than 300 restroom facilities throughout the City. Providing clean and sanitary restrooms is one of our core maintenance functions and the frequency of cleaning is directly connected to the amount of available funding for staff. RAP will be analyzing each restroom facility (looking at hours of operation, usage, and other factors) to determine the most effective use of staff in maintaining all of our restrooms. In addition, we will continue to work with non-profits and others to improve our level of service at our facilities.

Should you have any questions, please contact Michael Shull (213) 202-2655 or Regina Adams, Executive Officer at (213) 202-2633.

Sincerely,



JON KIRK MUKRI

General Manager

JKM:RA:ndw

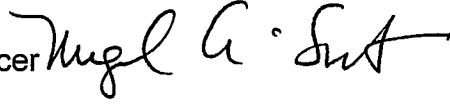
Cc: Jeff Carr, Chief of Staff, Mayor  
Romel Pascual, Office of the Mayor  
Georgia Mattera, Office of the Mayor  
Neil Guglielmo, Office of the Mayor  
Lisa Sarno, Office of the Mayor  
Chris Espinosa, Office of the Mayor  
Matthew Rudnick, Office of the Mayor  
Jennie Carreon De Lacey, Office of the Mayor  
Gerry Miller, Chief Legislative Analyst  
Barry A. Sanders, President, Board of Recreation and Park Commission  
Miguel Santana, City Administrative Officer  
Ray Cirrana, City Administrative Office  
Terry Sauer, City Administrative Office  
Veronica Salumbides, City Administrative Office



**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **DEPARTMENT OF TRANSPORTATION – PROPOSITION C PROJECTS**

The Budget and Finance Committee requested a report regarding ways that Proposition C-funded projects can be expedited. See attached report from the Department of Transportation.

This Office issued a White Paper (C.F.10-0600-S61) that recommended implementation of a new Street/Transportation Project Oversight Committee consisting of the Chief Legislative Analyst, the Mayor and this Office, that would assist in efforts to expedite all street projects, including those funded by Proposition C.

**RECOMMENDATION**

Approve a new Street/Transportation Project Oversight Committee consisting of the Chief Legislative Analyst, the Mayor and the City Administrative Officer and instruct the Departments of Transportation, Public Works and General Services to cooperate with the new Committee.

MAS:ALB:06110109

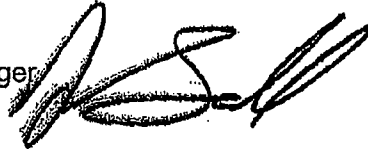
Question No. 58

**CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE**

**DATE:** May 2, 2011

**TO:** Honorable Members of the Budget and Finance Committee

**FROM:** Amir Sedadi, Interim General Manager  
Department of Transportation



**SUBJECT: FISCAL YEAR 2011-12 PROPOSED BUDGET – QUESTION # 58**

At the budget hearing on April 28, 2011, the Los Angeles Department of Transportation (LADOT) was asked to report back on the ways that Proposition C projects could be expedited.

Capital project delivery in the City has become increasingly challenging for a myriad of reasons that have resulted in costly delays. These delays can be attributed to a lengthy environmental clearance process, increased community opposition to capacity enhancement and controversial projects, conflicting project priorities, cumbersome Federal and State project development processes, interagency coordination delays, shortage of staff in the Department of Public Works, furloughs on Department of Public Works and LADOT project delivery staff, and, at times, rigid design standards.

The City departments work cooperatively with each other to attempt to resolve issues as they come about. However, some resource, technical or priority issues cannot be resolved only among departmental staff. Suggestions to improve project delivery include: ending furloughs among project delivery staff in Public Works and LADOT to create more time to manage, design, and construct projects; allowing the hiring or back filling of desperately needed job classifications such as environmental specialists, real estate officers, engineers and project managers; streamlining the funding approval process to minimize delay in beginning work; investing in an advanced transportation planning group to better identify and develop competitive and strategic transportation projects; and reestablishing an executive level transportation oversight committee to help monitor the progress of capital projects and resolve any major issues as they develop.

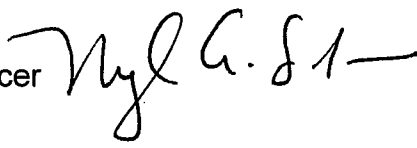
c: Georgia Mattera, Mayor's Office  
Jaime De La Vega, Mayor's Office  
Miguel Santana, CAO

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 74

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **DEPARTMENT OF TRANSPORTATION – MEASURE R APPROPRIATION FOR SEPULVEDA GRADE SEPARATION PROJECT**

The Budget and Finance Committee requested a report regarding the \$3 million appropriation in the 2011-12 Proposed Budget for the Measure R Local Return Fund. See the attached report from the Department of Transportation.

As stated in prior memos, the Mayor's Proposed Budget provided \$3 million in Measure R for the Sepulveda Grade Separation project. However, On March 18, 2011, the Council approved a motion to use \$5.3 million in West LA TIMP money for this purpose. No additional funding is required for this project. Therefore, up to \$3 million in Measure R funds can be redirected by the Council for other capital projects, including alley paving.

Options on the \$3 million include the following:

1. Swap \$3 million in Gas Tax with Measure R. This switch would occur in Wilshire Boulevard resurfacing project (from San Vicente Boulevard to Western Avenue). The freed-up Gas Tax could then be used to reimburse the General Fund for related costs and the General Fund can be used to reduce Commercial Paper borrowing by \$3 million.
2. Use up to \$3 million in Measure R to directly fund alley repaving.
3. Swap \$3 million in Gas Tax with Measure R; use Gas Tax to reimburse related costs. This will allow up to \$3 million in General Fund to pay for alley paving and count towards the City's One Percent Capital Infrastructure Funding Policy.

## RECOMMENDATION

Swap \$3 million in Gas Tax with Measure R, reimburse the General Fund for related costs, and use \$3 million in General Fund to reduce Commercial Paper borrowing.

MAS:ALB:06110110

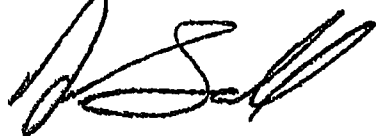
Question No. 59

**CITY OF LOS ANGELES**  
**INTER-DEPARTMENTAL CORRESPONDENCE**

DATE: May 3, 2011

TO: Honorable Members of the Budget and Finance Committee

FROM: Amir Sedadi, Interim General Manager  
Department of Transportation



**SUBJECT: FISCAL YEAR 2011-12 PROPOSED BUDGET – QUESTION #59**

At the budget hearing on April 28, 2011, the Los Angeles Department of Transportation (LADOT) was asked to report back on using some of the \$3M that was identified in Measure R for the Sepulveda Grade Separation project for updating the City's Transportation Element.

It has been determined that Sepulveda Grade Separation improvement as part of the Exposition Light Rail Transit (LRT) Phase 2 project is fully funded (pursuant to C.F. 09-1295-S2 to transfer up to \$5.3 million from the West LA TIMP funds) and the \$3 million of the Measure R allocation in the 2011-12 Proposed Budget is available for reprogramming. It has also been determined that using Measure R funds to pay for the update of the Transportation Element is an allowable expenditure.

On March 4, 2011, a Council motion was introduced and adopted (C.F. 09-1295-S2) pledging up to \$5.3 million from the West LA TIMPS funds to secure the construction of the more desirable grade-separated crossing alternative in lieu of an at-grade crossing improvement as proposed by the Expo Authority. The City will soon enter into a funding agreement with the Expo Authority to finalize the City's local funding contribution commitment of up to \$5.3 million from the West LA TIMP funds to pursue the grade separation option.

However, as part of the above adopted motion, the Council also instructed that "*LADOT in consultation with the CAO shall also continue to pursue all other available funding sources for this project subject to future Council approval*". The above language was inserted after DOT expressed concerns about potentially diminishing the West LA TIMP fund balance significantly (\$5.3M out of approximately \$9M total balance) with a single project.

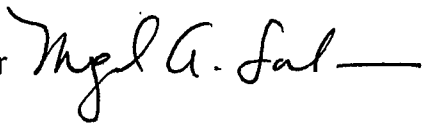
Since the \$3 million allocation from the 2011-12 Proposed Measure R Budget is available for reprogramming, we recommend that after the cost of the updating the Transportation Element document has been taken into account, the remaining funds be redirected towards the Sepulveda Grade Separation project thereby lessening the expenditure impact of the West LA TIMP fund as directed by previous Council instructions.

c: Georgia Mattera, Mayor's Office  
Jaime De La Vega, Mayor's Office  
Miguel Santana, CAO

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **COMMUNITY DEVELOPMENT DEPARTMENT – REPORT BACK ON THE  
IMPACT OF COMMUNITY DEVELOPMENT BLOCK GRANT REDUCTIONS ON  
THE FAMILYSOURCE CENTER PROGRAM**

Your Committee requested a report back on the impact of Community Development Block Grant reductions on the FamilySource Center Program. The Department's response is attached.

This memorandum is informational only. There is no fiscal impact.

MAS:BLT:02110172

Question No. 193

Attachment

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

**DATE:** May 3, 2011

**TO:** The Honorable Bernard C. Parks  
Chair, Budget and Finance Committee

**THRU:** Miguel A. Santana, City Administrative Officer

**FROM:** Richard L. Benbow, General Manager  
Community Development Department

**SUBJECT: Community Development Block Grant Impact on FamilySource Program**

Your Committee requested a report back on the impact of Community Development Block Grant (CDBG) reductions on the FamilySource Center Program.

All sixteen (16) non-profit managed FamilySource Centers (FSC) were funded at the \$1 million level in Program Year (PY) 2010-11. This amount was based on an independent cost estimate prepared by the Community Development Department (CDD) through which it was determined that a minimum of \$1 million was needed per center, to deliver the required services of the FamilySource Program. Unfortunately, the CDBG funding level approved by City Council and Mayor netted a reduction of 6% leaving each FSC with funding of \$939,000 for Program Year 2011-12. In PY 2010-11 the FSCs served a total of 50,000 low-income, City residents. The 6% reduction will result in 3,000 fewer individuals being able to access services through the Centers.

RLB:RG:RS:MC:mh

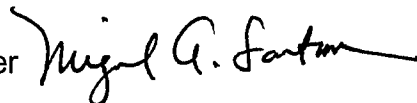
*Question FSC*

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **COMMUNITY DEVELOPMENT DEPARTMENT – REPORT BACK ON  
RELOCATION OF DAY LABORER CENTER IN COUNCIL DISTRICT 11**

Your Committee requested a report back on the feasibility of the Community Development Department moving the Day Laborer Center on Sawtelle to a new site across the street. The Department's response is attached.

This memorandum is informational only. There is no fiscal impact.

MAS:BLT:02110171

Question No. 159

Attachment

**CITY OF LOS ANGELES**

INTER-DEPARTMENTAL CORRESPONDENCE

**DATE:** May 3, 2011

**TO:** The Honorable Bernard C. Parks  
Chair, Budget and Finance Committee

**THRU:** Miguel A. Santana, City Administrative Officer

**FROM:** Richard L. Benbow, General Manager  
Community Development Department

**SUBJECT: Relocation of Day Laborer Center – Council District 11**

Your Committee requested a report back on the feasibility of moving the day laborer center on Sawtelle across the street.

The Day Laborer contractor, IDEPSCA, has identified a location just south of its current service delivery site as the preferred option for relocation. Unfortunately, the California Department of Transportation (CalTrans) has leased this parcel to the County of Los Angeles, which is using it for storage and will be using it for parking (17 slots) as the 405 freeway expansion and Expo line construction progresses. The Community Development Department (CDD) will work with Council District 11, CalTrans and the County of Los Angeles to prioritize this site as the replacement site.

A CalTrans parcel located at Sawtelle and Pearl has been offered to the program. However, the site may be problematic due to its proximity to residential properties. Other possible locations include Department of Transportation and Department of Animal Services properties. However, substantive conversations have yet to be held.

The Department has transmitted under separate cover a recommendation that IDEPSCA continue to be funded as Day Laborer site manager in Council District 11. As such, staff will continue to work with the Council Office, with City Attorney assistance, to secure a location for the provision of services.

RLB:RG:RS:MC:mh

*Question 159*



**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUILDING AND SAFETY – CODE ENFORCEMENT FEES**

Your Committee requested the Department of Building and Safety (LADBS) report back on the potential for implementing additional Code Enforcement fees. The Department's response is attached. LADBS indicates they will work with this Office to review opportunities to impose a multi-tier compliance fee, which would impose a higher penalty associated with more severe cases. Note that the City Attorney has proposed an Administrative Code Enforcement (ACE) fee ordinance (C.F. 10-0085), which provides a varying penalty fee structure based on the type of code violation. The City Attorney has a pending report-back to the Budget and Finance Committee regarding an implementation plan for the ACE program. Additionally, LADBS provides a discussion on a general code enforcement fee or surcharge that would provide full cost recovery for code enforcement operations.

The Department's response will be provided to the City Attorney so that the City Attorney may provide an opinion as to whether the proposed fees require voter approval in accordance with Proposition 26.

MAS:MAF:02110164c


Question No. 99

**CITY OF LOS ANGELES**  
**INTER-DEPARTMENTAL CORRESPONDENCE**

DATE: May 2, 2011

TO: Honorable Bernard C. Parks  
 Chair, Budget and Finance Committee  
 City Hall, Room 460

FROM: Robert R. "Bud" Ovrom, General Manager  
 Department of Building and Safety



SUBJECT: **FISCAL YEAR 2011-12 BUDGET MEMO RESPONSE TO QUESTION NO. 99 REGARDING THE FEASIBILITY OF IMPLEMENTING FEES WHICH HAVE VARYING COSTS BASED ON THE SEVERITY OF VIOLATIONS AND/OR A GENERAL CODE ENFORCEMENT FEE THAT WOULD PROVIDE FULL COST RECOVERY FOR CODE ENFORCEMENT OPERATIONS.**

This memo is in response to the Budget and Finance's request during their Committee Hearing on April 29, 2011 for the Department of Building and Safety (LADBS) to provide a report back on the feasibility of implementing fees which have varying costs based on the severity of violations and/or a general code enforcement fee that would provide full cost recovery for code enforcement operations.

The Department's response has been provided in two parts: "1. Multi-Tier Compliance Fee" and "2. Imposition of a General Code Enforcement Fee".

**1. Multi-Tier Compliance Fee**

Currently, the LADBS Code Enforcement Bureau (CEB) utilizes the \$336 Code Violation Inspection Fee (CVIF) that the Council approved (CF 10-2486 – Ordinance No. 181497) and was effective February 3, 2011, along with Non-compliance fees. A \$550.00 Non-Compliance Fee is assessed if the violator fails to comply with the Order. The Non-Compliance Fee was established to cover further inspections, investigation and processing work necessary to gain compliance.

The Department will work with the Chief Administrative Officer's (CAO) staff to review opportunities to impose higher fees associated with more severe cases (e.g., cases that involve life-safety issues, repeat violators, etc.).

**2. Imposition of a General Code Enforcement Fee**

The CEB receives approximately 27,000 complaints per year and approximately 50% of them are either no violation or has to be referred to another agency after the inspection and/or investigation has been completed. Currently, there is not a system in place to recover the costs of responding to these types of complaints. During the FY 2005-06 and FY 2006-07 budget processes, LADBS proposed that a "Code Enforcement Surcharge" be established make the code enforcement operations full cost recovery, including the work necessary to handle the No Violation complaints. At that time the City Attorney opined that it would take voter approval to impose such a fee.

LADBS is ready to work with the Council and the City Attorney to investigate the feasibility of establishing a code enforcement fee/surcharge that would make the entire code enforcement operation full cost recovery.

Please contact Frank Bush, Assistant Chief of LADBS' Code Enforcement Bureau at (213) 252-3904 should you need additional information regarding this response. If I may be of assistance, please contact me directly at (213) 482-6800.

c: Matt Karatz, Deputy Mayor, Office of Mayor Villaraigosa  
 Georgia Mattered, Budget Director, Office of Mayor Villaraigosa  
 Melissa Fleming, CAO

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **COMMUNITY DEVELOPMENT DEPARTMENT – REPORT BACK ON SUMMER NIGHT LIGHTS AND YOUTH JOBS IN OAKWOOD PARK AND MAR VISTA GARDENS**

Your Committee requested a report back on the feasibility of the Community Development Department coordinating with the Gang Reduction and Youth Development (GRYD) regarding Summer Nights Lights Program and youth jobs in Council District 11 at Oakwood Park and Mar Vista Gardens. The Department's response is attached.

This memorandum is informational only. There is no fiscal impact.

MAS:BLT:02110169

Question No. 156

Attachment

**CITY OF LOS ANGELES**

INTER-DEPARTMENTAL CORRESPONDENCE

**DATE:** May 3, 2011

**TO:** The Honorable Bernard C. Parks  
Chair, Budget and Finance Committee

**THRU:** Miguel A. Santana, City Administrative Officer

**FROM:** Richard L. Benbow, General Manager  
Community Development Department

**SUBJECT: Summer Night Lights Program – Council District 11**

Your Committee requested a report back on the feasibility of the Community Development Department (CDD) coordinating with the Gang Reduction and Youth Development (GRYD) regarding Summer Nights Lights program and youth jobs in Council District 11 at Oakwood Park and Mar Vista Gardens.

The Summer Night Lights Program (SNL) is managed through the Gang Reduction and Youth Development (GRYD) program. While the CDD has a successful relationship with GRYD in the provision of youth, workforce and family services, the decision to target specific areas of the City for SNL services rests with the GRYD office. If such action should transpire, the CDD has FamilySource, WorkSource and OneSource Centers serving the Oakwood and Mar Vista areas that would be available to provide immediate support. Unfortunately, and as discussed at the budget hearing, there is no revenue set-aside to support a separate summer jobs campaign.

RLB:RG:RS:MC:mh


*Question 156*

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **POLICE DEPARTMENT - SWORN HIRING PLAN**

During its consideration of the 2011-12 Proposed Budget, the Committee requested the City Administrative Officer (CAO) report back on the cost per class in FY 2010-11 and the overall cost as reflected in the budget. In addition, the Committee requested information on how the CAO calculates the cost per class since there is a different cost factor utilized each year.

The cost of the sworn hiring plan in the 2010-11 Adopted Budget, including equipment and related costs, is \$7,364,766 (Sworn Salary: \$4,252,322; Expense: \$1,572,525; Related Costs: \$1,539,919). The costs of the classes and the class sizes are as follows:

Class Size	Class Start Date	Pay Period	Class Cost
40	8/16/2010	5	\$ 2,116,197
50	11/8/2010	11	1,923,219
50	1/31/2011	17	1,244,925
45	3/28/2011	21	770,083
		<b>Total</b>	<b>\$ 6,054,424</b>

If the Department was allowed to hire the remaining class(es) in the current year to maintain 9,963 Police Officers, the estimated total costs to the City is between \$6.5 million to \$7.4 million. The amount is dependent on the number of classes, class start date and number of recruits per class.

Additional information relative to the current year's hiring costs is detailed in Attachment 1. The CAO's projection tools adjust for different annual cost factors; the tools allow users to adjust class sizes, hiring dates, the bi-weekly salary of a recruit (it can be adjusted for COLAs and salary range movement), the one-time equipment costs for a recruit, the annual pension add/delete rate, and the annual health and welfare add/delete rate. This allows users to calculate and analyze the variable hiring costs each year.

This memorandum is informational only. There is no fiscal impact.

Cost of the 2010-11 Hiring Plan

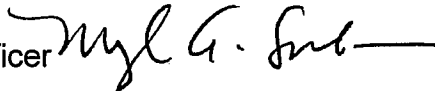
Pay Period (PP)	No. of Officers Hired	Salaries	Equipment	Direct Costs Subtotal	Health and Welfare	Pension	Related Costs Subtotal	Total	Salary Savings	H&W Savings	Pension Savings	Attrition Savings
5	40	\$ 1,559,914	\$ 209,600	\$ 1,769,514	\$ 396,953	\$ 256,753	\$ 653,706	\$ 2,423,220	\$ 216,355.83	\$ 55,056.35	\$ 35,610.98	307,023.16
11	50	\$ 1,409,172	\$ 262,000	\$ 1,671,172	\$ 361,479	\$ 158,077	\$ 519,556	\$ 2,190,728	\$ 195,448.38	\$ 50,136.16	\$ 21,924.80	267,509.33
17	50	\$ 875,064	\$ 262,000	\$ 1,137,064	\$ 226,766	\$ 39,378	\$ 266,144	\$ 1,403,208	\$ 121,369.03	\$ 31,451.88	\$ 5,461.61	158,282.51
21	45	\$ 475,654	\$ 235,800	\$ 711,454	\$ 123,262	\$ 21,404	\$ 144,666	\$ 856,120	\$ 65,971.88	\$ 17,096.12	\$ 2,968.73	86,036.73
<b>Total No. of Officers Hired</b>		<b>Salaries</b>	<b>Equipment</b>	<b>Direct Costs Subtotal</b>	<b>Health and Welfare</b>	<b>Pensions</b>	<b>Related Costs Subtotal</b>	<b>Fully Loaded Cost</b>				
185		\$ 4,319,803	\$ 969,400	\$ 5,289,203	\$ 1,108,461	\$ 475,612	\$ 1,584,073	\$ 6,873,276				
<b>Academy Attrition</b>		<b>Salary Savings</b>	<b>Equipment</b>	<b>Direct Savings Subtotal</b>	<b>Health and Welfare Savings</b>	<b>Pension Savings</b>	<b>Related Savings Subtotal</b>	<b>Attrition Savings</b>	<b>Salary Savings</b>	<b>H&amp;W Savings</b>	<b>Pension Savings</b>	<b>Attrition Savings</b>
37		\$ 599,145	\$ -	\$ 599,145	\$ 153,741	\$ 65,966	\$ 219,707	\$ 818,852	\$ 599,145	\$ 153,741	\$ 65,966	\$ 818,852
				<b>Direct Costs Funded</b>			<b>Related Savings Subtotal</b>					
148		\$ 3,720,658	\$ 969,400	\$ 4,690,058	\$ 954,720	\$ 409,646	\$ 1,364,366	\$ 6,054,424				

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **RECREATION AND PARKS – SIGN ORDINANCE AND ITS IMPACT ON PUBLIC PRIVATE PARTNERSHIPS**

Your Committee instructed the Department of Recreation and Parks (Department) to work with the Chief Legislative Analyst, this Office, City Attorney and the Department of Building and Safety and report on the sign ordinance and its impact on public-private partnerships for signs that appear in parks and non-City owned fields and the legal implications should Council override the City Attorney opinion on the sign issue. Attached are the responses from the Department and the City Attorney.

#### **RECOMMENDATION**

Establish a working group consisting of the CAO, CLA, Department of Recreation and Parks, Zoo Department and the City Attorney to analyze the sign ordinance and its impact on the operations of the Recreation and Parks and the Zoo Departments and make appropriate recommendations to mitigate or eliminate the impact.

#### **Attachments**

MAS:VES:08110163c

Question No. 25

**BOARD OF RECREATION AND  
PARK COMMISSIONERS**

BARRY A. SANDERS  
PRESIDENT

LYNN ALVAREZ  
W. JEROME STANLEY  
JILL T. WERNER  
JOHNATHAN WILLIAMS

**CITY OF LOS ANGELES**  
CALIFORNIA



ANTONIO R. VILLARAIGOSA  
MAYOR

**DEPARTMENT OF  
RECREATION AND PARKS**

221 NORTH FIGUEROA STREET  
15TH FLOOR, SUITE 1550  
LOS ANGELES, CA 90012

(213) 202-2633

FAX (213) 202-2614

JON KIRK MUKRI  
GENERAL MANAGER

May 3, 2011

Honorable Bernard C. Parks, Chair  
Budget and Finance Committee  
City Clerk, City Hall Room 395  
Los Angeles, CA 90012

ATTN: Erica Pulst, Legislative Assistant

Dear Councilmember Parks:

**FISCAL YEAR 2011-12 QUESTION NO. 25 REPORT ON SIGN ORDINANCE AND  
IMPACTS TO DEPARTMENT OF RECREATION AND PARKS PUBLIC-PRIVATE  
PARTNERSHIPS**

The Department of Recreation and Parks (RAP) is responding to your Committee's request on information regarding the City of Los Angeles' Sign Ordinance and its impact on RAP public-private partnerships.

The City's Sign Ordinance places significant limitations on RAP's potential to generate revenue through public-private collaborations at City parks. The placements of such limitations are both direct and indirect.

The Department's biggest assets and/or negotiating leverage for executing agreements with potential program/service providers, donors, funders, sponsors, and contributors are RAP's land and facilities. Setting aside those "partners" who merely want to utilize the Department's land and/or facilities to operate their programs and services, a limitation on the type, size, and volume of signs the Department is able to authorize to be placed on or in RAP parks may limit potential revenue opportunities. By not allowing the Department to control signage in the parks, RAP is not allowed to meet its revenue generating potential.





Honorable Bernard C. Parks

May 3, 2011

Page 2

The sign ordinance also impacts our agreements with non-profits who are providing programs/services on the City's behalf at its parks. Although the non-profits are obtaining what they essentially need from the agreement, which is the use of the land/facility, the ordinance limits their ability to fund raise which is essential for a non-profit's survival. If the non-profit fails, the agreement fails. If the agreement/collaboration fails, RAP and the non-profit fail to provide much needed services and programs to the community.

RAP should be exempt from obtaining Building and Safety permits and from permit related fees for signs placed in our parks.

The City Attorney's opinion revolves around "government speech" which allows the Department to thank and/or acknowledge a donor/sponsor, but includes limitations on size and placement, and still requires Building and Safety permits, such as with Winter programming at Pershing Square (on ice dasher boards). Had this requirement not been in place, RAP could have saved the permit fees, hence reduced costs and potentially generated more revenue in support of its programs.

RAP has discussed this issue with the Office of the City Attorney. Attached is an opinion submitted by the City Attorney on this matter. We look forward to working together as part of the City team on this issue.

Should you have any questions, please contact Regina Adams, Executive Officer at (213) 202-2633.

Sincerely,



JON KIRK MUKRI  
General Manager

JKM:RA:ndw

Attachment

cc: Jeff Carr, Chief of Staff, Mayor  
Romel Pascual, Office of the Mayor  
Georgia Mattera, Office of the Mayor  
Neil Guglielmo, Office of the Mayor

Honorable Bernard C. Parks

May 3, 2011

Page 3

Lisa Sarno, Office of the Mayor

Chris Espinosa, Office of the Mayor

Matthew Rudnick, Office of the Mayor

Jennie Carreon De Lacey, Office of the Mayor

Gerry Miller, Chief Legislative Analyst

Barry A. Sanders, President, Board of Recreation and Park Commission

Miguel Santana, City Administrative Officer


Ray Cirrana, City Administrative Office

Terry Sauer, City Administrative Office

Veronica Salumbides, City Administrative Office

MEMORANDUM

TO: The Honorable Budget and Finance Committee

FROM: Office of the City Attorney 

DATE: May 2, 2011

SUBJECT: Budget and Finance Committee Question No. 25 – CLA/CAO/City Attorney to report back on the impact of the sign ordinance on public/private partnerships and donor recognition opportunities. Include a discussion of the City Attorney's recent opinion regarding sign restrictions.

The subject matter of this request is related to a request in Exhibit H pertaining to the Zoo. That request asks the City Attorney, with the assistance of the Zoo Department and the Office of City Administrative Officer, to prepare and present any necessary ordinance, including an amendment to the sign ordinance, to allow the Zoo to maximize special fund revenue from advertising opportunities, such as banners and signage at the Zoo. We will work with the Zoo Department and the CAO to provide a detailed response to the Exhibit H instruction when it is adopted. As part of that process, we will also continue to assist the Department of Recreation and Parks in understanding the legal principles and consequences involved in changing the sign ordinance to address "public-private" partnerships regarding signs in parks.

As we recently reported, we have worked extensively with the Recreation and Parks Department to provide analysis and advice regarding such matters, and to address situations in the recent past that violate the City's Municipal Code and the sign ordinance. During discussion of the proposed budget for the Department of Recreation and Parks, your Committee received some misinformation regarding our advice in those matters. In response to those discussions, we have provided a packet of information to the Members of your Committee that illustrates the significant effort this Office has made to advise the Department of Recreation and Parks, the extensive analysis conducted, and the efforts made to point out as clearly as possible the areas where flexibility is available and the actions that would need to be taken to accomplish the Department's goals if the Council agrees to make any proposed legislative policy change.

As the documents previously provided show, this Office has carefully considered and reviewed the complex legal issues raised by such action. Our legal advice has been clear, whether the proposal to install commercial off-site signs is made by private billboard companies or City departments. The City's failure to follow this Office's legal advice would seriously threaten to derail the City's hard-fought courtroom victories in multiple lawsuits involving the City's regulation of off-site advertising and supergraphic signs. The nature of this risk was expressly reiterated just yesterday, Monday, May 2, 2011, to our lawyers by the Ninth Circuit Court of Appeal during oral argument in pending billboard litigation against the City. In our view, no amount of income derived from the contemplated park signs would justify the multi-million dollar expense of throwing the City's sign laws back into legal jeopardy.

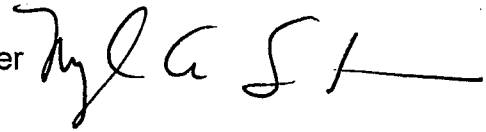
Nevertheless, as we have clearly advised the Department, that if Council wishes to consider legislation to amend the City's sign law for the purpose of authorizing commercial off-site advertising in City parks, we will assist in researching and analyzing the legal framework that will be necessary to support an ordinance creating this new exception to the City's ban on off-site signs. This will present significant legal hurdles under current case law. To competently address these hurdles, we will need specifics, in advance, of the essential details of any proposed program for off-site commercial advertising in City parks, including the names of the parks at issue and the sign sizes and locations, as well as the Council's interest in legislatively allowing for such a program. In addition, the City Planning Department, the PLUM Committee and LADBS will also need to be part of that discussion.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **CITY ATTORNEY – LIABILITY PAYOUTS**

Your Committee requested this Office and the City Attorney to work together to reduce future payouts for the top departments which have the highest liability payouts. Also attached is the City Attorney's response to this report back.

This Office will continue to work with departments and the City Attorney's Office relative to risk management efforts by the departments.

### **RECOMMENDATION**


It is recommended that a working group be established within the CAO and the City Attorney's Office to develop a comprehensive risk management plan to reduce liability payouts by ten percent over the next five years.

MAS:IR:04110123

Question No. 18

**MEMORANDUM**

TO: The Honorable Budget and Finance Committee

FROM: Office of the City Attorney 

DATE: May 2, 2011

SUBJECT: Budget and Finance Committee Question No. 18 – Reduction of future liability payouts by Top 10 Departments


The Office of the City Attorney will work with the CAO to identify the departments and the recommended actions.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **DISABILITY – MANDATED ISSUES FOR DISABILITY**

Your Committee requested the Department on Disability to provide a list of mandated issues facing the Department.

Attached is the Department's response.

In light of the proposed Commercial Paper borrowing, should the Committee desire to fund Telecommunication Devices for the Deaf (TDD) or Video Remote Interpreting Services (VRIS), we recommend that the cost be offset by a reductions elsewhere in the budget. Any incremental revenue identified by the Committee is recommended to be budgeted towards reducing the amount of the proposed borrowing and/or increasing the Reserve Fund.


MAS:CEA:08110186

Question No. 181

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 3, 2011

To: Councilmember Bernard C. Parks, Chair  
Budget and Finance Committee

From:   
Regina Houston-Swain, Executive Director  
Department on Disability

Subject: **Question 181:** Provide a list of mandated issues (like compliance) cost of each item on the list (before litigation occurs).

The Department is providing the context for its policy enforcement by discussing the primary two federal programs that its responsible for monitoring and implementing, which are: (1) the Americans with Disability Act (ADA) of 1990, and (2) the Rehabilitation Act of 1973. These federal policies are non-funded, federal mandates, which the DOD must monitor and implement for the City and all of its Departments. The Americans with Disability Act has five major titles, which apply directly to the City and its Departments.

#### **Title I**

Title I addresses non-discrimination in hiring and other aspects of employment. The title also requires employers, like the City of Los Angeles, to provide reasonable accommodations to protect the rights of individuals with disabilities in all aspects of employment. The reasonable accommodations may include restructuring jobs, altering the layout of workstations, or modifying equipment. Employers may not discriminate in the application process, hiring, wages, benefits, and all other aspects of employment. The Department has worked with the Personnel Department to ensure that the City is in full compliance. The Department also provides training through its ADA Departmental Coordinators program, where each department designates a coordinator, with whom we work closely.

Nevertheless, the ability to enforce this aspect and others may be compromised due to a significant staff reduction in this division and the City's financial inability to fund the ADA Compliance Officer position. Tasks are being implemented by two over-taxed lower-level employees.

#### **Recommendation:**

- a. As funding becomes available, backfill the ADA Compliance Officer position.



## **Title II.**

Title II applies to entities providing public service, such as local, state governments services, commuter authorities. Title II prohibits denying services to people with disabilities or deny participation in programs or activities that are available to people without disabilities. Public transit buses must also be accessible to individuals with disabilities.

To comply with ADA the City of Los Angeles implemented an ADA Transition Plan, which identified key areas of the ADA law toward which the City and its Departments should transition over a reasonable period of time.

The City makes its services accessible by providing sign language services, captioning services, and review that all city buildings are accessible through wheel chair ramps, curb cuts and automatic doors.

### **Recommendation:**

- a. Review City's policy relative to sidewalk accessibility and curb-cuts throughout the City of Los Angeles.

## **Title III.**

Title III applies to new and modified construction, which must be accessible to individuals with disabilities, meaning that barriers to services must be removed if readily achievable. Public accommodations include facilities such as restaurants, hotels, grocery stores, retail stores, etc., as well as privately owned transportation systems.

## **Title IV.**

Title IV deals with telecommunications services for hearing-impaired and speech-impaired individuals. Telecommunications relay services means telephone transmission services that provide the ability for an individual who has a hearing impairment or speech impairment to engage in communication by wire or radio with a hearing individual in a manner that is functionally equivalent to the ability of an individual who does not have a hearing impairment or speech impairment to communicate using voice communication services by wire or radio.

The City adopted a Transition to implement the Americans with Disability Act of 1990. Through the Transition Plan the City identified the need to improve communication between people who are deaf or hard of hearing and City Departments and services, especially Police and Fire. It was important that people with disabilities could communicate with City Departments by phone to request service. The City attempted to meet this goal by installing Telecommunication devices for the Deaf (TDD) at public points of contact through each City Department.

The Department recommends replacing the existing Teletype (TTY) equipment to reduce the potential legal liability of the City for implementing the Americans with Disability Act. The Department is also recommending purchasing Video Remote Interpreting Services (VRIS).

The existing, obsolete communication equipment, especially in the Police and Fire Stations, is malfunctioning, therefore greatly exposing the City to legal liability.

#### **Telecommunication Devices for the Deaf**

The City attempted to meet the goals of goal by installing Telecommunication devices for the Deaf (TDD) at public points of contact through each City Department. The TDDs required dedicated cables, modems and a printing function. However, the TDD machines have become obsolete, and experience breakdowns.

They are obsolete because new, emergency technologies have advanced over the last ten years. They have experienced breakdowns due to their age, and lack of equipment warranties no longer offered by the manufacturer. Recently the print function might break down, requiring Departments like Police and Fire to stand-by to read and write down the message, rather than having a readily available print-out for easy retrieval and filing. These breakdowns have no immediate fix, since manufacturers will not grant warranties for equipment, which is obsolete.

To replace the obsolete TDDs the Department on Disability is encouraging the purchase of the a web-based option. This web-based system allows the City's approximate 250 identified users to receive text messages on their computer monitors, therefore eliminating the need for special equipment and printers, which occasionally dysfunctional and which no longer have a manufacturer warranty. The 250 identified users include LAPD's approximately 20 sub-divisions.

This web-based system works seamlessly with the existing, home technology of a caller. For instance, a caller at home uses their existing technology to dial a City Department. The caller's message travels to a web-based server, and is then re-directed along a broadband line to one of 250 identified City users. The message prompts the City recipient and shows up in a dialog window on the person's desktop monitor. If the City would like to add more users, it merely expands the license.

This upgraded, web-based TTY system will replace our existing system of TDD and TTY devices, thereby bringing the City in compliance with Federal law while reducing our legal liability for non-compliance.

The Department recommends replacing the existing Teletype (TTY) equipment to reduce the potential legal liability of the City for failure to comply with the mandates of the

ADA. The Department recommends that the City purchase and install upgraded TTY software at an approximate cost of \$35,000.

**Recommendation:**

- a. Provide \$35,000 for purchasing 250 software licenses for web-based TTY software system.

**Videophone Remote Interpreting Services**

The Department is seeking to implement a Video Remote Interpreting Services (VRIS) project. This project will involve the installation of Videophone equipment at nineteen (19) LAPD Community Stations, two (2) 9-1-1 Communications Centers, and one (1) Emergency Operations Center (EOC).

The VRIS would significantly enhance communication capabilities between deaf individuals, law enforcement, and emergency services personnel. When a deaf individual comes into contact with an officer at a police station or emergency services center having Videophone equipment, the Video Interpreting Agency may be contacted and immediate assistance rendered through video conferencing. Such centers employ a number of interpreters who can be available at any given time to facilitate effective communication between deaf individuals and law enforcement. Aside from this obvious benefit, individuals will also be able to contact DOD directly for emergency information during times of disaster. Implementation of this project is critical due to the serious shortage of sign language interpreters and the increasing difficulty DOD is experiencing in obtaining qualified sign language interpreters within the terms of the existing contracts.

A recent Amendment Act of 2008 regarding Video Remote Interpreting Services required qualified interpreters, which includes real-time captioning, and specified what constitutes "qualified".

Video Remote Interpreting Services is an interactive video teleconferencing system that utilizes a Sign Language Interpreter at a Video Interpreter Agency to interpret calls from sign language users to standard phone users, without the use of a TTY (text telephone).

A videophone is about the size of a traditional business telephone with a built-in camera, microphone, video display, and standard buttons for dialing and speakerphone operation. A video camera, and other compatible equipment at the videophone location, transmits an image to the sign language user's location. The videophone at the sign language user's location simultaneously transmits his/her image to a Video Interpreting Agency.

Sign Language Interpreters are trained to relay conversations between hearing individuals and deaf or hard-of-hearing individuals whose primary language is American Sign Language. American Sign Language is not a written language but is a visual language with a unique structure, syntax, and grammar similar to French.

Videophone equipment

22 - Videophones	\$2,000 @	\$ 44,000
22 - Enhanced DSL lines (Installation)	\$ 250 @	\$ 5,500
22 - Monthly Service	\$ 100 @ x 12 mos	\$ 26,400
	<b>Estimated Total</b>	<b>\$ 75,900</b>

The Department on Disability believes that budgeting and implementing the above-outlined proposal is the only way to appropriately address the growing problem the City is having in providing quality and effective communications between the deaf and hard-of-hearing community and the Los Angeles Police Department.

**Recommendation:**

- a. Identify \$75,900 for Video Remote Interpreting Services (VRIS) project. This project will involve the installation of Videophone equipment at nineteen (19) LAPD Community Stations, two (2) 9-1-1 Communications Centers, and one (1) Emergency Operations Center (EOC).

The Department is available to discuss these recommendations, their associated cost, and legal liability.

C: Brian Currey, Mayor's Office  
Claudia Aguilar, City Administration Office

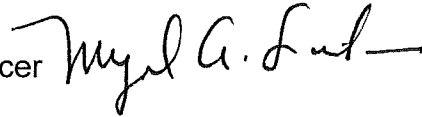
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 83

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **BUILDING AND SAFETY – QUANTITY AND LOCATION OF DIGITAL BILLBOARDS**

Your Committee requested the Department of Building and Safety (LADBS) to report back regarding the quantity and location of digital billboards within the City. The Department's response is attached. LADBS indicates there are a total of 102 permitted digital billboards within the City.

Your Committee also requested information regarding options for a revenue stream associated with these digital billboards. The City Attorney has provided a discussion regarding potential digital billboard revenue, which is provided under a separate cover.

**RECOMMENDATION**

This Office recommends that the CAO and CLA create a working group that includes stakeholders to evaluate billboard fees.

MAS:MAF:02110168c

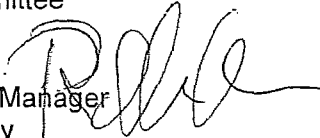
Question No. 148

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 3, 2011

TO: Honorable Bernard C. Parks  
Chair, Budget and Finance Committee  
City Hall, Room 460

FROM: Robert R. "Bud" Ovrom, General Manager  
Department of Building and Safety



SUBJECT: FISCAL YEAR 2011-12 BUDGET MEMO RESPONSE TO QUESTION NO. 148  
REGARDING REPORT BACK ON DIGITAL BILLBOARDS: "HOW MANY DO WE  
CURRENTLY HAVE, WHERE ARE THEY, AND WHAT ARE OUR OPTIONS FOR  
CREATING A CITY REVENUE STREAM FROM THEM"

This memo is in response to the Budget and Finance's request during their Committee Hearing on May 2, 2011 for a report back on digital billboards: "How many do we currently have, where are they, and what are our options for creating a City revenue stream from them".

**Number and Location of Digital Billboards**

Attached is a list of digital billboards containing the location, permit number, and permit issue date to modernize 102 digital billboards. These permits were issued in calendar years 2007 and 2008 pursuant to a settlement agreement between the City of Los Angeles and various billboard companies.

**Revenue Stream Options From Digital Billboards**

Please refer to the report back from the City Attorney's office for Question No. 70 regarding the legality and fee structure for capturing revenue on digital/flip billboards. If needed, the Department will work with the City Attorney's Office and Chief Administrative Officer's staff to develop fees that are fully cost recovery for providing LADBS services.

Please contact Frank Bush, Assistant Chief of LADBS' Code Enforcement Bureau at (213) 252-3904 should you need additional information regarding this response. If I may be of assistance, please contact me directly at (213) 482-6800.

Attachment

c: Matt Karatz, Deputy Mayor, Office of Mayor Villaraigosa  
Georgia Matterna, Budget Director, Office of Mayor Villaraigosa  
Melissa Fleming, CAO

**Permits Issued and Inspection Status for CBS Digital Billboard  
Modernizations  
(As of May 03, 2011)**

#	Location				Permit #	Permit Issue Date
1	3216	N	Barham	BI	07048-10000-02185	2/8/2008
2	3330	N	Barham	BI	08048-10000-01514	10/8/2008
3	300	S	La Cienega	BI	08048-10000-01190	8/20/2008
4	980	N	La Cienega	BI	08048-10000-00520	4/23/2008
5	7821	W	Melrose	Av	08048-10000-00547	4/23/2008
6	11758	W	Olympic	BI	08048-10000-01053	6/18/2008
7	11501	W	Pico	BI	07048-10000-02195	1/31/2008
8	10854	W	Santa Monica	BI	07048-10000-01357	9/12/2007
9	10854	W	Santa Monica	BI	08048-10000-01037	9/2/2008
10	11602	W	Santa Monica	BI	08048-10000-01038	9/17/2008
11	8150	W	Sunset	BI	07048-10000-01317	9/7/2007
12	8500	W	Venice	BI	08048-10000-01206	8/20/2008
13	1333	S	Westwood	BI	07048-10000-02285	6/3/2008
14	1925	W	Wilcox	Av	08048-10000-00322	4/10/2008
15	1009	S	La Brea	Av	08048-10000-01924	11/14/2008
16	8511	W	Venice	BI	07048-10000-02254	2/26/2008

**Permits Issued and Inspection Status for Clear Channel Digital  
Billboards Modernizations  
(As of May 03, 2011)**

#	Location			Permit #	Permit Issue Date	
1	7928	W	3 <sup>rd</sup>	St	07048-10000-01929	11/16/2007
2	8330	W	3 <sup>rd</sup>	St	07048-10000-00253	5/29/2007
3	8355	W	3 <sup>rd</sup>	St	08048-10000-01155	7/24/2008
4	3375	N	Barham	Bl	08048-10000-01393	9/19/2008
5	2400	S	Barrington	Av	07048-10000-01856	1/10/2008
6	4401	W	Beverly	Bl	08048-10000-01078	10/2/2008
7	7819	W	Beverly	Bl	07048-10000-00324	4/24/2007
8	6700	S	Centinela	Av	07048-10001-00969	11/8/2007
9	12951	W	Culver	Bl	07048-10000-01379	10/4/2007
10	739	N	Fairfax	Av	08048-1000-00985	7/7/2008
11	11722	W	Gateway	Bl	08048-10000-01051	7/16/2008
12	11842	S	Jefferson	Bl	08048-10000-00989	9/19/2008
13	133	N	La Brea	Av	08048-10000-01151	9/19/2008
14	721	N	La Brea	Av	07048-10000-02256	1/29/2008
15	930	S	La Brea	Av	07048-10000-00970	7/6/2007
16	1213	S	La Brea	Av	08048-10000-00754	6/17/2008
17	1245	S	La Brea	Av	08048-10000-01111	7/24/2008
18	2314	S	La Brea	Av	08018-10000-01354	9/19/2008
19	370-74	S	La Cienega	Bl	07048-10000-00931	7/13/2007
20	1608	S	La Cienega	Bl	08048-10000-00678	6/3/2008
21	1777	S	La Cienega	Bl	07048-10000-00256	3/28/2007
22	2326	S	La Cienega	Bl	07048-10000-01805	11/1/2007
23	2605	S	La Cienega	Bl	07048-10000-01955	10/3/2008
24	2664	S	La Cienega	Bl	08048-10000-01806	10/31/2008
25	1808	S	Lincoln	Bl	08048-10000-00682	5/20/2008
26	4004	S	Lincoln	Bl	07048-10000-01350	10/24/2007
27	8127	S	Lincoln	Bl	08048-10000-01929	11/20/2008
28	6200	W	Manchester	Av	07048-10000-01857	12/18/2007
29	5175	W	Melrose	Av	08048-10000-00681	5/20/2008
30	4935	S	McConnell	Av	08048-10000-01311	10/31/2008
31	6800	W	Melrose	Av	08048-10000-00988	7/7/2008
32	6065	W	Melrose	Av	08048-10000-00655	6/6/2008
33	7763	W	Melrose	Av	07048-10000-00930	7/23/2007
34	3750	S	Motor	Av	08048-10000-01701	10/17/2008
35	8940	W	National	Bl	08048-10000-01150	8/20/2008
36	10450	W	National	Bl	08048-10000-01425	10/2/2008
37	11203	W	National	Bl	07048-10000-01855	12/18/2007
38	11263	W	National	Bl	07048-10000-00967	7/13/2007
39	5308	W	Olympic	Bl	08048-10000-01079	7/24/2008
40	11700	W	Olympic	Bl	08048-10000-01227	8/6/2008
41	11915	W	Olympic	Bl	07048-10000-00252	4/5/2007
42	11100-	W	Olympic	Bl	07048-10000-00968	7/24/2007
43	3608	S	Overland	Av	08048-10000-01280	8/20/2008
44	3630	S	Overland	Av	08048-10000-01286	8/20/2008
45	3740 ½	S	Overland	Av	08048-10000-01211	8/6/2008



**Permits Issued and Inspection Status for Clear Channel Digital  
Billboards Modernizations  
(As of May 03, 2011)**

#	Location			Permit #	Permit Issue Date	
46	3400-10	S	Overland	Av	08048-10000-01282	8/20/2008
47	6091	W	Pico	Bl	07048-10000-01806	11/1/2007
48	9417	W	Pico	Bl	07048-10000-00254	3/30/2007
49	9553	W	Pico	Bl	08048-10000-00782	6/25/2008
50	10922	W	Riverside	Dr	08048-10000-01426	10/2/2008
51	1501	S	Robertson	Bl	08048-10000-01109	7/16/2008
52	2855	S	Robertson	Bl	08048-10000-01310	8/28/2008
53	3375	S	Robertson	Pl	08048-10000-00676	6/3/2008
54	1536	S	Robertson	Bl	07048-10000-00248	4/5/2007
55	506	S	San Vicente	Bl	07048-10000-00327	4/24/2007
56	5521	S	San Vicente	Bl	08048-10000-01287	8/28/2008
57	10333	W	Santa Monica	Bl	07048-10000-00257	3/28/2007
58	11058	W	Santa Monica	Bl	07026-10000-00029	4/24/2007
59	11285	W	Santa Monica	Bl	07048-10000-00250	3/28/2007
60	11423	W	Santa Monica	Bl	07048-10000-01774	11/2/2007
61	11827	W	Santa Monica	Bl	08048-10000-01316	10/2/2008
62	12100	W	Santa Monica	Bl	07048-10000-00874	6/25/2007
63	6501	S	Sepulveda	Bl	07048-10000-01854	12/18/2007
64	9600	S	Sepulveda	Bl	07048-10001-01377	4/4/2008
65	1701	N	Silver Lake	Bl	08048-10000-01154	9/9/2008
66	6433	N	Topanga	Bl	07048-10000-01349	3/13/2008
67	10231	W	Venice	Bl	07048-10000-02004	12/20/2007
68	11223	W	Venice	Bl	07048-10000-01954	4/16/2008
69	11267	W	Venice	Bl	07048-10000-00872	6/27/2007
70	12100	W	Venice	Bl	08048-10000-00986	7/7/2008
71	12328	W	Venice	Bl	08048-10000-01112	7/16/2008
72	10429	W	Washington	Bl	08048-10000-01314	8/20/2008
73	12719	W	Washington	Bl	08048-10000-01320	9/19/2008
74	1860	S	Westwood	Bl	08048-10000-01322	10/10/2008
75	2131	S	Westwood	Bl	07048-10000-00251	4/5/2007
76	2951	S	Westwood	Bl	08048-10000-00680	6/6/2008
77	3011	S	Westwood	Bl	08048-10000-00652	8/6/2008
78	12200	W	Wilshire	Bl	07048-10000-00255	3/28/2007
79	12231-	W	Wilshire	Bl	08048-10000-01052	8/20/2008
80	2123	S	La Brea	Av	08048-10000-01931	11/20/2008
81	1111	S	La Cienega	Bl	08048-10000-01841	11/12/2008
82	1046	S	Robertson	Bl	08048-10000-00679	6/6/2008
83	2470	S	Sepulveda	Bl	07048-10000-01928	11/16/2007
84	15826	W	Ventura	Bl	07048-10000-00971	7/6/2007
85	21044	W	Ventura	Bl	07048-10000-01376	3/13/2008
86	11656	W	Wilshire	Bl	08048-10000-00677	7/16/2008

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 84

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **DEPARTMENT OF TRANSPORTATION – COST COMPARISON OF FULL-TIME AND PART-TIME TRAFFIC OFFICERS AND COST OF FURLOUGHS**

The Budget and Finance Committee requested a report regarding a cost comparison of employing full-time and part-time Traffic Officers. Additionally, the Committee requested the cost and estimated revenue impacts resulting from furloughs for full-time Traffic Officers.

When hired, part-time Traffic Officers will begin employment with compensation equal to the first step of the Traffic Officer I classification, \$16.32 per hour. This level of compensation will be constant during employment up to 1,000 hours per year. The cost of employment for one part-time Traffic Officer is \$16,320 per 1,000 hours.

When hired, full-time Traffic Officers begin employment with compensation equal to the top step of the Traffic Officer I classification, \$20.27 per hour. After six months of employment, the new full-time Traffic Officer automatically advances to the first step of the Traffic Officer II classification, \$21.31 per hour. If employment begins on July 1, the annual direct cost of a newly hired full-time Traffic Officer is \$43,410 and an indirect cost of \$44,890, for a total cost of \$88,300. With an average hourly cost of \$20.79, the average cost of 1,000 hours of a newly hired full-time Traffic Officer is \$20,790 in direct costs and \$21,499 in indirect costs, for a total of \$42,289.

Thus, over 1,000 hours, a full-time Traffic Officer costs \$25,969 more than a part-time Traffic Officer. This is an increase of over 150 percent.

See attached detail of the estimated cost of furloughs and the estimated resulting revenue impacts.

**RECOMMENDATIONS**

It is recommended that:

- (1) Full-time Traffic Officers be placed on 36 days of furloughs in 2011-12, consistent with the current policy, in order to offset the General Fund costs anticipated for cost of living increases, and health and pension costs for this bargaining unit; and

- (2) The number of part-time Traffic Officers for 2011-12 be increased from 100 to 140 in order to offset any revenue loss resulting from the full-time Traffic Officers being on furlough.

MAS:ALB:06110106

Question No. 66

## TRAFFIC OFFICER AND TRAFFIC OFFICER SUPERVISOR FURLOUGHS

The following is the General Fund reduction expected to be made should the Traffic Officer and Supervisors be placed on furloughs due to the bargaining unit not ratifying the Coalition Agreement.

Class Code	Classification	Average Annual Salary	Number of Regular Positions	2011-12 Total Annual Funding	36 FURLOUGH DAYS
3214-2	TRAF OFFICER II	58,192	628	36,544,576	5,040,631

### Revenue Impact from Furloughs

No. of Officers per day	Average Patrol Hours per day	Average Issuance per Day	Average Citation Value Cost	Value of Non-Issuance 36 DAYS	Revenue loss – 1 <sup>st</sup> Year	Revenue Loss – 2 <sup>nd</sup> Year	Total Revenue Loss over Two Years	Revenue Loss Net Furlough Savings
322	4.34	5,590	56.25	11,319,750	\$7,697,430	\$1,245,172	\$8,942,602	(\$3,901,971)

On May 2, 2011, the Department of Transportation stated that approximately 322 Traffic Officers are working per day. Also, a full-time Traffic Officer will spend an average of 4.34 hours are spent on patrol issuing a little less than four citations per hour.

The value of parking citations not issued for 36 days of furlough is approximately \$11.3 million. This amount is not representative of what is actually collected. In the first year of issuance, the collection rate is approximately 68 percent. Therefore, loss of revenue in the first year (2011-12) for 36 days of furloughs is approximately \$7.7 million. Collection is roughly 11 percent in the second year after issuance. Therefore, loss of revenue in the second year (2012-13) resulting from furloughs taken in 2011-12 is estimated to be \$1.2 million for 36 furlough days.

Over a two-year period, the loss of revenue resulting from 36 days of furloughs is 8.9 million. The savings generated from the furloughs (\$5.0 million) and the loss of revenue due to the furloughs (\$8.9 million), may result in a net loss of approximately \$3.9 million.

The Proposed Budget anticipates 100 part-time Traffic Officers and a net increase (after accounting for costs) of \$9 million in revenue. Accordingly, to offset, the loss of \$3.9 million in revenue due to the furlough of full-time Traffic Officers, an additional 40 part-time Traffic Officers (for a total of 140) should be authorized. Salary savings from furloughs will be sufficient to fund the incremental costs of hiring an additional 40 part-time Traffic Officers.

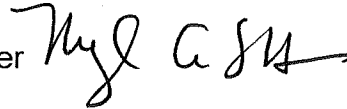
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 85

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **PLANNING/CLA/CITY ATTORNEY/BUILDING AND SAFETY-REVENUE FOR BILLBOARDS**

During consideration of the Planning Department budget, the Budget and Finance Committee instructed the CLA and City Attorney to report back regarding the legality and fee structure for capturing revenue on digital and flip billboards. The City Attorney's response is attached.

Your Committee requested additional information from Planning and the Department of Building and Safety regarding options for a revenue stream associated with digital billboards. The attached memo addresses those requests.

**RECOMMENDATION**


This Office recommends that the CAO and CLA create a working group that includes stakeholders to evaluate billboard fees.

*MAS:MMR:02110167C**Question Nos. 70, 148 and 188*

Attachment

## MEMORANDUM

TO: The Honorable Budget and Finance Committee

FROM: Office of the City Attorney 

DATE: May 3, 2011

SUBJECT: Budget and Finance Committee Question No. 70 – CLA/City Attorney to report back on legality and fee structure for capturing revenue on digital/flip billboards.

Below is a summary of the City Attorney Office's Attorney/Client report to City Council dated March 31, 2010, addressing the possible mechanisms and related legal implications of the City seeking to generate revenue from billboards (there is no difference between signs that are digital and static displays). The report addressed four mechanisms:

*Imposing development fees on new off-site signs* – this will not generate revenue for the City's general fund. Even if the City's sign ban were amended to allow new off-site signs, any development fees associated with the signs must have a mitigation nexus to the negative impacts of the signs. The development fees would have to be used for such things as removal of existing off-site signs, graffiti abatement, production of public art, and traffic calming measures.

*Imposing regulatory fees on existing and new off-site signs* – this will not generate revenue for the City's general fund. The City already imposes regulatory fees associated with its off-site sign permit and enforcement program. Regulatory fees are supported by fee studies that demonstrate the City is only recovering its actual cost to implement the sign regulatory and enforcement program. Thus, regulatory fees are not a means to add to the City's treasury with revenues from billboards.

*Revenue from off-site signs installed on City property (City as landlord)* – this concept is potentially feasible if the City's sign ban is carefully amended in a manner consistent with recent rulings from the United States Ninth Circuit Court of Appeal. The City was admonished only yesterday, May 2, 2011, by the Ninth Circuit to avoid overstepping its legislative prerogative to add sign districts. At the direction of the PLUM Committee, the Planning Department is currently reviewing possible amendments to the City's sign code. One of the amendments might focus on the proper use of sign districts. City property within a sign district could generate revenue from properly permitted signs.

*Revenue sharing from off-site signs installed on private property* – this would have to be done as a tax approved by the voters. Adopting a tax on proceeds from new

and existing signs is a practical and we believe also a legally defensible way to generate significant income for the City treasury. A conservative estimate of the potential revenue that might be generated from such a tax is \$20 million annually. As you are aware, the City Council voted not to place such a tax on the recent March ballot.

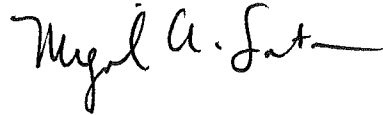
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 86

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **RECREATION AND PARKS – MARTIN LUTHER KING PARK AND THE USE OF THE LIKENESS OF DODGER PLAYERS**

Your Committee requested the Chief Legislative Analyst and this Office to report on the use of Dodger players' likeness at the Martin Luther King Park without a challenge from the City Attorney and how this is different from the use of other characters at other parks.

The Department of Recreation and Parks (Department) partnered with the Dodgers Dream Foundation, Inc., a California non-profit corporation and the LA84 Foundation, a California non-profit corporation, (collectively, the Donors) to combine resources for baseball field improvements at the Martin Luther King Park and seven other parks. At its meeting of December 8, 2010, the Board of Recreation and Park Commissioners (Board) approved an agreement with the Donors. Under the terms of the proposed agreement, the Donors will donate \$227,150 (Gift) to the City. In exchange for the Gift, the City agrees, among other things, to recognize the Donors for their generosity through signage acknowledging the Gift. The proposed agreement is currently under Executive Directive 3 Review in the Office of the Mayor.

In a memorandum dated May 2, 2011, the City Attorney indicated that it has provided a packet of information to the members of your Committee that illustrates the efforts the City Attorney has made to advise the Department, the analysis conducted and the efforts made to point out areas where flexibility is available. The City Attorney memorandum is attached.

This Office, on a separate but related budget memo, has recommended that a working group be established to analyze the sign ordinance and its impact on the operations of the Recreation and Parks and the Zoo Departments and make appropriate recommendations to mitigate or eliminate the impact.


MAS:VES:08110168c

Question No. 114



MEMORANDUM

TO: The Honorable Budget and Finance Committee

FROM: Office of the City Attorney 

DATE: May 2, 2011

SUBJECT: Budget and Finance Committee Question No. 25 – CLA/CAO/City Attorney to report back on the impact of the sign ordinance on public/private partnerships and donor recognition opportunities. Include a discussion of the City Attorney's recent opinion regarding sign restrictions.

The subject matter of this request is related to a request in Exhibit H pertaining to the Zoo. That request asks the City Attorney, with the assistance of the Zoo Department and the Office of City Administrative Officer, to prepare and present any necessary ordinance, including an amendment to the sign ordinance, to allow the Zoo to maximize special fund revenue from advertising opportunities, such as banners and signage at the Zoo. We will work with the Zoo Department and the CAO to provide a detailed response to the Exhibit H instruction when it is adopted. As part of that process, we will also continue to assist the Department of Recreation and Parks in understanding the legal principles and consequences involved in changing the sign ordinance to address "public-private" partnerships regarding signs in parks.

As we recently reported, we have worked extensively with the Recreation and Parks Department to provide analysis and advice regarding such matters, and to address situations in the recent past that violate the City's Municipal Code and the sign ordinance. During discussion of the proposed budget for the Department of Recreation and Parks, your Committee received some misinformation regarding our advice in those matters. In response to those discussions, we have provided a packet of information to the Members of your Committee that illustrates the significant effort this Office has made to advise the Department of Recreation and Parks, the extensive analysis conducted, and the efforts made to point out as clearly as possible the areas where flexibility is available and the actions that would need to be taken to accomplish the Department's goals if the Council agrees to make any proposed legislative policy change.

As the documents previously provided show, this Office has carefully considered and reviewed the complex legal issues raised by such action. Our legal advice has been clear, whether the proposal to install commercial off-site signs is made by private billboard companies or City departments. The City's failure to follow this Office's legal advice would seriously threaten to derail the City's hard-fought courtroom victories in multiple lawsuits involving the City's regulation of off-site advertising and supergraphic signs. The nature of this risk was expressly reiterated just yesterday, Monday, May 2, 2011, to our lawyers by the Ninth Circuit Court of Appeal during oral argument in pending billboard litigation against the City. In our view, no amount of income derived from the contemplated park signs would justify the multi-million dollar expense of throwing the City's sign laws back into legal jeopardy.

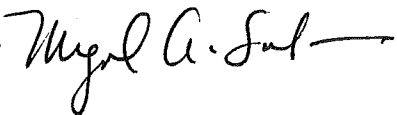
Nevertheless, as we have clearly advised the Department, that if Council wishes to consider legislation to amend the City's sign law for the purpose of authorizing commercial off-site advertising in City parks, we will assist in researching and analyzing the legal framework that will be necessary to support an ordinance creating this new exception to the City's ban on off-site signs. This will present significant legal hurdles under current case law. To competently address these hurdles, we will need specifics, in advance, of the essential details of any proposed program for off-site commercial advertising in City parks, including the names of the parks at issue and the sign sizes and locations, as well as the Council's interest in legislatively allowing for such a program. In addition, the City Planning Department, the PLUM Committee and LADBS will also need to be part of that discussion.

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 87

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **SPECIAL PARKING REVENUE FUND – REINVESTING REVENUE BACK INTO COMMUNITIES**

The Budget and Finance Committee requested a report on a plan to reinvest revenue generated from the Special Parking Revenue Fund (SPRF) back into the communities from where the funding came.

The Department of Transportation (DOT), in its SPRF 5-Year Plan report (C.F. 10-0596), recommended that the City begin to explore “smart funding alternatives” with revenue from the SPRF to improve parking availability, reduce parking demand, and spur economic development through local investment and transportation enhancements. Some of these recommendations can begin consideration with funding provided in the 2011-12 Proposed Budget. Other recommendations would require a change to the SPRF ordinance that is not feasible under current bond restrictions. The Council has requested a report back from the Department with more detail on these alternatives and the costs and benefits of implementation.

**RECOMMENDATION**

It is recommended that funding alternatives for the Special Parking Revenue Fund be considered with the Council’s continued consideration of the SPRF 5-Year Plan and not in the scope of the 2011-12 Budget.

MAS:JHC:06110113

Question No. 63

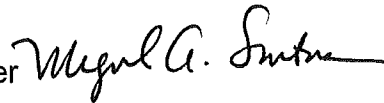
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 88

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **TRANSPORTATION – SPECIAL PARKING REVENUE FUND 5-YEAR PLAN  
FUNDING IN THE PROPOSED BUDGET**

The Budget and Finance Committee requested a report on the Department of Transportation's Special Parking Revenue Fund (SPRF) 5-Year Plan, namely the replacement of parking meters and other elements that were not included in the 2011-12 Proposed Budget. The Department's response is attached.

It should be noted that, should the Committee desire to fund the replacement of meters in low revenue areas based on DOT's recommended revised deployment schedule detailed in the attached memo, the SPRF can expect a \$400,000 increase in parking meter revenue above what was projected in the 2011-12 Proposed Budget.

It should also be noted that revenue generated from investment in parking enforcement technology would be projected revenue to the General Fund through increased citation issuance, and not to the SPRF from parking meter revenue. The enforcement technology pilot would be a cost to the SPRF, though implementation may possibly result in increased citation revenue to the General Fund.

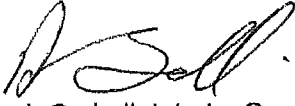
## RECOMMENDATION

In light of the City's current economic situation and the proposed Commercial Paper borrowing, it is recommended that the Special Parking Revenue Fund be adopted as it is presented in the 2011-12 Proposed Budget. Should the Committee desire to fund the position and programs requested by the Department of Transportation, it is recommended that the cost be offset by a reduction elsewhere in the budget, either in the SPRF or the General Fund.

**CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE**

DATE: May 2, 2011

TO: Honorable Members of the Budget and Finance Committee

FROM:   
Amir Sedadi, Interim General Manager  
Department of Transportation

**SUBJECT: FISCAL YEAR 2011-12 PROPOSED BUDGET – QUESTION #69**

At the budget hearing on April 28, 2011, the Los Angeles Department of Transportation (LADOT) was asked to report back on the replacement of parking meters included in the Special Parking Revenue Fund (SPRF) 5-Year Plan.

On April 13, 2011 the City Council adopted LADOT's SPRF 5-Year Plan dated February 7, 2011 (C.F. 10-0596). The proposed budget for Fiscal Year 2011-12, however, reflects three changes from the adopted plan, as reflected in the joint CAO-CLA report dated April 1, 2011 on the SPRF 5-Year Plan. This report recommended to exclude the following three plan elements from Fiscal Year 2011-12 due to insufficient information:

- Purchase of parking meters for low-revenue areas
- Enforcement technology for parking meters
- Additional staffing to restore the Principal Transportation Engineer deleted in Fiscal Year 2010-11

The following paragraphs provide additional information about the above three elements from the adopted 5-Year Plan that are missing from the Fiscal Year 2011-12 Proposed Budget. LADOT has subsequently identified ways to significantly reduce the net costs of these programs during Fiscal Year 2011-12 as presented below.

Purchase of Parking Meters for Low-Revenue Areas

The adopted SPRF 5-Year Plan included the purchase of 4,000 Card & Coin Meters to upgrade existing parking meters in low-revenue areas that do not produce sufficient revenue to support the lease model employed elsewhere in the City. DOT has proposed to reinvest a portion of the revenue gains achieved through the successful Card & Coin Meter lease to extend the significant benefits of Card & Coin Meters to lower-revenue areas. These benefits include credit/debit card payment options, significantly lower vandalism, and over 99% reliability, which together have resulted in average meter revenue increases of nearly 50% in areas where they have been deployed (see response to Question #60 transmitted separately).

The following table summarizes the approximately 4,000 metered spaces identified for upgrade through this program:

Parking Meter Zone	Identified Areas	Metered Spaces	Council District(s)
Alameda East	Remaining	128	14
Hollywood Western	Remaining	136	13
Miracle Mile	Remaining	143	4
North Hollywood	Remaining	44	4
Pico La Brea	All	323	10
Robertson South	All	104	5,10
Santa Monica Highland	All	287	4
Santa Monica Western	All	323	4,13
Tarzana	Remaining	259	3
Vermont Wilshire	Selected	919	1,10
Wilmington	All	227	15
Wilshire Alvarado	Selected	461	1
Woodland Hills	Remaining	519	3

To maximize the revenue gains and reduce the net cost of these improvements in Fiscal Year 2011-12, DOT proposes to accelerate the upgrade all of the identified meters to be completed by the end of August 2011. These improvements are estimated to increase meter revenue by approximately \$700,000, which will offset approximately 40% of the \$1.7 million project cost, bringing it down to about \$1.0 million. This investment will provide much-needed support to some of the City's most challenged business areas and is expected to recover the initial costs in just two years based on meter revenue alone. Additional citation revenue to the General Fund may also be realized, depending upon usage and compliance.

Enforcement Technology for Parking Meters

The adopted SPRF 5-Year Plan included the deployment of an additional 1,000 parking sensors in high-demand areas to improve metered parking compliance and turnover through the use of enforcement technology. In addition, these areas would be added to the popular "Parker" smartphone application that allows to public to locate available metered parking, which may improve utilization.

The joint CAO-CLA report considered that the cost of this program may outweigh the benefits, and it recommended that the City wait to deploy this technology until after the results of the grant-funded Downtown ExpressPark Program that includes similar technology. LADOT has actually already begun evaluating this technology in Hollywood, and initial results show that significant gains in enforcement efficiency may be achieved through the use of this technology, with the system paying for itself in as little as three months.

In order to reduce the cost of deploying the sensor technology pilot in Fiscal Year 2011-12, DOT proposes to pay for the sensor equipment on a monthly basis, rather than with an upfront payment, utilize handheld equipment versus in-vehicle laptops, and delay the deployment until October 2011. Taken together, these measures will reduce the cost of the pilot program in FY 11-12 by over 50%, bringing it down to about \$250,000. LADOT proposes to manage the program to ensure that the revenue generated through the technology pilot meets or exceeds the costs expended, making this a zero net cost pilot. Based on the initial evaluation results, this program has the strong potential for achieving significant benefits in additional areas of the City.

Restoration of the Principal Transportation Engineer deleted in Fiscal Year 2010-11

The adopted SPRF 5-Year Plan also included the restoration of the Principal Transportation Engineer position that served as the head of the Bureau of Parking Operations and Facilities. This position was deleted in Fiscal Year 2010-11, following the retirement of the incumbent through the ERIP program, leaving a big void over the bureau that is responsible for the management and oversight of the Permits, Meter Operations, and Parking Facilities Divisions. For additional information, please see the response to Question #62 transmitted separately.

- c: Georgia Mattera, Mayor's Office
- Jaime De La Vega, Mayor's Office
- Miguel Santana, CAO

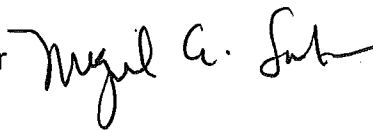
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 89

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **EMERGENCY MANAGEMENT DEPARTMENT – IDENTIFY FUNDING TO RESTORE FUNDING TO THE EMERGENCY OPERATIONS FUND**

Your Committee requested this Office to report back on identifying funding to restore funding to the Emergency Operations Fund (EOF) to increase the availability of training.

The EOF is administered by the General Manager of the Emergency Management Department (EMD), who is the coordinator of the Emergency Operations Organization (EOO). EOF funds are typically used for citywide emergency preparedness activities and the readiness of the Emergency Operations Center (EOC). The Fiscal Year (FY) 2011-12 Proposed Budget for the EOF is \$104,000, an \$183,100 decrease from the FY 2010-11 Adopted Budget of \$287,100. Under the proposed allocation (Blue Book Volume II, page 743), the EMD would need to curtail current EOF expenditures, including training and supplies for EOC staff, canceling the annual Emergency Management workshop, and public outreach efforts. The only fully funded item will be the necessary software licenses to maintain the EOC computer software.

Although the proposed budget allocates the minimum of \$104,000 for necessary software licenses, uncommitted EOF funds may be available from prior years that could be utilized to continue some emergency preparedness activities including training. However, the availability of those funds is unknown at this time. Absent available uncommitted prior year funds, funding for future training expenses could be supplemented through the application of various Homeland Security grant programs.

**RECOMMENDATION**

In light of the proposed Commercial Paper borrowing and an Unappropriated Balance allocation of \$500,000 for the City Disaster Planning Study, should the Committee desire to provide additional funding to the EOF, we recommend that the cost be offset by a reduction elsewhere in the budget. Any incremental revenue identified by the Committee is recommended to be budgeted towards reducing the amount of the proposed borrowing and/or increasing the Reserve Fund.

MAS:MGR:04110121c

Question No. 109



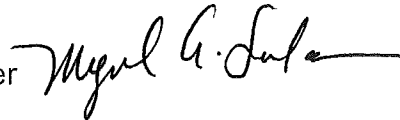
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 90

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel Santana, City Administrative Officer



Subject: CITYWIDE - NUMBER OF CURRENT 90-DAY RETIREES

The Budget and Finance Committee requested a report back on the number of retirees that have received 90-day authorities (which was increased to 120 days through the recent Charter change).

The Mayor's Office has approved 148 requests from departments. Additionally, 68 requests were approved for the Controller's Office accounting resource pool. Please refer to the Attachment for the approved list.

Given the fact that the City has reduced its workforce by over 4000 employees in the past few years, the use of 120-day authorities provides efficient and cost effective expertise and institutional knowledge to the City's departments during this time of transition.

#### Background

Charter Section 1164(b), as recently amended, provides for 120-day authorities as follows:

(b) **Exception for Temporary Service.** The Mayor may, at the request of the appointing authority, authorize employment of a Retired Member to a vacant position in a class in which he or she has been employed or, subject to the civil service provisions of the Charter, in any other position, for a period not to exceed 120 days in any fiscal year when such Member's services are required for an emergency or to prevent a stoppage of public business or when his or her special skills are needed to perform work of a limited duration. While so employed, the Retired Member will continue to receive his or her retirement allowance as a Retired Member, but will make no further contribution to the System, and will not be subject to any change in benefits from the System as the result of the employment.

In addition, the Mayor's Office issued a memo on June 24, 2010 informing all Department heads of new criteria and procedures for approval of requests for 90-day (now 120-day) hires. The criteria (established with the advice of tax counsel, CAO, City Attorney, and LACERS) were established to ensure that the City complied with Internal Revenue Service regulations and are summarized as follows:

- Before a retiree under 60 years of age can be considered to be rehired, there must be a clear, bona fide separation in service of at least 30 days from the date of retirement and there must be a certification by the department or office that there was no prearrangement for the reemployment. Requests for approval to rehire retirees who are age 60 and above are exempt from those conditions.
- The Managed Hiring Committee (MHC) will make recommendations to the Mayor's Office in regards to the 90 day (now 120 day) requests, unless waived out of the MHC by the Mayor's Office.

In regards to personal services contracts for retirees (versus 120-day authorities), the Administrative Code Sec. 4.1033 (a)(12) states that:

Persons retiring under the ERIP shall be eligible to be employed by the City under the conditions set forth in City Charter Section 1164. However, persons retiring under the ERIP shall not be allowed to enter into a personal services contract with the City prior to July 1, 2011, unless the personal services contract is approved by City Council and the Office of the Mayor.

Attachment

*MAS:RPC*

# Managed Hiring Recommendations and Mayor's Decisions on 90 Day Authorities - FY 10/11

<i>Airports</i>		
Creitz, William	Approved by MAV	
SR MGMT ANALYST II	9/3/2010	
<b>Total Entries by Department: 1</b>		
<i>Animal Services</i>		
Del Pilar, Antonio	Approved by MAV	
SR ACCOUNTANT II	11/2/2010	
<b>Total Entries by Department: 1</b>		
<i>Building &amp; Safety</i>		
Buitrago, Hector	Approved by MAV	
ASST DEP SUP OF BLDG II	8/6/2010	
LIU, THOMAS	Approved by MAV	
BLD MECH ENGR I	9/7/2010	
Penera, Karen	Approved by MAV	
CH MANAGEMENT ANALYST	8/6/2010	
Szpikowski, Andrzej	Approved by MAV	
GEOTECH ENGINEER 2	4/28/2011	
Perez, Bernardo	Approved by MAV	
SR SAFETY ENG ELEVATORS	4/28/2011	
<b>Total Entries by Department: 5</b>		
<i>City Administrative Officer</i>		
Castaneda, Mila	Approved by MAV	Authorized for a 45 day appointment only.
FISCAL SYSTEMS SPEC I	8/10/2010	
Chang, Chi Mei	Approved by MAV	
SR ADMIN ANALYST II	9/14/2010	

**Total Entries by Department: 2**

*City Attorney*

Curwen, Mary Jo DEPUTY CITY ATTY III	Approved by MAV 8/6/2010	
Smith, Shelly DEPUTY CITY ATTY III	Approved by MAV 8/6/2010	

**Total Entries by Department: 2**

*Controller*

Espinosa, Isauro ACCOUNTANT II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Lopez, Jose Jimenez ACCOUNTANT II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Byun, Carin ACCOUNTING CLERK I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
David, Luz ACCOUNTING CLERK I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Sodha, Madhu ACCOUNTING CLERK I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Sandoval, Jon ACCOUNTING CLERK I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Jackson, Genevieve ACCOUNTING CLERK I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Luc, Ken ACCOUNTING CLERK I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Williams, Inez ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Doraiswamy, Cadambi ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.

Mayo, Nelia ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Poon, Alice ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Solas, Pete H. ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
De Vera, Angelita ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Villamor, Norma ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Currie, Patricia ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Tesoro, Dolores ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Clarkson, Michelle ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Bustos, Melba ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Bautista, Juan ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Anderson, Erika L. ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Jones, Diane ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Woo, Yin Man ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.

Yu, Vikki ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Alipio, Elvira B. ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
De Vera, Ruby ACCOUNTING CLERK II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Rodriguez, Teresa ACCOUNTING REC SUPVR II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
McGee, Denise ACCOUNTING REC SUPVR II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Slaughter, Marsha D. ACCOUNTING REC SUPVR II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Teate, Rene C. ACCOUNTING REC SUPVR II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Lee, Joong Yui CH AUDITOR CONTROLLR II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Burns, Evelyn CLERK TYPIST	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Domingo, Anita G. DEPT CHIEF ACCT IV	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Lamb, William Bill DIR OF FIN ANAL &REPORT	Approved by MAV 5/27/2010	
Magat, Jesus P. FINANCIAL ANALYST I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Gonzales, William FINANCIAL MANAGER II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.

Viado, Zenaida FISCAL SYSTEMS SPEC I	Approved by MAV 11/1/2010	
Tonnu, Nhuy Q. FISCAL SYSTEMS SPEC I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Lee, Helen FISCAL SYSTEMS SPEC I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Yee, Meiying Tung FISCAL SYSTEMS SPEC II	Approved by MAV 11/1/2010	
Kiyohara, Sam FISCAL SYSTEMS SPEC II	Approved by MAV 11/1/2010	
Panlilio, Trinidad FISCAL SYSTEMS SPEC II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Lo, Emily S. FISCAL SYSTEMS SPEC II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Acio, Nestor A. PAYROLL ANALYST I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Stuka, Anita PAYROLL SUPERVISOR I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Gomez, Marianne PAYROLL SUPERVISOR I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Shannon-Thomas, Shelia PAYROLL SUPERVISOR I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Shaw, Renita V. PAYROLL SUPERVISOR I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Vasuthasawat, Daisy PAYROLL SUPERVISOR I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.

Schiring, Janice A. PAYROLL SUPERVISOR II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Gonzalez, Rebecca PAYROLL SUPERVISOR II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Jarasa, Pedro P. PR ACCOUNTANT I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Campita, Larry Z. PR ACCOUNTANT II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Rasheed, Nasir PR ACCOUNTANT II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Tan, Shirley PR DEPUTY CONTROLLER	Approved by MAV 5/27/2010	
Wilson, Michael W. PR TAX AUDITOR	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Ramos, Antonio SR ACCOUNTANT I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Awad, Amalia K. SR ACCOUNTANT I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Mcyat, Henry SR ACCOUNTANT I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Limqueco, Leonides M. SR ACCOUNTANT I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Nguyen, Mai T. SR ACCOUNTANT I	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Schmitz, Lydia A. SR ACCOUNTANT II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.



Inton, Juanita A. SR ACCOUNTANT II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Martinez, Virginia L. SR ACCOUNTANT II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Mugol, Severa A. SR ACCOUNTANT II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Perez, Ramon SR ACCOUNTANT II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Mortimer, Robert M. SR ACCOUNTANT II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Fabella, Ramon T. SR ACCOUNTANT II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Choi, Kyong SR ACCOUNTANT II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
De Vera, Teresita SR ACCOUNTANT II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Diego Jr., Vincent SR ACCOUNTANT II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Reynolds, Virginia N. SR ADMIN ANALYST II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
Aman, Hamed A. TAX AUDITOR II	Approved by MAV 3/2/2011	CF 10-1397 re: accounting resource pool.
<b>Total Entries by Department:</b>		<b>73</b>
<b>Convention Center</b>		
Mamaril, Danilo BUILD OPERATING ENGR	Approved by MAV 9/20/2010	

Martinez, Domingo COMMUN ELECTRICIAN	Approved by MAV 7/13/2010	
Barragan, Carlos COMMUN ELECTRICIAN	Approved by MAV 7/13/2010	
Caballero, Philip COMMUN ELECTRICIAN	Approved by MAV 7/13/2010	
Hernandez, Jimmy COMMUN ELECTRICIAN	Approved by MAV 7/13/2010	
Rummens, Larry COMMUN ELECTRICIAN	Approved by MAV 7/13/2010	
McGough, Patrick COMMUN ELECTRICIAN	Approved by MAV 7/13/2010	
Takai, Kenji COMMUN ELECTRICIAN	Approved by MAV 7/13/2010	
Warren, Beverly ELECTRCL CRAFT HELPR/EX	Approved by MAV 7/13/2010	
Rueckheim, Arthur ELECTRCL CRAFT HELPR/EX	Approved by MAV 7/13/2010	
Hibbard, Dennis ELECTRCL CRAFT HELPR/EX	Approved by MAV 7/13/2010	
Gordon, Ezekiel ELECTRCL CRAFT HELPR/EX	Approved by MAV 7/13/2010	
Juaneza, Robert ELECTRCL CRAFT HELPR/EX	Approved by MAV 7/13/2010	
Haile, John ELECTRCL CRAFT HELPR/EX	Approved by MAV 4/22/2011	

Chamberlain, Robert Earl ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Pyle, Herbert Sandy ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Navarro, Ricardo ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Mills, Walter ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Loya, Arthur Roy ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Evans, Gary ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Quackenbush, Richard Allen ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Riddell, William John ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Spears, James ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Taylor, Willie James ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Merrill, Wayne ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Bergstrom, Curtis ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Barr, Philip ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010

Arellano, Gilbert ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Alegria, Fernando ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Verdugo, Edward ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Dicke, Michael ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Thompson, Aubrey ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Swayne, Porter ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Blackwell, James Oliver ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Bury, Robert Wilson ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Campbell, Robert Munro ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Cardenas, Tony ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Fetcher, Edward Arnold ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Chaney, Eugene ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Duran, Alfredo ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010

Topadzhikyan, Vagram ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Hackett, Robert Reid ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Keller, Jon Roland ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Keller, Mark ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Tausch, Wayne Lawrence ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Johnson, Kim ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Horne, Thomas ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Hinton, Mack ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Harrison, Michael ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Taylor, Ronnie Edward ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Foltz, John anthony ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Edwards, Roland Eugene ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Gerth, Carlos Alfonso ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010

Larini, Hector ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Kashirsky, Jack Allen ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Linnebur, Clem Joseph ELECTRICIAN - EXEMPT	Approved by MAV 7/13/2010
Roberson, Michael ELECTRICIAN - EXEMPT	Approved by MAV 9/20/2010
Argento, Joseph ELECTRICIAN - EXEMPT	Approved by MAV 9/20/2010
Caldwell, David ELECTRICIAN - EXEMPT	Approved by MAV 9/20/2010
Rodas, Mariano ELECTRICIAN - EXEMPT	Approved by MAV 4/22/2011
Lauer, Ronald ELECTRICIAN - EXEMPT	Approved by MAV 4/22/2011
Foster, Albert ELECTRICIAN - EXEMPT	Approved by MAV 4/22/2011
Lattin, Joseph PLUMBER - EXEMPT	Approved by MAV 7/13/2010
Snyder, Stanley PLUMBER - EXEMPT	Approved by MAV 7/13/2010
Vasquez, Michael PLUMBER - EXEMPT	Approved by MAV 9/20/2010
James, David SR CARPENTER	Approved by MAV 7/13/2010

Stephens, Yolanda	Approved by MAV
SR MARKETING REP II	9/20/2010

**Total Entries by Department: 67**

*Employee Relations Board*

Herrera, Victoria	Approved by MAV
COMMISSION EXEC ASST I	8/27/2010

**Total Entries by Department: 1**

*Finance*

O'Brien, Mark	Approved by MAV
SR MGMT ANALYST II	10/1/2010

**Total Entries by Department: 1**

*Fire*

White, Anita Takako	Approved by MAV
ACCOUNTING CLERK II	8/10/2010

Murguia, Albert	Approved by MAV
AUDITOR II	8/10/2010

Brown, Jurutha	Approved by MAV
SR PERSONNEL ANALYST I	5/27/2010

Dyson, Sandra	Approved by MAV
SR PERSONNEL ANALYST I	5/27/2010

Evansen, Kathleen	Approved by MAV
SR SYSTEMS ANALYST II	8/10/2010

Stoddart, Edward	Approved by MAV
SR SYSTEMS ANALYST II	8/10/2010

**Total Entries by Department: 6**

*General Services*

Garcia, Christine	Approved by MAV
ACCOUNTING CLERK II	1/27/2011

Walker, Leonard DIR OF FLEET SERVICES	Approved by MAV 11/5/2010
Wuerth, Richard EMERGENCY PREP COORD I	Approved by MAV 4/20/2011
De Vera, Rodolfo FISCAL SYSTEMS SPEC II	Approved by MAV 11/18/2010

**Total Entries by Department: 4**

*Harbor*

Green, Kathleen AIRPORT POLICE LT	Approved by MAV 10/27/2010
Franklin, Clarence SR SPECIAL OFCR-AIRPORT	Approved by MAV 10/27/2010

**Total Entries by Department: 2**

*SACERS*

Blunk, Mark CH BENEFITS ANALYST	Approved by MAV 1/11/2011
Gallagher, Daniel CH INVESTMENT OFCR	Approved by MAV 12/9/2010

**Total Entries by Department: 2**

*Library*

Hoage, Betsy PR LIBRARIAN II	Approved by MAV 7/30/2010
Kerr, Jim SR PERSONNEL ANALYST I	Approved by MAV 4/19/2011

**Total Entries by Department: 2**

*Mayor*

Long, Miriam MAYORAL AIDE VII	Approved by MAV 9/14/2010
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**Total Entries by Department: 1**

*Personnel*

Bryant, Pamela EXAMG ASST CIVIL SVC	Approved by MAV 7/30/2010	Request to be approved for a maximum 30 days.
Morrow, Glynis EXAMG ASST CIVIL SVC	Approved by MAV 7/30/2010	Authorized for a 30 day appointment only.
Sprenger, Sharon EXAMG ASST CIVIL SVC	Approved by MAV 7/30/2010	Authorized for a 30 day appointment only.
Martin, Gloria Maria EXAMG ASST CIVIL SVC	Approved by MAV 7/30/2010	Authorized for a 30 day appointment only.
Trotter, Lynn EXAMG ASST CIVIL SVC	Approved by MAV 7/30/2010	Authorized for a 30 day appointment only.
Lujan, Richard EXAMG ASST CIVIL SVC	Approved by MAV 7/30/2010	Request to be approved for a maximum 30 days.
McDade, Ola EXAMG ASST CIVIL SVC	Approved by MAV 7/30/2010	Authorized for a 30 day appointment only.
Bushey, Cathy EXAMG ASST CIVIL SVC	Approved by MAV 7/30/2010	Request to be approved for a maximum 30 days.
Tsubaki, Susan EXEC ADMIN ASST III	Approved by MAV 7/30/2010	Authorized for a 30 day appointment only.
Denning, Donna PERS RESEARCH PSYCHOL	Approved by MAV 7/30/2010	Request to be approved for a maximum 30 days.
Leskiw, Wendy PHYSICIAN I	Approved by MAV 9/2/2010	
Gaddis, Mae PROCTOR	Approved by MAV 7/30/2010	Request to be approved for a maximum 30 days.

Amato, Margaret RELIEF CORR NURSE	Approved by MAV 11/5/2010	
Coultas, M. Diane SR MGMT ANALYST I	Approved by MAV 7/30/2010	Request to be approved for a maximum 30 days.
Heyne, Lloyd SR MGMT ANALYST I	Approved by MAV 7/30/2010	Authorized for a 30 day appointment only.
Knox, Robert SR PERSONNEL ANALYST I	Approved by MAV 4/21/2010	
Sprenger, George SR PERSONNEL ANALYST I	Approved by MAV 4/21/2010	
Heyne, Patricia SR PERSONNEL ANALYST I	Approved by MAV 7/30/2010	Request to be approved for a maximum 30 days.
Torres, Cheryl SR PERSONNEL ANALYST I	Approved by MAV 9/2/2010	
Morales, Diane SR PERSONNEL ANALYST I	Approved by MAV 9/2/2010	
Vela, Veronica SR PERSONNEL ANALYST I	Approved by MAV 9/2/2010	
Berg, Terry SR SYSTEMS ANALYST I	Approved by MAV 9/2/2010	
<b>Total Entries by Department:</b>		<b>22</b>
<b><i>Planning</i></b>		
Landini, Al ASSOC ZONING ADMINSTR	Approved by MAV 4/19/2010	
Pingol, Felicidad COMMISSION EXEC ASST I	Approved by MAV 7/9/2010	

Chou, Irene SR ACCOUNTANT II	Approved by MAV 8/24/2010
<b>Total Entries by Department: 3</b>	
<i>Public Works - Contract Administration</i>	
Rein, Lloyd CONSTR INSPECTOR	Approved by MAV 4/28/2011
Grady, Richard CONSTR INSPECTOR	Approved by MAV 4/28/2011
Arena, Joseph CONSTR INSPECTOR	Approved by MAV 4/28/2011
Young, Darryl CONSTR INSPECTOR	Approved by MAV 4/28/2011
Toumani, Leon SR CONSTR INSPECTOR	Approved by MAV 4/28/2011
Yeghyazarians, Gourgen SR CONSTR INSPECTOR	Approved by MAV 4/28/2011
Dunn, Jimmy SR CONSTR INSPECTOR	Approved by MAV 4/28/2011
Haynes, Roger SR CONSTR INSPECTOR	Approved by MAV 4/28/2011
Recinto, Celso SR CONSTR INSPECTOR	Approved by MAV 4/28/2011
Hodgson, Charles SR CONSTR INSPECTOR	Approved by MAV 4/28/2011
Ho, Tommy SR CONSTR INSPECTOR	Approved by MAV 4/28/2011

Feagin, James	Approved by MAV	
SR CONSTR INSPECTOR	4/28/2011	

La Riccia, Stephen	Approved by MAV	
SR CONSTR INSPECTOR	4/28/2011	

**Total Entries by Department: 13**

*Public Works - Engineering*

Chung, Richard	Approved by MAV	Authorized for a 45 day appointment only.
SR MGMT ANALYST I	11/29/2010	

**Total Entries by Department: 1**

*Public Works - Sanitation*

Spang, Charles	Approved by MAV	
SOLID RESOURCE SUPT	11/10/2010	

**Total Entries by Department: 1**

*Recreation & Parks*

SURMENIAN, Harry	Approved by MAV	
ELECTRCL ENGRG ASSC IV	7/30/2010	

Veneracion, Perla	Approved by MAV	
PR ACCOUNTANT II	10/22/2010	

WONG, JANET	Approved by MAV	
SR ACCOUNTANT II	7/30/2010	

**Total Entries by Department: 3**

*Transportation*

Ortilla, August	Approved by MAV	
MANAGEMENT ANALYST II	9/2/2010	

Williams, James	Approved by MAV	
TRANSP ENGRG ASSC III	9/2/2010	

**Total Entries by Department: 2**



700

Yeh, Marie

Approved by MAV

SR ACCOUNTANT II

8/24/2010

**Total Entries by Department: 1**

**Total Entries: 216**

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 91

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **DEPARTMENT OF ANIMAL SERVICES – MANAGEMENT CONTRACT WITH A NON-PROFIT ORGANIZATION FOR THE OPERATION OF THE SOUTH LOS ANGELES CARE CENTER AND THE NORTHEAST CARE CENTER**

The Office of the City Administrative Officer (CAO) released a Request for Information (RFI) for a contractor to operate one or more City Animal Care Centers. Responses to the RFI were due on February 26, 2011. The City received one response from Best Friends Animal Society (BFAS) to operate the Northeast Animal Care Center. The Northeast Animal Care Center, located in Mission Hills (CD #7) typically holds some nursing dogs and cats, but mostly houses dogs that are long-term holds for such legally-mandated reasons as evidence, owner in jail, cruelty investigations, and dangerous animal hearings. Some cats are held for similar legally-mandated reasons, but the majority of cats held are nursing mothers while their litters grow to adoptable age.

The CAO is preparing a management contract between the City and BFAS for the operation of the Northeast Animal Care Center. Under the terms of the proposed contract, BFAS would provide the San Fernando Valley with the following services:

- On-site adoptions and monthly adoption events (primary function)
- Low cost spay/neuter surgeries, vaccinations, and medical care for the public and shelter animals (secondary function)
- Educational, outreach, and development programs (tertiary function)

The construction and rehabilitation of the City's Animal Care Centers were financed with tax-exempt bonds which generally require that contracts with private entities to operate the Centers must comply with certain tax rules. The tax rules relate to how long a contract can be and the type of compensation. The contract to operate the Northeast Care Center must be prepared to comply with these tax rules. The CAO is working with the City's Risk Managers and Bond/Tax Counsel to avoid affecting the tax exempt status of the bonds.

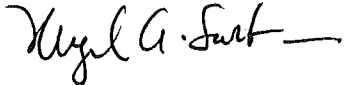
The CAO will pursue a similar arrangement for the existing South Los Angeles Care Center upon the completion of the current Northeast Care Center contract.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 92

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **DEPARTMENT OF ANIMAL SERVICES – ON-LINE LICENSING UPDATE**

Your Committee instructed the Department of Animal Services (Department) to report back on the status of implementing both on-line dog license registration and on-line rabies verification.

Moving forward with a comprehensive on-line licensing program requires the passage of the Omnibus Licensing Ordinance (ordinance) and the Department's establishment of internal rules for the new program as allowed by the ordinance changes. The ordinance is currently pending in Public Safety Committee. The Department has established the internal rules for the new program and is ready to train staff and implement the ordinance once it is passed. The Department has had an on-line renewal only program for dog and equine licenses since May of 2008. The Department's systems staff is currently working on an expansion to the existing on-line renewal site that will allow on-line sales of new dog and equine licenses. The ordinance will allow the Department to verify rabies certificates by fax, email, and phone, as allowed by law. The Department of Animal Services response is attached.

MAS:JLK:04110128

Question No. 103

## **Department of Animal Services - Fiscal Year 2011-12**

### **Report back on the status of implementing both online dog license registration and online rabies verification**

#### Online Licensing Registration:

There are three prerequisites for moving forward with the online licensing program:

1. amending State Law to allow local jurisdictions to determine the form of compliance with State anti-rabies vaccination requirements;
2. passage of the Omnibus Licensing Ordinance, and
3. establishing internal rules and staffing for the new licensing programs allowed by ordinance changes.

The State Law has been amended and we are now awaiting the passage of the Omnibus Licensing Ordinance, which contains approximately a dozen changes. The Ordinance drafted by the City Attorney has been discussed by the Public Safety Committee and returned to the City Attorney for minor modifications and updates. The Board of Animal Services Commissioners also made some recent suggestions for changes to the draft Ordinance. The Ordinance is now rescheduled for discussion by the Public Safety Committee.

We are ready to train staff and implement the ordinance once the Omnibus License Ordinance is passed.

Currently, we receive rabies verification through actual visual examination of certificates received from both dog owners as well as from veterinarians. We will expand verification by allowing rabies certificates to be faxed to us, scanned and emailed to us, as well as through phone verification with our staff and the vet clinic.

The Department has been renewing dog and equine licenses online since May of 2008. The Department's Systems staff is currently working on an expansion to the existing online renewal site that will allow online sales of new dog and equine licenses.

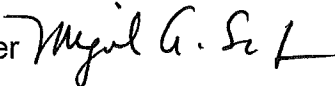


CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 93

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **DEPARTMENT OF ANIMAL SERVICES – PLANNING CODE CHANGE TO ALLOW FOR FIVE DOGS AND FIVE CATS TO BE OWNED AT ONE RESIDENCE**

Your Committee instructed the Department of Animal Services (Department) to report back on the status of an ordinance to increase residential pet limits to five cats and five dogs.

The proposed ordinance is under review by the City Planning Department. In light of an injunction against the City, the Department recommends that the City not make changes at this time to the current ordinance that would increase the number of cats currently allowed in a household from three to five. The injunction expressly prohibits the City from supporting Trap, Neuter and Return (TNR) in any manner until an environmental review pursuant to the California Environmental Quality Act (CEQA) is completed. Further, it states that the City is enjoined and restrained from adopting or implementing any new ordinances, measures or policies in furtherance of TNR. The Department recommends strict adherence to the terms of the injunction and movement towards resolving this matter long term. The Department of Animal Services response is attached.

MAS:JLK:04110130

Question No. 105

**Report back on status of ordinance to increase residential pet limit to 5 cats and 5 dogs.**

Status of the Ordinance: The ordinance is now under review by the City Planning Department.

Increasing Cat Limits Only: In light of the injunction against the city, the Department recommends that the City not make changes at this time to the current ordinance that would increase the number of cats currently allowed in a household from three to five. The injunction expressly prohibits the City from supporting Trap, Neuter and Return (TNR) in any way until an environmental review pursuant to CEQA is completed. Further, it states that the City is enjoined and restrained from adopting or implementing any new ordinances, measures or policies in furtherance of TNR. The Department recommends that we strictly adhere to the terms of the injunction and move towards resolving this matter long term.

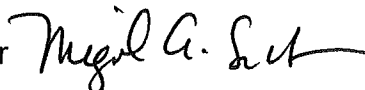
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 94

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **DEPARTMENT OF ANIMAL SERVICES – DWP LIST AND VOLUNTEER  
CANVASSING PROGRAM**

Your Committee instructed the Department of Animal Services (Department) to report back on a strategy to utilize the Department of Water and Power's (DWP) list of residences and buildings with dogs to partner with non-profit organizations to launch a volunteer dog licensing program. This new program should include an incentive mechanism for dog owners.

In mid-March 2011, the Department received the DWP's list of residences and buildings with dogs. Unfortunately, the data was not in a usable format and the data format for the addresses was not compatible with the Department's licensing database. The Department's systems staff is working with the DWP's systems staff to format the data so that it is usable. As soon as this issue is resolved, the Department will be able to compare the address data received from the DWP with addresses of known dog owners in the Department's licensing database. The Department will then create a separate database of known dog owners without licenses that can be used for future canvassing programs. The Department of Animal Services response is attached.

MAS:JLK:04110129

Question No. 104

**Report back on a creative strategy that involves utilizing the DWP dog list and partnering with non-profits to launch a volunteer dog licensing program with an incentive mechanism.**

In mid-March of 2011, the Department received the Department of Water and Power's (DWP) list of residences and buildings with dogs. The data was not in a usable format. Our Systems Section is working with DWP's systems staff to see if we can get the data in a usable format. The initial file contained approximately 448,000 rows of data. The data format for the addresses was not compatible with that of the Department of Animal Services' licensing database.

We are currently working with DWP to resolve this and hope to have a workable solution soon. As soon as this problem is resolved, we will be able to compare the address data we receive from DWP with addresses of known dog owners in our licensing database and create a separate database of known dog owners without licenses that we can use for future canvassing.

For the licensing pilot, staff extracted information from our own data in our Chameleon software program to identify areas that had higher numbers of expired dog licenses. Using the information as a guide, Animal Control Officers were then able to walk those targeted neighborhoods in the interest of collecting renewal license fees as well as to further canvass each house for new licenses.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 95

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *Miguel A. Santana*

Subject: **FIRE DEPARTMENT – REPORT BACK ON FLEET - WHEN MUST A VEHICLE GO OUT OF SERVICE; AND PROVIDE INFORMATION ON ENGINES AND AMBULANCES CURRENT AVERAGE MILEAGE, AGE, ETC.**

During consideration of the Fire Department budget, the Committee instructed the Fire Department to report back on status of the Department’s fleet, including when a vehicle must go out of service and the current mileage and age of the engines and ambulances. The information below has been provided by the Department.

The average service life of a Rescue Ambulance and a Fire Engine is as follows:

<u>Resource</u>	<u>Yrs.</u>	<u>Front line mileage</u>	<u>Reserve mileage</u>
Rescue Ambulance	6	125,000	25,000 - 40,000
Fire Engine	15	137,000	30,000 - 50,000

The age of the Rescue Ambulance and Fire Engine fleet is as follows:

<b>Rescue Ambulances</b>		<b>Fire Engines</b>	
Age	Quantity	Age	Quantity
3 yrs old	35	5 yrs old	26
5 yrs old	46	6 yrs old	30
6 yrs old	34	8 yrs old	34
8 yrs old	86	12 yrs old	27
10 yrs old	9	15 yrs old	41
		18 yrs old	9
		over 20 yrs	23

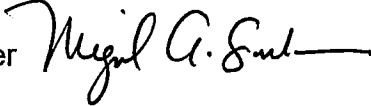
A Rescue Ambulance averages 13,867 miles annually; a Fire Engine averages 9,112 miles annually. The Department regularly rotates resources from busier districts to slower ones based on mileage to extend the useful life of its fleet.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 96

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **LOS ANGELES HOMELESS SERVICES AUTHORITY – RESTORATION OF FUNDING**

The Committee requested that the Mayor and this Office report back regarding restoration of funding for homeless shelter programs administered by the Los Angeles Homeless Services Authority (LAHSA). The 2011-12 Proposed Budget provides \$9,175,500 in General City Purposes (GCP) funding to LAHSA for the Homeless Shelter Program, which is a reduction of 10 percent or \$1,019,500 from the amount included in the 2010-11 Adopted Budget (\$10,195,000). The Committee also requested that LAHSA report back on the identification of potential Emergency Solutions Grant (ESG) savings that could be utilized for 2011-12 homeless shelters.

LAHSA's response is provided under a separate cover, and indicates that there are approximately \$533,711 in current year ESG savings that could be reprogrammed for 2011-12 homeless shelter programs. These ESG savings would offset more than half of the 2011-12 Proposed Budget GCP reduction. Additionally, the 2011-12 ESG grant allocation is anticipated to exceed the 2010-11 allocation by approximately \$1.2 million. While homeless shelters are not an allowable usage of this \$1.2 million in increased anticipated funding, it is recommended that LAHSA report back to the Committee on planned uses of the \$1.2 million and whether this increased ESG funding will allow LAHSA to reprogram funds from other funding sources in order to fully fund homeless shelters in 2011-12.

## RECOMMENDATION

That LAHSA report back to the Budget and Finance Committee with a budget for the additional anticipated \$1.2 million in 2011-12 Emergency Solutions Grant Funding.

In light of the proposed Commercial Paper borrowing, should the Committee desire to provide additional funding to LAHSA, we recommend that the cost be offset by a reduction elsewhere in the budget. Any incremental revenue identified by the Committee is recommended to be budgeted towards reducing the amount of the proposed borrowing and/or increasing the Reserve Fund.

MAS:MAF:02110179c

Question No. 160

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 97

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **HOUSING DEPARTMENT – RESPONSE TO THE CONTROLLER’S AUDIT OF SPECIAL REVENUE FUNDS AT THE HOUSING DEPARTMENT**

Your Committee requested the Housing Department (LAHD) provide a copy of LAHD’s response to the Controller’s Audit of Special Revenue Funds at the Housing Department (Audit) to the Audits and Governmental Efficiency Committee. Attached is the Department’s response, which includes a copy of the LAHD’s response to the Controller’s Audit.

MAS:MAF:02110174c

Question No. 185



Los Angeles Housing Department

**LAHD**



Antonio R. Villaraigosa, Mayor  
Douglas Guthrie, General Manager

**INTER-DEPARTMENTAL MEMORANDUM**

**TO:** BUDGET AND FINANCE COMMITTEE

**FROM:** GREG KUNG, ACTING ASSISTANT GENERAL MANAGER, HOUSING DEPARTMENT *GK*

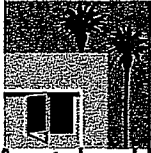
**DATE:** MAY 3, 2011

**REGARDING:** 2011-12 BUDGET MEMO - QUESTION NO. 185  
AUDIT OF SCEP AND RSO FUNDS - PROVIDE A COPY OF THE DEPARTMENT'S RESPONSE TO  
THE AUDIT COMMITTEE.

The Budget and Finance Committee instructed the Los Angeles Housing Department (LAHD) to provide a copy of Audit of the SCEP and RSO Funds the Audits Committee.

Attached is a copy of LAHD's response to the Audit of Special Revenue Funds report issued by the Controller's Office on December 14, 2010.





Los Angeles Housing Department

OFFICE OF THE GENERAL MANAGER

**LAHD**

1200 West 7th Street, 9th Floor, Los Angeles, CA 90017

tel 213.808.8808 | fax 213.808.8616

lahd.lacity.org



Antonio R. Villaraigosa, Mayor  
Douglas Guthrie, General Manager

January 14, 2011

Honorable Wendy Greuel  
City Controller  
200 N. Main Street  
City Hall East, Room 300  
Los Angeles, CA 90012

**RE: Implementation of Recommendations in Audit Report, 'Audit of Special Revenue Funds at the Los Angeles Housing Department'**

Dear Ms. Greuel:

The Los Angeles Housing Department (LAHD) would like to thank the Audit Division of your office for the time and attention given to the Special Revenue Fund Audit of our Department and the preparation of the final report, 'Audit of Special Revenue Funds at the Los Angeles Housing Department', dated December 14, 2010. We are pleased that the report indicates LAHD has adequate internal controls over the financial management of its active funds. In addition, the report indicates no major unsatisfactory or unresolved problems with respect to the services provided by LAHD to landlords and tenants. The audit, however, also indicated some areas where the Department could improve in the accounting for its programs. LAHD is committed to making the necessary improvements to address these areas and to continue to improve our operations. In response to the audit report, I have included LAHD's implementation plan and status for the 11 recommendations identified in the report.

If you have any questions, please feel free to contact me at (213) 808-8808. Questions related to the implementation of the audit recommendations may be directed to Greg Kung, Acting Assistant General Manager, at (213) 808-8899.

Sincerely,

DOUGLAS GUTHRIE  
General Manager

Attachment

cc: Farid Saffar, Director of Auditing, Controller's Office  
Rushmore Cervantes, Executive Officer, LAHD  
Greg Kung, Acting Assistant General Manager, LAHD  
Helmi Hisserich, Assistant General Manager, LAHD  
Roberto Aldape, Assistant General Manager, LAHD

## LAHD'S IMPLEMENTATION OF THE SPECIAL FUND AUDIT RECOMMENDATIONS

The report, 'Audit of Special Revenue Funds at the Los Angeles Housing Department', dated December 14, 2010, identified 11 recommendations for LAHD to implement. The following lists LAHD's responses and implementation status of these recommendations.

- 1) LAHD management should develop and document a cost allocation methodology for shared or joint costs, to better demonstrate the appropriate distribution of costs to its different programs. (Ranking-- Necessary)**

Implementation Status: This is in progress.

LAHD Response:

The allocation methodology for 82% of expenditures was found by the Controller to be reasonable. The recommendations for review only affect 18% of the total costs. Below explains the cost allocation methodology including a revision of the 18% affected by the audit recommendation.

The audit raises concerns about the lack of a written methodology for the determination of costs that are attributable to both the Rent and Code funds. In fact, only a fraction, 18 percent of those costs, lack an updated or formalized allocation. With regard to the other 82 percent:

- 58% of the costs in Rent and Code are wholly attributable to the respective funds. This primarily includes the salary costs for Code Inspectors and the Rent Investigators. As noted in the audit, the allocation of 100 percent of these costs to the respective funds is reasonable on its face, and does not warrant any additional allocation methodology.
- 24% of the total costs in Rent and Code are attributable to the Department's administrative functions including Executive Support, Personnel, Policy, Grants, Budget, Accounting and Systems. As demonstrated for the Auditors and accepted as reasonable, the Department allocates costs to the Rent and Code funds on a proportional basis called the GASP rate.
- As such, a total of 82% of the department's costs to Rent and Code are supported to the satisfaction of the Auditors.
- The remaining 18% includes lease costs and costs for those units that support both programs. Six percent of the total costs are attributable to lease costs for the various field offices. The existing cost allocation is based on a head count of staff assigned to the SCEP and Rent programs. This allocation was established at the onset of the lease agreements, which varies between 2002 and 2006. While LAHD acknowledges that this allocation could be reviewed periodically, an actual survey conducted in June of this year showed that the variance between the current allocation and the proposed update is minimal. Specifically:

Site office	Current Allocation	Update	Annual Impact
South	Rent 28%, Code 72%	Rent 31%, Code 69%	\$7,779 to Rent
Valley	Rent 20%, Code 80%	Rent 24%, Code 76%	\$9,569 to Rent
Central	Rent 22%, Code 78%	Rent 16%, Code 84%	\$26,038 to Code
West	Rent 7%, Code 93%	Rent 8%, Code 92%	\$2,430 to Rent
East	Rent 23%, Code 77%	Rent 24%, Code 76%	\$1,022 to Rent
		<b>NET ADJUSTMENT</b>	<b>\$5,238 to Code</b>

The net adjustment to the Code fund is negligible: \$5,238, or 0.01% of the fund

- The remaining 12% of total costs are attributable to staff and related expenses in units that support both the Rent and Code programs, primarily in the Compliance Division. A study of the staffing allocation between the two programs was conducted years ago. These allocations have not been updated, largely because they continue to reflect LAHD's experience of how staff actually spends its time. For example, costs for the Billing Unit are split 50/50, and this is consistent with the fact that LAHD issues combined annual bills. Nevertheless, LAHD acknowledges that an updated analysis is warranted and could be beneficial. Upon further analysis, LAHD has arrived at the following cost allocation methodology for the Compliance Division

Compliance Division Unit	Current Allocation	Revised Allocation	Allocation Methodology	Annual Impact
Billing and Collections Section	Rent 50%, Code 50%	Rent 50%, Code 50%	Based on SCEP and RSO bill counts	\$0
REAP/UMP Section	Rent 50%, Code 50%	Rent 5%, Code 95%	Based on SCEP and RSO related cases	\$48,274 to Code
Hearing Section	Rent 50%, Code 50%	Rent 5%, Code 95%	Based on SCEP and RSO related cases	\$240,597 to Code
Legal Section	Code 100%	Code 100%	Legal cases are all SCEP cases	\$0
			<b>NET ADJUSTMENT</b>	<b>\$288,872 to Code</b>

The net adjustment to the Code fund is \$288,872, or ~1% of the SCEP fund

- LAHD is in the process of documenting its cost allocation methodology so that it can be referenced by all units of the Department to ensure consistency in its implementation.

- LAHD management should periodically evaluate its cost allocation methodology to ensure it continues to equitably distribute shared costs to programs. (Ranking-Necessary)

Implementation Status: This is in progress.

LAHD Response:

Annually LAHD will evaluate its cost allocation methodology outlined in 1) above as part of Fiscal Year budget process effective Fiscal Year 2011-2012.

- As part of its periodic analysis of SCEP and RSO collections and program costs, LAHD management should ensure fees are appropriate. In addition, LAHD should

**periodically inform policymakers if projected fee revenues exceed anticipated costs, to ensure transparency and gain Council support to either revise fees and/or modify staffing. (Ranking– Necessary)**

Implementation Status: This is complete.

LAHD Response:

LAHD conducts a fee analysis annually with its preparation of the annual Fiscal Year budget. The analysis is submitted to the CAO as part of the budget proposal documentation. The fee analysis includes actual appropriations and expenditures of the prior Fiscal Year, estimates of current year and the proposal for the next.

- 4) LAHD management should develop procedures to properly file, organize and periodically review the validity of exemption applications. (Ranking– Necessary)**

Implementation Status: This is in progress.

LAHD Response:

As the Controller's audit report verified and indicated, all of the Conditional exemptions are examined and documented by the LAHD.

Temporary exemptions, which are valid for one year, are not granted unless the owner submits signed LAHD Exemption Request Forms for the qualified SCEP or RENT units. Because of the large number of property owners requesting at least one exemption, it is not feasible for Billing and Collections staff to review and verify every exemption form. The Department currently has procedures to randomly verify exemption requests for properties requesting three (3) or less exemptions. Owners claiming more than three (3) temporary exemptions must submit additional documentation to support their exemption request which is then reviewed by staff within the Billing & Collection Unit.

The Department is also implementing a document management system to index and store exemption applications, coupons and documents received so they are easily accessible. The first stage of the document management system has been implemented and will capture about 75% of all payments received by the Wells Fargo lockbox. The final stage that will capture the rest of the documents submitted to the Department will be implemented by the end of June 2011.

- 5) LAHD management should refer all current delinquent accounts over 130 days to the Office of Finance or a City's outside collection agency as soon as practical. (Ranking– Urgent)**

Implementation Status: This is in progress.

LAHD Response:

A computerized tracking system has been designed and implemented to monitor invoices through the aging process. Since mid-October 2010, the Department has forwarded an additional \$5.75 million to collections. The LAHD continues to send eligible accounts to collections on a monthly basis. This monthly process should be able to refer all delinquent accounts over 130 days to collections.

- 6) **LAHD management should implement procedures to periodically and consistently refer delinquent accounts to the Office of Finance or the City's outside collection agencies. (Ranking- Necessary)**

See Finding #5 response.

- 7) **LAHD management should determine how many of the accounts over two years old are uncollectible and refer the accounts to the Board of Review for write-off. (Ranking- Necessary)**

Implementation Status: This is in progress.

LAHD Response:

Based on statute of limitations LAHD submitted \$16,858,504.59 of accounts receivable on December 20, 2010 to the Board of Review for write-off. The Department will again submit old and uncollectible accounts receivables to the Board in March, 2011, in time for the April Board of Review meeting.

- 8) **LAHD management should develop a plan to reduce the backlog of suspended invoices and refer all legitimate invoices for collection. (Ranking- Urgent)**

Implementation Status: This is complete.

LAHD Response:

Suspended accounts are categorized by justifications and held in abeyance pending resolution. Examples of justifications are Ordinance interpretation (determination), Constituent appeal of fees, etc. The total of each category fluctuates monthly; as accounts are removed from suspense, others are suspended awaiting a disposition.

To make sure suspended invoices are processed in a timely manner, regular reports are being generated, and the suspense accounts monitored on a monthly basis to ensure these accounts remain at minimum levels. Monthly meetings are held by the Billing and Collections Section to review the status of suspended invoices.

- 9) **LAHD management should report all Accounts Receivable in its quarterly report to the Office of Finance. (Ranking- Necessary)**

Implementation Status: This is in progress.

LAHD Response:

LAHD reports three fiscal years of accounts receivable in our quarterly report to Office of Finance, which is in line with Citywide Guidelines. In order to avoid overstatement of accounts receivable balances, Section 6.3 of the Citywide Guidelines to Maximize Revenue Collection dated June 2009 encourages the departments to perform an internal review of operations and determine a timeframe for write-off and report only collectible amounts. This city policy is also reaffirmed by a joint memo issued by the Mayor, City Controller, and Director of Finance on October 21, 2010, mandating the department to write-off old uncollectible accounts. The joint memo also requires the department to clean up old uncollectible accounts receivable, and mobilize collection efforts in preparation for conversion into the new City's Financial Management System (FMS) due July 1, 2011. Based on statute of limitations the department submitted \$16,858,504.59 of accounts receivable to write-off on December 20, 2010. These are all accounts receivable that will be

excluded from the conversion into FMS since they are older than four years by the time of conversion.

**10) LAHD management should include a notation on current bills notifying property owners of any delinquent amounts owed. (Ranking- Desirable)**

Implementation Status: This is complete.

LAHD Response:

Currently the Billing and Collections Unit already combines all outstanding amounts owed by the same property owner on certain bill types whenever feasible. This is done for the REAP Final Accounting bills, the Notice of Funding Availability (NOFA) bills, and the Summary bills. This practice, however, is not recommended for other bill types such as the Annual bills and the Generic bills for the following reasons: 1) Each invoice has its own aging cycle which includes the initial invoice, delinquent fee notice, 10-day notice and, finally, a referral to collections. Putting multiple invoices at different stages of the aging cycle on the same bill has proved to be challenging for the Department to process the billing and will likely cause confusion to the property owners. 2) The outstanding balance of an invoice is the liability of the property owner at the time of the service. When the property ownership changes due to sales or transfers, the new property owner is no longer liable for the unpaid balance of the previous owner. Therefore, combining all unpaid balances for a property on the same bill may result in incorrect amounts owed by the new property owners, unless the invoice is individually reviewed and analyzed, which is currently practiced for the non-mass billing. LAHD issues over 130,000 bills at one time for the annual bills. Such in-depth review is not feasible for the annual bills.

**11) LAHD should provide a justification and related expected outcomes for reprogramming approximately \$3.4 million of currently uncommitted amounts that remain in certain special revenue funds. If LAHD cannot justify how the funds will be used, the CAO should consult with the City Attorney's Office on whether legislative action can facilitate the monies being transferred to the General Fund. (Ranking- Urgent)**

Implementation Status: This is in progress.

LAHD Response:

Special Revenue Fund	Balance	Recommended Disposition	LAHD Response
Housing Production Revolving Fund (#240)	\$3,699,465	Transfer the remaining unallocated \$2.2 million to the Municipal Housing Finance Fund. Reprogram for similar uses; close fund #240.	This fund is active with an average annual revenue of about \$150,000. The fund is regularly monitored by LAHD. Of the \$3,699,465 identified at the time of the audit, \$1,500,000 has been allocated for Asset Protection, \$700,000 used for the Bonnie Brae project. The remaining \$2,200,000 will be used for the next Affordable Housing Trust Fund (AHTF) Notice of Funding Availability (NOFA).

Special Revenue Fund	Balance	Recommended Disposition	LAHD Response
Rental Housing Production (#307)	\$5,400,971	Develop a spending plan for the remaining \$800,000 unallocated balance. Consolidate with similar special fund, or remain open to receive ongoing revenue.	This fund is active with an average annual revenue of about \$436,000. The fund is regularly monitored by LAHD. Of the \$5,400,971 identified at the time of the audit, \$4,600,000 has been committed. The remaining \$800,000 will be used for the next AHTF NOFA.
Low-Income Housing Tax Credit (#458)	\$332,411	Transfer the remaining unallocated \$237,000 to specified uses in another special fund, or the General Fund. Close fund #458.	This fund is active with an average annual revenue of about \$33,000. The fund is regularly monitored by LAHD. \$78,600 has been committed for ongoing technical service needs in loan servicing. The remaining balance is intended for other ongoing technical services needs in loan servicing.
Distressed Property Rehabilitation Program (#503)	\$475,510	Seek approval from the Community Redevelopment Agency (CRA) to reprogram the balance, or return to CRA. Close fund #503.	Fund closed. Remaining balance pending return to CRA.
Rental Rehabilitation Program (#562)	\$47,637	Seek approval from US Dept. of Housing and Urban Development (HUD) to reprogram the balance. Fund #562 could remain open to receive program income.	This fund is active, and the remaining balance is periodically transferred to HOME fund 561 as program income.
Lead-Based Paint Hazard Reduction (#646)	\$308,143	Seek approval from HUD and/or Los Angeles County Health Department to reprogram the balance, or return funds. Close fund #646.	Fund closed. Remaining balance pending return to LA County
Homeless Element of Reuse Plan (#898)	\$14,406	The balance should be transferred to the General Fund. Close fund #898.	Fund closed. Remaining balance pending return to Planning Department.
LAHD State Grant (#47G)	\$14,820	Transfer to the Code Enforcement Trust Fund. Close fund #47G.	Fund closed. Remaining balance pending return to State HCD Department.
Jobs Housing Balance Program Grant (#47L)	\$137,410	Seek approval from the State Dept. of Housing and Community Development (HCD) to reprogram the balance. Fund #47L could remain open to receive program income.	This fund is active with an average annual revenue of about \$5,000. The fund is regularly monitored by LAHD. The remaining balance is intended to be used for AHTF NOFA.
Lead Grant IV (#47Q)	\$0	Close fund #47Q.	Fund Closed

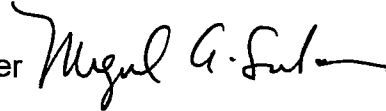
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 98

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **LOS ANGELES HOMELESS SERVICES AUTHORITY – FUNDING FOR THE  
NEW IMAGE PROGRAM IN COUNCIL DISTRICT EIGHT**

Your Committee instructed the Los Angeles Homeless Services Authority (LAHSA) to report back regarding how funding could be restored to support the New Image Transitional Housing program. LAHSA's response is attached. LAHSA indicates they are unable to identify additional existing resources that could be used to fund the New Image program.

MAS:MAF:02110178c

Question No. 164






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MEMO

To: Budget and Finance Committee

From: G. Michael Arnold, Executive Director, LAHSA 

Date: May 3, 2011

CC:

Re: New Image Emergency Shelter Transitional Housing Program – Project Fresh Start

As requested by the Budget and Finance Committee, the following is a report-back regarding the New Image Transitional Housing program for women with children, *Project Fresh Start*. Specifically, the Committee asked whether funding exists to support this program using GCP funds allocated to LAHSA, or a portion of the \$1.2M in new ESG funding allocated to LAHSA through the City.

*Project Fresh Start* is a transitional housing program for women with children operated in Council District 8 by New Image Emergency Shelter. Operating costs for this program are approximately \$500,000 per year, and in past years has been provided on a year-to-year basis through the Second Supervisorial District of the County of Los Angeles. The Second Supervisorial District has indicated that their funding was seed funding, and is not expected to provide additional funding for the program after June 30, 2011.

The Committee has asked LAHSA to look into two options to identify potential City funding to support this program:

1. GCP funding - LAHSA is budgeted to receive approximately \$9.6 MM in annual GCP funding. This funding is used to fund the Year Round Emergency Shelter Program (YRP), the City-wide Winter Shelter Program, LAHSA administration, Homeless Management Information System grant cash match, and the downtown access center. In the proposed Mayor's Budget, GCP funding has been reduced for the 2011-2012 year by over \$1.069 MM. The funding is currently fully allocated to programs, and the 2011-12 reductions will result in a reduction in shelter beds available for homeless individuals and families. There is no GCP funding available to fund Project Fresh Start for the 2011-2012 operating year.

2. Use 2011-12 Emergency Solutions Grant program funding - The City of Los Angeles received an increase of approximately \$1.2MM in Emergency Solutions Grant program funding for the 2011-2012 year. The re-authorization of the McKinney Vento Homeless Assistance Act, the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH) was passed by Congress and signed into law in 2009. The HEARTH Act changed the Emergency Shelter Grant program to the Emergency Solutions Grant program. Under the Emergency Solutions Grant program, the eligible use of these funds is limited to emergency shelter construction, operations and essential services, outreach, rental assistance or housing relocation and stabilization services. Transitional housing costs are not an allowed cost for ESG funding under HEARTH (Sec. 415 (a)). Additionally, the HEARTH Act requires that jurisdictions use at least 40% of ESG funds for homelessness prevention and rapid re-housing (HPRP) activities subject to certain hold harmless provisions (Sec. 415 (b)). Based on the HEARTH legislation, it is our opinion that Emergency Solutions Grant funding may not be utilized to support transitional housing programs such as *Project Fresh Start*.

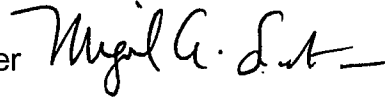
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 99

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **COMMUNITY DEVELOPMENT DEPARTMENT – REPORT BACK ON SUMMER JOBS PROGRAM AND INCREMENTAL FUNDING FOR THE PROGRAM**

Your Committee requested a report back on the Summer Jobs Program and the cost per each thousand summer jobs. The Community Development Department's response is attached.

The Department reports that the average cost per individual for services through the Summer Jobs Program is \$2,000. As such, the cost for each increment of 1,000 youth jobs is \$2 million.

**RECOMMENDATION**

In light of the proposed Commercial Paper borrowing, should the Committee desire to provide funding for the Summer Jobs Program, we recommend that the cost be offset by a reduction elsewhere in the budget. Any incremental revenue identified by the Committee is recommended to be budgeted towards reducing the amount of the proposed borrowing and/or increasing the Reserve Fund.

MAS:BLT:02110173

Question No. 136

Attachment

**CITY OF LOS ANGELES**

INTER-DEPARTMENTAL CORRESPONDENCE

**DATE:** May 3, 2011

**TO:** The Honorable Bernard C. Parks  
Chair, Budget and Finance Committee

**THRU:** Miguel A. Santana, City Administrative Officer

**FROM:** Richard L. Benbow, General Manager  
Community Development Department

**SUBJECT: Summer Youth Program**

Your Committee requested a report back on the summer jobs program and funding reduction. The report back request to the Department also involved consideration of the incremental cost per each thousand summer jobs and whether there is something the City can do incrementally.

As shared with the Committee, there are no funds identified for a 2011 summer jobs campaign. This is the result of all ARRA funds having expired. These funds supported the campaign during the past two summers. While the Los Angeles Chamber of Commerce is reaching out to the private sector to encourage hiring of youth on an unsubsidized basis and the Los Angeles Unified School District may be in a position to offer subsidized employment opportunities, these efforts do not substitute for the loss of ARRA revenue. On average, \$2,000 is needed to support an individual through the summer jobs program. As such, incremental awards of \$100,000 could result in the provision of services to 50 youth; \$200,000 to 100 youth. By comparison, 9,400 youth were employed in the summer of 2010 with \$18+ million in ARRA revenue. In order to maintain such levels of service, federal support of a summer jobs campaign in the vicinity of \$1 billion annually is needed. To support such action, the Department has drafted a resolution that City Council members may consider introducing.

RLB:RG:RS:MC:mh

*Question 136*

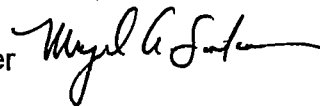
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 100

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

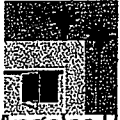


Subject: **HOUSING DEPARTMENT – AFFORDABLE HOUSING IN THE COASTAL ZONE**

Your Committee instructed the Housing Department (LAHD) to report back regarding the development of affordable housing in the coastal zone. The Department's response is attached. LAHD notes that all new housing developments are required to provide affordable housing pursuant to the interim guidelines for the City Mello ordinance as adopted by the Council.

MAS:MAF:02110176c

Question No. 166



Los Angeles Housing Department


**LAHD**



Antonio R. Villaraigosa, Mayor  
Douglas Guthrie, General Manager

**INTER-DEPARTMENTAL MEMORANDUM**

**TO:** BUDGET AND FINANCE COMMITTEE

**FROM:** GREG KUNG, ACTING ASSISTANT GENERAL MANAGER, HOUSING DEPARTMENT 

**DATE:** MAY 3, 2011

**REGARDING:** 2011-12 BUDGET MEMO - QUESTION NO. 166  
WHEN A DEVELOPER BUILDS A COMPLEX IN THE COSTAL ZONE, IS THERE ANYTHING THE CITY  
CAN DO TO MAKE A DEVELOPER PROVIDE AFFORDABLE HOUSING (SB1818)?

In 1982 the State Legislature adopted the Mello Act (CA Gov Code §65590 – 65590.1) which requires new housing developments within the coastal zone of California to include housing for very low, low or Moderate income persons or families. In 2000 the City Council adopted interim guidelines for the city Mello ordinance which requires new developments to include affordable housing. To date, the City has not adopted a permanent Mello Ordinance and all new housing developments are required to provide affordable housing pursuant to the interim guidelines.

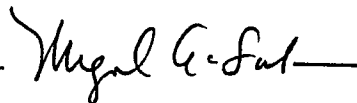
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 101

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **COMMUNITY DEVELOPMENT DEPARTMENT – REPORT BACK ON FUNDING FOR VERA DAVIS CENTER**

Your Committee requested a report back on funding options for the Community Development Department (CDD) to keep the Vera Davis Center (Center) located in Council District 11 open for one additional fiscal year. The Department's response is attached.

CDD states that its annual cost to operate the facility is \$180,000. CDD does not have funds to cover these costs due to the decrease in Community Development Block Grant revenue.

In addition, Budget Memo No. 25 (Report back from the City Administrative Officer on incorporating the Vera Davis Art Center into the Request for Proposals (RFP) for the public-private operations) states that the Department of Cultural Affairs (DCA) will work with the City Attorney to review the feasibility of executing month-to-month lease agreements with the agencies operating within the Center until the RFP is finalized.

Subsequent discussions with CDD indicate that it would be in agreement with DCA executing month-to-month leases with the existing agencies provided that CDD is permanently relieved of any responsibility for staffing or for covering the Center's operating costs after June 30, 2011.

**RECOMMENDATION**

In light of the proposed Commercial Paper borrowing, should the Committee desire to fund the Vera Davis Center, we recommend that the cost be offset by a reduction elsewhere in the budget. Any incremental revenue identified by the Committee is recommended to be budgeted towards reducing the amount of the proposed borrowing and/or increasing the Reserve Fund.

MAS:BLT:02110170

Question No. 157

Attachment

**CITY OF LOS ANGELES**

INTER-DEPARTMENTAL CORRESPONDENCE

**DATE:** May 3, 2011

**TO:** The Honorable Bernard C. Parks  
Chair, Budget and Finance Committee

**THRU:** Miguel A. Santana, City Administrative Officer

**FROM:** Richard L. Benbow, General Manager  
Community Development Department

**SUBJECT: Vera Davis Center Funding**

Your Committee requested a report back on possible funding options to keep the Vera Davis Center open (\$120,000).

The Program Year 37 Consolidated Plan, as approved by the City Council and Mayor, calls for a transfer of the subject Center from the Community Development Department (CDD) to the Department of Cultural Affairs. The cost to the CDD to staff the Center and to cover related operating is approximately \$180,000 annually. The CDD has covered these costs over the past two program years with appropriate savings. As the CDD's CDBG revenue decreases, however, it cannot continue to do so. While a commitment has been made to cover costs for the first quarter of the Program Year, April 1, 2011 to June 30, 2011, the CDD does not have the resources to cover costs beyond that period. As such, it is critical that management of the Center be transitioned by July 1, 2011. As an option, the City Council could direct General City Purposes funding, or other appropriate funding, to cover the staffing and maintenance of the site.

RLB:RG:RS:MC:mh

*Question 157*



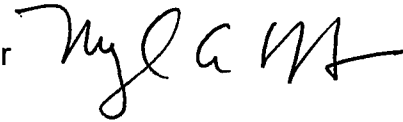
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 102

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **LOS ANGELES HOMELESS SERVICES AUTHORITY - SAVINGS AVAILABLE TO FUND SHELTER PROGRAMS**

Your Committee instructed the Los Angeles Homeless Services Authority (LAHSA) to report back regarding the identification of savings that could be reprogrammed to homeless shelter services. LAHSA's response is attached. LAHSA identifies \$533,711 in Emergency Solutions Grant funding that can be reprogrammed to fund shelter programs.

MAS:MAF:02110177c

Question No. 186



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**MEMO**

To: Budget and Finance Committee

From: G. Michael Arnold, Executive Director, LAHSA *GMA*

Date: May 3, 2011

CC:

Re: Identify Savings to be Reprogrammed to the Year Round Emergency (YRP) and Winter Shelter Programs (WSP)

As requested by the Budget and Finance Committee, the following is a report-back regarding potential Emergency Shelter Grant savings that may be available to support the City YRP Emergency and Winter Shelter Programs.

LAHSA administered City Emergency Shelter Grant (ESG) contracts are closed out and any unexpended balances are reported to LAHD by May 31st of each year. As part of the close-out process for 2010-2011 programs ended March 31, 2011, LAHSA has identified potential savings of \$533,711 in Emergency Shelter Grant funding that is available and can be reprogrammed for the 2011-2012 Year Round Emergency Shelter and Winter Shelter Programs.

The following chart details the 2010-2011 Emergency Shelter Grant programs and the potential savings identified in each:

Emergency Shelter Grant Program	Budget	Expenditures	Savings
ESG Winter Shelter Program (1)	1,812,244	1,335,010	477,234
ESG Emergency Response Team	155,120	155,120	-
ESG Access Centers	142,000	121,279	20,721
ESG Shelter and Services	493,942	476,753	17,189
ESG Administration	94,425	94,425	-
ESG Employment Program	116,866	98,299	18,567
ESG Downtown Drop-In Center	470,959	470,959	-
<b>Totals</b>	<b>3,285,556</b>	<b>2,751,845</b>	<b>533,711</b>

(1) It should be noted that savings of \$477,234 identified from the 2010-2011 Winter Shelter Program are primarily due to funding set aside for a WSP in Hollywood. A targeted RFP was released in fall 2010 for a WSP in Hollywood. However, LAHSA did not receive any eligible proposals and due to the short operation period for WSP, there was not sufficient time to

reprogram these funds to another WSP location. Additionally, the LAHSA Commission, in 2008, adopted a policy that restricts the use of Emergency Shelter Grant fund savings from Winter Shelter Program to specifically be utilized in future Winter Shelter Programs. The policy was designed to ensure that adequate funding was available for the annual Cold Weather Winter Shelter Program and avoid bed reductions in the program due to reduced funding. However, \$477,234 in 2011-12 Emergency Solutions Grant funding can be used to support the City YRP program and the savings from prior years ESG Winter Shelter funds can be used to fund the 2011-12 City Winter Shelter Program, consistent with LAHSA policy.

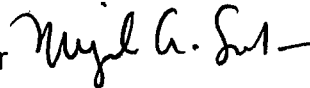
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 103

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **SPECIAL PARKING REVENUE FUND – IMPLEMENTATION OF THE 5-YEAR PLAN IN THE 2011-12 BUDGET, SURPLUS CALCULATION AND LOAN LANGUAGE REVISION**

The Budget and Finance Committee requested a report on the elements of the Special Parking Revenue Fund (SPRF) 5-Year Plan that are included in the 2011-12 Proposed Budget, the calculation of the proposed 2011-12 SPRF surplus and a revision of the Exhibit H instruction that suspends the loan provision of the SPRF ordinance.

The 2011-12 Proposed Budget includes \$47.6 million in SPRF funding for the Council-approved SPRF 5-Year Plan (C.F. 10-0596). An additional \$2.6 million recommended by the Department of Transportation (DOT) is provided in the Overnight Parking Revenue Fund for a total of \$50.2 million in funding for the 2011-12 implementation of the 5-Year Plan. DOT had originally recommended \$53.0 million in funding. The SPRF Proposed Budget funding is in line with the recommendations provided by the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) in the Joint CAO/CLA report on the 5-Year Plan (Attachment 1). DOT has also provided detail on the elements of the 5-Year Plan that are not included in the 2011-12 Proposed Budget in its response to Budget and Finance Committee Question 69 (Attachment 2).

The estimated \$18.2 million 2011-12 SPRF surplus consists of net revenues projected by DOT in the SPRF 5-Year Plan, savings from suspending implementation on certain elements of the 5-Year Plan as detailed in the attachments, savings from prior years' appropriations and revenue, and increased revenue projections. The savings is projected as follows:

DOT 2011-12 Projected Net Revenue	\$ 8.9 million
Reduction in 5-Year Plan Expenditures	2.3 million
<ul style="list-style-type: none"> <li>• Principal Transportation Engineer</li> <li>• New enforcement technology</li> <li>• New card/coin meters in low revenue areas</li> </ul>	
Savings from Prior Years	6.3 million
Revenue Above DOT Projection	0.7 million
Total Available for Surplus	\$ 18.2 million

The current SPRF ordinance requires that, prior to the declaration of a surplus, funding be provided for the costs of operations and maintenance of the parking system, payment of debt service, and the funding required for a 5-year Parking Operations and Maintenance Plan. This Office believes that the Proposed Budget meets these requirements, including a provision of funding for the 5-Year Plan as recommended in the CAO/CLA report.

The current SPRF ordinance also specifies that any funds transferred to the Reserve Fund, beginning in Fiscal Year 2010-11, shall be on a temporary basis and must be returned to the SPRF within two years. The 2011-12 Proposed Budget provides an Exhibit H instruction to modify that language to suspend the repayment requirement on funds transferred during any fiscal year in which the City has declared a fiscal emergency. The authority to suspend repayment of SPRF funds transferred would be restricted to the same conditions that allow the Mayor and Council to impose employee furloughs.

## **RECOMMENDATION**

It is recommended that the Exhibit H instruction in the 2011-12 Budget for the suspension of transferred funds repayment to the Special Parking Revenue Fund remain the same, as this Office believes it meets the intent of the Committee to allow the suspension only in times of true fiscal emergency.

*MAS:JHC:06110111*

*Question No. 68*

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

0160-01551-0000

Assignment No.: 11-03-0308

Date: April 1, 2011

To: The Council  
Attn: Hon. Bernard C. Parks, Chair, Budget and Finance Committee  
Hon. Bill Rosendahl, Chair, Transportation Committee

From: Miguel A. Santana, City Administrative Officer *MA S*  
Gerry F. Miller, Chief Legislative Analyst *HEM for*

Subject: **ANALYSIS OF THE DEPARTMENT OF TRANSPORTATION'S SPECIAL PARKING REVENUE FUND 5-YEAR OPERATIONS AND MAINTENANCE PLAN (C.F. 10-0596)**

**SUMMARY**

Per Ordinance No. 181337, effective November 11, 2010, a 5-Year Operations and Maintenance Plan ("5-Year Plan") is to be proposed and updated at least annually by DOT and approved by the City Council. The objective of the 5-Year Plan is to establish the required funding for "the necessary maintenance, upgrades, technology and repairs of parking structures, meters and related assets."

The Department of Transportation (DOT) submitted a report to the Council on February 7, 2011, detailing the Department's recommendations for a five-year operations and maintenance plan for the City's off-street parking facilities and parking meter system. The system is funded through the Special Parking Revenue Fund (SPRF). The Department provided a 5-Year Plan with major objectives, components and associated costs. After capturing the costs of all the Plan proposals, DOT calculated a "net revenue" amount for each year of the Plan. The City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) were directed to work with DOT to identify the detailed components, costs and resulting revenue of each major proposal of the Plan, which is detailed in Attachment A of this report.

DOT's proposal includes funding for the maintenance of Citywide parking assets, debt service on outstanding bonds, capital improvements, expanded installation of parking meters and programs, technology upgrades, and additional staffing. DOT also proposes the transfer of the Permit Parking Division function and funding from the General Fund to the SPRF. In addition, DOT's report addresses, but does not provide a funding recommendation for the development of new off-street parking facilities and possible alternatives.

Based on the program details and the financial estimates provided by DOT, our Offices recommend adoption of the 5-Year Plan, modified to hold for discussion the following proposals, which require more information before a recommendation can be made to include them in future years of the Plan:

- Purchase of 8,000 new single-space, credit card-capable meters for low revenue areas
- Expansion of the ExpressPark Program, beginning in Year 3 of the Plan
- Enforcement Technology upgrade, including installing on-street parking sensors and upgraded monitoring equipment in enforcement vehicles
- Transfer of the Permit Parking Division into the SPRF
- Additional staffing requests

Our Offices also recommend that DOT report back with additional details and recommendations for the installation of parking meters in new areas and the "smart funding alternatives" discussed in the Department's report.

## **RECOMMENDATIONS**

That the City Council, subject to the approval of the Mayor:

1. Approve the Department of Transportation's 5-Year Parking Operations and Maintenance Plan, as revised by the City Administrative Officer and Chief Legislative Analyst in Attachment ~~A~~<sub>B</sub> of this report;
2. Authorize the General Manager of the Department of Transportation, or his/her designated staff, working with the City Administrative Officer and Chief Legislative Analyst, to make adjustments to the 5-Year Operations and Maintenance Plan on an annual basis, and that those changes be reviewed and approved by the Council and Mayor as part of future budgets; and,
3. Direct the Department of Transportation to report back within 60 days with additional information on:
  - a. An implementation schedule for the installation of parking meters in new areas;
  - b. The costs and benefits of the identified "smart funding alternatives" being considered for eligible uses of the Special Parking Revenue Fund; and,
  - c. The impact and suggested implementation plan relative to the transfer of the Permit Parking Division.

## **FISCAL IMPACT STATEMENT**

Approval of the recommendations will result in a five-year expenditure plan for the Special Parking Revenue Fund (SPRF) beginning in 2011-12. This expenditure plan will provide for the maintenance, operations, upgrade, and expansion of the City's SPRF-funded parking facilities and parking meter system. The Department of Transportation will present annually a report of the expenditure plan, including any proposed changes, to the Mayor and Council through the budget process. There is no impact on the General Fund.

## DISCUSSION

The SPRF was established as a special fund to receive all revenue collected from parking meters and public off-street parking facilities in the City that are administered by the Department of Transportation (DOT). Over the past several years, the City has increased parking meter rates, expanded hours/days of parking meter operations and implemented electronic locks and technology upgrades. Together, these actions have dramatically increased meter revenue.

In the Special Parking Revenue Fund 5-Year Operations and Maintenance Plan report, DOT identified its priorities for the SPRF as adhering to safe, reliable, and convenient parking policies that best serve the public and maintain a sustainable future for parking, congestion management, and the Fund. DOT's recommendations focused on maximizing the operational efficiency of the existing infrastructure, and provided a detailed breakdown of proposed initiatives to improve, supplement, and maintain the current system over a five-year period. Some highlights of the proposal include:

- Capital Improvements
  - Continue single-space credit card-capable parking meter lease-to-own program—deployment of a total 20,000 replacement meter heads
  - Purchase new single-space meters to replace the remaining 8,000 meters
  - Replace single-space meters in off-street parking lots with pay stations
  - Update and automate revenue control and exit mechanisms at operated facilities
  - Install standard wayfinding signage and explore real-time parking availability technology at parking facilities
- Expansions
  - Add 500 new metered spaces annually throughout the City, based on demand studies
  - Add 1,000 new metered spaces in loading zones
  - Expand the ExpressPark dynamic meter pricing model to other areas of the City after conclusion of the grant program
- Upgrades
  - Develop a new Central Management System based on ExpressPark Program results
  - Strengthen security at existing meters with updated housings and electronic locks
  - Upgrade technology for coin collection and counting equipment, management systems, enforcement and meter communications
  - Develop a web-based system for issuing and renewing parking permits and install automated permit kiosks at service centers throughout the City
- Maintenance
  - Issue a Request for Proposal to manage the consolidated operation, maintenance, cleaning and landscaping of parking facilities and upgrade of remaining parking facility revenue control equipment
- Staff Restructuring
  - Transfer the function, revenue and funding of the Parking Permit Division to the SPRF
  - Add a total of nine positions to the Bureau of Parking Operations and Facilities during Years 1 and 2 of the Plan



DOT provided a five-year revenue projection and expenditure plan for the SPRF to capture the yearly effects of the proposals on the Fund. The first year of the Plan is scheduled to begin in 2011-12. Decisions on the 2011-12 Adopted Budget will affect the course of the Plan. DOT will update the Plan annually based on approved budgeted actions.

While DOT does provide feasible and commendable recommendations and a comprehensive plan to bolster the SPRF and the City's parking system, not all of the 5-Year Plan proposals or implementation schedules appear to be necessary to maintain a successful parking system. A balance must be kept between maximizing revenue through technologically connected systems, and investing net revenue in new infrastructure or alternative planning solutions, such as sharing existing parking supply and supporting alternative forms of travel. Our Offices recommend several of DOT's proposals, but also recommend a hold on some proposals.

The following is a summary of the issues that require more information from DOT before possible inclusion in future years of the Plan:

*Purchase of meters for low revenue areas*—The Council recently approved the amendment to a lease-to-own contract to upgrade an additional 10,000 on-street parking meters with credit card capabilities. This will bring the total amount of upgraded, credit card-capable on-street meter spaces to about 30,000. DOT proposes to complete the upgrade of the remaining 8,000 Citywide on-street parking meters through a direct purchase, a cost of \$3.4 million. These 8,000 meters represent the lowest revenue-generating areas. It would prove cost prohibitive to include these areas in the lease-to-own contract, so DOT proposed to purchase them outright, over a period of two years, beginning in 2011-12. The Department has already included plans to install 500 additional on-street meters in areas that meet demand, and to pursue studies to remove certain meters from low-demand areas. It should be investigated first whether these areas should have meters removed prior to putting investment into upgrading them. It is recommended that these purchases be held from the approval of the 5-Year Plan.

*ExpressPark Expansion*—This Program is a parking pilot program funded by a \$15 million grant from the United States Department of Transportation and \$3.5 million match from the SPRF. The program will explore demand-based, dynamic pricing of on-street and off-street parking in the downtown area for a one-year period (2011-12). DOT proposes continuation and expansion of the program, including the development of a Central Management System after the end of the pilot, beginning in Year 2 of the Plan (2012-13). The cost of this initiative is significant, with a minimum investment of \$1.7 million per year. Dynamic pricing of parking is a new concept to the City and warrants a dedicated discussion and experience with the program before recommendations to continue or expand the program can be made.

*Enforcement Technology*—DOT currently utilizes a contract with Streetline to assess sensor-guided meter parking in high-demand areas of the City. DOT proposes to expand that program and improve metered parking compliance and turnover with technology to aid enforcement vehicles and personnel. This includes installing sensors in parking spaces and funding wireless communications and devices on meters and in enforcement vehicles. Funding for communication and reporting services would also be required. Implementing these measures

would likely result in increased enforcement efficiency and citation revenue to the General Fund. However, the cost to install sensors and provide these services may outweigh the financial benefits, with a capital equipment cost minimum of \$600,000 per year and services costs of over \$200,000 per year. It is recommended that the City wait for preliminary results of the ExpressPark Program, which will help assess the viability of this concept, before considering continuation or expansion.

*Transfer of the Permit Parking Division into the SPRF*—DOT assumed the transfer of the Permit Parking Division in their 5-Year Operations and Maintenance Plan and included the projected cost and revenues associated with this program over the next five years. The Permit Parking Division is responsible for implementing and managing the City's Preferential Parking Districts, Overnight Parking Districts, Oversize Vehicle Parking Districts and the car share pilot project. The transfer of the Division would require revisions to several sections of the Los Angeles Administrative Code, including an expansion of the eligible uses of the Special Parking Revenue Fund to include the expenditures of the Permit Parking Program. The Program is staffed with administrative personnel and several Traffic Officers. Positions and related expenses are currently full-cost recoverable through the permit fees that are deposited into the General Fund. Additional details on the policy and cost implications of this action, particularly related to General Fund impacts, as well as possible implications on SPRF-associated debt, are necessary before a final determination on whether to transfer the program should be made.

*Additional Staffing*—DOT proposes to increase its staffing levels to support the implementation of the various proposals provided in the 5-Year Plan. The Department requests the allocation of one position in 2011-12, eight positions in 2012-13, and one additional Parking Meter Technician position per year beginning in 2013-14. These allocation requests are mainly to support the Meter Operations Division, which has experienced persistent vacancies in recent years. It is recommended that commitment be made to keep vacant SPRF positions filled prior to considering the allocation of new positions. Additionally, more information is required, possibly including determination from the Personnel Department, before recommendations can be made on staffing allocations.

Attachment B revises the summary chart of DOT's proposals provided in Attachment A to reflect the recommendations that have been made above. DOT indicated that revenue projections of each proposal were set very conservatively, including some with no associated revenue due to the lack of experience in implementing such new concepts. It is projected that approval of the recommendations above will slightly impact meter revenue, as detailed in Attachment B. It is unknown at this time the revenue impact of deferring approval of the additional DOT staffing.

The charts in both Attachments project a "net revenue" of unprogrammed funds expected to be available in each of the next five fiscal years. It is important to note that the Department's report does not provide a proposal for acquisition or construction of additional off-street parking facilities in the City. Historically, the SPRF has been used to expand the off-street parking supply in areas with high parking demand and the need for turnover being managed through on-street metered parking. The proposed 5-Year Plan refocuses the SPRF on providing a program strategy to ensure the sustainability of the City's existing off-street parking facilities

and the expansion into new technology for both on-street parking meters and off-street parking lots. The following are the capital improvement projects that have been identified by the City Council that involve either SPRF-funded facilities and/or may require SPRF monies to complete:

- *Highland Park Transit Village* (CD 1) – a joint development agreement for the mixed-use development of four City-owned parking lots is being finalized with the developer.
- *Abbot Kinney parking improvements* (CD 11) - \$2.9 million was appropriated for the construction and installation of multi-space pay stations.
- *Blossom Plaza* (CD 1) – SPRF provided \$6.28 million for land acquisition and \$5.5 million to develop the project, in conjunction with the CRA.
- *Pico/Robertson Mixed-Use Development* (CD 5) – an exclusive right to negotiation and joint development agreement for this City-owned parking lot (#689) are in development with LAHD.
- *Wilcox/Lace Building Mixed-Use Development* (CD 13) – a Request for Information has been released to develop this City-owned parking lot (#742).
- *Former Bethune Library site development* (CD 8) – A proposal has been discussed to convert this CRA/LA property to a metered parking lot.
- *Pacific Palisades Commercial Village* (CD 11) - the community has identified a parking shortfall and an official parking study is necessary.
- *Bringing Back Broadway parking lot* (CD 14) - \$35,000 was provided for a parking study in 2009.
- *Little Tokyo Recreation Center* (CD 9) – City-owned parking lot (#755) has been identified as part of the project.

The Department has also noted the prospective sale of the following four SPRF-controlled parking lots:

- Lot #692 in CD 10 (610 S. Vermont) to the CRA/LA;
- Lot #676 in CD 13 (1146-1152 Glendale Boulevard) to El Centro del Pueblo;
- Lot #654 in CD 11 (1611 Beloit Avenue), which was declared surplus in 2009; and,
- Lot #700 in CD 8 (239 W. 86<sup>th</sup> Street), which has been the subject of interest by an outside entity.

Building or acquiring new off-street parking facilities can be very expensive and requires increased City resources to construct, manage and maintain. Additionally, the Council has discussed the issue of whether the City manages the parking assets as effectively or efficiently as the private sector. It is also important to note that since FY2007-08, the Council has transferred SPRF unprogrammed funds to the Reserve Fund to help address the City's budgetary challenges. Considerations for future SPRF transfer are ongoing. The City Council may wish to consider these issues before making a final determination on moving forward on use of the unprogrammed SPRF funds identified in the Attachments.

5-Year SPRF Plan - DOT Proposal

Attachment A

	<u>FY11-12</u>	<u>FY12-13</u>	<u>FY13-14</u>	<u>FY14-15</u>	<u>FY15-16</u>	
<b>Operating Revenue</b>						
Parking Meters	\$41,820,000	\$43,336,000	\$44,209,000	\$44,796,000	\$45,383,000	
Parking Facilities	\$5,784,000	\$7,547,000	\$7,686,000	\$7,828,000	\$7,973,000	
Hollywood/Highland	\$9,891,000	\$10,343,000	\$10,500,000	\$10,700,000	\$10,900,000	
Interest	\$880,000	\$880,000	\$880,000	\$880,000	\$880,000	
Permits	\$3,009,000	\$3,293,000	\$3,243,000	\$3,243,000	\$3,243,000	
Leasing/Rent-Off Street	\$603,000	\$610,000	\$610,000	\$610,000	\$620,000	
<b>TOTAL OPERATING REVENUE</b>	<b>\$61,987,000</b>	<b>\$66,009,000</b>	<b>\$67,128,000</b>	<b>\$68,057,000</b>	<b>\$68,999,000</b>	
<b>O&amp;M Expenditures</b>						
Collection Services (contract)	\$2,100,000	\$2,120,000	\$2,140,000	\$2,160,000	\$2,180,000	
Contractual Services	\$16,089,000	\$18,208,000	\$18,580,000	\$19,460,000	\$20,085,000	
Replacement, Parts, Tools & Equipment	\$918,000	\$864,000	\$864,000	\$864,000	\$864,000	
Parking Facilities Lease Payments	\$410,000	\$690,000	\$700,000	\$410,000	\$410,000	
Maint, Repair & Utility Svcs (Off-Street)	\$1,622,000	\$1,830,000	\$1,870,000	\$1,870,000	\$1,950,000	
Training/Travel	\$25,000	\$30,000	\$30,000	\$30,000	\$30,000	
Misc Equipment & Office Supplies	\$64,000	\$35,000	\$35,000	\$35,000	\$35,000	
Library Trust Fund	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	
Pkg Mtr, Off-Street & Permit Admin Salaries	\$6,835,000	\$7,656,000	\$7,733,000	\$7,809,000	\$7,886,000	
Pkg Mtr, Off-Street & Permit Admin Related Costs	\$6,222,000	\$7,110,000	\$7,160,000	\$7,220,000	\$7,280,000	
<b>TOTAL O&amp;M EXPENDITURES</b>	<b>\$34,435,000</b>	<b>\$38,693,000</b>	<b>\$39,262,000</b>	<b>\$40,008,000</b>	<b>\$40,870,000</b>	
<b>Debt Service</b>	<b>TOTAL DEBT SERVICE</b>	<b>\$9,259,000</b>	<b>\$9,266,000</b>	<b>\$9,030,000</b>	<b>\$9,020,000</b>	
<b>Capital Expenditures</b>						
<u>Off-Street Parking</u>	Revenue Control Equipment	\$925,000	\$15,000	\$15,000	\$10,000	\$10,000
<u>Meter Operations</u>	New Card & Coin Meters	\$1,734,000	\$1,734,000			
	New Card & Coin Meter Expansion	\$434,000	\$434,000	\$434,000	\$434,000	\$434,000
	Pay Station Lots (includes off-street lots)	\$273,000				
	Replacement Meter RFP				\$6,000,000	\$6,000,000
	Meter Housing Upgrade		\$1,540,000	\$1,500,000		
	Meter Housing & Locks for Loading Zones	\$366,000				
	New Meter Electronic Locks	\$853,000	\$359,000			
	Meter and Collection Canister Upgrade		\$1,500,000			
	ExpressPark New Areas (sensors/signs)				\$631,000	\$631,000
	Enforcement Technology - Sensors	\$427,000	\$459,000	\$459,000	\$459,000	\$459,000
	Enforcement Technology - TO vehicles	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
	Maint. Workflow Mgmt - Vehicle laptops	\$100,000				
	IPS Meter Card & Coin Leases	\$4,100,000	\$4,100,000	\$1,940,000		
	<b>TOTAL METER OPERATIONS</b>	<b>\$8,387,000</b>	<b>\$10,226,000</b>	<b>\$4,433,000</b>	<b>\$7,624,000</b>	<b>\$7,624,000</b>
<u>Collection &amp; Investigation</u>	Coin Room Equipment, Fleet Vehicles	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
<u>Office &amp; Administration</u>	Desktop Computer Replacement		\$150,000	\$100,000		\$150,000
<u>Permit Parking</u>	Automated Kiosks		\$350,000	\$300,000	\$300,000	\$300,000
	<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$9,347,000</b>	<b>\$10,776,000</b>	<b>\$4,883,000</b>	<b>\$7,969,000</b>	<b>\$8,119,000</b>
<b>Miscellaneous Expenditures</b>	5% Contingency		\$1,935,000			
	<b>TOTAL OTHERS</b>	<b>\$0</b>	<b>\$1,935,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>ESTIMATED TOTAL UNPROGRAMMED</b>		<b>\$8,946,000</b>	<b>\$5,339,000</b>	<b>\$13,953,000</b>	<b>\$11,060,000</b>	<b>\$10,990,000</b>

5-Year SPRF Plan - CAO-CLA Recommendation

Attachment B

	<u>FY11-12</u>	<u>FY12-13</u>	<u>FY13-14</u>	<u>FY14-15</u>	<u>FY15-16</u>		
<b>Operating Revenue</b>							
<i>Parking Meters</i>	\$40,920,000	\$41,836,000	\$42,409,000	\$42,996,000	\$43,583,000	X	
<i>Parking Facilities</i>	\$6,334,000	\$7,547,000	\$7,686,000	\$7,828,000	\$7,973,000		
<i>Hollywood/Highland</i>	\$10,891,000	\$10,893,000	\$10,950,000	\$11,150,000	\$11,350,000		
<i>Interest</i>	\$880,000	\$880,000	\$880,000	\$880,000	\$880,000		
<i>Permit</i>	\$0	\$0	\$0	\$0	\$0	X	
<i>Leasing/Rent-Off Street</i>	\$603,000	\$610,000	\$610,000	\$610,000	\$620,000		
<b>TOTAL OPERATING REVENUE</b>	<b>\$59,628,000</b>	<b>\$61,766,000</b>	<b>\$62,535,000</b>	<b>\$63,464,000</b>	<b>\$64,406,000</b>		
<b>O&amp;M Expenditures</b>							
<i>Collection Services (contract)</i>	\$2,100,000	\$2,120,000	\$2,140,000	\$2,160,000	\$2,180,000		
<i>Contractual Services</i>	\$15,666,000	\$16,338,000	\$15,855,000	\$16,280,000	\$16,550,000	X	
<i>Replacement, Parts, Tools &amp; Equipment</i>	\$918,000	\$864,000	\$864,000	\$864,000	\$864,000		
<i>Parking Facilities Lease Payments</i>	\$410,000	\$690,000	\$700,000	\$410,000	\$410,000		
<i>Maint, Repair &amp; Utility Svcs (Off-Street)</i>	\$1,622,000	\$1,830,000	\$1,870,000	\$1,870,000	\$1,950,000		
<i>Training/Travel</i>	\$23,000	\$27,000	\$27,000	\$27,000	\$27,000	X	
<i>Misc Equipment &amp; Office Supplies</i>	\$32,000	\$30,000	\$30,000	\$30,000	\$30,000	X	
<i>Library Trust Fund</i>	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000		
<i>Pkg Mtr &amp; Off-Street Admin Salaries</i>	\$5,500,502	\$5,511,502	\$5,531,502	\$5,551,502	\$5,571,502	X	
<i>Pkg Mtr &amp; Off-Street Admin Related Costs</i>	\$4,841,141	\$4,841,141	\$4,841,141	\$4,841,141	\$4,841,141	X	
<b>TOTAL O&amp;M EXPENDITURES</b>	<b>\$31,282,643</b>	<b>\$32,401,643</b>	<b>\$32,008,643</b>	<b>\$32,183,643</b>	<b>\$32,573,643</b>		
<b>Debt Service</b>	<b>TOTAL DEBT SERVICE</b>	<b>\$9,259,000</b>	<b>\$9,266,000</b>	<b>\$9,030,000</b>	<b>\$9,020,000</b>	<b>\$9,020,000</b>	
<b>Capital Expenditures</b>							
<u>Off-Street Parking</u>	<i>Revenue Control Equipment</i>	\$925,000	\$15,000	\$15,000	\$10,000	\$10,000	
<u>Meter Operations</u>	<i>New Card &amp; Coin Meters</i>	\$0	\$0				X
	<i>New Card &amp; Coin Meter Expansion</i>	\$434,000	\$434,000	\$434,000	\$434,000	\$434,000	
	<i>Pay Station Lots (includes off-street lots)</i>	\$273,000					
	<i>Replacement Meter RFP</i>				\$6,000,000	\$6,000,000	
	<i>Meter Housing Upgrade</i>		\$1,540,000	\$1,500,000			
	<i>Meter Housing &amp; Locks for Loading Zones</i>	\$366,000					
	<i>New Meter Electronic Locks</i>	\$853,000	\$359,000				
	<i>Meter and Collection Canister Upgrade</i>		\$1,500,000				
	<i>ExpressPark New Areas (sensors/signs)</i>				\$0	\$0	X
	<i>Enforcement Technology - Sensors</i>	\$0	\$0	\$0	\$0	\$0	X
	<i>Enforcement Technology - TO vehicles</i>	\$0	\$0	\$0	\$0	\$0	X
	<i>Maint. Workflow Mgmt - Vehicle laptops</i>	\$100,000					
	<i>IPS Meter Card &amp; Coin Leases</i>	\$4,100,000	\$4,100,000	\$1,940,000			
	<b>TOTAL METER OPERATIONS</b>	<b>\$6,126,000</b>	<b>\$7,933,000</b>	<b>\$3,874,000</b>	<b>\$6,434,000</b>	<b>\$6,434,000</b>	
<u>Collection &amp; Investigation</u>	<i>Coin Room Equipment, Fleet Vehicles</i>	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	
<u>Office &amp; Administration</u>	<i>Desktop Computer Replacement</i>		\$150,000	\$100,000		\$150,000	
	<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$7,086,000</b>	<b>\$8,133,000</b>	<b>\$4,024,000</b>	<b>\$6,479,000</b>	<b>\$6,629,000</b>	
<b>Miscellaneous Expenditures</b>	<i>5% Contingency</i>		\$1,935,000				
	<b>TOTAL OTHERS</b>	<b>\$0</b>	<b>\$1,935,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>ESTIMATED TOTAL UNPROGRAMMED</b>	<b>\$12,000,357</b>	<b>\$10,030,357</b>	<b>\$17,472,357</b>	<b>\$15,781,357</b>	<b>\$16,183,357</b>		

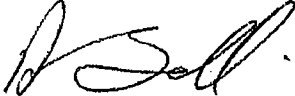
X - Areas where revenues or expenditures decrease due to removal of the program from the 5-Year Plan

REVISED 4-4-11

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 2, 2011

TO: Honorable Members of the Budget and Finance Committee

FROM:   
Amir Sedadi, Interim General Manager  
Department of Transportation

**SUBJECT: FISCAL YEAR 2011-12 PROPOSED BUDGET – QUESTION #69**

At the budget hearing on April 28, 2011, the Los Angeles Department of Transportation (LADOT) was asked to report back on the replacement of parking meters included in the Special Parking Revenue Fund (SPRF) 5-Year Plan.

On April 13, 2011 the City Council adopted LADOT's SPRF 5-Year Plan dated February 7, 2011 (C.F. 10-0596). The proposed budget for Fiscal Year 2011-12, however, reflects three changes from the adopted plan, as reflected in the joint CAO-CLA report dated April 1, 2011 on the SPRF 5-Year Plan. This report recommended to exclude the following three plan elements from Fiscal Year 2011-12 due to insufficient information:

- Purchase of parking meters for low-revenue areas
- Enforcement technology for parking meters
- Additional staffing to restore the Principal Transportation Engineer deleted in Fiscal Year 2010-11

The following paragraphs provide additional information about the above three elements from the adopted 5-Year Plan that are missing from the Fiscal Year 2011-12 Proposed Budget. LADOT has subsequently identified ways to significantly reduce the net costs of these programs during Fiscal Year 2011-12 as presented below.

Purchase of Parking Meters for Low-Revenue Areas

The adopted SPRF 5-Year Plan included the purchase of 4,000 Card & Coin Meters to upgrade existing parking meters in low-revenue areas that do not produce sufficient revenue to support the lease model employed elsewhere in the City. DOT has proposed to reinvest a portion of the revenue gains achieved through the successful Card & Coin Meter lease to extend the significant benefits of Card & Coin Meters to lower-revenue areas. These benefits include credit/debit card payment options, significantly lower vandalism, and over 99% reliability, which together have resulted in average meter revenue increases of nearly 50% in areas where they have been deployed (see response to Question #60 transmitted separately).

The following table summarizes the approximately 4,000 metered spaces identified for upgrade through this program:

Parking Meter Zone	Identified Areas	Metered Spaces	Council District(s)
Alameda East	Remaining	128	14
Hollywood Western	Remaining	136	13
Miracle Mile	Remaining	143	4
North Hollywood	Remaining	44	4
Pico La Brea	All	323	10
Robertson South	All	104	5,10
Santa Monica Highland	All	287	4
Santa Monica Western	All	323	4,13
Tarzana	Remaining	259	3
Vermont Wilshire	Selected	919	1,10
Wilmington	All	227	15
Wilshire Alvarado	Selected	461	1
Woodland Hills	Remaining	519	3

To maximize the revenue gains and reduce the net cost of these improvements in Fiscal Year 2011-12, DOT proposes to accelerate the upgrade all of the identified meters to be completed by the end of August 2011. These improvements are estimated to increase meter revenue by approximately \$700,000, which will offset approximately 40% of the \$1.7 million project cost, bringing it down to about \$1.0 million. This investment will provide much-needed support to some of the City’s most challenged business areas and is expected to recover the initial costs in just two years based on meter revenue alone. Additional citation revenue to the General Fund may also be realized, depending upon usage and compliance.

Enforcement Technology for Parking Meters

The adopted SPRF 5-Year Plan included the deployment of an additional 1,000 parking sensors in high-demand areas to improve metered parking compliance and turnover through the use of enforcement technology. In addition, these areas would be added to the popular “Parker” smartphone application that allows to public to locate available metered parking, which may improve utilization.

The joint CAO-CLA report considered that the cost of this program may outweigh the benefits, and it recommended that the City wait to deploy this technology until after the results of the grant-funded Downtown ExpressPark Program that includes similar technology. LADOT has actually already begun evaluating this technology in Hollywood, and initial results show that significant gains in enforcement efficiency may be achieved through the use of this technology, with the system paying for itself in as little as three months.

In order to reduce the cost of deploying the sensor technology pilot in Fiscal Year 2011-12, DOT proposes to pay for the sensor equipment on a monthly basis, rather than with an upfront payment, utilize handheld equipment versus in-vehicle laptops, and delay the deployment until October 2011. Taken together, these measures will reduce the cost of the pilot program in FY 11-12 by over 50%, bringing it down to about \$250,000. LADOT proposes to manage the program to ensure that the revenue generated through the technology pilot meets or exceeds the costs expended, making this a zero net cost pilot. Based on the initial evaluation results, this program has the strong potential for achieving significant benefits in additional areas of the City.

Restoration of the Principal Transportation Engineer deleted in Fiscal Year 2010-11

The adopted SPRF 5-Year Plan also included the restoration of the Principal Transportation Engineer position that served as the head of the Bureau of Parking Operations and Facilities. This position was deleted in Fiscal Year 2010-11, following the retirement of the incumbent through the ERIP program, leaving a big void over the bureau that is responsible for the management and oversight of the Permits, Meter Operations, and Parking Facilities Divisions. For additional information, please see the response to Question #62 transmitted separately.

- c: Georgia Mattera, Mayor's Office
- Jaime De La Vega, Mayor's Office
- Miguel Santana, CAO



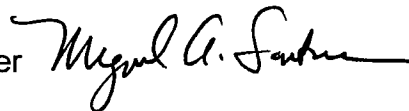
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 104

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



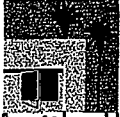
Subject: **HOUSING DEPARTMENT – ISSUES RELATED TO GRANNY UNITS**

Your Committee instructed the Housing Department (LAHD) provide a variety of information associated with granny units. LAHD requests that this report back regarding granny units be considered as a long term report back so that the Department has additional time to review the granny unit issue and provide a more comprehensive analysis.

Note that your Committee also instructed the Planning Department to report back regarding granny units; that report back will be provided under a separate cover.

MAS:MAF:02110175c

Question No. 165 and 167



Los Angeles Housing Department


**LAHD**



Antonio R. Villaraigosa, Mayor  
Douglas Guthrie, General Manager

**INTER-DEPARTMENTAL MEMORANDUM**

**TO:** BUDGET AND FINANCE COMMITTEE

**FROM:** GREG KUNG, ACTING ASSISTANT GENERAL MANAGER, HOUSING DEPARTMENT 

**DATE:** MAY 3, 2011

**REGARDING:** 2011-12 BUDGET MEMO - QUESTION NO. 165 AND 167  
ISSUES RELATED TO GRANNY UNITS

Question 165 (Long Term): How do you deal with the granny unit concept? What legislation can be introduced to protect renters living in illegal use properties (garage units and apartment units in single family homes - R1 neighborhood)? How can units be brought to code without evicting tenants?

Question 167: Report back on what other cities have done to prevent granny units from being torn down or lost and ways to prevent the loss of affordable housing. Has the City looked at a better process to prevent tenants from reporting their landlords for granny flat violations, then going after their landlords for relocation expenses?

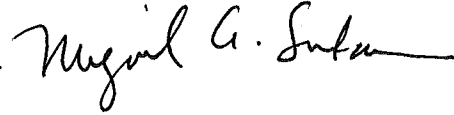
LAHD was instructed by the Committee to provide a long term report-back on question 165. Question 167 relates also to granny units as question 165. LAHD recommends that these 2 questions be combined and addressed in the same long term report-back.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **DEPARTMENT OF ANIMAL SERVICES – FURLOUGH SAVINGS TARGET**

Budget and Finance Committee requested the Department's furlough savings target based on the following three furlough scenarios:

Proposed Budget 13 Days for Field Staff 26/36 for Non-Field Staff		0 Days for Ratifying COCU Units 13 Days for Field Staff 26/36 for Non-Field Staff		0 Days for Ratifying COCU Units 13 Days for Non-COCU Field Staff 26 for Non-COCU/Non-Field Staff 36 for Non-Ratifying COCU Units	
		13 Days for 3 & 18		36 Days for 3 & 18	
MOU	FURLOUGH AMT	MOU	FURLOUGH AMT	MOU	FURLOUGH AMT
00	\$ 40,167	00	\$ 40,167	00	\$ 40,167
01	\$ 69,434	01	\$ 69,434	01	\$ 69,434
03	\$ 113,209	03	\$ 113,209	03	\$ 313,502
04	\$ 343,927	04	\$ -	04	\$ -
10	\$ 27,615	10	\$ -	10	\$ -
12	\$ 74,103	12	\$ -	12	\$ -
18	\$ 194,908	18	\$ 194,908	18	\$ 539,745
20	\$ 48,360	20	\$ 48,360	20	\$ 48,360
21	\$ 89,981	21	\$ 89,981	21	\$ 89,981
36	\$ 41,034	36	\$ -	36	\$ -
37	\$ 11,433	37	\$ -	37	\$ -
<b>TOTAL</b>	<b>\$ 1,054,171</b>	<b>TOTAL</b>	<b>\$ 556,059</b>	<b>TOTAL</b>	<b>\$ 1,101,189</b>
Non-Rep	\$ 40,167	Non-Rep	\$ 40,167	Non-Rep	\$ 40,167
EAA	\$ 207,775	EAA	\$ 207,775	EAA	\$ 207,775
COCU	\$ 806,229	COCU	\$ 308,117	COCU	\$ 853,248
<b>TOTAL</b>	<b>\$ 1,054,171</b>	<b>TOTAL</b>	<b>\$ 556,059</b>	<b>TOTAL</b>	<b>\$ 1,101,189</b>

Our Office recommends that 36 days of furlough be imposed on the Department's non-ratifying Coalition units to be consistent with the original Coalition furlough target set for all other General Fund Departments. The Department has as-needed authority for Clerk Typists which can be used to ensure that revenue targets and seasonal operational needs are met. Our Office realizes that the Department's response to non-emergency calls may potentially be delayed by the additional furloughs, but the Department will continue to make dangerous animal and emergency response calls their top priority.

MAS:EFR:JLK:04110127

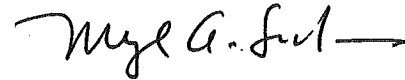
Question No. 102

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **CITYWIDE – SENIOR ACCOUNTANT ELIGIBLE LIST**

There is no current Civil Service list for the classification of Senior Accountant. The examination is currently open for filing and will close on May 5, 2011. The written test is scheduled for June 11, 2011, and those who pass are scheduled to be interviewed in July. An eligible list should be available by September 2011.

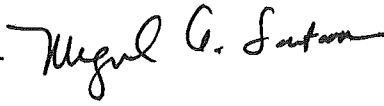
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Question No. 116

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **PERSONNEL – RETIREMENT BENEFITS FOR PART-TIME EMPLOYEES**

The scope of this memorandum is to provide basic information about part-time employees who are eligible for retirement benefits under the Los Angeles City Employees' Retirement System (LACERS) or Pension Savings Plan (PSP).

The City provides retirement benefits for part-time employees. Certain part-time employees fall under the category of half-time, meaning they work a minimum of 1,040 hours per calendar year. Certain half-time employees may be eligible to join LACERS, depending on specific requirements of the Los Angeles Administrative Code and Memoranda of Understanding (MOUs). In addition, part-time employees who are not eligible to join LACERS may receive retirement benefits through the PSP. Retirement benefits under LACERS and PSP are in lieu of Social Security.

## LACERS

The LACERS plan is a defined benefit (DB) plan, meaning that retirement benefits are based on a set formula. Half-time employees may become a LACERS member if a department certifies the employee has worked continuously for one year with a minimum 1,040 hours worked during the year. In addition, certain MOUs have provisions allowing the half-time employee to become a LACERS member if a department certifies that the employee has worked continuously for two years with a minimum 1,000 hours worked in each of the two years.

The retirement benefits provided to half-time LACERS members are nearly identical to the benefits provided to full-time members. Employees contribute 6% of their pensionable salary to fund their retirement benefits. While the retirement factor is 2.16% for every year of service worked with the City, the service credit is pro-rated for half-time LACERS members. For example, if a half-time member works part-time (40 hours per week) for 30 years, then he/she will have accumulated 15 years of service credit. In contrast, a full-time member during this same period will have accumulated 30 years of service credit.

The following table is a summary of the retirement benefits provided to LACERS half-time members:

SUMMARY OF LACERS RETIREMENT BENEFITS	
<b>Factor</b>	2.16%
<b>Service Credit</b>	Pro-rated for Half-Time Members
<b>Final Compensation</b>	12 month average; Includes regularly assigned bonuses/premium pay
<b>Formula</b>	Final Compensation x Service Credit x 2.16% = Retirement Allowance
<b>Maximum Allowance</b>	100% of Final Compensation (~46.3 Years of Service)
<b>Eligibility (Unreduced)</b>	Age 55 & 30 years of service; or Age 60 & 10 years of service; or Age 70
<b>Member Contribution</b>	6% (7% on 7/1/11)
<b>Employer Contribution</b>	27.66% (Fiscal Year 2011-12)
<b>Health Subsidy Factor</b>	40% @ Age 55 & 10 years of service; Accrue 4% per year; 100% @ 25 years
<b>Maximum Health Subsidy</b>	\$1,190/month subsidy (2011); Adjusted by increase in Kaiser Two-Party Rate
<b>Additional Service Credit</b>	Government Service; Re-deposit; Back Contribution; Public Service Buyback
<b>Cost-of-Living-Adjustment</b>	Based on Consumer Price Index with 3% cap; Includes COLA bank
<b>Reciprocity</b>	Agreements with various agencies, including CalPERS; WPERP; LACERA

## PSP

The City's PSP plan is a defined contribution (DC) plan, meaning that retirement benefits are based on the contributions and investment return of the plan. PSP is intended to provide retirement benefits for employees who work a part-time (less than half-time), seasonal, or intermittent schedule. PSP was established in 1993 and is overseen by the Personnel Department. The Personnel Department currently contracts with Great-West Retirement Services to administer PSP. PSP has over 35,000 participants and over \$59 million in assets.

PSP members contribute 4.5% of their gross salary with the City contributing 3% (7.5% total contribution). The PSP contributions are invested in a value fund, which earns interest. All of the PSP contributions are 100% vested. Members may retire upon reaching age 60 or age 55 with 30 years of service. Upon retirement, distributions may be made as a lump-sum or periodic payment.

MAS:MHA:TTS


Question No.83

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **CITY CLERK - EXEMPTIONS FOR ELECTIONS STAFF**

There are 26 authorized full-time positions assigned to the Elections Division of the Office of the City Clerk. The positions are listed in the table below:

Classification	No. of Positions	Bargaining Unit/Union
Accounting Clerk	1	MOU 3 – AFSCME
Acct Records Supervisor	1	MOU 20 – EAA
Chief Clerk	1	MOU 20 – EAA
Chief Management Analyst	1	MOU 20 – EAA
Clerk Typist	1	MOU 3 – AFSCME
Management Analyst	7	MOU 1 – EAA
Principal Clerk	1	MOU 20 – EAA
Principal Storekeeper	1	MOU 12 – LIUNA
Program Aide	2	MOU 1 – EAA
Project Coordinator	6	MOU 1 – EAA
Senior Clerk Typist	1	MOU 3 – AFSCME
Sr. Management Analyst	1	MOU 20 – EAA
Sr. Project Coordinator	2	MOU 20 – EAA

Exempting these positions from Civil Service would exempt incumbent employees from the provisions of the Rules of the Civil Service Commissions. However, such an exemption would not prevent the employees being represented by a labor union because the job classifications have been accreted to the individual bargaining units.

The work done by the employees of the Elections Division has been determined to be appropriate by classification and the Employee Relations Board determines whether they are appropriately accreted to a bargaining unit. The City cannot unilaterally determine that the work must be done by non-represented employees unless the scope of the work has changed significantly. Even if there has been a significant change, any change as to the classification that would do bargaining unit work would require negotiating with the current labor unions. If new classes were established to perform the work, it is likely the same unions would accrete the new classes.

MAS:MHA:SJO


Question No. 127

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **NEIGHBORHOOD EMPOWERMENT – STATUS OF THE PLAN FOR DONE RESTRUCTURING**

Your Committee requested this Office to report back on the status of the on-going plan for restructuring the Department of Neighborhood Empowerment (Department) currently under consideration in the Education and Neighborhoods Committee.

Council District 2 has held several town hall meetings for Neighborhood Councils and conducted a survey relative to Departmental operations and services. It is anticipated that the results of these efforts will be discussed in the Education and Neighborhoods Committee within the next month. Proposed changes to the funding program and the election cycle will also assist in implementing procedural changes without requiring additional resources. Based on discussions between this Office and Council District 2, the existing structure of the Department as proposed in the 2011-12 Budget is sufficient to operate as a standalone department and maintain the required services for Neighborhood Councils.

This memorandum is informational only. There is no fiscal impact.

MAS:DP:08110187c

Question No. 152



CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 110

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **CITY ADMINISTRATIVE OFFICER – ADDITIONAL REDUCTIONS TO OFFSET REVENUE SHORTFALLS AND ALTERNATIVE OPTIONS TO ISSUING COMMERCIAL PAPER**

The Budget and Finance Committee requested a report back on the reductions that this Office would propose in the event that the revenues included in the Proposed Budget did not materialize and alternate budget options to consider instead of issuing \$43 million in Commercial Paper (CP) to finance the Early Retirement Incentive Program (ERIP) payout and for working capital. In March, this Office released a companion report to the Third Financial Status Report titled "Opportunity to Redefine and Strengthen Los Angeles City Government," in which we presented over 50 "white papers" that contained numerous proposals and recommendations aimed at reducing the size and ongoing costs of the City's workforce, re-organizing departments to maximize service levels, and strengthen the status of the Reserve Fund.

In comparing the proposals contained in the white papers versus the Proposed Budget (Attachment), we have identified about \$62.2 million worth of General Fund savings or revenues that the Budget and Finance Committee may consider to offset revenue shortfalls or alternatives to issuing \$43 million in CP. The majority of these General Fund savings or revenues are derived from the following ten proposals. The combined amount for these proposals equals \$55.1 million, representing 89 percent of the identified alternatives. The amounts listed are the incremental savings or revenues from what has been included in the Proposed Budget.

- 1) Recognizing an additional surplus transfer from the Special Parking Revenue Trust Fund: \$6.8 million
- 2) Eliminate all General Fund dollars for Adult Day Care Centers: \$0.5 million
- 3) Eliminating Cultural Affairs and Special Appropriations: \$10.5 million
- 4) Charging back 3-1-1 costs to all departments based on related call volume: \$2.3 million
- 5) Suspending Police Hiring: \$11.5 million
- 6) Suspending all funding to Neighborhood Councils including the roll-over policy: \$3.7 million
- 7) Eliminating all General Fund dollars for Clean and Green: \$1.1 million
- 8) Eliminating all General Fund dollars for Graffiti Removal: \$6.0 million
- 9) Eliminating all General Fund dollars for Community Beautification: \$7 million
- 10) Eliminating the Crossing Guard Program: \$5.7 million

In addition to the alternatives that were included as part of the white paper proposals, the Budget and Finance Committee may consider the following actions to generate additional General Fund savings:

- 1) Increasing the targeted reduction for all discretionary General City Purposes items from 10 percent to 25 percent: \$3.0 million
- 2) Reducing the General Fund subsidy to the Zoo by an additional 20 percent: \$1 million
- 3) Re-adjusting the salary savings rates for all departments to the 2010-11 rates: \$8.4 million
- 4) Transferring all available balances from the Real Property Trust Funds and the Street Furniture Revenue Funds to the General Fund: \$7 million
- 5) Reducing General Fund dollars in each department at an equal amount to the CP being used for their ERIP payout: \$21 million

<b>Department</b>	<b>CP Amount for ERIP</b>
Aging	\$65,106
Animal Services	236,288
Building and Safety	338,255
City Administrative Officer	227,144
City Attorney	1,711,789
City Clerk	519,077
Controller	554,319
Council	139,732
Department on Disability	38,069
Emergency Management	12,324
Employee Relations Board	52,963
Finance	381,462
Fire	830,313
General Services	3,246,582
Information Technology Agency	1,507,078
Mayor	19,598
Personnel	816,342
Planning	819,231
Police	4,045,940
PW Board	323,036
PW Bureau of Contract Administration	684,216
PW Bureau of Engineering	1,295,884
PW Bureau of Street Services	1,293,102
Transportation	1,805,511
Treasurer	38,006
<b>Total</b>	<b>\$21,001,367</b>

The aggregate amount for these five alternatives is \$40.4 million in General Fund dollars. However, in the case of some departments it may not be feasible to increase the salary savings rate while also having them absorb the ERIP payout. Furthermore, the service impacts that would result from any of these reductions being applied would be significant and will undoubtedly result in layoffs as the number of vacant positions in each department has been reduced. Due to existing language in some Memorandum of Understanding (MOUs) with

labor unions, the Budget and Finance Committee should be aware that the layoff of employees would preclude the City from contracting out for the same services the employees were providing. If this is the case, the City would be left with no ability to provide the service from either an internal or external source.

**Recommendation:**

Should the Budget and Finance Committee desire to forgo the proposal to borrow any amount of Commercial Paper for the ERIP payout or for working capital, or should it want to reduce the revenue projections included in the Proposed Budget, we recommend that an equivalent amount in reductions or alternative options identified in this memorandum be incorporated into the 2011-12 budget to ensure that the budget remains balanced. Furthermore, even if none of the reductions or alternative options identified in this memorandum are included in the 2011-12 budget, we recommend that these options be the first solutions considered as budget balancing measures in 2011-12 if at any point a citywide projected deficit is identified.

**Attachment**

*MAS:BC:01110061c*

*Question No.6*

Budget Memo: Question No. 6  
Alternative Budget Reductions (From CAO's White Papers)

Attachment

Department	Proposal	General Fund and Special Funds	General Fund and Special Funds	Included in Proposed Budget	Savings Amount Recognized, Revenue, or Costs Avoided	Funded Amounts	Available Reduction Based on Adjusted Maximized Value of Proposal	Available Reduction Based on Adjusted Value of Proposal	Notes	Related Budget or Blue Book Items
		Combined Maximized Value for 2011-12	Combined Proposed Value for 2011-12	Y/N	In Proposed Budget	In Proposed Budget				
City Clerk	Suspend Neighborhood Council Elections	\$ 1,632,084	\$ 1,632,084	Y	1,630,000		-	-	The Proposed Budget suspends NC elections which results in a cost avoidance of approximately \$1,630,000.	N/A
Cultural Affairs	Eliminate General Fund Subsidy	\$ 1,280,000	\$ 1,280,000	Y	383,638		896,362	896,362	Reduction in Special Appropriations and Furloughs will result in the Department being able to fully reimburse the General Fund for direct and indirect costs.	CAD BB#5 & BB#6
El Pueblo	Optimize Management Structure	\$ 2,500,000	\$ -	N (See Notes)	289,788		2,210,212	-	The Proposed Budget does not include the elimination of the Department but does include a staffing reduction of 3 positions for savings of about \$199,728 (direct costs) and \$90,060 (indirect costs).	EP BB#10
General Services	Fleet Services and Fuel Reductions	\$ 2,670,000	\$ 2,670,000	Y	2,862,588		-	-	A reduction of \$1,812,588 (direct and indirect costs) is included consistent with the elimination of 450 pieces of equipment from the City's inventory. Additionally, \$1,050,000 in one-time revenue is recognized from the sale of salvaged equipment.	GSD BB#9
General Services	Performance Audit of Asset Management	\$ -	\$ -	Y		300,000	-	-	The budget provides funds for a study to be conducted. This amount is in the proposed budget for the CAO.	CAO BB#12
Information Technology	Eliminate Funding for Channel 36	\$ 255,000	\$ 255,000	Y	255,000		-	-	The Proposed Budget reduces funding from the Telecommunications Development Account (TDA) to Channel 36 for operations.	Schedule 20
Personnel	Human Resources Consolidation	\$ -	\$ 750,000	N	See Notes		-	-	On April 27, 2011 the Mayor transmitted a letter and draft ordinance to Council to transfer to the Personnel Department the Human Resources functions of ten departments.	
Recreation and Parks	Increase Related Costs	\$ 2,000,000	\$ 2,000,000	Y	2,361,273		-	-	Appropriation to RAP increased to fund related costs. This appropriation results in General Fund savings.	RAP BB#13
Recreation and Parks	Reimbursement of Trash Services	\$ 3,700,000	\$ 3,700,000	Y	3,700,000		-	-	Appropriation is transferred from GCP to RAP.	RAP BB#14 & GCP BB#33
Sanitation*	Watershed Protection and Clean Water Programs	\$ 10,527,375	\$ 7,337,031	Y	549,000		-	-	This is the furlough item on the clean water programs. Only Stormwater furloughs are reflected in the budget for a total of \$549,000. The majority of the \$7.3 million noted in the White Paper was attributed to SCM furloughs.	BOS BB#10
Citywide	Capital and Infrastructure Funding Policy	\$ 43,000,000	\$ 37,000,000	Y	37,000,000		-	-	The Proposed Budget does not fund CIEP at one percent of the General Fund, counter to the financial policy but consistent with the White Paper proposal.	
Citywide	Street and Transportation Project Oversight Committee	\$ -	\$ -	N	See Notes		-	-	Initial meetings with several Public Works bureaus, Transportation, General Services, and the CAO have taken place relative to establishing an oversight committee focused on capital projects.	
Transportation	SPRF Funding	\$ 25,000,000	\$ 25,000,000	Y	18,200,000		6,800,000	6,800,000	The Proposed Budget recognizes a surplus transfer of \$18.2 million from the Special Parking Revenue Fund (SPRF). This amount is recognized as Revenue.	Schedule 11

I. Responsible Fiscal and Management Practices

Budget Memo: Question No. 6  
Alternative Budget Reductions (From CAO's White Papers)

Department	Proposal	General Fund and Special Funds	General Fund and Special Funds	Included in Proposed Budget	Savings Amount Recognized, Revenue, or Costs Avoided	Funded Amounts	Available Reduction Based on Adjusted Maximized Value of Proposal	Available Reduction Based on Adjusted Value of Proposal	Notes	Related Budget or Blue Book Items
		Combined Maximized Value for 2011-12	Combined Proposed Value for 2011-12	Y/N	In Proposed Budget	In Proposed Budget				
Animal Services	South Los Angeles Shelters	\$ 2,106,300	\$ 2,106,300	Y	2,106,300	198,909	-	-	The budget assumes a cost avoidance equal to \$2,106,300 (direct and indirect). The budget provides fund for the one-time costs of setting up a new care center.	ASD BB#15
Aging	Reduce GCP Funding to Adult Day Care Centers	\$ 732,686	\$ 256,440	Y	256,440		476,246	-	The Proposed Budget reduces the GCP line item for Adult Day Care by 35 percent.	GCP BB#10
Building and Safety	Consolidate Code Enforcement Functions	\$ -	\$ -	N			-	-	A motion to consolidate Building and Safety and Housing's code enforcement functions is pending consideration by both the Budget and Finance and Housing and Community Economic Development Committees (C.F. 10-0416). During Housing's budget hearing, it was mentioned by the General Manager that the departments had met and discussed the topic and had concluded that the consolidation is not likely to result in savings or efficiencies.	
Planning	Temporary Staffing	\$ -	\$ -	Y		170,575	-	-	The Proposed Budget adds funding for as-needed employment authority for review of Environmental Impact Reports (EIR).	CP BB#22
City Attorney	Outside Counsel	\$ 1,000,000	\$ 1,000,000	Y	1,000,000		-	-	The budget reduces the UB funding by \$1 million from the FY10-11 level.	UB BB#9
Cultural Affairs*	Restructure/Eliminate Cultural Affairs and Special Appropriations	\$ 10,708,000	\$ 10,708,000	N	See Notes		10,477,000	10,477,000	Since the release of the White Papers, the TOT estimate was reduced resulting in a reduction to the Department's Trust Fund of \$231,000.	Schedule 24
Disability	Consolidate Department into Community Development	\$ 371,044	\$ 371,044	N	15,758		355,286	355,286	The Proposed Budget does not include the consolidation of the Department but does include a reduction of \$15,758 from the General Fund.	DOD BB#10 & BB#11
Fire	Expand MCP/Revise Deployment Plan	\$ 54,134,000	\$ 54,134,000	Y	53,700,000		-	-	The Proposed Budget recognizes the implementation of the "New Deployment Plan" which is anticipated to save \$12.4 million above previous Modified Coverage Plan.	FD BB#14
Fire	Civilianize OCD	\$ -	\$ -	N			-	-	A joint meeting of the Budget and Finance and Public Safety Committees heard this item on April 11, 2011. Based on the instructions provided Fire, Personnel and CAO will be meeting over the next month to discuss best practices based on other jurisdictions deployment. Different work shift schedules along with a hybrid mix of sworn and civilian dispatchers will be analyzed as a best fit for Los Angeles.	
Information Technology	Alternative Funding of 3-1-1	\$ 3,000,000	\$ 1,590,000	Y	689,040		2,310,960	900,960	Option 2 in the White Paper on 3-1-1 funding was to reduce the hours of operation of 3-1-1 to normal business hours. The Proposed Budget eliminates \$467,760 (direct costs) and \$221,280 (indirect costs) in funding which will result in 3-1-1's operating hours being reduced from 7:00 am to 10:00 pm to 8:00 am to 5:00 pm.	ITA BB#29

II. Focus on Core Services

	Department	Proposal	General Fund and Special Funds	General Fund and Special Funds	Included in Proposed Budget	Savings Amount Recognized, Revenue, or Costs Avoided	Funded Amounts	Available Reduction Based on Adjusted Maximized Value of Proposal	Available Reduction Based on Adjusted Value of Proposal	Notes	Related Budget or Blue Book Items
			Combined Maximized Value for 2011-12	Combined Proposed Value for 2011-12	Y/N	In Proposed Budget	In Proposed Budget				
II. Focus on Core Services	Police	Suspend Police Hiring	\$ 13,000,000	\$ 3,300,000	Y	137,360		11,495,852	3,162,640	Savings reflects reduced pension costs of \$3,434 per Officer. Direct cost savings will vary depending on the implementation of the hiring plan.	
	Neighborhood Empowerment	Neighborhood Council Funding Program	\$ 6,600,000	\$ 3,400,000	Y	2,938,000		3,662,000	462,000	The budget provides a ten percent reduction to Neighborhood Council funding of \$418,500. In addition, the budget eliminates the rollover policy resulting in the sweeping of approximately \$2.45 million. This will reduce the General Fund obligation and eliminate the projected cash shortfall.	Schedule 18
	Recreation and Parks	Reduce As-Needed Funding	\$ 2,000,000	\$ 2,000,000	Y	2,000,000		-	-	The budget reduces As-Needed Funding by this amount.	RAP BB#10
	Public Works	Reduce Clean and Green Funding	\$ 2,239,016	\$ 301,243	Y	120,497		2,118,519	180,746	The budget provides a ten percent reduction to the Clean and Green Program.	GCP BB#41
	Public Works	Reduce Graffiti Funding	\$ 7,624,266	\$ 1,633,385	Y	500,000		7,124,266	1,133,385	The budget provides a reduction to the Graffiti Removal Program.	BPW BB#12
	Public Works	Establish a New Head of Public Works Department	\$ 1,271,749	\$ 1,178,749	N (See Notes)	767,144		504,605	411,605	The budget does not propose converting the PW Board to part-time status but it does include an elimination of a total of seven positions for a savings of \$767,144 (direct and indirect costs). These positions are all currently vacant.	BPW BB#13, BB#17, & BB#20
	Public Works*	Community Beautification	\$ 9,178,215	\$ -	N	See Notes		9,010,645	-	The budget does not propose the transfer of this function this office to the Bureau of Street Services. The budget does include a deletion of a vacant position from this office for a savings of \$167,570 (direct and indirect costs). This position is one of the seven vacant positions deleted from the department.	BPW BB#13
	Sanitation	Form Separate Department	\$ -	\$ -	N	See Notes		-	-	The Proposed Budget did not include this proposal and no action has been taken on this proposal in any Council committee. Furthermore, the Department of Public Works issued a letter signed by all Public Works Commissioners and Bureau Directors requesting that no reorganizations be implemented in 2011-12.	
	Street Services	Illegal Dumping	\$ 3,900,000	\$ -	Y	2,263,966		1,636,034	-	The Proposed Budget includes the functional transfer of Illegal Dumping and Debris Removal from Street Services to Sanitation. In this transfer, a savings of \$2.3 million (direct and indirect costs) and is recognized due to the unfunding of 14 resolution positions.	BSS BB#12 & BB#14 & BOS BB#26
	Street Services	Street Sweeping to Sanitation	\$ 850,000	\$ 850,000	N	See Notes		850,000	850,000	The Proposed Budget does not address this issue. The CAO is still reviewing the question of any potential benefits from a consolidation.	

Budget Memo: Question No. 6  
Alternative Budget Reductions (From CAO's White Papers)

	Department	Proposal	General Fund and Special Funds	General Fund and Special Funds	Included in Proposed Budget	Savings Amount Recognized, Revenue, or Costs Avoided	Funded Amounts	Available Reduction Based on Adjusted Maximized Value of Proposal	Available Reduction Based on Adjusted Value of Proposal	Notes	Related Budget or Blue Book Items
			Combined Maximized Value for 2011-12	Combined Proposed Value for 2011-12	Y/N	In Proposed Budget	In Proposed Budget				
II. Focus on Core Services	Sanitation	Trash Receptacle Program	\$ 365,104	\$ -	Y	414,804		-	-	The Proposed Budget transfers the Waste Receptacle Program from Street Services to Sanitation. This transition moves the program from the General Fund to the Integrated Solid Waste Management Fund. The savings represents direct and indirect costs. The amount identified in the White Paper included expenses that are in BSS' budget as a separate reduction BB#19.	BSS BB#20 & BOS BB#25
	Street Services	\$2.75 Million Reduction	\$ 2,750,000	\$ 2,750,000	Y	2,750,109		-	-	The Proposed Budget includes reductions to various Street Services Programs including Weed Abatement, Street Cleaning, Tree and Parkway Maintenance, and Street Maintenance and Improvement for a total savings of \$2.75 million.	BSS BB# 13, BB#19, BB#22, BB#26, BB#37, & BB#38
	Street Services	Consolidation of Street and Transportation Services	\$ -	\$ -	Y	80,000		-	-	The Proposed Budget only includes one functional transfer between the Bureau of Street Services (BSS) and Transportation (DOT): Special Events Permit Office. Savings are approximately \$80,000 (direct and indirect costs) derived from the discontinuance of one position.	BSS BB#4 & DOT BB#42
	Transportation	Crossing Guards Services	\$ 7,700,000	\$ 2,900,000	Y	2,000,000		5,700,000	900,000	Proposed budget uses different strategy than the White Paper.	DOT BB#10
	Public Works	Right of Way Code Enforcement Program.	\$ -	\$ -	N	See Notes		-	-	The White Paper did not provide a recommendation on this issue. In the Proposed Budget, the roles each bureau plays in this area has been maintained.	BCA BB#14 & BSS BB#17
	General Services	Parking Management Restructuring	\$ -	\$ -	N	See Notes		-	-	This proposal was discussed in a joint meeting of the Budget and Finance and Transportation Committees concurrent with the Five Year Plan for the Special Parking Revenue Fund (SPRF) due to the overlapping recommendations. The Five Year Plan was approved and the White Paper proposal was continued.	
	Treasurer	Consolidate with Finance	\$ 1,068,690	\$ 1,068,690	Y	1,082,478		-	-	The Proposed Budget includes the consolidation of the Treasurer into the Office of finance for savings of \$753,492 (direct costs) and \$296,855 (indirect costs).	OOF & TRE BB# Various

Budget Memo: Question No. 6  
Alternative Budget Reductions (From CAO's White Papers)

Attachment

	Department	Proposal	General Fund and Special Funds	General Fund and Special Funds	Included in Proposed Budget	Savings Amount Recognized, Revenue, or Costs Avoided	Funded Amounts	Available Reduction Based on Adjusted Maximized Value of Proposal	Available Reduction Based on Adjusted Value of Proposal	Notes	Related Budget or Blue Book Items
			Combined Maximized Value for 2011-12	Combined Proposed Value for 2011-12	Y/N	In Proposed Budget	In Proposed Budget				
III. Alternative Service Delivery Models	Animal Services	Northeast Care Center	\$ 1,184,811	\$ 1,184,811	Y	2,044,776		-	-	The savings recognized are derived from deletion of 21 vacant funded positions (direct and indirect costs) and expense reductions included in the budget.	ASD BB#9
	Citywide	Los Angeles Children's Museum	\$ -	\$ -	N	See Notes		-	-	Assuming the City contracts with a non-profit to operate the facility, this City will avoid operating costs ranging from \$4-6 million once the facility opens to the public in March 2014.	
	Convention Center	Alternative Service Delivery Method	\$ -	\$ -	N	See Notes		-	-	The CAO is completing a report for Council consideration and approval concerning release of a Request for Proposal (RFP) for the private management of the Convention Center. If approved, the RFP would be released in 60-90 days.	
	Parking Facilities	Options	\$ -	\$ -	N			-	-	The CAO is completing a budget memo addressing options with respect to optimization of the City's parking structures as alternatives to the public-private partnership (P3) which was terminated by Council in February 2011.	
	Information Technology	Outsourcing the City's Data Centers	\$ -	\$ -	Y		250,000	-	-	The budget provides funding in the UB for a study on outsourcing all IT infrastructure. No savings are anticipated during 2011-12	UB BB#5
	Sanitation*	Multifamily Franchise Program	\$ 5,000,000	\$ 5,000,000	Y	See Notes		-	-	Existing positions were redistributed from SCM to CRTF so it is a neutral cost in the budget. The earliest a program can be implemented is 2013 due to public notice requirements. The \$5 million figure is a Bureau estimate of potential General Fund revenue to be derived from a franchise fee. None of that would apply to 2011-12.	
	Street Services*	Median Landscape Contracting Street Resurfacing, Reconstruction, and Improvements	\$ 850,000	\$ -	Y		850,000	-	-	This proposal was implemented in 2010-11. The Proposed Budget includes contractual funding of \$850,000 for the median landscape maintenance.	BSS Detail of Contractual Services #11
	Street Services*		\$ 3,500,000	\$ -	N	See Notes		-	-	The Proposed Budget includes funding for the Street Preservation Program to support 235 miles pf repair and reconstruction from various funds.	
	Zoo	Public Private Partnership	\$ -	\$ -	N	See Notes		-	-	CAO has engaged the services of a financial advisor to assist with the development of a Request for Proposal for a Public/Private Partnership at the Los Angeles Zoo. The CAO is currently reviewing the consultant's work product and is developing a draft RFP. It is anticipated that a report requesting approval to move forward with the RFP process will be released for Council consideration by the end of May.	



	Department	Proposal	General Fund and Special Funds	General Fund and Special Funds	Included in Proposed Budget	Savings Amount Recognized, Revenue, or Costs Avoided	Funded Amounts	Available Reduction Based on Adjusted Maximized Value of Proposal	Available Reduction Based on Adjusted Value of Proposal	Notes	Related Budget or Blue Book Items
			Combined Maximized Value for 2011-12	Combined Proposed Value for 2011-12	Y/N	In Proposed Budget	In Proposed Budget				
IV. Managing a Sustainable Workforce	Citywide*	Compensation Strategy	\$ 45,900,000	\$ -	N	See Notes		-	-	The Proposed Budget did not assume the reduction of anticipated compensation increases for the Coalition members as a result of the negotiated agreement with the Coalition or any other labor unit. Given the ratification of the agreement with a portion of the Coalition, the final adopted budget will contain a reduction of the furlough targets and a recognition of savings from concessions including the deference of salary step increases.	
	Citywide*	Achieving Furlough Savings Through Labor Concessions	\$211,000,000	\$ 211,000,000	N	See Notes		-	-	The Proposed Budget did not assume the reduction of furloughs as a result of the negotiated agreement with the Coalition or any other labor unit. Given the ratification of the agreement with a portion of the Coalition, the final adopted budget will contain a reduction of the furlough targets and a recognition of savings from concessions. The total savings assumed from furloughs in the Proposed Budget is \$93 million.	
	Citywide	Health Care Benefits	\$ 12,600,000	\$ 12,600,000	Y	11,726,000		874,000	874,000	The savings identified assume the adopted JLMBC Flex Changes for all employees for the full year.	
	Citywide*	Pension Reform New LACERS Tier	\$ -	\$ -	N	See Notes		-	-	The Proposed Budget did not assume the reduction of any City contribution to LACERS as a result of a new tier being approved by the City Council and Mayor. This item is pending action by the City Council.	
	Citywide*	Pension Reform Freeze LACERS Medical Subsidy	\$ 86,000,000	\$ -	N	See Notes		-	-	The Proposed Budget did not assume the reduction of any City contribution to LACERS as a result of a freeze to the retiree medical subsidy being implemented. This item is pending action by the City Council.	
	Citywide*	Pension Reform Freeze LAFPP Medical Subsidy	\$ 68,000,000	\$ -	N	See Notes		-	-	The Proposed Budget did not assume the reduction of any City contribution to LAFPP as a result of a freeze to the retiree medical subsidy being implemented. This item is pending action by the EERC.	
	Transportation	Part-Time Traffic Officers	\$ 9,000,000	\$ 9,000,000	Y	9,000,000		-	-	The Proposed Budget transfers funds within DOT's accounts to fund as-needed positions for the Part-time Traffic Officer Program. The budget recognizes \$9 million in revenue as a result of this program.	DOT BB#23

Budget Memo: Question No. 6  
Alternative Budget Reductions (From CAO's White Papers)

Department	Proposal	General Fund and Special Funds	General Fund and Special Funds	Included in Proposed Budget	Savings Amount Recognized, Revenue, or Costs Avoided	Funded Amounts	Available Reduction Based on Adjusted Maximized Value of Proposal	Available Reduction Based on Adjusted Value of Proposal	Notes	Related Budget or Blue Book Items
		Combined Maximized Value for 2011-12	Combined Proposed Value for 2011-12	Y/N	In Proposed Budget	In Proposed Budget				
All	Total Unadjusted Savings Adjusted for Proposals related to Pensions, Labor Negotiation, Median Landscape, Multifamily Franchise Proposals, and others	\$666,198,340	\$409,956,777	N/A	\$ 162,823,959	\$1,769,484	\$ 66,501,987	\$ 27,403,984	Total available savings from Combined Maximized Value is \$66.5 million. Total available savings from Combined Proposed Value is \$27.4 million. These savings are combined from the General Fund and Special Funds.	
All* (Adjusted)		\$235,022,395	\$186,221,176	N/A	\$ 162,823,959	\$1,769,484	\$ 62,167,003	\$ 27,403,984	Total available savings from Combined Maximized Value is \$62.2 million. Total available savings from Combined Proposed Value is \$27.4 million. These savings are General Fund savings.	

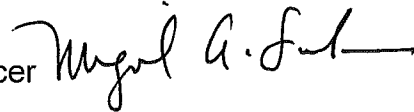
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 111

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **DEPARTMENT OF ANIMAL SERVICES – EXISTING SOUTH LOS ANGELES ANIMAL CARE CENTER**

The CAO released a Request for Information (RFI) for a contractor to operate one or more City Animal Care Centers. Responses to the RFI were due on February 26, 2011. The City received one response from Best Friends Animal Society (BFAS) to operate the Northeast Animal Care Center. The CAO is preparing a management contract between the City and BFAS for the operation of the Northeast Animal Care Center. The CAO will pursue a similar arrangement for the existing South Los Angeles Care Center upon the completion of the current Northeast Care Center contract.

The Department and the Bureau of Engineering are in the process of developing a preliminary list of improvements to various animal shelters using approximately \$17 million in program savings in the Proposition F Animal Facilities Bond Program. To date, improvements for the existing South Los Angeles Care Center have not been requested by the Department. The City Administrative Officer (CAO) will work with the Department to determine whether improvements at the existing South Los Angeles Care Center are needed. If recommended by the Department, improvements at the South Los Angeles Care Center can be included in the final list of improvements for all shelters. That final list is expected to be submitted for Mayor and Council approval within the next two months, after is it considered by the Proposition F Administrative Oversight Committee. This item is a non-budgetary issue as it relates to the Proposed Budget, given that General Obligation Bond Programs, such as Proposition F, are off-budget.

Finally, the Budget and Finance Committee asked that the issue of resolving the potential to use Proposition F Bond monies for the acquisition and improvements of a property adjacent to the new South Los Angeles Care Center be facilitated by this Office and the Chief Legislative Analyst. The General Manager of Animal Services has indicated that she expects to submit additional information on the matter to the City Attorney within the next week or so. The City Attorney will analyze the information to determine whether Proposition F monies can be used to acquire and build additional facilities on the site in question. Final determination on this issue will be made by the Proposition F Administrative Oversight Committee and/or by the City Council. This is a non-budgetary issue for the 2011-12 Proposed Budget; however, we are working with the Department and the City Attorney to come to a resolution on the matter.

MAS:JLK:RAS:04110131

Question No. 139

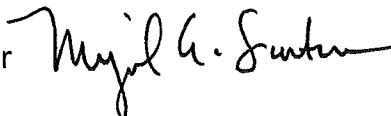
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 112

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **CITYWIDE REVENUES – SIGNAGE ISSUE (FOR R&P AND ZOO),**

On May 2, 2011, the Budget and Finance Committee requested information on the status and impact of current policies on the signage issues relating to the Department of Recreation and Parks and the Zoo.

The Recreation and Parks and Zoo Departments, during their normal course of business, enter into gift agreements or “partnerships” with non-profits and/or corporate sponsors to enhance the services provided. In most cases, in exchange for the gifts, the “private” partners request to be “recognized” on Department facilities. It appears that the sign ordinance exempts City Departments in that they may authorize “logo”s and “thank you”s but prohibits the visibility from public streets.

MAS:MTS:VES:DP: 08110188

Question No.142

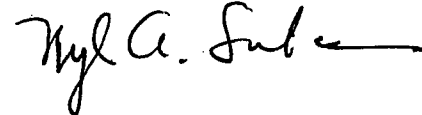
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 113

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **PARKING ASSET OPTIONS**

Since the Council took action to terminate the Public-Private Partnership (P3) for certain City parking structures in February 2011, this Office has received several unsolicited offers with respect to these assets. The following is a summary of those proposals.

Public-Private Partnership (P3) for ParkingRevenue to City: over \$200 million

We received a proposal from an investment bank offering an upfront payment of over \$200 million in exchange for a long-term concession and lease agreement for the nine parking structures previously contemplated under the P3 parking project. The bank, in partnership with an experienced operator, would assume management and operation of the facilities, including technological and capital investments for a period of 50 years.

The City Attorney has advised that we cannot release the offer, absent explicit consent by the proposer, because the proposer has requested that it be kept proprietary and confidential. The proposer seeks to maintain its competitive position by keeping the offer confidential. If the Council wants to pursue further, instructions must be provided to schedule this item for closed session so the Council can provide this Office with negotiation instructions.

Lease-LeasebackRevenue to City: TBD

We received two offers for a lease-leaseback transaction. One proposal by an investment firm in partnership with an experienced operator specified a term of 20 to 35 years and provided that the City would retain operational control, including rate setting authority and usage. The firm would make an upfront lease payment in exchange for annual lease payments by City over the term of the agreement. The City would retain revenues in excess of lease payments.

The second proposal by an infrastructure firm specified a term of 15 to 30 years and provides that the firm purchases the buildings, but the City retains ownership of the land, with the title reverting to the City at the end of the term. The firm would lease the facility back to the City based on tax-exempt bond rates.

Lease-Leaseback AlternativeRevenue to City: TBD

We received another offer for a transaction similar to a lease-leaseback transaction wherein the firm would pay the City an up-front inducement fee structured as debt and the City would make payment to the firm for management fees and debt service over a 25 year term. Revenues would be split 95 percent to the City, 5 percent to the firm. An experienced operator would be

retained to manage and operate the structures.

The issue of currently outstanding debt and associated restrictions would need to be taken into consideration and may present obstacles that cannot be satisfactorily mitigated by some of these proposed transactions. Additional discussions would be needed to explore and further refine the terms and conditions of these proposed transactions, if the Council wishes to further pursue these offers. These offers would also be subject to a competitive bid process.

Management Contract

Revenue to City: TBD

Another option would be a management contract for the City's parking structures. The City would contract with a Private Parking Operator to operate and manage all of the City's parking structures with either an upfront payment to pay off the debt, revenue sharing or a combination of both. Also contemplated is having this Operator upgrade the capital equipment with more efficient payment technology to reduce costs and increase revenue collection. This contract could also include meters and/or parking lots.

**FISCAL IMPACT STATEMENT**

Additional investigation and negotiations would be required in order to further assess the financial impacts of these offers.

**RECOMMENDATIONS**

If the Council determines that one of these proposals aligns with the Council's goals for optimizing the City's parking structures, direct the City Clerk to schedule a closed session hearing so that Council can provide the City Administrative Officer negotiation instructions.

*MAS:NRB:SMB:09110247*

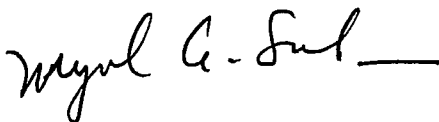
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **NON-PROFIT LEASING POLICY**



On May 2, 2011, the Budget and Finance Committee requested information on the status of the Non-Profit Leasing Policy.

The City's Non-Profit Leasing Policy was referred to the Arts, Parks, Health and Aging (APHA) Committee in May 2010 (C.F. 08-2762). As a result of the hearings conducted by the APHA Committee, additional instructions were provided in June 2010 to exempt all Cultural Affairs facilities that were to be partnered out from the general policy. The item has been referred to the Information Technology and Government Affairs and Budget and Finance Committees and is pending further review and additional instructions.

Our Office will continue to work with the Office of the Chief Legislative Analyst on finalizing the policy once additional review and instructions are provided by the Council.

MAS:JLVW:

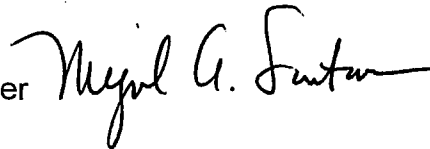
Question No. 189

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **LOS ANGELES HOMELESS SERVICES AUTHORITY – PROPOSITION 63**

Your Committee instructed the Los Angeles Homeless Services Authority (LAHSA) to report back regarding the use of Proposition 63 "Mental Health Services Act" funding. LAHSA's response is attached. LAHSA indicates that a total \$99 million in Proposition 63 funds are currently allocated to 27 projects within the City.

MAS:MAF:02110180c

Question No. 162





ADMINISTRATIVE OFFICE  
811 Wilshire Blvd., Sixth Floor  
Los Angeles, CA 90017  
Ph: 213.683.3333  
Fax: 213.892.0093  
TTY: 213.553.8488  
[www.lahsa.org](http://www.lahsa.org)

MEMO

To: Budget and Finance Committee  
From: G. Michael Arnold, Executive Director, LAHSA *Jma*  
Date: May 4, 2011  
CC:  
Re: Report on Prop 63, Mental Health Service Act in Los Angeles County

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**MHSA Housing Program (Capital and Operating) as of 5.3.2011**

- MHSA funding is used for capital and operating subsidies. The County received an \$115,571,200 one-time MHSA allocation from the state. To date \$112,892,320 has been committed for 35 programs throughout Los Angeles County. \$2,678,880 remains uncommitted.
- Out of the 35 projects funded in the County, 27 are located in the City of Los Angeles. The total amount of funding committed to City projects is \$99,119,955
- The attached schedule provides a detail of the projects and awarded funding under the MHSA in Los Angeles County to projects located in Los Angeles City.

**MHSA Housing Trust Fund (Services) 5.3.2011**

- The Trust Fund money is used only for services. The Trust Fund total is \$10.5 million; of this amount, \$6,746,397 is being allocated to programs in the City of Los Angeles.
- To date, 17 project are have been funded; 12 are operational, 3 are under construction, and 2 are still in negotiations. Of the total 17 programs receiving awards, 12 are located in the City.

**Allocation Process**

- Funding is determined by the LACDMH Advisory Board using the following metrics: population being served is at or below 30% AMI, other local funding is being leveraged, and the target population is homeless and living underserved areas. The MHSA program requires the California Housing Finance Agency (CalHFA) to administer the funds and underwrite the loans once awards are made to local programs.

**Implementation**

- The MHSA Implementation Unit (the Unit) oversees the implementation and ongoing programs funded by the Mental Health Services Act, Community Services and Supports Plan.
- The Unit works with MHSA lead managers to create service uniformity across programs serving various age groups and across the eight Service Areas, including overseeing the development and refinement of guidelines for Full Service Partnership programs. The Unit also prepares quarterly reports to the Board of Supervisors and the State Department of Mental Health, among others, on the status MHSA-funded programs.

**Information provided by**

Reina M. Turner, M.S.

Division Chief, Housing Policy & Development

Los Angeles County - Department of Mental Health

Adult Justice, Housing, Employment, & Education Services

695 South Vermont Avenue, 10th Floor

Los Angeles, California 90005

[rturner@dmh.lacounty.gov](mailto:rturner@dmh.lacounty.gov)

Phone: (213) 251-6558 Fax: (213) 637-2336

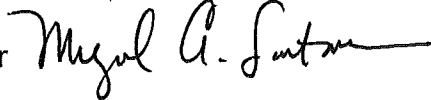
MHSA - Los Angeles City Projects

Project Sponsor	Project	Total Recommended Award
A Community of Friends	Osborne Place Apartments	\$ 4,003,667
A Community of Friends	Willis Avenue Apartments	\$ 3,490,000
A Community of Friends	Avalon Aprtments	\$ 3,000,000
Alternative Living for the Agining	Senior Housing Connections	\$ 1,133,994
AMCAL Multi-Housing Inc.	Montecito Terrances	\$ 1,000,000
Clifford Beers Housing, Inc.	28th Street YMCA Residences	\$ 7,397,064
Clifford Beers Housing, Inc.	NoHo Seniro Villas	\$ 6,264,900
Coalition for responsible Community Development	TBD	\$ 1,000,040
Day Street LP (LAFH)	Day Street Aptartments	\$ 1,133,000
Epworth Apartments, LP	Epworth Apartments	\$ 3,967,770
Jovenes, Inc.	Progress Place I and II	\$ 2,800,000
LA Family Housing	Glenoaks Gardens	\$ 9,000,000
Los Angeles Housing Partnership, Inc.	Mid-Celis Apartments	\$ 525,000
Los Angeles Housing Partnership, Inc.	Parkview on the Park Apartments	\$ 659,760
LTSC Community Development Corp.	KIWA Apartments	\$ 1,048,300
LTSC Community Development Corp.	Menlo Family Housing	\$ 2,596,600
LTSC Community Development Corp.	PWC Family Housing	\$ 524,150
Mercy Housing California	Caroline Severance Manor	\$ 9,031,840
Skid Row Housing Trust	Charles Cobb Apartments	\$ 2,500,000
Skid Row Housing Trust	New Genesis Apartments	\$ 1,835,142
South Central Health and Rehab Program (SHARP)	Figeruoa Apartments	\$ 2,503,918
SRO Housing Corporation	The Ford Apartments	\$ 18,794,700
Step Up On Second	Step Up on Vine	\$ 3,328,000
The Villas at Gower, LP (ACOF and PATH Ventures)	The Villas at Gower	\$ 7,000,000
Volunteers of America of LA	VOLA Navy Village for Families	\$ 1,257,960
W.O.R.K.S.	Eagle Vista	\$ 524,150
W.O.R.K.S.	Young Burlington	\$ 2,800,000
<b>GRAND TOTAL</b>		<b>\$ 99,119,955</b>

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **REVENUE ESTIMATES**

During consideration of the revenue estimates in the Proposed Budget, the committee requested a review the Proposed Budget revenue estimates in light of the City Controller's estimates and information provided by economists.

The significant differences are in property tax, licenses, permits, fees and fines and the transfer from the Special Parking Revenue Fund:

- The Proposed Budget projects overall growth in property tax receipts of 0.9% which is close to the county estimate of 0.7%. The Controller's estimate projects a small decline.
- The Proposed Budget projects growth in licenses, permits, fees and fines of \$11.2 million (1.6%). The Controller's estimate projects a decline. The Proposed Budget forecasts additional overhead reimbursements from the Library and Recreation and Parks, special funds such as Proposition 1B and ARRA, and reimbursements from the Special Parking Revenue Fund. The Proposed Budget estimates are based on later information than was available for the Controller's March 1 estimate. Line-by-line detail of departmental receipts is provided in the Revenue Outlook Supplement to the Proposed Budget.
- The proposal to transfer \$18.2 million from the Special Parking Revenue Fund to the General Fund is a policy recommendation and was not part of the Controller's estimate.

There are also minor differences in the estimates for some of the economy-sensitive accounts. The Proposed Budget is higher for the sales, business and parking users' taxes. The Controller's estimate is higher for the utility users' and transient occupancy taxes. These differences are largely offsetting. Additionally, the estimates in the Proposed Budget for interest income, grants receipts and the transfer from the telecommunications development account were based on information not available at the time of the Controller's March 1 estimates. A comparison of General Fund revenue estimates in the Proposed Budget with the estimates in the Controller's March 1 letter is presented in Attachment 1.

Both the Controller's estimates and the Proposed Budget were informed by presentations from local economists, industry experts and other governmental agencies. These include:

- Bruce Baltin from Pannell Kerr Forrester on tourism and business travel;
- Nancy Sidhu from the Los Angeles County Economic Development Corporation on the local economy;
- G.U. Krueger from HousingEcon.Com on local real estate issues;
- Jerry Nickelsburg from the UCLA Anderson School of Management on the national and local economy;
- Christopher Thornberg of Beacon Economics on a wide range of economic issues;
- The staffs of the California Office of Finance; the State Legislative Analyst; the Los Angeles County Assessor and the County Chief Executive Officer.

A summary of information available from these sources is presented in Attachment 2.

## Attachments

MAS

Question No 1

## Attachment 1

### FY2011-12 PROPOSED BUDGET Revenue Comparison: Controller and Proposed Budget

	2010-11		2011-12		Variance Proposed Less Controller	Notes
	Budget	Revised	Controller	Proposed Budget		
<b>Economy Sensitive</b>						
Property Tax - 1%	\$1,408,529	\$1,424,143	1,410,665	1,436,363	\$25,698	Proposed Budget estimate consistent with County estimate of 0.7% Growth
Utility Tax	654,600	624,898	637,321	627,832	(9,489)	Later information
Business Tax	411,960	424,036	434,128	439,219	5,091	Proposed budget 4% growth
Sales Tax	289,412	291,656	302,070	306,239	4,169	11-12 Estimate consistent with County estimate of 5% growth
Transient Occupancy Tax	122,700	127,193	138,709	136,200	(2,509)	Proposed Budget estimate made after Japan earthquake
Documentary Transfer Tax	111,000	102,000	107,528	107,000	(528)	Includes corporate
Parking Users' Tax	85,983	84,000	86,846	88,200	1,354	Proposed Budget includes 5% growth -- same as sales tax
Subtotal	\$3,084,184	\$3,077,926	\$3,117,267	\$3,141,053	\$23,786	
Licenses, Permits, Fees & Fines	778,177	710,068	668,014	721,272	53,258	Based on later information, Proposed Budget recognizes greater reimbursements and transfer from Special Parking Revenue Fund.
Total - Economy Sensitive	\$3,862,361	\$3,787,994	\$3,785,281	\$3,862,325	\$77,044	
<b>Other Revenues</b>						
Power Revenue Transfer	\$257,000	\$258,815	\$254,000	\$254,000	\$0	
Parking Fines	142,446	133,500	140,000	141,000	1,000	Proposed Budget based on lower citation revenue from declining citation issuance, offset by revenue related to part-time traffic officers.
Franchise Income	45,541	46,700	46,295	48,100	1,805	
Interest	12,400	14,890	10,400	14,280	3,880	Later information
State Motor Vehicle License Fees	12,000	13,792	14,594	14,700	106	
Tobacco Settlement	11,300	9,500	9,500	9,500	-	
Grant Receipts	9,200	12,198	12,400	9,820	(2,580)	
TDA Transfer	7,650	7,650	4,000	5,170	1,170	Later information
Residential Development Tax	1,700	1,500	1,844	1,905	61	
Special Parking Revenue Transfer	10,000	10,000	-	18,200	18,200	Policy item
Reserve Fund Transfer	3,617	3,617	-	-	-	
Total - Other Revenues	\$512,854	\$512,162	\$493,033	\$516,675	\$23,642	
<b>TOTAL - ALL GENERAL FUND REVENUES</b>	<b>\$4,375,215</b>	<b>\$4,300,156</b>	<b>\$4,278,314</b>	<b>\$4,379,000</b>	<b>\$100,686</b>	

## Attachment 2

### Taxable Sales / Sales Tax Forecasts & Other Revenue Forecasts

Revised May 2011

	<u>10-11</u>	<u>11-12</u>
State Legislative Analyst Taxable Sales for California @ February 2011	8.5%	7.0%
State Department of Finance Taxable Sales (adjusted to match City FY)	4.9%	7.5%
Los Angeles County Economic Development Corporation Taxable Sales for Los Angeles County @ Feb 16, 2011	4.5%	6.3%
Beacon Economics Taxable Sales for California @ December 2010	5.4%	7.0%
UCLA Taxable Sales for California @ December 2010 (Available for Controller Estimate)	1.4%	6.7%
UCLA Taxable Sales for California @ March 2011 (Available for Proposed Budget)	2.2%	6.0%
LA County Sales Tax @ March 2010	4.0%	5.0%
Board of Equalization statewide sales tax advance for 1st quarter of 2011	0.0%	--
MuniServices Los Angeles City Sales Tax Forecast @ December 2010 based on data through September 2010	2.6%	2.3%
City of Los Angeles Sales Tax <b>Cash Receipts</b> for first 3 quarters of 2010-11	5.0%	--
City of Los Angeles <b>Allocation</b> for first 3 quarters of 2010-11 (actual allocation basis)	4.2%	--
Proposed Budget for City of Los Angeles Sales Tax	4.1%	5.0%
Transient Occupancy Tax Estimate -- With assistance by Bruce Baltin, Pannel Kerr Forrester Consulting *		7.7%
Proposed Budget for City of Los Angeles Transient Occupancy Tax	7.3%	7.1%

Where only calendar year estimates are available, they are adjusted to match City fiscal years.

\* Estimate made prior to Japan Earthquake.

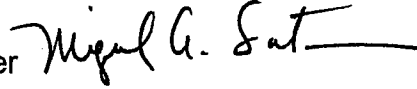
The City budget estimates are more cautious than the higher estimates shown on this table. This caution is because links between international tensions, rising oil prices and the effects of the disaster in Japan on the Los Angeles area economy are not currently known.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

May 4, 2011

To: The Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **STATUS OF OUTSTANDING BUDGET QUESTIONS**

Your Committee requested responses to a total of 171 questions. As of May 4, 2011, 113 budget memos have been prepared and released in response to these questions. As detailed Attachment I, a total of 39 questions with no direct budgetary impact remain outstanding. These items should be referred to the appropriate policy committee as detailed in Attachment II for consideration.

**RECOMMENDATION**

It is recommended that the outstanding questions be referred to the policy committee as detailed in Attachment II and that this Office and/or the appropriate City Department be directed to forward responses directly to the policy committees within 90 days.

MAS: MTS: 08110183



**COMMITTEE REFERRALS FOR OUTSTANDING QUESTIONS**

<b>COMMITTEE</b>	<b>QUESTIONS ASSIGNED</b>
Arts, Parks Health and Aging	Disability, CAD, RAP
Audits and Governmental Efficiency	LAHD
Budget and Finance	Finance, GCP, Personnel, TRAN, Citywide, RAP
Education and Neighborhoods	DONE
Energy and Environment	DWP
Housing, Community and Economic Development	CRA, CAO, LAHSA, HACLA, LAHD
Information, Technology and Government Affairs	GSD
Jobs and Business Development	
Personnel	City Clerk, CAO, Personnel
Planning & Land Use Management	Planning, Citywide
Public Safety	EMD, Fire, Police
Public Works	BOE, Street Services, Street Furniture
Rules and Elections	Ethics
Trade, Commerce and Tourism	LAWA, Harbor, LACC
Transportation	
EERC	Police

**Budget & Finance Questions - No Budget Impact***Office of the City Administrative Officer  
Proposed Budget 2011-12***Citywide**

- LONG TERM** Report back on beginning negotiations with labor on areas that need to be updated in Civil Service both for the City's benefit and for labor. Especially as they relate to hiring new employees at lower rates.
- LONG TERM** Report back on how many people are currently employed on 90 day contracts.
- LONG TERM** Report back with a list of City commissions, both mandatory and advisory. What departments have commissions? What are the costs associated with operating these commissions (salaries, expense accounts, etc.)? Which commissions could be combined or eliminated?
- LONG TERM** Report back on the status of the Street Furniture program (Smith proposal). How would this program impact City revenues?

**City Administrative Officer**

- LONG TERM** Report back with an actuarial study of the DROP program and revising that study to take into account rank, the 5% guarantee, and year of entry.
- LONG TERM** Report back providing grant principles and policy recommendation for managing grants and proposed structure for monitoring grants.

**Community Redevelopment Agency**

- LONG TERM** Report back with the criteria for why CD11 doesn't have a Redevelopment Project Area in the Council District. Provide information as to why the Oakwood and Del Rey communities would not qualify for a redevelopment area.

**Cultural Affairs**

- LONG TERM** Report back on a multi-faceted funding policy for funding facilities and grants.

**Disability**

- LONG TERM** Report back on private sector groups and philanthropy working with DOD and the disabled community.

**Emergency Management**

- LONG TERM** Report back on motion to explore feasibility of implementing a tsunami siren system in coastal areas

## **Ethics Commission**

**LONG TERM** Ethics Commission and the City Attorney's Office to report back as to whether it is feasible to examine whether past instances of violation of the former the Corporation Contribution laws, can be reviewed to potentially mitigate actions against those who "violated" this section.

## **Finance**

**LONG TERM** CAO/Finance/Treasurer to report back to B&F, prior to July 1, 2011, with the operational and implementation plan for the consolidation of the two departments, for approval by Council. What efficiencies will be achieved? What cost savings will be achieved?

**Report Back To: Budget & Finance Committee**

## **Fire**

**LONG TERM** Report back on the best practices for Fire department staffing to create an optimal career ladder to transition from apparatus operator to captain.

## **General City Purposes**

**LONG TERM** CLA to report back on Citywide Fee Subsidy with an update as to what has been spent.

## **General Services**

**LONG TERM** CLA/GSD/CAO to Report back on the status of the Non-profit leasing policy. How would this program impact City revenues?

## **Homeless Services Agency**

**LONG TERM** Report back on the last several years of transitional housing. How many chronically homeless people have been transitioned to permanent housing?

## **Housing Authority**

**LONG TERM** Report back on potential/existing gang prevention programs at Mar Vista Gardens.

## **Housing Department**

**LONG TERM** How do you deal with the granny unit concept? What legislation can be introduced to protect renters living in illegal use properties (garage units and apartment units in single family homes - R1 neighborhood)? How can units be brought to code without evicting tenants?

## **Housing Department**

**LONG TERM** Report back on what other cities have done to prevent granny units from being torn down or lost and ways to prevent the loss of affordable housing. Has the City looked at a better process to prevent tenants from reporting their landlords for granny flat violations, then going after their landlords for relocation expenses?

## **Los Angeles Convention Center**

**LONG TERM** LACC to report back on which positions LACC has had difficulty finding transfer employees from other City departments/agencies to fill vacancies.

## **Personnel**

**LONG TERM** How will future health benefits/costs be impacted by national healthcare reform?

**LONG TERM** Report back on ways to work with the City Attorney to reduce worker compensation costs.

**LONG TERM** White Paper: Best practices for worker's compensation/comprehensive program to prevent and mitigate workplace injuries. Survey the best practices of other jurisdictions.

**Report Back To: Budget & Finance Committee**

**LONG TERM** Provide data on contracting out elements of the worker's compensation efforts and why it is the same cost as using City employees.

**LONG TERM** Report back on how many employees are currently subscribed to each health plan and associated cost of each plan to the City.

## **Planning**

**LONG TERM** Report back on potential legislation to address tenant's rights and quality of life issues associated with granny flats.

**LONG TERM** Report back on affordable housing and what other cities are doing. SB1818.

**LONG TERM** Report back on Nuisance Abatement Ordinance as it pertains to recycling centers and auto businesses.

## **Police**

**LONG TERM** What contributions/give-backs do motorcycle cops make for receiving take home privileges.

**LONG TERM** Report back to the EERC whether PSR salaries can be reduced.

**Report Back To: Executive Employee Relations Committee**

## **Public Works, Engineering**

**LONG TERM** Report back on the possibility of implementing Performance Based Budgeting, beginning with Engineering as a pilot.

**LONG TERM** BOE/CAO to report back on long range plan for bulkhead construction projects.

**Report Back To: Budget & Finance Committee**

## **Public Works, Street Services**

**LONG TERM** Report back on how many landscaped medians have recently been constructed by BIDs that may become the City's responsibility to maintain, as well as CRA project median landscaping with no funding stream for ongoing maintenance.

**LONG TERM** Report back to the B&F Committee within six months on the five-year plan that identifies the balance of a City workforce that will be supplemented with contract work for one-time grants and the hiring of as-needed employees or find reliable future funding streams that include departmental staff/funding thresholds.

**Report Back To: Budget & Finance Committee**

**LONG TERM** Report back on plan for resurfacing/paving alleys and options that Council can begin to consider.

**Report Back To: Public Works**

**LONG TERM** Report back on all functions that can potentially be absorbed by Sanitation that are currently performed by Street Services.

**Report Back To: Public Works**

## **Recreation & Parks**

**LONG TERM** Report back on golf facility management.

**Report Back To: Budget & Finance Committee**

**LONG TERM** RAP/CLA/CAO to report back on a strategy for public-private partnership.

**Report Back To: Budget & Finance Committee**

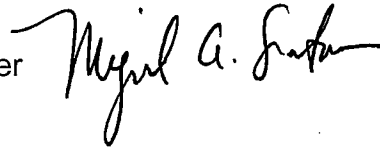
**LONG TERM** CLA/CAO/Mayor to look at feasibility of making Venice Beach into a stand-alone operational unit, similar to El Pueblo.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **RESERVE FUND – EXHIBIT H INSTRUCTION**

The Budget and Finance Committee requested that this Office provide the definition of “new revenue” to be deposited into the Reserve Fund and how this proposal differs from current policy.

The 2011-12 Proposed Budget includes an instruction in Exhibit H to adopt a goal of achieving a Reserve Fund balance of five percent of the General Fund by June 30, 2012 and to dedicate 50 percent of all new one-time revenue sources to the Reserve Fund until the five percent goal is reached.

Based on this instruction, the definition of “new revenue” is limited to new one-time revenue sources such as legal settlements in favor of the City or extraordinary receipts from the sale of the City’s surplus property. For example, in the 2011-12 Proposed Budget, approximately \$1 million in one-time revenue has been recognized from the sale of various salvaged equipment items. Should the sale of additional equipment be completed or the revenue generated exceed the budgeted amount, 50 percent of any amount over the budget would be deposited in the Reserve Fund.

The current Financial Policies provides a phased-in approach for increasing the Reserve Fund balance to five percent over a period of several years. This period was defined in 2005 to be ten years by fiscal year 2014-2015 due to the City’s structural deficit. The proposal included in the budget would accelerate the target date to reach five percent by four years.

The Charter requires the Controller to revert to the Reserve Fund all excess revenue or unallocated general revenue, including any one-time receipts that were not appropriated and encumbered, at each fiscal year-end. The proposal is consistent with the Charter requirement in that it does not preclude the remaining 50 percent of one-time revenues from being reverted to the Reserve Fund. However, the impact of setting aside 50 percent of new one-time revenue would reduce the amount available for allocating to existing or new programs.

Inasmuch as the Budget Stabilization policy is pending and funding sources has yet to be defined, this Office believes it would be advantageous for the City to prioritize increasing the Reserve Fund for 2011-12 before setting aside additional funds for the Budget Stabilization Fund. However, setting aside more funds for the Budget Stabilization Fund should continue to be pursued as part of a comprehensive policy on the City's reserves. This Office plans to present to this Committee a policy on the Budget Stabilization Fund, how the Budget Stabilization Fund differs from the Reserve Fund, and how each fund contributes to the City's fiscal sustainability.

It is essential that the City maintain sufficient reserves to weather the current prolonged and slow economic growth. In addition, actions taken to strengthen the City's Reserve Fund, such as this proposal, would likely be viewed favorably by all three Rating Agencies – Fitch Ratings, Moody's Investors Service, and S&P. In their November 2010 reports, each of the rating agencies cited the rebuilding of the reserves as a key driver for improving the City's ratings or outlook. This proposal would help increase our Reserve Fund to five percent of the General Fund revenue.

*MAS:BC:ECL:01110059c*

Question No. 146

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **CITYWIDE – MANAGED HIRING REQUESTS**

The Budget and Finance Committee requested a summary of all requests submitted to the Managed Hiring Committee (MHC) in 2011-12. The attached report includes 486 submitted requests, along with the submittal date to the MHC, classification requested, action taken by the MHC and the date of the MHC action. The MHC approved 350 requests consisting of 988 total positions of which 323 were General Funded, 640 special funded and 26 grant funded. 109 requests are on hold for various reasons explained below and 27 requests were either denied, withdrawn or returned to departments. Of the 323 General Funded approvals, approximately half of them were for the Police and Fire Departments.

The MHC, consisting of representatives from the CAO, CLA and the Mayor's Office, has been reviewing requests under the parameters laid out by the Mayor and Council last May 2010. As you may recall, the FY 10-11 Adopted Budget continued a "Hard Hiring Freeze" from 2009-10 by instructing departments to submit unfreeze requests through the CAO's Office to the MHC for review. The Mayor and Council established general criteria for the MHC to consider when reviewing Departmental requests which includes positions that are:

- Revenue generating
- Fully funded through grants or special funds
- Public safety related
- DNA related positions
- Critical and unique to departmental operations

The MHC attempts to balance the operating needs of the departments, along with the Mayor's and Council's policy goals, against the City's current fiscal crisis. Through its review, the MHC has made every effort to:

- Approve the transfer of General Funded employees to sustainable special funded positions
- Restrict promotions only when required for critical departmental operations and functions
- Limited the backfill of positions to transfers only so that hiring from outside the City is limited to: maintain the savings generated by the Early Retirement Incentive Program; and to what is allowed by the Administrative Code



- Review and determine whether part-time employees or 90-day employees would provide a reasonable and cost effective alternative to hiring full-time employees with full health and retirement benefits

The MHC has been working to implement the Mayor and Council's intent to reduce General Fund costs while maximizing opportunities in special funds without increasing the risk of future fee increases. Additionally, MHC is attempting to limit hiring from outside the City and use part-time or 90-day employees because these options are a cost effective solution for departments until a new civilian retirement tier can be implemented. Due to the MHC's diligence, the Proposed Budget eliminates close to 700 positions with minimal employee displacements. Had the MHC approved all of the positions requested by departments, the budget deficit for 2011-12 would have been higher and would have contained additional employee displacements.

Over 70% of the MHC approvals have been granted within three weeks. The remaining requests have either been held for further review, approved after additional information or events have occurred, returned to departments or have been denied. Reasons for positions being held for further review or taken longer for approval include: 1) current year budget shortfalls, both anticipated and unanticipated; 2) timing and approval of the P3 Alternative Plan; 3) possible fee adjustments and availability of special funds; 4) requests for promotions; 5) pending outcome or availability of future federal or state funding; and 6) positions held pending the CAO's report on resolution authorities in the 2010-11 budget. In these situations, the MHC determined that holding certain Departmental requests was favorable to immediately denying those requests in order to save the Department's from having to resubmit their requests should their fiscal situation were to improve at a later date.

The MHC has developed an internal City LA GEECS website for departments to reference to obtain information (<https://sites.google.com/a/lacity.org/managed-hiring/home>). The site includes instructions for departments in submitting requests, the MHC form and provides the results from the MHC's meetings.

The members of the MHC welcome feedback on how to improve the current process and are committed to implementing the instructions and policy direction set forth by the Mayor and Council in its review of position requests for the remainder of 2010-11 and going forward in 2011-12.

Attachment

MAS:RPC:KH

# Managed Hiring - Results: FY 10-11

Date Submitted:      Position Information:      Class Title/ No. Requested:      Decision/ Decision Date:

## *Aging*

### ■ *Approved*

9/24/2010	1	ACCOUNTANT II Regular	Approved 10/6/2010	1 ACCOUNTANT II
10/4/2010	1	ACCOUNTANT II Regular	Approved 10/6/2010	1 ACCOUNTANT II
10/4/2010	1	AUDITOR I Regular	Approved 4/1/2011	1 AUDITOR I
9/24/2010	1	CLERK TYPIST As-Needed	Approved 10/6/2010	1 CLERK TYPIST
9/24/2010	1	MANAGEMENT ANALYST I Resolution	Approved 10/6/2010	1 MANAGEMENT ANALYST I
8/31/2010	1	PROGRAM AIDE AGING As-Needed	Approved 9/3/2010	1 PROGRAM AIDE AGING
8/31/2010	1	SECRETARY Regular	Approved 9/17/2010	1 SECRETARY

### ■ *Request Returned to Dept*

7/24/2009	1	SYSTEMS ANALYST II Regular	Request Returned to Dept 8/25/2010	
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**Total Entries by Department:      8**

Date Submitted:                      Position Information:  
 Class Title/ No. Requested:      Decision/ Decision Date:

## *Animal Services*

### ■ *Approved*

7/19/2010	2	DIR OF FIELD OPERATIONS  Regular	Approved  8/25/2010	2 DIR OF FIELD OPERATIONS	
7/19/2010	1	SR ACCOUNTANT I  Regular	Approved  7/23/2010	1 SR ACCOUNTANT I	
10/27/2010	1	SYSTEMS ANALYST II  Regular	Approved  10/29/2010	1 SYSTEMS ANALYST II	

### ■ *Approved as Modified*

11/30/2010	2	VETERINARY TECHNICIAN  Regular	Approved as Modified  2/7/2011	2 VETERINARY TECHNICIAN	Positions approved only as intermittent, not to exceed 1040 hours.
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**Total Entries by Department:                      4**

## *Building & Safety*

### ■ *Approved*

10/12/2010	1	ASST DEP SUP OF BLDG II  Resolution	Approved  12/3/2010	1 ASST DEP SUP OF BLDG II	
10/12/2010	1	BUILD CIVIL ENGR I  Resolution	Approved  12/3/2010	1 BUILD CIVIL ENGR I	
10/12/2010	9	BUILD MECH INSPECTOR  Resolution	Approved  12/3/2010	9 BUILD MECH INSPECTOR	
10/12/2010	1	CLERK TYPIST  Resolution	Approved  12/3/2010	1 CLERK TYPIST	
7/19/2010	1	DEPUTY SUPT OF BLDG I  Regular	Approved  7/23/2010	1 DEPUTY SUPT OF BLDG I	

<b>Date Submitted:</b>	<b>Position Information:</b>	<b>Class Title/ No. Requested:</b>	<b>Decision/ Decision Date:</b>	
7/19/2010	1	DEPUTY SUPT OF BLDG I  Regular	Approved  7/23/2010	1 DEPUTY SUPT OF BLDG I
10/12/2010	1	ELECTRCL ENGRG ASSC II  Resolution	Approved  12/3/2010	1 ELECTRCL ENGRG ASSC II
10/26/2010	1	ELECTRCL ENGRG ASSC II  Regular	Approved  10/29/2010	1 ELECTRCL ENGRG ASSC II
10/1/2010	1	MANAGEMENT ANALYST II  Regular	Approved  10/6/2010	1 MANAGEMENT ANALYST II
10/12/2010	1	MECH ENGRG ASSC II  Resolution	Approved  12/3/2010	1 MECH ENGRG ASSC II
8/26/2010	2	SAFETY ENGR ELEVATORS  Regular	Approved  9/3/2010	2 SAFETY ENGR ELEVATORS
8/26/2010	1	SAFETY ENGR PRESS VES  Regular	Approved  9/3/2010	1 SAFETY ENGR PRESS VES
10/12/2010	1	SR BUILD MECH INSPECTR  Resolution	Approved  12/3/2010	1 SR BUILD MECH INSPECTR
10/26/2010	1	SR FIRE SPRINKLER INSP  Resolution	Approved  10/29/2010	1 SR FIRE SPRINKLER INSP
10/26/2010	1	SR MGMT ANALYST I  Regular	Approved  3/4/2011	1 SR MGMT ANALYST I
10/26/2010	1	SR PLUMBING INSPECTOR  Resolution	Approved  10/29/2010	1 SR PLUMBING INSPECTOR
10/12/2010	2	STRUCTRL ENGRG ASSC II  Resolution	Approved  12/3/2010	2 STRUCTRL ENGRG ASSC II

Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
10/12/2010	2 STRUCTRL ENGRG ASSC III  Resolution	Approved  12/3/2010	2 STRUCTRL ENGRG ASSC III
10/26/2010	1 STRUCTRL ENGRG ASSC III  Regular	Approved  10/29/2010	1 STRUCTRL ENGRG ASSC III
8/31/2010	2 STUDENT PROF WORKER  Substitute	Approved  9/17/2010	2 STUDENT PROF WORKER

■ *Approved as Modified*

10/1/2010	1 MANAGEMENT ANALYST II  Regular	Approved as Modified  10/6/2010	1 MANAGEMENT ASSISTANT
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**Total Entries by Department: 21**

*City Administrative Officer*

■ *Approved*

10/4/2010	4 ADMIN ANALYST II  Regular	Approved  10/6/2010	4 ADMIN ANALYST II
12/1/2010	2 ADMIN ANALYST II  Regular	Approved  12/3/2010	2 ADMIN ANALYST II
12/1/2010	2 ADMIN ANALYST II  Regular	Approved  12/3/2010	2 ADMIN ANALYST II
10/4/2010	1 MANAGEMENT ANALYST II  Regular	Approved  10/6/2010	1 MANAGEMENT ANALYST II
12/1/2010	1 SR ADMIN ANALYST II  Regular	Approved  12/3/2010	1 SR ADMIN ANALYST II
10/4/2010	1 SYSTEMS ANALYST I  Regular	Approved  10/6/2010	1 SYSTEMS ANALYST I

**Total Entries by Department: 6**

Date Submitted:                      Position Information:  
 Class Title/ No. Requested:      Decision/ Decision Date:

*City Attorney*

■ *Approved*

7/20/2010	1	CITY ATTY ADMIN CRD II Regular	Approved 7/23/2010	1 CITY ATTY ADMIN CRD II	
2/28/2011	1	DEPUTY CITY ATTY IV Regular	Approved 3/4/2011	1 DEPUTY CITY ATTY IV	

■ *Hold*

2/28/2011	2	CITY ATTY INVESTGTR II Regular	Hold		Pending budget review.
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**Total Entries by Department:                      3**

*City Clerk*

■ *Approved*

6/24/2010	1	ACCOUNTING CLERK II Regular	Approved 9/17/2010	1 ACCOUNTING CLERK II	
10/4/2010	1	PROGRAMMER/ANALYST IV Regular	Approved 10/6/2010	1 PROGRAMMER/ANALYST IV	
6/8/2010	1	SR MGMT ANALYST II Regular	Approved 7/9/2010	1 SR MGMT ANALYST II	

■ *Approved as Modified*

6/8/2010	1	LEGISLATIVE ASST II Regular	Approved as Modified 7/23/2010	1 LEGISLATIVE ASST I	
7/27/2010	1	LEGISLATIVE ASST II Regular	Approved as Modified 7/23/2010	1 LEGISLATIVE ASST I	

Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
<b>■ Denied</b>			
6/24/2010	1 CH MANAGEMENT ANALYST Regular	Denied 8/25/2010	
<b>■ Hold</b>			
1/3/2011	1 ACCOUNTANT II Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
8/13/2010	1 CH MANAGEMENT ANALYST Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
12/30/2010	1 CH MANAGEMENT ANALYST Emergency	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
7/27/2010	1 LEGISLATIVE ASST II Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
6/24/2010	1 SR MGMT ANALYST I Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
2/2/2011	1 SR MGMT ANALYST I Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
3/3/2011	1 SR MGMT ANALYST II Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
<b>Total Entries by Department:</b>		<b>13</b>	

## *Community Development*

<b>■ Approved</b>			
7/21/2010	1 ACCOUNTANT II Regular	Approved 8/25/2010	1 ACCOUNTANT II
11/16/2010	1 ACCOUNTANT II Resolution	Approved 11/19/2010	1 ACCOUNTANT II

Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
7/21/2010	1 CH MANAGEMENT ANALYST  Regular	Approved  8/25/2010	1 CH MANAGEMENT ANALYST
10/28/2010	1 COMNTY/ADMN SUP WKR III  As-Needed	Approved  10/29/2010	1 COMNTY/ADMN SUP WKR III
10/28/2010	1 COMNTY/ADMN SUP WKR III  As-Needed	Approved  10/29/2010	1 COMNTY/ADMN SUP WKR III
11/16/2010	1 ENVIRN AFFRS OFC  Resolution	Approved  11/19/2010	1 ENVIRN AFFRS OFC
7/8/2010	1 ENVIRONMENTAL SPEC II  Regular	Approved  7/23/2010	1 ENVIRONMENTAL SPEC II
2/1/2011	3 HUMAN REL ADVOCATE  Resolution	Approved  3/4/2011	3 HUMAN REL ADVOCATE
2/1/2011	2 MANAGEMENT ANALYST II  Resolution	Approved  2/7/2011	2 MANAGEMENT ANALYST II
10/28/2010	1 PERSONNEL DIR I  Regular	Approved  4/1/2011	1 PERSONNEL DIR I
7/21/2010	1 SR ACCOUNTANT II  Regular	Approved  8/25/2010	1 SR ACCOUNTANT II
2/1/2011	1 SR ACCOUNTANT II  Resolution	Approved  2/7/2011	1 SR ACCOUNTANT II
10/28/2010	1 SR MGMT ANALYST I  Regular	Approved  10/29/2010	1 SR MGMT ANALYST I
10/28/2010	1 SR PROJECT COORDINATOR  Resolution	Approved  10/29/2010	1 SR PROJECT COORDINATOR



Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
<b>Hold</b>			
10/28/2010	1 CH MANAGEMENT ANALYST Regular	Hold	Pending outcome of future Federal funding and completion of ARRA projects.
10/28/2010	1 MANAGEMENT ANALYST II Regular	Hold	Pending outcome of future Federal funding and completion of ARRA projects.
10/28/2010	1 PROJECT ASSISTANT Resolution	Hold	Pending outcome of future Federal funding and completion of ARRA projects.
<b>Withdrawn</b>			
7/21/2010	1 SR MGMT ANALYST II Regular	Withdrawn 9/3/2010	

**Total Entries by Department: 18**

<b>Controller</b>			
<b>Approved</b>			
8/25/2010	1 ACCOUNTANT II Regular	Approved 9/10/2010	1 ACCOUNTANT II
8/25/2010	1 ADMIN DEPUTY CONTROLLER Regular	Approved 9/10/2010	1 ADMIN DEPUTY CONTROLLER
3/16/2011	1 ADMIN DEPUTY CONTROLLER Regular	Approved 3/18/2011	1 ADMIN DEPUTY CONTROLLER
8/25/2010	1 DEPT CHIEF ACCT III Regular	Approved 9/10/2010	1 DEPT CHIEF ACCT III
8/25/2010	1 FISCAL SYSTEMS SPEC II Regular	Approved 9/10/2010	1 FISCAL SYSTEMS SPEC II
8/25/2010	1 INTERNAL AUDITOR IV Regular	Approved 9/10/2010	1 INTERNAL AUDITOR IV

Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
8/25/2010	1 MANAGEMENT ANALYST II Regular	Approved 9/10/2010	1 MANAGEMENT ANALYST II
8/25/2010	1 PR ACCOUNTANT I Regular	Approved 9/10/2010	1 PR ACCOUNTANT I
8/25/2010	1 PR ACCOUNTANT II Regular	Approved 9/10/2010	1 PR ACCOUNTANT II
8/25/2010	1 SR ACCOUNTANT II Regular	Approved 9/10/2010	1 SR ACCOUNTANT II
<b>Hold</b>			
8/25/2010	1 EXEC ADMIN ASST II Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
8/25/2010	1 FINANCIAL MGMT SPEC I Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
8/25/2010	2 FINANCIAL MGMT SPEC I Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
8/25/2010	1 FINANCIAL MGMT SPEC III Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
8/25/2010	1 FINANCIAL MGMT SPEC IV Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
7/16/2010	1 FISCAL SYSTEMS SPEC II Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
8/25/2010	1 PAYROLL ANALYST I Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
8/25/2010	1 PR ACCOUNTANT II Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.

Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
8/25/2010	1 SPECIAL INVESTIGATOR I  Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
8/25/2010	1 SR SYSTEMS ANALYST I  Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
<b>■ Withdrawn</b>			
7/16/2010	1 INTERNAL AUDITOR IV  Regular	Withdrawn  8/25/2010	
6/3/2010	1 MANAGEMENT ANALYST II  Regular	Withdrawn  8/25/2010	

**Total Entries by Department: 22**

## *Convention Center*

<b>■ Approved</b>			
8/31/2010	2 ACCOUNTANT I  As-Needed	Approved  9/3/2010	2 ACCOUNTANT I
8/31/2010	1 ACCOUNTING CLERK I  As-Needed	Approved  9/3/2010	1 ACCOUNTING CLERK I
3/2/2011	1 ACCOUNTING CLERK II  Regular	Approved  3/4/2011	1 ACCOUNTING CLERK II
8/31/2010	2 AUDITOR  As-Needed	Approved  9/3/2010	1 AUDITOR
3/5/2010	1 BUILD OPERATING ENGR  Regular	Approved  7/16/2010	1 BUILD OPERATING ENGR
3/5/2010	3 BUILD OPERATING ENGR  Regular	Approved  9/3/2010	3 BUILD OPERATING ENGR

Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
6/24/2010	BUILD OPERATING ENGR  As-Needed	Approved 7/9/2010	BUILD OPERATING ENGR
6/24/2010	BUILDING REPAIRER I  As-Needed	Approved 7/9/2010	BUILDING REPAIRER I
6/24/2010	CARPENTER  As-Needed	Approved 7/9/2010	CARPENTER
8/31/2010	6 CLERK TYPIST  As-Needed	Approved 9/3/2010	4 CLERK TYPIST
2/1/2011	10 CLERK TYPIST  As-Needed	Approved 2/7/2011	10 CLERK TYPIST
6/24/2010	COMMUN ELECTRICIAN  As-Needed	Approved 7/9/2010	COMMUN ELECTRICIAN
6/23/2010	1 CONV CTR BLDG SUPT I  Regular	Approved 7/9/2010	1 CONV CTR BLDG SUPT I
6/24/2010	DELIVERY DRIVER I  As-Needed	Approved 7/9/2010	DELIVERY DRIVER I
9/1/2010	1 DEPT CHIEF ACCT III  Substitute	Approved 9/3/2010	1 DEPT CHIEF ACCT III
6/24/2010	DRAFTING AIDE  As-Needed	Approved 7/9/2010	DRAFTING AIDE
6/24/2010	ELECTRCL CRAFT HELPR/EX  As-Needed	Approved 7/9/2010	ELECTRCL CRAFT HELPR/EX
3/2/2011	1 ELECTRICIAN  Regular	Approved 3/4/2011	1 ELECTRICIAN

Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
6/24/2010	ELECTRICIAN - EXEMPT  As-Needed	Approved 7/9/2010	ELECTRICIAN - EXEMPT
6/24/2010	EVENT ATTENDANT II  As-Needed	Approved 7/9/2010	EVENT ATTENDANT II
6/24/2010	EVENT ATTENDANT III  As-Needed	Approved 7/9/2010	EVENT ATTENDANT III
6/24/2010	EVENT SERVS COORD I  As-Needed	Approved 7/9/2010	EVENT SERVS COORD I
6/24/2010	EVENT SERVS COORD I  As-Needed	Approved 7/9/2010	EVENT SERVS COORD I
6/24/2010	EVENT SERVS COORD II  As-Needed	Approved 7/9/2010	EVENT SERVS COORD II
6/24/2010	EVENT SERVS COORD II  As-Needed	Approved 7/9/2010	EVENT SERVS COORD II
6/23/2010	1 EVENT SUPERVISOR I  Regular	Approved 7/9/2010	1 EVENT SUPERVISOR I
6/24/2010	GUEST SERVICES REP  As-Needed	Approved 7/9/2010	GUEST SERVICES REP
6/24/2010	LIGHT EQUIP OPERATOR  As-Needed	Approved 7/9/2010	LIGHT EQUIP OPERATOR
6/24/2010	MAINT & CONSTR HELPER  As-Needed	Approved 7/9/2010	MAINT & CONSTR HELPER
6/23/2010	1 MARKETING MANAGER  Regular	Approved 8/20/2010	1 MARKETING MANAGER

<b>Date Submitted:</b>	<b>Position Information: Class Title/ No. Requested:</b>	<b>Decision/ Decision Date:</b>	
6/24/2010	MECH HELPER  <b>As-Needed</b>	Approved 7/9/2010	MECH HELPER
6/24/2010	MECH REPAIRER / EXEMPT  <b>As-Needed</b>	Approved 7/9/2010	MECH REPAIRER / EXEMPT
6/24/2010	PAINTER  <b>As-Needed</b>	Approved 7/9/2010	PAINTER
6/24/2010	PARKING ATTENDANT I  <b>As-Needed</b>	Approved 7/9/2010	PARKING ATTENDANT I
6/24/2010	PARKING ATTENDANT II  <b>As-Needed</b>	Approved 7/9/2010	PARKING ATTENDANT II
2/1/2011	1 PARKING SERVICES SUPV  <b>Regular</b>	Approved 2/7/2011	1 PARKING SERVICES SUPV
6/24/2010	PLUMBER - EXEMPT  <b>As-Needed</b>	Approved 7/9/2010	PLUMBER - EXEMPT
8/31/2010	1 PR ACCOUNTANT II  <b>Regular</b>	Approved 9/17/2010	1 PR ACCOUNTANT II
6/23/2010	1 SR CARPENTER  <b>Resolution</b>	Approved 7/9/2010	1 SR CARPENTER
6/23/2010	1 SR EVENT ATTENDANT  <b>Regular</b>	Approved 7/9/2010	1 SR EVENT ATTENDANT
8/31/2010	2 SR LEGAL CLERK I  <b>As-Needed</b>	Approved 9/3/2010	1 SR LEGAL CLERK I
6/24/2010	SR PARKG ATTENDANT I  <b>As-Needed</b>	Approved 7/9/2010	SR PARKG ATTENDANT I

Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
6/24/2010	WAREHOUSE & T/R WKR I  As-Needed	Approved  7/9/2010	WAREHOUSE & T/R WKR I

■ **Approved as Modified**

2/1/2011	1 EVENT SERVS COORD II  Resolution	Approved as Modified  2/7/2011	1 EVENT SERVS COORD II  Approved as intermittent, not to exceed 1040 hours.
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■ **Withdrawn**

6/24/2010	ACCOUNTANT II  As-Needed	Withdrawn  9/3/2010	Convention Center to revise request.
6/24/2010	ACCOUNTING CLERK I  As-Needed	Withdrawn  9/3/2010	Convention Center to revise request.
6/24/2010	AUDITOR I  As-Needed	Withdrawn  9/3/2010	Convention Center to revise request.
6/24/2010	CLERK TYPIST  As-Needed	Withdrawn  9/3/2010	Convention Center to revise request.
6/24/2010	MANAGEMENT ANALYST I  As-Needed	Withdrawn  9/3/2010	Convention Center to revise request.
6/24/2010	SR LEGAL CLERK I  As-Needed	Withdrawn  9/3/2010	Convention Center to revise request.
6/24/2010	SYSTEMS ANALYST I  As-Needed	Withdrawn  9/3/2010	Convention Center to revise request.

**Total Entries by Department: 51**

**Cultural Affairs**

■ **Approved**

6/28/2010	1 ACCOUNTANT II  Regular	Approved  7/9/2010	1 ACCOUNTANT II
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Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
5/7/2010	1 ART CENTER DIRECTOR II  Substitute	Approved  7/23/2010	1 ART CENTER DIRECTOR II
8/30/2010	1 ART INSTRUCTOR I  Regular	Approved  9/9/2010	1 ART INSTRUCTOR I
8/30/2010	1 ART INSTRUCTOR II  As-Needed	Approved  9/9/2010	1 ART INSTRUCTOR II
8/30/2010	1 ARTS MANAGER I  As-Needed	Approved  9/9/2010	1 ARTS MANAGER I
8/30/2010	1 PERFORM ARTS PRG CRD I  As-Needed	Approved  9/9/2010	1 PERFORM ARTS PRG CRD I
1/6/2011	1 SR ACCOUNTANT II  Regular	Approved  4/1/2011	1 SR ACCOUNTANT II
<b>Hold</b>			
8/30/2010	1 ADMIN INTERN  As-Needed	Hold	Pending outcome of Cultural Facility RFP.
8/30/2010	11 ART INSTRUCTOR  As-Needed	Hold	Pending outcome of Cultural Facility RFP.
8/30/2010	4 ART INSTRUCTOR  As-Needed	Hold	Pending outcome of Cultural Facility RFP.
8/30/2010	1 ARTS ASSOCIATE  As-Needed	Hold	Pending outcome of Cultural Facility RFP.
8/30/2010	2 ARTS ASSOCIATE  As-Needed	Hold	Pending outcome of Cultural Facility RFP.
8/30/2010	1 ARTS MANAGER I  As-Needed	Hold	Pending outcome of Cultural Facility RFP.



Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
8/30/2010	1 ARTS MANAGER III  As-Needed	Hold	Pending outcome of Cultural Facility RFP.
8/30/2010	2 CLERK TYPIST  As-Needed	Hold	Pending outcome of Cultural Facility RFP.
8/30/2010	3 EXHIBIT PREPARATOR  As-Needed	Hold	Pending outcome of Cultural Facility RFP.
8/30/2010	4 GALLERY ATTENDANT-P/T  As-Needed	Hold	Pending outcome of Cultural Facility RFP.
8/30/2010	3 GALLERY ATTENDANT-P/T  As-Needed	Hold	Pending outcome of Cultural Facility RFP.
<b>Total Entries by Department:</b>		<b>18</b>	

## *El Pueblo de Los Angeles*

### ■ *Approved*

7/20/2010	8 MUSEUM GUIDE  As-Needed	Approved  7/23/2010	8 MUSEUM GUIDE
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**Total Entries by Department:** 1

## *Emergency Management*

### ■ *Approved*

4/9/2010	1 SR MGMT ANALYST I  Resolution	Approved  9/3/2010	1 SR MGMT ANALYST I
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### ■ *Hold*

7/8/2010	1 EMERGENCY PREP COORD I  Regular	Hold	Pending outcome of SCM rate adjustment and available funding.
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**Total Entries by Department:** 2

Date Submitted: Position Information: Class Title/ No. Requested: Decision/ Decision Date:

**Ethics**

■ **Hold**

3/16/2011	1	ETHICS OFFICER III Regular	Hold	
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**Total Entries by Department: 1**

**Finance**

■ **Approved**

11/3/2010	1	ACCOUNTANT II Regular	Approved 1/7/2011	1 ACCOUNTANT II
7/2/2010	1	CH TAX COMPLIANCE OFFICER I Regular	Approved 7/9/2010	1 CH TAX COMPLIANCE OFFICER I
10/4/2010	2	FINANCE COLL INVTGR II Regular	Approved 2/7/2011	2 FINANCE COLL INVTGR II
3/29/2011	1	FINANCE COLL INVTGR II Regular	Approved 4/1/2011	1 FINANCE COLL INVTGR II
3/1/2011	1	PERSONNEL ANALYST II Regular	Approved 3/4/2011	1 PERSONNEL ANALYST II
7/21/2010	1	SR MGMT ANALYST II Regular	Approved 7/23/2010	1 SR MGMT ANALYST II
10/30/2010	1	TAX AUDITOR I Resolution	Approved 12/3/2010	1 TAX AUDITOR I
3/29/2011	3	TAX COMPLNCE OFCR II Regular	Approved 4/1/2011	3 TAX COMPLNCE OFFCR I

Date Submitted:                      Position Information:                      Class Title/ No. Requested:                      Decision/ Decision Date:

**■ *Approved as Modified***

8/25/2010	3	ACCOUNTING CLERK II Regular	Approved as Modified 9/17/2010	3 ACCOUNTING CLERK II	
7/2/2010	1	MANAGEMENT ANALYST II Regular	Approved as Modified 7/23/2010	1 MANAGEMENT ANALYST I	
3/16/2011	1	TAX AUDITOR II Regular	Approved as Modified 4/1/2011	1 TAX AUDITOR I	
8/25/2010	5	TAX COMPLNCE OFCR II Regular	Approved as Modified 10/15/2010	6 TAX COMPLNCE OFFCR I	

**■ *Hold***

8/25/2010	3	ACCOUNTING CLERK II Regular	Hold		Pending review of other cost effective options.
11/3/2010	2	ACCOUNTING CLERK II Regular	Hold		Pending review of other cost effective options.

**■ *Request Returned to Dept***

8/14/2009	1	TAX COMPLNCE OFCR III Regular	Request Returned to Dept 8/25/2010		
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**■ *Withdrawn***

10/30/2010	1	TAX COMPLNCE OFCR III Regular	Withdrawn 12/13/2010		
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**Total Entries by Department:                      16**

***Fire***

**■ *Approved***

11/16/2010	1	ACCOUNTANT II Regular	Approved 11/19/2010	1 ACCOUNTANT II	
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<b>Date Submitted:</b>	<b>Class Title/ No. Requested:</b>	<b>Position Information:</b>	<b>Decision/ Decision Date:</b>	
8/18/2010	1	ACCOUNTING CLERK I  <b>Resolution</b>	Approved  8/18/2010	1 ACCOUNTING CLERK I
8/18/2010	1	ACCOUNTING CLERK II  <b>Resolution</b>	Approved  8/18/2010	1 ACCOUNTING CLERK II
6/8/2010	1	COMMISSION EXEC ASST I  <b>Regular</b>	Approved  7/9/2010	1 COMMISSION EXEC ASST I
10/1/2010	1	DEPT CHIEF ACCT II  <b>Regular</b>	Approved  2/23/2011	1 DEPT CHIEF ACCT II
11/2/2010	1	DIR OF SYSTEMS  <b>Regular</b>	Approved  11/5/2010	1 DIR OF SYSTEMS
2/16/2011	1	EQUIPMNT SUPERINTENDENT  <b>Regular</b>	Approved  3/4/2011	1 EQUIPMNT SUPERINTENDENT
11/2/2010	1	FIRE ASSISTANT CHIEF  <b>Resolution</b>	Approved  11/19/2010	1 FIRE ASSISTANT CHIEF
11/2/2010	1	FIRE ASSISTANT CHIEF  <b>Resolution</b>	Approved  11/19/2010	1 FIRE ASSISTANT CHIEF
11/16/2010	1	FIRE ASSISTANT CHIEF  <b>Regular</b>	Approved  11/19/2010	1 FIRE ASSISTANT CHIEF
9/14/2010	1	FIRE DEPUTY CHIEF  <b>Regular</b>	Approved  9/17/2010	1 FIRE DEPUTY CHIEF
9/14/2010	3	FIRE HELICOPTER PILOT I  <b>Resolution</b>	Approved  9/17/2010	3 FIRE HELICOPTER PILOT I
9/14/2010	2	FIREBOAT MATE  <b>Regular</b>	Approved  9/17/2010	2 FIREBOAT MATE

Date Submitted:	Class Title/ No. Requested:	Position Information:	Decision/ Decision Date:	
9/14/2010	1	FIREBOAT PILOT Regular	Approved 9/17/2010	1 FIREBOAT PILOT
3/16/2011	3	HEARING OFFICER As-Needed	Approved 3/17/2011	3 HEARING OFFICER
12/14/2010	3	HEAVY DUTY EQUIP MECH Regular	Approved 2/7/2011	3 HEAVY DUTY EQUIP MECH
10/1/2010	1	PAYROLL SUPERVISOR I Regular	Approved 2/23/2011	1 PAYROLL SUPERVISOR I
9/14/2010	1	SPECIAL INVESTIGATOR II Regular	Approved 9/17/2010	1 SPECIAL INVESTIGATOR II
8/18/2010	1	SR ACCOUNTANT I Resolution	Approved 8/18/2010	1 SR ACCOUNTANT I
10/1/2010	1	SR ACCOUNTANT II Regular	Approved 10/29/2010	1 SR ACCOUNTANT II
8/18/2010	1	SR MGMT ANALYST I Resolution	Approved 8/18/2010	1 SR MGMT ANALYST I
8/18/2010	1	SR SYSTEMS ANALYST I Resolution	Approved 8/18/2010	1 SR SYSTEMS ANALYST I
8/18/2010	1	SYSTEMS ANALYST II Resolution	Approved 8/18/2010	1 SYSTEMS ANALYST II
<b>■ Approved as Modified</b>				
9/14/2010	18	ENGINEER OF FIRE DEPT Regular	Approved as Modified 9/17/2010	9 ENGINEER OF FIRE DEPT
9/14/2010	8	FIRE BATTALION CHIEF Regular	Approved as Modified 9/17/2010	2 FIRE BATTALION CHIEF

Date Submitted:	Class Title/ No. Requested:	Position Information:	Decision/ Decision Date:	
9/14/2010	4	FIRE HELICOPTER PILOT III Regular	Approved as Modified 9/17/2010	2 FIRE HELICOPTER PILOT III
<b>Request Returned to Dept</b>				
1/4/2010	1	ACCOUNTANT II Regular	Request Returned to Dept 9/10/2010	Department to revise submission.
12/14/2010	1	AUTOMOTIVE SUPERVISOR Regular	Request Returned to Dept 3/4/2011	Request withdrawn at the request of the Fire Dept.
9/24/2009	1	FIRE BATTALION CHIEF Regular	Request Returned to Dept 9/10/2010	Department to revise submission.
9/24/2009	1	FIRE CAPTAIN II Regular	Request Returned to Dept 9/10/2010	Department to revise submission.
2/12/2010	2	FIRE HELICOPTER PILOT III Regular	Request Returned to Dept 9/10/2010	Department to revise submission.
9/3/2009	1	FIRE INSPECTOR I Regular	Request Returned to Dept 9/10/2010	Department to revise submission.
12/3/2009	6	FIRE INSPECTOR I Regular	Request Returned to Dept 9/10/2010	Department to revise submission.

**Total Entries by Department: 33**

## General Services

<b>Approved</b>				
3/30/2011	1	ACCOUNTANT II Resolution	Approved 4/1/2011	1 ACCOUNTANT II
1/19/2011	1	ACCOUNTING CLERK II As-Needed	Approved 2/7/2011	1 ACCOUNTING CLERK II

Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:		
8/31/2010	1 AIR COND MECH SUPVR  Resolution	Approved  9/3/2010	1 AIR COND MECH SUPVR	
8/31/2010	1 AIR COND MECH SUPVR  Regular	Approved  9/3/2010	1 AIR COND MECH SUPVR	
8/12/2010	1 BUILD CON & MT SUPT  Resolution	Approved  8/17/2010	1 BUILD CON & MT SUPT	
8/12/2010	1 BUILD MAINT DIST SUPVR  Resolution	Approved  8/17/2010	1 BUILD MAINT DIST SUPVR	
3/30/2011	4 EVENT ATTENDANT II  Part-Time	Approved  4/1/2011	4 EVENT ATTENDANT II	
1/18/2011	1 FISCAL SYSTEMS SPEC I  Resolution	Approved  2/7/2011	1 FISCAL SYSTEMS SPEC I	
3/30/2011	1 PARKING ATTENDANT I  Part-Time	Approved  4/1/2011	1 PARKING ATTENDANT I	
9/21/2010	40 VOCATIONAL WORKER II  Resolution	Approved  9/21/2010	40 VOCATIONAL WORKER II	
<b>■ Approved as Modified</b>				
3/30/2011	2 ELEVATOR MECHANIC  Regular	Approved as Modified  4/1/2011	1 ELEVATOR MECHANIC	Approved one Elevator Mechanic position. Remaining request is under review.
<b>■ Hold</b>				
3/30/2011	1 BUILD MAINT DIST SUPVR  Resolution	Hold		Request is under review.
3/30/2011	1 DIR OF SYSTEMS  Regular	Hold		Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.

Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
2/16/2011	2 EQUIP SPECIALIST I  Regular	Hold	Request is under review.

**Total Entries by Department: 14**

## *Housing*

### ■ *Approved*

10/2/2010	1 ASST GM HOUSE PRES/PROD  Resolution	Approved  1/7/2011	1 ASST GM HOUSE PRES/PROD
11/23/2010	1 PROJECT ASSISTANT  Resolution	Approved  12/22/2010	1 PROJECT ASSISTANT
11/23/2010	1 PROJECT ASSISTANT  Resolution	Approved  12/22/2010	1 PROJECT ASSISTANT
12/2/2010	1 STUDENT PROF WORKER  As-Needed	Approved  12/22/2010	1 STUDENT PROF WORKER
3/29/2011	1 STUDENT PROF WORKER  As-Needed	Approved  4/1/2011	1 STUDENT PROF WORKER
3/29/2011	1 STUDENT WORKER  As-Needed	Approved  4/1/2011	1 STUDENT WORKER

### ■ *Hold*

3/29/2011	1 DEPT CHIEF ACCT III  Regular	Hold	Pending paygrade review.
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**Total Entries by Department: 7**

## *Information Technology Agency*

### ■ *Approved*

8/24/2010	5 AVIONICS SPECIALIST  In-Lieu	Approved  8/25/2010	5 AVIONICS SPECIALIST
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Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
6/29/2010	1 FISCAL SYSTEMS SPEC I Regular	Approved 7/27/2010	1 FISCAL SYSTEMS SPEC I
9/1/2010	1 SR AVIONICS SPECIALIST In-Lieu	Approved 9/3/2010	1 SR AVIONICS SPECIALIST
<b>Request Returned to Dept</b>			
5/20/2010	1 DEPT CHIEF ACCT II Regular	Request Returned to Dept 4/1/2011	
<b>Withdrawn</b>			
6/29/2010	2 FISCAL SYSTEMS SPEC I Regular	Withdrawn 9/21/2010	Request is withdrawn by the department.
<b>Total Entries by Department: 5</b>			
<b>Library</b>			
<b>Approved</b>			
4/26/2011	CLERK TYPIST As-Needed	Approved 4/28/2011	CLERK TYPIST
4/26/2011	LIBRARIAN II As-Needed	Approved 4/28/2011	LIBRARIAN II
4/26/2011	MESSENGER CLERK As-Needed	Approved 4/28/2011	MESSENGER CLERK
<b>Hold</b>			
1/3/2011	1 ASST CITY LIBRARIAN Regular	Hold	Request is under review.
<b>Total Entries by Department: 4</b>			

Date Submitted: Position Information: Class Title/ No. Requested: Decision/ Decision Date:

**Neighborhood Empowerment**

**■ Approved**

8/31/2010	1	SR MGMT ANALYST II	Approved	1 SR MGMT ANALYST II	
		Resolution	9/9/2010		
8/31/2010	1	SYSTEMS ANALYST II	Approved	1 SYSTEMS ANALYST II	
		Resolution	9/9/2010		

**■ Approved as Modified**

8/31/2010	2	ACCOUNTING CLERK II	Approved as Modified	1 ACCOUNTING CLERK II	
		Resolution	9/9/2010		

**■ Denied**

8/31/2010	1	ACCOUNTING CLERK II	Denied		
		Resolution	12/6/2010		
8/31/2010	1	SR MGMT ANALYST I	Denied		
		Regular	12/6/2010		

**■ Hold**

8/31/2010	1	MANAGEMENT ANALYST II	Hold		Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
		Resolution			
8/31/2010	1	SR ACCOUNTANT I	Hold		Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
		Regular			

**Total Entries by Department: 7**

**Personnel**

**■ Approved**

8/23/2010	2	ADV PR PRO COR CARE II	Approved	2 ADV PR PRO COR CARE II	
		As-Needed	8/25/2010		

<b>Date Submitted:</b>	<b>Position Information:</b>		<b>Decision/ Decision Date:</b>	
	<b>Class Title/ No. Requested:</b>			
8/23/2010	1 ADV PR PRO COR CARE II  Regular	Approved  8/25/2010	1 ADV PR PRO COR CARE II	
8/25/2010	1 ADV PR PRO COR CARE II  Regular	Approved  9/3/2010	1 ADV PR PRO COR CARE II	
11/30/2010	4 ADV PR PRO COR CARE II  As-Needed	Approved  12/3/2010	4 ADV PR PRO COR CARE II	
11/30/2010	1 ADV PR PRO COR CARE II  Regular	Approved  1/7/2011	1 ADV PR PRO COR CARE II	
5/19/2010	1 ASST GM PERSONNEL DEPT  Regular	Approved  7/2/2010	1 ASST GM PERSONNEL DEPT	
7/13/2009	1 CORRECTIONAL NURSE II  Regular	Approved  7/23/2010	1 CORRECTIONAL NURSE II	
8/23/2010	2 CORRECTIONAL NURSE II  Regular	Approved  8/25/2010	2 CORRECTIONAL NURSE II	
11/30/2010	2.5 CORRECTIONAL NURSE II  Regular	Approved  1/7/2011	2.5 CORRECTIONAL NURSE II	
5/19/2010	1 INDUSTRIAL HYGIENIST  Regular	Approved  7/9/2010	1 INDUSTRIAL HYGIENIST	
8/23/2010	5 LICENSED VOC NURSE  As-Needed	Approved  8/25/2010	5 LICENSED VOC NURSE	
11/30/2010	4 LICENSED VOC NURSE  As-Needed	Approved  12/3/2010	4 LICENSED VOC NURSE	
8/23/2010	1 NURSE MANAGER  Regular	Approved  8/25/2010	1 NURSE MANAGER	

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Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
11/30/2010	1 NURSE MANAGER Regular	Approved 12/3/2010	1 NURSE MANAGER
6/15/2010	4 PHYSICIAN I As-Needed	Approved 7/23/2010	4 PHYSICIAN I
8/23/2010	1 PHYSICIAN I As-Needed	Approved 8/25/2010	1 PHYSICIAN I
11/30/2010	9 PHYSICIAN I As-Needed	Approved 12/3/2010	9 PHYSICIAN I
8/23/2010	8 RELIEF CORR NURSE As-Needed	Approved 8/25/2010	8 RELIEF CORR NURSE
11/30/2010	11 RELIEF CORR NURSE As-Needed	Approved 12/3/2010	11 RELIEF CORR NURSE
8/23/2010	3 SR WORKERS COMP ANALYST Resolution	Approved 11/19/2010	3 SR WORKERS COMP ANALYST
8/23/2010	3 WORKERS COMP ANALYST Regular	Approved 10/29/2010	3 WORKERS COMP ANALYST
8/23/2010	3 WORKERS COMP ANALYST Resolution	Approved 11/19/2010	3 WORKERS COMP ANALYST
<b>Hold</b>			
12/21/2010	1 CH CLERK Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.
2/1/2011	1 PROGRAMMER/ANALYST III Regular	Hold	Pending P3 Alternative Plan, availability of funding, and the 2011-12 budget.

**Total Entries by Department: 24**

Date Submitted: Position Information: Class Title/ No. Requested: Decision/ Decision Date:

**Planning**

■ **Approved**

1/22/2010	1	ACCOUNTANT II Regular	Approved 7/9/2010	1 ACCOUNTANT II	
10/26/2010	1	ACCOUNTANT II Regular	Approved 10/29/2010	1 ACCOUNTANT II	
8/25/2010	1	CH ZONING ADMINSTR Regular	Approved 8/25/2010	1 CH ZONING ADMINSTR	
9/21/2010	4	CITY PLANNING ASSOC Regular	Approved 10/15/2010	4 CITY PLANNING ASSOC	
2/15/2011	1	COMMISSION EXEC ASST II Regular	Approved 3/4/2011	1 COMMISSION EXEC ASST II	
7/29/2010	1	DATA BASE ARCHITECT Regular	Approved 8/2/2010	1 DATA BASE ARCHITECT	
9/30/2010	1	DEPUTY DIR OF PLANNING Regular	Approved 10/15/2010	1 DEPUTY DIR OF PLANNING	
10/26/2010	1	MANAGEMENT ANALYST II Resolution	Approved 11/5/2010	1 MANAGEMENT ANALYST II	
10/26/2010	1	SR ACCOUNTANT I Resolution	Approved 2/7/2011	1 SR ACCOUNTANT I	
9/21/2010	4	STUDENT PROF WORKER As-Needed	Approved 10/6/2010	4 STUDENT PROF WORKER	

■ **Hold**

3/15/2011	1	DEPUTY DIR OF PLANNING Regular	Hold		Request is under review.
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Date Submitted: Position Information: Class Title/ No. Requested: Decision/ Decision Date:

**Total Entries by Department: 11**

*Police*

■ *Approved*

7/26/2010	14	CRIMINALIST I Regular	Approved 7/27/2010	14 CRIMINALIST I
7/26/2010	1	DIR OF POLICE TRANSP II Regular	Approved 10/29/2010	1 DIR OF POLICE TRANSP II
7/20/2010	1	EXEC ADMIN ASST III Regular	Approved 7/23/2010	1 EXEC ADMIN ASST III
10/4/2010	1	FORENSIC PRNT SPEC II Regular	Approved 2/23/2011	1 FORENSIC PRNT SPEC II
7/26/2010	1	LABORATORY TECH I Regular	Approved 7/27/2010	1 LABORATORY TECH I
7/20/2010	1	POLICE ADMIN I Regular	Approved 7/23/2010	1 POLICE ADMIN I
7/20/2010	1	POLICE ADMIN I Regular	Approved 7/23/2010	1 POLICE ADMIN I
7/21/2010	1	POLICE CAPTAIN I Regular	Approved 7/27/2010	1 POLICE CAPTAIN I
10/4/2010	4	POLICE CAPTAIN I Regular	Approved 10/29/2010	4 POLICE CAPTAIN I
4/5/2011	6	POLICE CAPTAIN I Regular	Approved 4/15/2011	6 POLICE CAPTAIN I
7/21/2010	1	POLICE CAPTAIN III Regular	Approved 7/27/2010	1 POLICE CAPTAIN III

<b>Date Submitted:</b>	<b>Position Information:</b>	<b>Class Title/ No. Requested:</b>	<b>Decision/ Decision Date:</b>	
7/21/2010	1	POLICE CAPTAIN III Regular	Approved 7/27/2010	1 POLICE CAPTAIN III
7/21/2010	1	POLICE CAPTAIN III Regular	Approved 7/27/2010	1 POLICE CAPTAIN III
7/21/2010	1	POLICE COMMANDER Regular	Approved 7/27/2010	1 POLICE COMMANDER
7/21/2010	1	POLICE DEPUTY CHIEF I Regular	Approved 7/27/2010	1 POLICE DEPUTY CHIEF I
7/21/2010	1	POLICE DEPUTY CHIEF I Regular	Approved 7/27/2010	1 POLICE DEPUTY CHIEF I
7/21/2010	1	POLICE DETECTIVE I Regular	Approved 2/7/2011	1 POLICE DETECTIVE I
7/21/2010	1	POLICE DETECTIVE I Regular	Approved 2/7/2011	1 POLICE DETECTIVE I
7/21/2010	1	POLICE DETECTIVE I Regular	Approved 2/7/2011	1 POLICE DETECTIVE I
7/21/2010	1	POLICE DETECTIVE I Regular	Approved 2/7/2011	1 POLICE DETECTIVE I
7/21/2010	2	POLICE DETECTIVE I Regular	Approved 2/7/2011	2 POLICE DETECTIVE I
7/21/2010	6	POLICE DETECTIVE II Regular	Approved 2/7/2011	6 POLICE DETECTIVE II
7/21/2010	7	POLICE LIEUTENANT I Regular	Approved 2/7/2011	7 POLICE LIEUTENANT I

<b>Date Submitted:</b>	<b>Position Information: Class Title/ No. Requested:</b>	<b>Decision/ Decision Date:</b>	
7/21/2010	4 POLICE LIEUTENANT I  Regular	Approved  8/25/2010	4 POLICE LIEUTENANT I
7/21/2010	1 POLICE LIEUTENANT II  Regular	Approved  2/7/2011	1 POLICE LIEUTENANT II
7/21/2010	1 POLICE LIEUTENANT II  Regular	Approved  2/7/2011	1 POLICE LIEUTENANT II
7/21/2010	1 POLICE LIEUTENANT II  Regular	Approved  2/7/2011	1 POLICE LIEUTENANT II
7/21/2010	2 POLICE LIEUTENANT II  Regular	Approved  2/7/2011	2 POLICE LIEUTENANT II
7/21/2010	2 POLICE LIEUTENANT II  Regular	Approved  2/7/2011	2 POLICE LIEUTENANT II
7/26/2010	1 POLICE PERFORM AUD IV  Regular	Approved  10/29/2010	1 POLICE PERFORM AUD IV
7/21/2010	2 POLICE SERGEANT I  Regular	Approved  8/25/2010	2 POLICE SERGEANT I
7/21/2010	7 POLICE SERGEANT I  Regular	Approved  2/7/2011	7 POLICE SERGEANT I
7/21/2010	4 POLICE SERGEANT II  Regular	Approved  2/7/2011	4 POLICE SERGEANT II
7/21/2010	3 POLICE SERGEANT II  Regular	Approved  2/7/2011	3 POLICE SERGEANT II
7/20/2010	28 POLICE SERVICE REP I  Regular	Approved  7/22/2010	28 POLICE SERVICE REP I



Date Submitted:	Position Information:		Decision/ Decision Date:	
	Class Title/ No. Requested:			
10/4/2010	1 POLYGRAPH EXAMINER II Regular	Approved 2/23/2011	1 POLYGRAPH EXAMINER II	
7/20/2010	1 SR MGMT ANALYST II Regular	Approved 9/17/2010	1 SR MGMT ANALYST II	
7/26/2010	4 SUPVSG CRIMINALIST Regular	Approved 7/27/2010	4 SUPVSG CRIMINALIST	
7/26/2010	2 SYSTEMS ANALYST II Regular	Approved 7/27/2010	2 SYSTEMS ANALYST II	
<b>Hold</b>				
2/1/2011	1 ACCOUNTANT II Regular	Hold		Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.
7/26/2010	1 COMMISSION EXEC ASST II Regular	Hold		Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.
10/4/2010	8 CRIMINALIST II Regular	Hold		Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.
10/4/2010	5 CRIMINALIST II Regular	Hold		Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.
2/1/2011	8 CRIMINALIST II Regular	Hold		Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.
7/26/2010	1 DIR OF SYSTEMS Regular	Hold		Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.
2/1/2011	5 FORENSIC PRNT SPEC II Regular	Hold		Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.

Date Submitted:	Position Information:		Decision/ Decision Date:	
	Class Title/ No. Requested:			
10/4/2010	8 FORENSIC PRNT SPEC III  Regular	Hold	Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.	
2/1/2011	3 LABORATORY TECH I  Regular	Hold	Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.	
7/26/2010	1 OPER & STATS RES ANL II  Regular	Hold	Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.	
10/4/2010	4 POLICE CAPTAIN II  Regular	Hold	Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.	
10/4/2010	2 POLICE CAPTAIN III  Regular	Hold	Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.	
4/15/2011	4 POLICE COMMANDER  Regular	Hold	Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.	
10/4/2010	1 POLICE DEPUTY CHIEF I  Regular	Hold	Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.	
7/26/2010	1 POLICE PERFORM AUD III  Regular	Hold	Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.	
7/26/2010	2 POLICE PSYCHOLOGIST I  Regular	Hold	Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.	
7/26/2010	10 PR CLERK POLICE II  Regular	Hold	Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.	
7/26/2010	2 SR POLICE SERV REP I  Regular	Hold	Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.	

Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
7/20/2010	1 SR SYSTEMS ANALYST I  Regular	Hold	Requests are reviewed as necessary based upon discussions between the CAO Budget Analyst and Police Dept. The Police Department must develop a plan to cover salary shortfalls.

**Total Entries by Department: 58**

### *Public Works - Board*

#### ■ *Approved*

5/27/2010	1 ACCOUNTANT II  Regular	Approved  7/9/2010	1 ACCOUNTANT II
8/24/2010	1 ACCOUNTANT II  Regular	Approved  8/25/2010	1 ACCOUNTANT II
11/30/2010	1 PR ACCOUNTANT II  Regular	Approved  3/4/2011	1 PR ACCOUNTANT II
11/30/2010	1 SR PERSONNEL ANALYST I  Regular	Approved  12/3/2010	1 SR PERSONNEL ANALYST I

#### ■ *Approved as Modified*

8/31/2010	1 SR ACCOUNTANT II  Resolution	Approved as Modified  9/3/2010	1 SR ACCOUNTANT I
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**Total Entries by Department: 5**

### *Public Works - Contract Administration*

#### ■ *Approved*

2/24/2011	9 CONSTR INSPECTOR  Regular	Approved  3/4/2011	9 CONSTR INSPECTOR
10/26/2010	1 MANAGEMENT ANALYST I  Resolution	Approved  10/29/2010	1 MANAGEMENT ANALYST I
10/26/2010	1 MANAGEMENT ANALYST II  Resolution	Approved  10/29/2010	1 MANAGEMENT ANALYST II

Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
9/2/2010	1 PAYROLL SUPERVISOR I  Regular	Approved  9/17/2010	1 PAYROLL SUPERVISOR I
10/26/2010	1 SR CLERK TYPIST  Resolution	Approved  10/29/2010	1 SR CLERK TYPIST

**Total Entries by Department: 5**

## *Public Works - Engineering*

### ■ *Approved*

3/21/2011	1 CIVIL ENGINEER  Regular	Approved  3/24/2011	1 CIVIL ENGINEER
8/10/2010	1 DEPUTY CITY ENGINEER I  Regular	Approved  9/3/2010	1 DEPUTY CITY ENGINEER I
8/10/2010	1 DEPUTY CITY ENGINEER I  Regular	Approved  10/29/2010	1 DEPUTY CITY ENGINEER I
8/19/2010	1 MANAGEMENT ANALYST II  Regular	Approved  8/25/2010	1 MANAGEMENT ANALYST II
8/12/2010	1 MANAGEMENT ASSISTANT  Regular	Approved  8/12/2010	1 MANAGEMENT ASSISTANT
8/19/2010	1 PERSONNEL ANALYST II  Regular	Approved  8/25/2010	1 PERSONNEL ANALYST II
8/19/2010	1 SECRETARY  Regular	Approved  8/19/2010	1 SECRETARY
8/19/2010	1 SR CLERK TYPIST  Regular	Approved  8/25/2010	1 SR CLERK TYPIST
8/19/2010	1 SR CLERK TYPIST  Resolution	Approved  8/25/2010	1 SR CLERK TYPIST

Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
11/22/2010	1 SR MGMT ANALYST I  Regular	Approved  2/23/2011	1 SR MGMT ANALYST I
12/28/2010	1 SR MGMT ANALYST I  Resolution	Approved  1/7/2011	1 SR MGMT ANALYST I
7/30/2010	1 STRUCTRL ENGRG ASSC III  Resolution	Approved  8/25/2010	1 STRUCTRL ENGRG ASSC III
11/2/2010	1 STRUCTRL ENGRG ASSC III  Resolution	Approved  11/5/2010	1 STRUCTRL ENGRG ASSC III
11/2/2010	1 STRUCTRL ENGRG ASSC IV  Resolution	Approved  11/5/2010	1 STRUCTRL ENGRG ASSC IV
<b>Total Entries by Department:</b>		<b>14</b>	

## Public Works - Sanitation

### ■ Approved

6/28/2010	1 BOAT CAPTAIN I  Regular	Approved  8/4/2010	1 BOAT CAPTAIN I
1/4/2010	38 CLERK TYPIST  As-Needed	Approved  2/7/2011	38 CLERK TYPIST
9/21/2010	15 CLERK TYPIST  As-Needed	Approved  10/6/2010	15 CLERK TYPIST
8/4/2010	1 DECK HAND  Regular	Approved  8/4/2010	1 DECK HAND
6/28/2010	2 ELECTRIC PUMP PLT OPR  Regular	Approved  9/3/2010	2 ELECTRIC PUMP PLT OPR
6/28/2010	3 SHIFT SUPT W/W TRMT I  Regular	Approved  9/3/2010	2 SHIFT SUPT W/W TRMT I

Date Submitted:	Position Information:		Decision/ Decision Date:	
	Class Title/ No. Requested:			
6/28/2010	1 SR PAINTER	Approved	1 SR PAINTER	
	Regular	8/26/2010		
6/28/2010	2 SR W/W TREATMENT OPER	Approved	1 SR W/W TREATMENT OPER	
	Regular	9/3/2010		
8/26/2010	1 SYSTEMS ANALYST II	Approved	1 SYSTEMS ANALYST II	
	Regular	8/26/2010		
8/24/2010	10 W/WTR COLL WORKER II	Approved	10 W/WTR COLL WORKER II	
	Regular	8/25/2010		

**Hold**

6/28/2010	1 ACCOUNTING CLERK II	Hold		Pending determination on availability of funding sources and possible rate adjustment.
	Regular			
6/28/2010	1 CARPENTER SUPVR	Hold		Pending determination on availability of funding sources and possible rate adjustment.
	Regular			
6/28/2010	1 CH MANAGEMENT ANALYST	Hold		Pending determination on availability of funding sources and possible rate adjustment.
	Regular			
6/28/2010	1 CONSTR & MAINT SUPV II	Hold		Pending determination on availability of funding sources and possible rate adjustment.
	Regular			
6/28/2010	1 ENVRMNTL ENGINEER	Hold		Pending determination on availability of funding sources and possible rate adjustment.
	Regular			
6/28/2010	1 ENVRMNTL ENGINEER	Hold		Pending determination on availability of funding sources and possible rate adjustment.
	Regular			
6/28/2010	1 EQUIPMENT SUPERVISOR	Hold		Pending determination on availability of funding sources and possible rate adjustment.
	Regular			
6/28/2010	1 INSTRUMENT MECH SUPV I	Hold		Pending determination on availability of funding sources and possible rate adjustment.
	Regular			

THE BOARD OF SUPERVISORS HAS REVIEWED THE INFORMATION PROVIDED AND HAS DETERMINED THAT THE INFORMATION IS TRUE AND CORRECT AND THAT THE BOARD IS AUTHORIZED TO TAKE THE FOLLOWING ACTION:

<b>Date Submitted:</b>	<b>Position Information:</b>		<b>Decision/ Decision Date:</b>	
	<b>Class Title/ No. Requested:</b>			
6/28/2010	9 LABORATORY TECH II  Regular	Hold		Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	10 MAINTENANCE LABORER  Regular	Hold		Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1 MANAGEMENT ANALYST II  Regular	Hold		Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1 MANAGEMENT ANALYST II  Regular	Hold		Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1 MANAGEMENT ANALYST II  Regular	Hold		Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1 MANAGEMENT ANALYST II  Regular	Hold		Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1 MANAGEMENT ANALYST II  Regular	Hold		Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1 PLANT GUIDE  Regular	Hold		Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1 PR CLERK  Regular	Hold		Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1 PR ENVRMNTL ENGR  Regular	Hold		Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	14 REF COLL TRUCK OPER II  Regular	Hold		Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1 REF COLL TRUCK OPER II  Regular	Hold		Pending determination on availability of funding sources and possible rate adjustment.

<b>Date Submitted:</b>	<b>Position Information:</b>		<b>Decision/ Decision Date:</b>	
	<b>Class Title/ No. Requested:</b>			
6/28/2010	4  Regular	REF COLL TRUCK OPER II	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1  Regular	SOLID RESOURCES MGR II	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1  Regular	SOLID RESOURCES MGR II	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1  Regular	SOLID RESOURCES MGR II	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1  Regular	SOLID WSTE DISP SUPT II	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	3  Regular	SR CHEMIST	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1  Regular	SR CLERK TYPIST	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1  Regular	SR CLERK TYPIST	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	2  Regular	SR CLERK TYPIST	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1  Regular	SR CLERK TYPIST	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1  Regular	SR ENVRMNTL ENGINEER	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1  Regular	SR MGMT ANALYST I	Hold	Pending determination on availability of funding sources and possible rate adjustment.



Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
6/28/2010	1 SR MGMT ANALYST I  Regular	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1 SR MGMT ANALYST I  Regular	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1 SR MGMT ANALYST II  Regular	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1 WWTR COLL SUPERVISOR  Regular	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1 WWTR TRMT ELEC II  Regular	Hold	Pending determination on availability of funding sources and possible rate adjustment.
2/16/2011	1 WWTR TRMT ELEC II  Regular	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1 WWTR TRMT ELEC SUPVR  Regular	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	1 WWTR TRMT MECH SUPVR  Regular	Hold	Pending determination on availability of funding sources and possible rate adjustment.
6/28/2010	4 WWTR TRMT OPER II  Regular	Hold	Pending determination on availability of funding sources and possible rate adjustment.

**Total Entries by Department: 51**

*Public Works - Street Lighting*

■ *Approved*

10/26/2010	1 CIVIL ENGINEER  Resolution	Approved  10/29/2010	1 CIVIL ENGINEER
9/1/2010	1 SR MGMT ANALYST I  Regular	Approved  9/3/2010	1 SR MGMT ANALYST I

Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
1/4/2011	1 ST LTG ELECTRCN SUPV I  Regular	Approved  1/7/2011	1 ST LTG ELECTRCN SUPV I
2/15/2011	1 ST LTG ELECTRCN SUPV I  Regular	Approved  3/4/2011	1 ST LTG ELECTRCN SUPV I
9/1/2010	2 STUDENT WORKER  Substitute	Approved  9/3/2010	2 STUDENT WORKER

**Total Entries by Department: 5**

## *Public Works - Street Services*

### ■ *Approved*

10/14/2010	7 CEMENT FINISHER  Resolution	Approved  10/15/2010	7 CEMENT FINISHER
10/14/2010	15 EQUIPMNT OPERATOR  Resolution	Approved  10/15/2010	15 EQUIPMNT OPERATOR
10/14/2010	5 HEAVY DUTY TRUCK OPER  Resolution	Approved  10/15/2010	5 HEAVY DUTY TRUCK OPER
10/14/2010	3 MAINT & CONSTR HELPER  Resolution	Approved  10/15/2010	3 MAINT & CONSTR HELPER
10/14/2010	4 MOTOR SWEEPER OPERATOR  Resolution	Approved  10/15/2010	4 MOTOR SWEEPER OPERATOR
8/23/2010	1 PROGRAMMER/ANALYST III  Resolution	Approved  12/22/2010	1 PROGRAMMER/ANALYST III
9/13/2010	1 RISK MANAGER II  Resolution	Approved  9/17/2010	1 RISK MANAGER II
10/14/2010	13 ST SVCS WORKER I  Resolution	Approved  10/15/2010	13 ST SVCS WORKER I

Date Submitted:	Class Title/ No. Requested:	Position Information:	Decision/ Decision Date:	
11/2/2010	1	TREE SURGEON SUPVSR I  Resolution	Approved  11/19/2010	1 TREE SURGEON SUPVSR I
<b>■ Hold</b>				
8/23/2010	1	SR ST SVC INVEST II  Resolution	Hold	Pending workload statistics and 2011-12 budget.
8/23/2010	1	ST SVC INVESTIGATOR  Resolution	Hold	Pending workload statistics and 2011-12 budget.
<b>■ Request Returned to Dept</b>				
7/31/2009	1	PAYROLL SUPERVISOR I  Regular	Request Returned to Dept  8/25/2010	

**Total Entries by Department: 12**

## Recreation & Parks

<b>■ Approved</b>				
8/31/2010	1	ACCOUNTANT II  Regular	Approved  9/3/2010	1 ACCOUNTANT II
7/20/2010		AIR COND MECH - HH  As-Needed	Approved  7/23/2010	AIR COND MECH - HH
11/18/2010	30	ASST PARK SVCS ATTND II  As-Needed	Approved  11/19/2010	30 ASST PARK SVCS ATTND II
7/20/2010		CARPENTER - HH  As-Needed	Approved  7/23/2010	CARPENTER - HH
7/20/2010		CEM FIN I-7TH PER - HH  As-Needed	Approved  7/23/2010	CEM FIN I-7TH PER - HH
7/20/2010		CEM FIN II - HH  As-Needed	Approved  7/23/2010	CEM FIN II - HH

<b>Date Submitted:</b>	<b>Position Information:</b>		<b>Decision/ Decision Date:</b>	
	<b>Class Title/ No. Requested:</b>			
7/20/2010	CITY CRAFT ASSISTANT-HH	Approved	CITY CRAFT ASSISTANT-HH	
	<b>As-Needed</b>	7/23/2010		
6/7/2010	10 CLERK TYPIST	Approved	10 CLERK TYPIST	
	<b>As-Needed</b>	8/9/2010		
8/31/2010	2 CLERK TYPIST	Approved	2 CLERK TYPIST	
	<b>Regular</b>	9/3/2010		
7/20/2010	ELECTRICIAN - HH	Approved	ELECTRICIAN - HH	
	<b>As-Needed</b>	7/23/2010		
10/28/2010	4 GOLF STARTER	Approved	4 GOLF STARTER	
	<b>Regular</b>	11/5/2010		
10/28/2010	4 GOLF STARTER SUPVSR I	Approved	4 GOLF STARTER SUPVSR I	
	<b>Regular</b>	11/5/2010		
10/28/2010	2 GOLF STARTER SUPVSR II	Approved	2 GOLF STARTER SUPVSR II	
	<b>Regular</b>	11/5/2010		
11/22/2010	80 LIFEGUARD RECRUIT	Approved	80 LIFEGUARD RECRUIT	
	<b>As-Needed</b>	12/10/2010		
2/2/2011	153 LIFEGUARD RECRUIT	Approved	153 LIFEGUARD RECRUIT	
	<b>As-Needed</b>	2/7/2011		
12/7/2010	1 MANAGEMENT ANALYST II	Approved	1 MANAGEMENT ANALYST II	
	<b>Regular</b>	2/7/2011		
8/31/2010	1 MARINE AQUAR CURATOR II	Approved	1 MARINE AQUAR CURATOR II	
	<b>Regular</b>	9/3/2010		
8/31/2010	1 MARITIME MUSEUM CURATOR	Approved	1 MARITIME MUSEUM CURATOR	
	<b>Regular</b>	9/3/2010		

Date Submitted:	Position Information: Class Title/ No. Requested:	Decision/ Decision Date:	
7/20/2010	MASONRY WORKER - HH As-Needed	Approved 7/23/2010	MASONRY WORKER - HH
7/20/2010	PAINTER - HH As-Needed	Approved 7/23/2010	PAINTER - HH
6/7/2010	10 PARK ACTIVITY MONITOR As-Needed	Approved 7/9/2010	10 PARK ACTIVITY MONITOR
8/31/2010	3 PARK SERVICES ATT II Regular	Approved 9/3/2010	3 PARK SERVICES ATT II
7/20/2010	PLUMBER I-1A-HH As-Needed	Approved 7/23/2010	PLUMBER I-1A-HH
7/20/2010	SHEET METAL WORKER - HH As-Needed	Approved 7/23/2010	SHEET METAL WORKER - HH
6/7/2010	15 SPECIAL PROG ASST II As-Needed	Approved 7/9/2010	15 SPECIAL PROG ASST II

**Total Entries by Department: 25**

## *Transportation*

### ■ *Approved*

10/12/2010	1 ACCOUNTANT II Resolution	Approved 10/15/2010	1 ACCOUNTANT II
10/12/2010	1 ACCOUNTING CLERK II Resolution	Approved 10/15/2010	1 ACCOUNTING CLERK II
9/14/2010	7 ADMIN HEARING OFCR As-Needed	Approved 9/17/2010	7 ADMIN HEARING OFCR
3/2/2011	1 ASST GM TRANSPORTATION Regular	Approved 4/13/2011	1 ASST GM TRANSPORTATION

<b>Date Submitted:</b>	<b>Position Information:</b>	<b>Class Title/ No. Requested:</b>	<b>Decision/ Decision Date:</b>	
9/14/2010	2	EQUIP SPECIALIST I  Regular	Approved  9/17/2010	2 EQUIP SPECIALIST I
9/14/2010	1	EQUIP SPECIALIST II  Regular	Approved  9/17/2010	1 EQUIP SPECIALIST II
9/14/2010	1	MANAGEMENT ANALYST II  Regular	Approved  9/17/2010	1 MANAGEMENT ANALYST II
12/10/2010	1	MANAGEMENT ANALYST II  Resolution	Approved  2/7/2011	1 MANAGEMENT ANALYST II
7/22/2010	1	MECH REPAIRER II  Regular	Approved  7/23/2010	1 MECH REPAIRER II
9/14/2010	3	PARKG MTR TECH SPV I  Regular	Approved  9/17/2010	3 PARKG MTR TECH SPV I
9/14/2010	2	PARKING MTR TECHNICIAN  Regular	Approved  9/17/2010	2 PARKING MTR TECHNICIAN
8/18/2010	1	PROJECT COORDINATOR  Substitute	Approved  8/25/2010	1 PROJECT COORDINATOR
10/16/2010	1	SIGNAL SYSTEM ELECTRCN  Resolution	Approved  11/19/2010	1 SIGNAL SYSTEM ELECTRCN
9/14/2010	2	SUPVSG TRANS PLANNR I  Regular	Approved  9/17/2010	2 SUPVSG TRANS PLANNR I
9/14/2010	1	SUPVSG TRANS PLANNR II  Regular	Approved  9/17/2010	1 SUPVSG TRANS PLANNR II
10/12/2010	1	SYSTEMS ANALYST II  Resolution	Approved  10/15/2010	1 SYSTEMS ANALYST II

Date Submitted:                      Position Information:  
 Class Title/ No. Requested:                      Decision/ Decision Date:

**Request Returned to Dept**

11/6/2009	1	PARKG MTR TECH SPV I  Regular	Request Returned to Dept  8/25/2010	
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**Total Entries by Department: 17**

**Treasurer**

**Approved**

6/28/2010	1	DEPT CHIEF ACCT IV  Regular	Approved  8/25/2010	1 DEPT CHIEF ACCT IV
2/15/2011	1	INVESTMENT OFFICER I  Regular	Approved  2/16/2011	1 INVESTMENT OFFICER I
3/30/2011	1	PROGRAMMER/ANALYST III  Regular	Approved  4/22/2011	1 PROGRAMMER/ANALYST III
3/3/2011	1	TREASURY ACCOUNTANT I  Emergency	Approved  3/4/2011	1 TREASURY ACCOUNTANT I

**Hold**

3/30/2011	1	TREASURY ACCOUNTANT II  Regular	Hold	Request is under review.
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**Total Entries by Department: 5**

**Total Entries: 486**

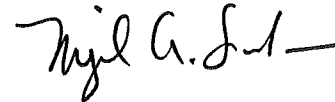
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 120

Date: May 4, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **LOS ANGELES HOMELESS SERVICES AUTHORITY – TRANSITIONAL HOUSING**

Your Committee instructed the Los Angeles Homeless Services Authority (LAHSA) to report back regarding transitional housing, including the amount of chronically homeless individuals that LAHSA's programming has assisted in transitioning to permanent housing. LAHSA's response is attached. LAHSA indicates that of the 3,720 households that were served in transitional programs in the last program year, 1,971 exited the program. Of those exiting the transitional programs, 1,038 households or 52.7 percent, exited into permanent housing.

MAS:MAF:02110181c

Question No. 163





ADMINISTRATIVE OFFICE  
811 Wilshire Blvd., Sixth Floor  
Los Angeles, CA 90017  
Ph: 213.683.3333  
Fax: 213.892.0093  
TTY: 213.553.8488  
[www.lahsa.org](http://www.lahsa.org)

MEMO

To: Budget and Finance Committee

From: G. Michael Arnold, Executive Director, LAHSA *GMA*

Date: May 3, 2011

CC:

Re: Transitional Housing Performance in Placing Homeless Clients in Permanent Housing

As requested by the Budget and Finance Committee, the following is a report-back regarding the success rate of Transitional Housing Programs and the number of homeless people transitioned to permanent housing.

Throughout the Los Angeles Continuum of Care (CoC) LAHSA administers funding to approximately 76 Transitional Housing Programs which provide 2,457 transitional beds throughout the CoC. Of this number, 41 programs are located in the City of Los Angeles including 15 programs funded with City CDBG dollars.

Transitional housing programs typically provide a stable environment for up to 24 months to program participants who work towards self-sufficiency. The programs are designed to support a program participant's ability to obtain the resources and skills needed to support stability in their future housing. Programs often include basic life skills such as budgeting, parenting, job training, landlord tenant relations, educational support, and the development of a social support network. These programs typically serve targeted populations, including transition age youth, survivors of domestic violence, families, individuals with HIV/AIDS and single adults.

Transitional housing programs are most effective for persons that have moderate barriers to obtaining and maintaining permanent housing and are typically not used for chronically homeless persons who will need long term support systems and services to maintain stable housing. Permanent Supportive Housing is the most effective solution for chronically homeless who most often experience long or frequent periods of homelessness, and struggle daily with untreated mental health issues and histories of co-occurring long term substance abuse.

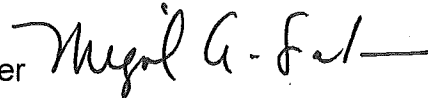
Of the 3,720 households that were served in transitional programs in the last program year, 1,971 exited the program during the 2010-2011 year. Of those exiting programs, 1,038 households, or 52.7% of the total exiting transitional program, exited into permanent housing. This permanent housing rate for the total served in transitional housing represented a 10% increase from the permanent housing rate in 2009-2010. However, the rate of 52.7% into permanent housing still falls short of our established, minimum performance outcome of 65% placed into permanent housing (the National average).

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 5, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **PERSONNEL – NATIONAL HEALTHCARE REFORM**

The Committee requested a report back on how the City's health benefits and costs would be impacted by national healthcare reform. The following is information from the Personnel Department.

The City's civilian Flex Benefits Program is currently in compliance with Healthcare Reform requirements. The key provisions of Healthcare Reform (HCF) implemented by the Personnel Department in calendar year 2011 are as follows:

- Dependent coverage for adult children up to age 26;
- In-Network Preventative Care Covered at 100% (\$0 copay breast cancer screening for certain women or prostate cancer screening for certain men);
- Lifetime Limits Removed; and,
- Restrictions on Flexible Spending Account Reimbursements for Non-Prescribed Drugs.

The additional cost of the 2011 HCR changes was offset by plan design changes.

The next round of major HCR changes that will impact the City are scheduled for 2014. The full impact of these changes is unknown at this time. However, the Personnel Department is working with Mercer Benefits Consulting to monitor the HCR changes and their application to the City including requirements to provide healthcare benefits to part-time employees not currently eligible for benefits under the City's structure. Attached is a timeline of the HCR changes provided by Mercer Consulting.

**Attachment**

MAS:MHA:PAG

Question No.81

# Key elements of health reform for employers

June 7, 2010

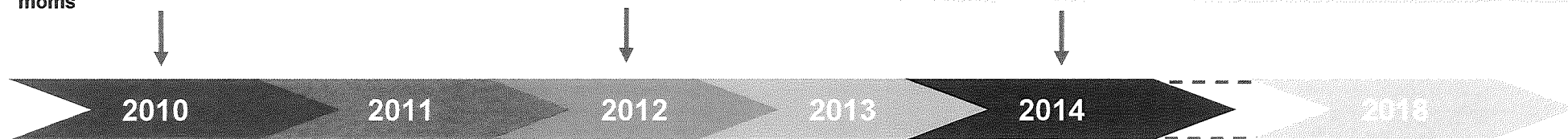
## Attachment A

- Change in tax treatment for over-age dependent coverage
- Accounting impact of change in Medicare retiree drug subsidy tax treatment
- Early retiree medical reinsurance
- Medicare prescription drug “donut hole” beneficiary rebate
- Auto-enrollment of full-time employees (effective TBD)
- Break time/private room for nursing moms

- Employers must distribute uniform benefit summaries to participants
- Employers must provide 60-day advance notice of material modifications (effective TBD)
- Form W-2 reporting for 2011 health coverage
- Group health plan fees begin

- Health insurance exchanges
- Individual coverage mandate
- Financial assistance for exchange coverage of low-income individuals
- Medicaid expansion
- HIPAA wellness limit increases
- Shared responsibility penalties
- Free-choice vouchers
- Additional reporting and disclosure

- Dependent coverage to age 26 for any covered employee’s child\*\*
- No annual dollar limits\*\*
- No pre-existing condition limits\*\*
- No waiting period over 90 days\*\*
- Additional new standards for new or “non-grandfathered” health plans, including limited cost-sharing
- Health insurance industry fees begin



- Dependent coverage to 26 (grandfathered plans may limit to children without access to other employer coverage, other than parent’s coverage)\*
- No lifetime dollar limits\*
- Restricted annual dollar limits\*
- No pre-existing condition limitations for children up to age 19\*
- No rescissions\*
- Additional standards for new or “non-grandfathered” health plans, including non-discrimination provisions for insured plans and mandatory preventive care with no cost-sharing

- No health FSA/HRA/HSA reimbursement for non-prescribed drugs
- Increased penalties for non-qualified HSA distributions
- Voluntary long-term care “CLASS” program slated to start
- Pharmaceutical manufacturers’ fees start
- Medicare, Medicare Advantage benefit and payment reform
- Insurers subject to medical loss ratio rules

- \$2,500 health FSA contribution cap (indexed)
- Medical device manufacturers’ fees start
- Higher Medicare payroll tax on wages exceeding \$200,000/individual; \$250,000/couples
- New tax on net investment income for taxpayers with incomes exceeding \$200,000/individual; \$250,000/couples
- Change in Medicare retiree drug subsidy tax treatment takes effect

- Excise tax on “high cost” or Cadillac plans

\* Applies to all plans, including “grandfathered” plans, effective for plan years beginning on or after Sept. 23, 2010 (Jan. 1, 2011, for calendar year plans). Collectively bargained plans may have a delayed effective date.

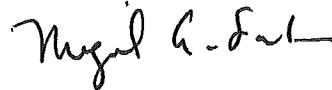
\*\* Applies to all plans, including grandfathered plans, effective for plan years beginning on or after Jan. 1, 2014.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 5, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **PERSONNEL – EMPLOYEE HEALTH PLANS**

The Committee requested a report back on the number of employees currently subscribed to each health plan and the associated costs of each plan to the City. The following is a breakdown of the enrollment in the civilian Flex Benefits Program by plan type and the associated average costs of each plan.

The average City cost varies depending on the type of coverage level. For example, the PPO average is lower than the HMO average because there are fewer employees with dependent coverage in the PPO plan. This lowers the City's average cost despite the PPO plan having the highest premium rates.

**FLEX HEALTH PLAN COSTS FY 10-11**

<b>Health Plan</b>	<b>Current Civilian Enrollment (April 2011)</b>		<b>City Average Monthly Cost by Plan Type*</b>	<b>City Cost for Employees Enrolled in Single-Party Tier**</b>
Anthem PPO	2,596	11%	\$795.49	\$622.36
Anthem HMO	8,950	37%	\$808.70	\$405.42
Kaiser HMO	12,806	53%	\$800.24	\$422.42
<b>Total Health Plans</b>	<b>24,352</b>	<b>100%</b>		

\* Excludes Cash-in-Lieu

\*\* Premium rates for non-EAA employees effective July 1, 2011

MAS:MHA:PAG

Question No.87

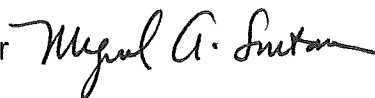
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 123

Date: May 9, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **PERSONNEL – WORKERS' COMPENSATION COSTS**

This memo addresses two separate questions from the Committee:

1. Report back on ways to work with the City Attorney to reduce workers' compensation costs.
2. Survey and report back on best practices of other jurisdictions in the area of workers' compensation.

The Personnel Department and the City Attorney's Office have formed a working group to address ways to improve workers' compensation claims management. The group meets biweekly in joint oversight meetings and is focused on, among other topics, the treatment of new and existing claims and medical bill review. In addition to the biweekly joint oversight meetings, the Personnel Department and the City Attorney's Office have worked together to implement best practices in the area of workers' compensation claims management, including:

- Convening weekly round table meetings on high-dollar claims and any proposed terms and conditions of settlement agreements;
- Conducting joint departmental training sessions to identify claims and cost trends;
- Implementing safety programs to mitigate workplace injuries;
- Conducting joint in-house training on updated case law and current issues in the workers' compensation industry; and,
- Collaborating in joint development of legislative proposals to address workers' compensation issues.

The Personnel Department will author a white paper on workers' compensation costs addressed to the Budget and Finance Committee, which will include:

A survey of other jurisdictions' business practices to include the following:

- County of Los Angeles
- LA Unified School District
- Metropolitan Transit Authority
- County of Riverside
- Metropolitan Water District
- Department of Water and Power

A survey of best practices in the noted jurisdictions, including:

- Safety programs implemented to prevent and mitigate workplace injuries.
- Integration of the Safety program with workers' compensation program.
- Staffing models of the safety program.
- Safety training provided or conducted to prevent or mitigate workplace injuries.
- Best practices implemented to prevent or mitigate workplace injuries.
- Incentives for injury free days.

*MAS:MHA:PAG*

*Question No. 82 & 84*

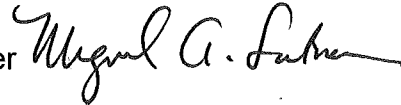
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 124

Date: May 9, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **PERSONNEL – NEGOTIATIONS REGARDING CIVIL SERVICE CHANGES**

This report addresses negotiations with employee organizations on issues related to Civil Service reform that could benefit both the City and labor.

During the last Citywide election, voters approved several Charter amendments affecting City employment rules, including:

- Expanding the automatic civil service exemptions listed in the Charter to include Deputy Chiefs of the Fire Department.
- Enabling the City to limit the number of qualified applicants who test for civil service positions to an adequate number to prevent examinations of unnecessarily large candidate pools.
- Eliminating the requirement for certifying all eligible candidates for appointment to a civil service position when the candidates' scores are not reachable or when no hiring is taking place.
- Clarifying and standardizing the probationary period for police officers to accurately reflect its application to sworn officers from the Airport, Harbor, and General Services departments.
- Increasing the length of emergency appointments from 180 days to no longer than one year.
- Extending the amount of time City civilian retirees may work for the City from 90 to 120 days without increasing pension benefits.

Other proposals discussed with unions which were ultimately not included on the March 2011 ballot include:

- Extending the Mayor's authority to reassign an employee from one department to another with the employee's consent. The proposal would have allowed the Mayor to make a reassignment for 365 days instead of the current 120 days.
- Expanding the number of grant-funded (non-General Fund) positions included in the Charter.
- Reducing the ability to accrue seniority and the amount of seniority credit accrual during a leave of absence from a civil service position to a position exempt from civil service rules.



- Allowing employees who are in positions exempt from civil service rules to compete for promotional qualifying exams for which their exempt position may be suited and/or qualified.

There are currently no active negotiations underway to address further Civil Service Rule changes. However, the Personnel Department will continue to evaluate future opportunities to streamline the employment process.

The additional issue raised during the discussion of this item dealt with the possibility of hiring new employees at rates lower than those established in existing Memoranda of Understanding (MOUs). Such changes will be addressed as each bargaining unit is open for negotiation.

*MAS:MHA:PAG*

*Question No.4*

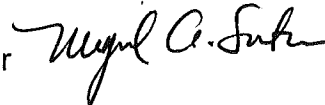
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 125

Date: May 10, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **COMMUNITY REDEVELOPMENT AGENCY – REPORT BACK ON  
REDEVELOPMENT PROJECT AREA FOR COUNCIL DISTRICT 11**

Your Committee requested the Community Redevelopment Agency (CRA) to report back with: 1) the criteria for why Council District (CD) 11 does not have a Redevelopment Project Area in the CD; and, 2) provide information as to why the Oakwood and Del Rey communities would not qualify for a redevelopment area. The Attachment provides the relevant California Health and Safety Code Sections 33030 and 33030, which are utilized when determination is made if an area meets the qualifications of a blighted area.

The CRA states that in order for it to determine whether or not these conditions exist within those communities, its staff would need to work with CD 11 to determine what boundaries would be considered for a redevelopment project area. Next, CRA staff would perform an initial field survey to determine if blight findings could be made to meet the State standards. The initial cost to do that field survey would depend on the size of the project area being considered and the amount of staff needed to do the initial survey.

MAS:LJS:02110184c

Question No. 184

Attachment

## **Attachment**

### **Health and Safety Code Sections utilized for the Determination if an area meets the Qualifications of a Blighted Area**

#### **Section 33030**

(a) It is found and declared that there exist in many communities blighted areas that constitute physical and economic liabilities, requiring redevelopment in the interest of the health, safety, and general welfare of the people of these communities and of the state.

(b) A blighted area is one that contains both of the following:

- (1) An area that is predominantly urbanized, as that term is defined in Section 33320.1, and is an area in which the combination of conditions set forth in Section 33031 is so prevalent and so substantial that it causes a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community that cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment.
- (2) An area that is characterized by one or more conditions set forth in any paragraph of subdivision (a) of Section 33031 and one or more conditions set forth in any paragraph of subdivision (b) of Section 33031.

(c) A blighted area that contains the conditions described in subdivision (b) may also be characterized by the existence of any of the following:

- (1) Inadequate public improvements.
- (2) Inadequate water or sewer utilities.
- (3) Housing constructed as a government-owned project that was constructed before January 1, 1960.

#### **Section 33031**

(a) This subdivision describes physical conditions that cause blight:

- (1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.
- (2) Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards.
- (3) Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area.
- (4) The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.

## **Attachment**

### **Health and Safety Code Sections utilized for the Determination if an area meets the Qualifications of a Blighted Area (continued)**

(b) This subdivision describes economic conditions that cause blight:

- (1) Depreciated or stagnant property values.
- (2) Impaired property values, due in significant part, to hazardous wastes on property where the agency may be eligible to use its authority as specified in Article 12.5 (commencing with Section 33459).
- (3) Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.
- (4) A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
- (5) Serious residential overcrowding that has resulted in significant public health or safety problems. As used in this paragraph, "overcrowding" means exceeding the standard referenced in Article 5 (commencing with Section 32) of Chapter 1 of Title 25 of the California Code of Regulations.
- (6) An excess of bars, liquor stores, or adult-oriented businesses that has resulted in significant public health, safety, or welfare problems.
- (7) A high crime rate that constitutes a serious threat to the public safety and welfare.

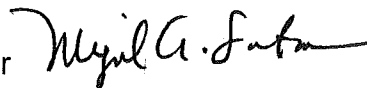
**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 126

Date: May 10, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **EMERGENCY MANAGEMENT DEPARTMENT – REPORT BACK ON A MOTION TO EXPLORE FEASIBILITY OF IMPLEMENTING A TSUNAMI SIREN SYSTEM IN COASTAL AREAS**

During its consideration of the Emergency Management Department's (EMD) 2011-12 Proposed Budget, the Committee asked EMD to report back on the feasibility of implementing a tsunami siren system in coastal areas. Attached is the Department's response.

This memorandum is informational only. There is no fiscal impact.

MAS:MGR:04110136c

Question No. 108

Attachment

CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 5, 2011

TO: Honorable Members of the Budget and Finance Committee  
Miguel Santana, City Administrative Officer

FROM: James G. Featherstone, General Manager  
Emergency Management Department

SUBJECT: **INSTALLATION OF TSUNAMI WARNING SIRENS ALONG COASTAL INUNDATION AREA**

Based upon the potential magnitude of a tsunami, coastal areas of the City of Los Angeles and its neighboring jurisdictions could be inundated with ocean water. The areas most at risk would be Santa Monica Bay, the Port of Los Angeles, Long Beach, Palos Verdes, Redondo Beach, Hermosa Beach, Manhattan Beach, Marina Del Rey, Venice, and Santa Monica. Continued development in areas exposed to coastal inundation has increased the risk of property damage and loss of life from future tsunamis. While historic and geologic evidence suggests a threat of tsunami is greater in Alaska, Hawaii and the northern coastal areas of California, there is a potential for a tsunami impacting Southern California.

Tsunamis are typically classified as either local or distant. These two types of tsunamis have different implications for comprehensive planning, zoning, building siting, design and construction activities, and evacuation warning. Local source tsunamis usually result from earthquakes occurring off nearby coasts. In Southern California, large offshore or coastal fault movements can cause large submarine landslides along steep and unstable slopes of the continental shelf edge and offshore borderland ridges generating locally-destructive tsunamis for the adjacent coastal areas. The travel time of the locally-generated tsunami, from initiation at the source to arrival at coastal communities may be within five to 30 minutes. These are rare, but there is evidence around the world that they do occur.

Tsunamis from distant sources are the most common type observed along the Pacific Coast of the United States. West Coast states may suffer from both regional and Pacific-wide tsunamis. Local tsunamis affect smaller areas than Pacific-wide tsunamis. The time required for a distant tsunami to reach the Hawaiian and mainland coasts will vary between 5 ½ to 18 hours, depending upon the tsunami place of origin. The effects of a distant tsunami on a coastal area may be negligible or severe depending upon the magnitude of the tsunami, its source distance, and its direction of approach.

To be effective, a tsunami siren system in the City of Los Angeles coastal areas would require a number sufficient to cover the City's entire tsunami inundation zone. The City's tsunami inundation maps are attached to this document for your reference.

There are three areas of the City that would require siren coverage. They are: West Los Angeles, the Venice area, and the Los Angeles Harbor area. The City has not obtained a formal quote or estimate for a siren system. However, several years ago, EMD researched the siren system option and obtained a "white paper" from American Signal Corporation that addressed this issue. The paper identified similar systems in other countries and cities that are used for both nuclear reactor and tsunami emergencies. American Signal Corporation estimates that approximately 100 towers would be required to cover the City tsunami inundation zone. An individual tower can cost up to \$50,000 each to construct and outfit with the necessary equipment. Based on this figure, the approximate cost of a siren system could be up to \$5 million. The American Signal Corporation white paper, titled "Emergency Communications Strategy: Tsunami Warning System for the City of Los Angeles" is available upon request.

Identified below are some important facts regarding a siren system:

- Tsunami Warning Sirens are not effective with a near source (locally generated) tsunamis; this is because there is insufficient time for warning system to be effective.
- Far-source or distant tsunami provide sufficient time (6-12 hours) for warnings from the National Weather Service and the State of California's Warning Center. These warnings allow for the use of the standard alert and warning systems that are currently used by the Federal, State, and local authorities.
- Other methods of alert and warning include the County Emergency Alert System and the "Alert LA" dial notification system. In addition, warnings are provided by law enforcement, fire, and lifeguard personnel sufficient for our early warning needs.
- Tsunami Warning Sirens require deployment of multiple siren locations to cover designated warning areas.
- Tsunami Warning Sirens can be masked by modern portable wireless devices such as iPods, headphones, and automobile sound systems.
- Tsunami Warning Sirens notification range is limited by manmade and natural architectural terrain features, requiring additional siren placement, to provide required alert coverage.
- Tsunami Warning Sirens and towers can cost up to \$50,000 per siren location. There are also ongoing maintenance requirements which add annual operational costs to the initial procurement.
- An aggressive public outreach and education campaign would be required so that the public would know what to do when they hear the sirens. This would also result in additional costs.

- Monthly testing of the siren system would be required. This may result in public complaints because of the sound may be considered a nuisance.

Though a siren system would be a very beneficial response tool during a tsunami emergency, the cost of the system could and does pose a major challenge for the City. In addition, the maintenance cost of a siren system is also financially burdensome. Regardless, EMD supports the idea and would gladly support the effort to coordinate the installation of such a system.

Regardless of the financial challenge involving tsunami sirens, EMD has been moving forward with a City Tsunami preparedness program. In March 2011, EMD completed a \$350,000 Homeland Security Tsunami Preparedness project for the City of Los Angeles. This project and other tsunami preparedness measures included the following:

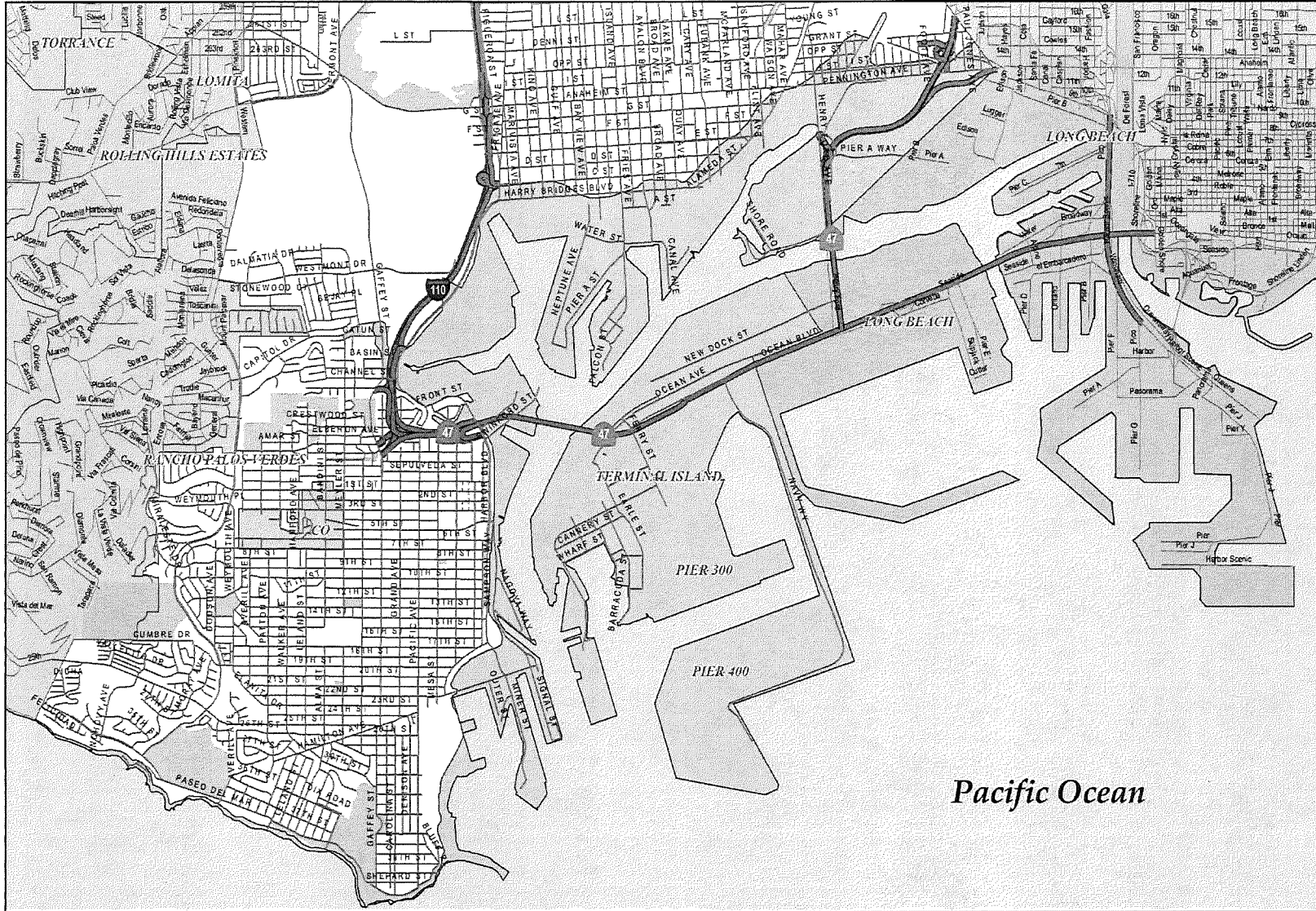
- Revision to the City's Tsunami Response Plan with the most recent State inundation maps.
- Installation of over 400 Tsunami Signs in the LA Harbor, Venice and West LA.
- Nearly 20,000 Tsunami Preparedness Brochures mailed to residents and business owners in the City's tsunami inundation areas.
- Brochures translated into six different languages: English, Spanish, Korean, Chinese, Armenian, and Braille.
- Becoming a NOAA Tsunami Ready City.
- Usage of the Los Angeles County "Alert LA" Emergency Notification System to alert City residents by telephone with up-to-date tsunami information and evacuation orders.
- The establishment of a close relationship with the Los Angeles Unified School District to prepare school children for tsunamis, and the development of a tsunami evacuation plan with the school district.
- Partnering with LAPD, LAFD, the County of Los Angeles, the State, and Federal officials to respond to tsunami advisories, watches, and warnings in a consistent, collaborative, and efficient effort.

If there are any questions regarding the information above, please contact Larry Meyerhofer at 213-484-4814.



CC: Eileen Decker, Office of the Mayor  
Karen Kalfayan, Office of the Chief Legislative Analyst  
Maria Ramos, Office of the City Administrative Officer

Attachments

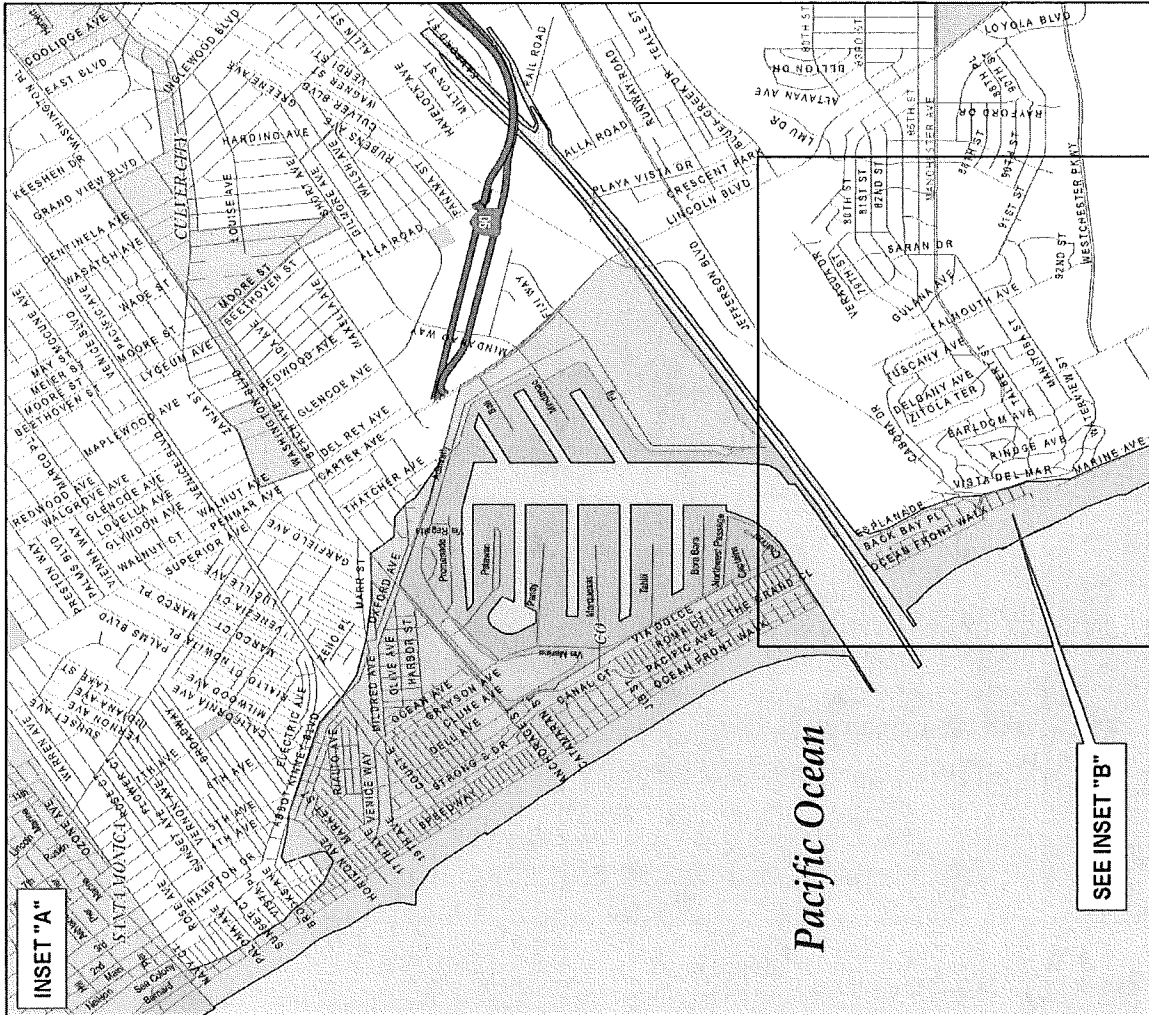
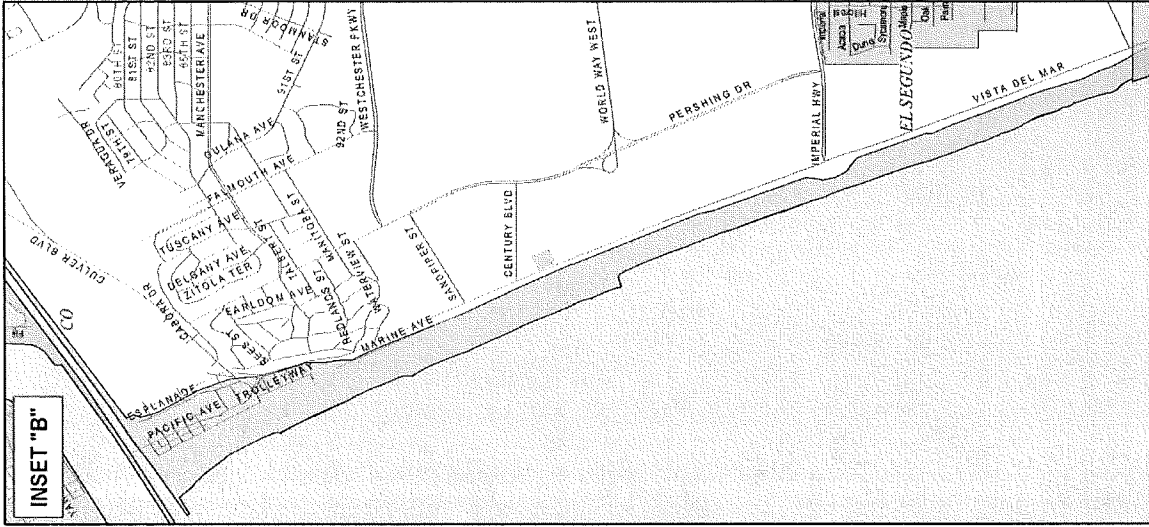




**N Legend**

-  Tsunami Inundation Zone 2009
-  Outside City of Los Angeles

**TSUNAMI INUNDATION ZONE**  
*San Pedro & Harbor Area*



**TSUNAMI INUNDATION ZONE**  
*Venice, Playa Del Rey, & Westchester*

**Legend**

N

Tsunami Inundation Zone 2009  
 Outside City of Los Angeles





**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 127

Date: May 10, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **FIRE DEPARTMENT - NEW DEPLOYMENT PLAN TO REPLACE EXPANDED MODIFIED COVERAGE PLAN**

During consideration of the Fire Department budget, the Committee voiced the need for additional information regarding the Fire Department's New Deployment Plan compared to the current Expanded Modified Coverage Plan (MCP).

Currently, the Expanded MCP has been effective in driving down the cost of overtime. Constant Staffing Overtime is used to fill daily field vacancies with firefighters working on an overtime basis. These vacancies occur as a result of sick leave, vacations, holidays, family illness and Injury on Duty (IOD). These activities are known as Compensated Time Off (CTO). Constant Staffing Overtime allows the Department to address field vacancies that are created by the use of CTO and the loss of firefighters due to attrition.

The current Expanded MCP has 22 resources out of service daily throughout the City with 122 firefighters creating a pool to reduce overtime cost. The New Deployment Plan has four fewer resources (18) daily out of service with 106 firefighters in the overtime pool. The annualized savings in Constant Staffing Overtime for the different plans is detailed below:

<u>Plan</u>	<u># of Firefighters</u>	<u>Overtime Savings (annualized)</u>
Original MCP	261/87 daily	\$39 million
MCP Year Two	273/91 daily	\$41.2 million
Expanded MCP	366/122 daily	\$54 million
Deployment Plan	318/106 daily	\$54 million

The New Deployment Plan will be implemented in coordination with firefighter attrition. There are projected to be 51 vacant sworn field duty positions on June 30, 2011 with 77 additional firefighters retiring through the Deferred Retirement Option Plan (DROP) during 2011-12 that match the new Deployment Plan staffing plan. By deleting these position authorities, this creates a structural change to the Department with no need to backfill these vacancies on a daily basis. No firefighters are laid off from the implementation of this Plan.

With no new fire recruits hired this fiscal year and none projected to be hired next fiscal year, the only option to keep control of overtime is to reduce the number of field duty positions daily. Currently, there are 43 drill tower trainers temporarily redeployed to the field to backfill vacancies. With the above mentioned vacancies for this year and next, the pool of firefighters being utilized for the reduction of overtime due to CTO will be less cost effective over time. Instead, additional firefighters would be needed on a daily basis to backfill the vacant positions, reducing the number of pooled personnel being utilized as a savings to the CTO overtime.

The 18 resources identified in the New Deployment Plan will be monitored and re-evaluated throughout the fiscal year based upon workload demands and other changes in order to fine-tune all assigned resources to insure the best deployment plan citywide.

If the New Deployment Plan is not implemented to achieve the targeted \$54 million budget savings, the Department would need to increase the Expanded MCP to 36 resources out of service with 195 firefighters in the daily pool. This would displace twice as many resources as the New Deployment Plan and would have firefighters continually rotating to different Fire Stations throughout the City.

Other budget reduction options previously discussed include the elimination of the 10<sup>th</sup> member on the remaining Task Forces (\$11.45 million); and the elimination of the remaining 24 Emergency Incident Technicians/Staff Assistants (\$2.98 million). Although a full cost benefit analysis has not been undertaken, the concept of privatizing ambulance transport services could be considered as part of the overall departmental budget reduction options.

## **RECOMMENDATION**

Our Office recommends the adoption of the New Deployment Plan as presented by the Fire Chief. This Plan represents the best option operationally to create true structural change to the Department and is most cost efficient method to save \$54 million.

*MAS:MCD:04110135d*

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 18, 2011

Memo No. 128

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Reference: 2011-12 Proposed Budget (C.F. 11-0600)

**Subject: ADDITIONAL INFORMATION REGARDING THE USE OF COMMERCIAL PAPER TO FUND EARLY RETIREMENT INCENTIVE PROGRAM PAYOUTS FOR RECREATION AND PARKS AND THE LIBRARY DEPARTMENT**

This memorandum is to provide supplemental information regarding the use of Commercial Paper to fund \$4.3 million Early Retirement Incentive Program (ERIP) payout for the Department of Recreation and Parks (RAP) and \$1.9 million ERIP payout for the Library Department. As previously reported, the 2011-12 Proposed Budget includes \$4.3 million appropriation in RAP budget and \$1.9 million in the Library Department Budget for the second of two ERIP payouts. As part of the overall RAP and Library Department budgets, these appropriations are funded by a combination of funding sources, including Charter-mandated funding and Departmental revenues.

It should be noted that the City has a long-standing practice of reimbursing the General Fund for related costs, such as retirement, health benefits, water and electric costs, associated with special funds. Other special funds that are required to reimburse the General Fund for related costs include the Solid Water Resources Fund, Sewer Construction and Maintenance Fund, Proposition A, Proposition C, Special Gas Tax, Community Development, Convention Center, Street Lighting Maintenance, Rent Stabilization, Home Investment Partnership, Arts and Cultural Facilities, Citywide Recycling, Planning Case Processing, Building and Safety Building Permit and Code Enforcement, El Pueblo, Multi-Family Bulky Item and Measure R funds. It should also be noted that not all of these special funds are at 100 percent full cost recovery. However, the special funds are required to offset General Fund related costs to the extent possible.

Should the Council decide to increase the Commercial Paper issue to include the RAP and Library Department ERIP payouts, the estimated total debt service for RAP is \$4,396,541 over 5 years, which includes interest cost of \$96,541. The estimated total debt service for Library is \$1,986,837 over 5 years, which includes interest cost of \$43,628.

### RECOMMENDATION

Using Commercial Paper for the \$4.3 million RAP ERIP payout and \$1.9 million Library Department ERIP payout would increase the amount of proposed borrowing to close the budget gap and is therefore not recommended.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 129

Date: May 18, 2011

Council File No. 11-0600  
Council District: All

To: The City Council

From: Miguel A. Santana, City Administrative Officer Subject: **DEPARTMENT OF ANIMAL SERVICES – NORTHEAST ANIMAL CARE CENTER**

This memo is submitted to provide background information on the proposed operation of the Northeast Animal Care Center (Northeast) by Best Friends Animal Society (BFAS). This proposal is assumed in the 2011-12 Mayor's Proposed Budget (C.F. 11-0600).

On January 29, 2010, the Office of the City Administrative Officer (CAO) released a report titled Three-Year Plan to Fiscal Sustainability (C.F. 09-0600-S159); in this report, the CAO recommended the issuance of a Request for Information (RFI) for the operation of one or more of the City's Animal Care Centers by an established animal care and control organization by March 1, 2010. The release of the RFI was held pending the selection of a permanent General Manager for the Department of Animal Services (Department). At its meeting held July 12, 2010, the Public Safety Committee considered the Mayor's appointment of Ms. Brenda Barnette as the General Manager of the Department of Animal Services. On July 16, 2010, the Council approved and confirmed the selection Ms. Barnette as the permanent General Manager. On January 10, 2011 and after multiple discussions concerning the RFI with Ms. Barnette, the CAO released a RFI for a contractor to operate one or more City Animal Care Centers. Responses to the RFI were due on February 26, 2011. The City received one response to the RFI from Best Friends Animal Society (BFAS) to operate the Northeast Animal Care Center (Northeast). After reviewing their proposal, the CAO and the Department determined that BFAS was capable of operating Northeast on behalf of the City and this partnership would expand the range of services provided at Northeast to the benefit of the residents of the San Fernando Valley.

Northeast is located in Mission Hills (Council District 7) and typically holds some nursing dogs and cats, but mostly houses dogs that are long-term holds for legally-mandated reasons such as: evidence, owner in jail, cruelty investigations, and dangerous animal hearings. Some cats are held for similar legally-mandated reasons, but the majority of cats held are nursing mothers while their litters grow to adoptable age.

Northeast opened as an evidence/special operations care center in Fiscal Year 2008-09. The discussion to release an RFI for the operation of Northeast began during Fiscal Year 2009-10 after the closure of the facility was contemplated in the budget. Northeast was proposed for closure in the Mayor's Proposed 2010-11 Budget. During the Budget and Finance deliberations of the 2010-11 Proposed Budget, our Office recommended increasing the dog license fee from \$15 to \$20 to generate additional revenue to keep Northeast open for the first six months of the fiscal year. If revenues were not realized, then Northeast would have been

closed effective January 1, 2011. At that point in the budget process, the Budget and Finance Committee reemphasized the need to release an RFI for the operation of one or more of the City's Animal Care Centers. The instruction to release an RFI did not target Northeast. The intent of the RFI was to determine if a non-profit animal welfare organization would be willing to operate an animal care center or a function of an animal care center.

The construction and rehabilitation of the City's Animal Care Centers were financed with tax-exempt bonds which require that contracts with private entities to operate the Centers must comply with certain tax rules. The tax rules relate to the length of the contract and the type of compensation. The draft management contract for the operation of the Northeast Animal Care Center was prepared by the CAO to comply with these tax rules and we are working with the City's Risk Managers and Bond/Tax Counsel to avoid affecting the tax exempt status of the bonds. The CAO anticipates that within the next month, the City Council will consider the CAO's recommendation to approve and award of a sole source management contract to BFAS in regards to this matter. Under the terms of the proposed contract, BFAS would provide the San Fernando Valley with the following services:

- On-site adoptions and monthly adoption events (primary function)
- Low cost spay/neuter surgeries, vaccinations, and medical care for the public and shelter animals (secondary function)
- Educational, outreach, and development programs (tertiary function)

The 2011-12 Proposed Budget assumes that the City will not operate Northeast next fiscal year. If the City enters into a management agreement with BFAS, existing staff will remain at Northeast during the three to six month transition period between the City and BFAS. At the conclusion of the transition period, staff will be transferred to the City's six other Animal Care Centers. If the City does not enter into a management agreement with BFAS, Northeast will be closed effective July 1, 2011 and staff at Northeast will be transferred to the City's six other Animal Care Centers. The operation of Northeast does not impact the Department's Animal Control and Law Enforcement function. Regardless of the Northeast policy decision, the Department will continue to provide animal control and law enforcement services in the Northeast San Fernando Valley.

If the City does not move forward with a management agreement for Northeast, Northeast could be operated without additional Departmental resources at the expense of the City's six other Animal Care Centers. The Department could reallocate staff and resources to Northeast by closing the existing care centers one to two additional days per week. Our Office does not recommend pursuing this option as the reduction in animal welfare services provided to all City residents is greater than the limited benefits gained by opening Northeast as an operational care center.

At an additional cost to the General Fund, the following services could be reinstated at Northeast provided the City Council identifies reductions to other General Fund programs or identifies on-going non-restricted General Fund revenue that could offset the City's cost:



Alternative 1: Maintain Status Quo – Maintain Northeast as an evidence/special operations animal care center

Positions	Direct Salary Costs	Related Salary Costs	Expenses	Cost to the General Fund
10.5	\$ 514,347	\$ 261,368	\$ 77,895	\$ 853,610

Alternative 2: Maintain Status Quo and Operate a Spay/Neuter Clinic – Maintain Northeast as an evidence/special operations animal care center and operate a spay/neuter clinic

Positions	Direct Salary Costs	Related Salary Costs	Expenses	Cost to the General Fund
14.5	\$ 786,289	\$ 383,098	\$ 299,704	\$ 1,469,091

Alternative 3: Operate as a Full Service Care Center – Maintain Northeast as a fully operational animal care center

Positions	Direct Salary Costs	Related Salary Costs	Expenses	Cost to the General Fund
34	\$ 1,741,517	\$ 868,498	\$ 279,309	\$ 2,889,324

Independent of any other agreement, it is unlikely that the City will be able to operate Northeast or expand services provided at Northeast over the next several fiscal years due to the City's current and projected financial constraints. Therefore, the City should strongly consider a management contract with BFAS that will reduce current General Fund costs and enhance the range of services provided at Northeast to the benefit of all City residents.

## RECOMMENDATION

That the Council, subject to the approval of the Mayor, authorize the General Manager of the Department of Animal Services, or designee, with the assistance of the Office of the City Administrative Officer and the Office of the City Attorney, to negotiate and execute a three-year sole source management contract with two one-year renewal options between the City of Los Angeles and the Best Friends Animal Society for the operation of the Northeast Animal Care Center, subject to the approval of the City Attorney as to form and legality.

## FISCAL IMPACT STATEMENT

Approval of the recommendation in this report will have no additional impact on the General Fund. The recommendation reduces existing General Fund expenses and will provide cost avoidance savings of \$1.5 million per year during the term of the contract based on the services Best Friends Animal Society is willing to provide at no additional cost to the City.


CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 130

Date: May 18, 2011

To: The City Council

From: Miguel A. Santana, City Administrative Officer

Subject: **DEPARTMENT OF TRANSPORTATION – PART-TIME TRAFFIC OFFICERS  
(C.F. 11-0600)**

The Budget and Finance Committee report on the Mayor's 2011-12 Proposed Budget recommends implementing a Part-Time Traffic Officer Program, as requested by the Department of Transportation (DOT) and included in the Mayor's Proposed Budget. This Part-Time Traffic Officer Program will supplement Traffic Officer staffing levels to ensure that there is sufficient staffing available for various quality of life parking issues and to offset revenue loss resulting from the recommended 36-day furlough of Full-Time Traffic Officers. The City Administrative Officer (CAO) continues to recommend this Program in order to provide the needed services at the most cost-effective rates, combat vacancies and increase revenue to the General Fund.

During the Budget and Finance Committee hearings on the Mayor's 2011-12 Proposed Budget, a number of concerns were raised by Committee members about the proposed Part-Time Traffic Officer Program, including:

- The legality of implementing the Program without initiating a meet-and-confer process through labor negotiations;
- Actual savings to the General Fund compared to hiring more full-time Traffic Officers; and,
- Classification differences between Part-Time and Full-Time Traffic Officer positions.

#### Legality of Implementing the Part-Time Traffic Officer Program

The proposed Part-Time Traffic Officer Program can be implemented without meeting and conferring with the labor union that represents the class. Consistent with Section 3504 of the California Government Code ("Meyers-Milias-Brown Act"), which governs public employee/employer relations in the State of California, and the Employee Relations Ordinance, Administrative Code Section 4.800 et seq, the City has the exclusive right to determine its organization and operations. In this case, DOT has identified a specific duty of citation issuance to be performed by a part time work force that is to be done only during peak hours to maximize efficiency. These workers will not perform the full range of duties of a full time regular Traffic Officer.

### Actual General Fund Savings Due to Hiring of Part-Time Traffic Officers

The cost to employ a Part-Time Traffic Officer for 1,000 hours is approximately \$16,300. The cost to employ a Full-Time Traffic for the same length of time is approximately \$42,200, or over twice as much as a part-time Traffic Officer. The main reason for this significant increase in cost for Full-Time Traffic Officer is the indirect costs including benefits and compensated time off.

According to the current MOU with the Traffic Officer Bargaining Unit 18, part-time employees are not subject to City-paid benefits unless an employee has worked 1,000 hours or more for each of two consecutive years. Therefore, in at least the first two years of this Program, the City can save significant General Fund dollars by hiring part-time employees and investing in these potential long-term employees, by giving them some training and real experience without incurring the maximum cost.

Originally, the Mayor's Proposed Budget included funding for 100 Part-Time Traffic Officers using salary savings from 29 vacant Traffic Officer positions. After the release of the Proposed Budget, the Traffic Officer's Bargaining Unit voted to not approve the Coalition Agreement proposed by the City. As is the current policy, the CAO recommended that Traffic Officers be placed on 36 days of furlough in 2011-12 in order to offset increased costs for cost-of-living increases and retiree health benefits. The savings to the General Fund for these furlough days is about \$5 million. However, the revenue loss anticipated from these 36 days of furloughs is roughly \$8.9 million. The net loss to the General Fund is estimated to be about \$3.9 million.

In order to offset the projected net revenue loss of \$3.9 million, and to continue to mitigate long-term obligations on the General Fund as much as possible, the CAO recommended the hiring of an additional 40 Part-Time Traffic Officers in 2011-12. The Budget and Finance Committee approved this strategy and recommends hiring the additional 40 Part-Time Traffic Officers at a cost of approximately \$650,000. It is also anticipated that these additional 40 Part-Time Traffic Officers will result in a revenue increase of approximately \$4.5 million, or a net revenue increase of about \$3.9 million. Therefore, hiring these Part-Time Traffic Officers would result in a net zero effect on the General Fund.

As recommended by the Budget and Finance Committee, funding included in the 2011-12 Proposed Budget for this Part-Time Traffic Officer Program will provide for the hiring of 140 Part-Time Traffic Officers. Funding for 100 Part-Time Traffic Officers is available through salary savings from 29 vacant full-time Traffic Officer positions and funding for the remaining 40 Part-Time Traffic Officers is provided through an appropriation of \$650,000. Total revenue anticipated for the hiring of all 140 Part-Time Traffic Officers is estimated to be approximately \$13.5 million.

Similarities and Differences between Part-Time and Full-Time Traffic Officers

**Similarities:**

- Potential hires for Part-Time Traffic Officers will be employed through the existing civil service list established for Traffic Officers, with priority given to the people scoring the highest on the list.
- Potential hires for the Part-Time Traffic Officers would go through the same background review process as a full-time Traffic Officer.
- Part-Time Traffic Officers will be members of Bargaining Unit 18, the same bargaining unit as Full-Time Traffic Officers. Agency shop fees will only be paid by members who have worked a minimum of 20 hours in a pay period.

**Differences:**

- Part-Time Traffic Officers would be required to go through a paid training program for parking enforcement activities only. Training for ancillary duties, such as traffic control, will not be provided. However, when/if Part-Time Traffic Officers are appointed to full-time status, the paid training for the ancillary duties will be provided.
- Part-Time Traffic Officers will be dedicated to parking enforcement for the entire shift, roughly seven hours per day. Full Time Traffic Officers are currently dedicated to parking enforcement about 4.34 hours per day.
- Part-Time Traffic Officers will not compete with Full-Time Traffic Officers for special assignments and overtime.

**RECOMMENDATION**

It is recommended that the City Council approve the implementation of the Part-Time Traffic Officer Program as presented by the Budget and Finance Committee Report.

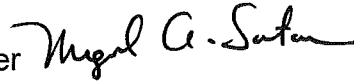
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 131

Date: May 18, 2011

To: The Council

From: Miguel A. Santana, City Administrative Officer



Reference: 2011-12 Proposed Budget, C.F. 11-0600

**Subject: RESTORATION OF LIBRARY SERVICE THROUGH THE USE OF AS-NEEDED PERSONNEL**

Concerns have been expressed about the Library proposal to use Civil Service exempt, as-needed staff as part of the restoration of Library hours to six days per week at the Central Library, eight Regional Libraries and 64 Branch Libraries. The proposed cost of expanded service in 2011-12 will be approximately \$1.7 million.

The Personnel Department has advised that the Library is not required to select employees from the reserve list to fill exempt, as-needed positions. However, should an employee on the reserve list accept an exempt position, that employee would remain on the reserve list and be eligible for full-time employment should a position become available. Additionally, the City Attorney has opined that the Library may re-hire employees currently on the reserve list in an as-needed capacity. The Library is not required to make an offer of full-time employment to an individual on a reserve list.

In June of 2010, a total of 15 Librarians and nine Senior Clerk Typists were laid off as the result of budget cuts. The direct cost to re-hire these employees is approximately \$1.6 million in salaries. The total cost, including salaries and benefits is approximately \$2.3 million. The Library indicated that the full-time requirement for six days of service is 50 Librarians, 30 Clerk Typists and 42 Messenger Clerks at a projected cost of \$10.2 million including related costs. The Proposed Budget does not include sufficient funding for this level of full-time staffing. Should the Department be required to hire back laid off employees instead of using as-needed, they will be unable to restore service hours.

**RECOMMENDATION:**

Approve the Department's proposal to use Civil Service exempt, as-needed staff as part of the restoration of Library hours to six days per week at the Central Library, eight Regional Libraries and 64 Branch Libraries.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

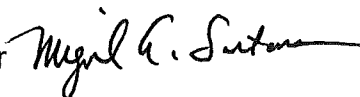
Memo No. 132

Date: May 18, 2011

Council File No. 11-0600  
Council District: All

To: The City Council

From: Miguel A. Santana, City Administrative Officer


Subject: **SWORN FURLOUGHS**

This memo is submitted to provide additional information regarding the \$41 million in sworn salary reductions recommended in the 2011-12 Proposed Budget and the Budget and Finance Committee Report. The 2011-12 Proposed Budget assumes \$20 million in sworn salary savings and the Budget and Finance Committee Report assumes an additional \$21 million in sworn salary savings for a total of \$41 million in sworn salary savings.

Reductions in the Los Angeles Police Department (LAPD) have centered around the use of compensated overtime. Overtime is not a guaranteed form of compensation and management has the right to control the use of overtime. LAPD's sworn cash overtime account was reduced by \$72 million in Fiscal Year 2010-11. The Proposed Budget assumes no non-reimbursable cash overtime and a compensated time off (CTO) threshold of 96-hours.

Our Office recommends utilizing sworn furloughs to balance this \$41 million sworn salary gap beginning on July 1, 2011. This recommendation addresses all current LAPD sworn salary reductions without the use of sworn or civilian layoffs. One 8-hour sworn furlough day per POST-certified officer generates \$3.5 million in sworn salary savings. If every officer took one furlough day per deployment period or four furlough hours per pay period beginning July 1, 2011, the LAPD would finish the 2011-12 Fiscal Year within budget without relying on labor concessions that may or may not materialize.

The Chief of Police is responsible for the deployment of officers including the application of furloughs and the use of CTO. As illustrated in Table 1, one furlough day per deployment period, reduces the number of shifts worked per officer by one per deployment period. A deployment period consists of two pay periods or 28 days. Table 1 is provided for illustrative purposes only. The implementation and the operational deployment method used to administer any furlough plan adopted rests solely within the purview of the Chief of Police.

On average, four furlough hours per pay period represents less than a \$180 pay cut per paycheck per officer. If all POST-certified officers were required to take all 13 furlough days, the average pay cut would be \$4,675 per officer or 5% of their gross salary.

<u>Impact of One Furlough Day</u>		<u>Impact of 13 Furlough Days</u>	
	Average Officer Salary		Average Officer Salary
\$93,851	Including Bonuses	\$93,851	Including Bonuses
(\$360)	(1) 8-hr Furlough Day	(\$4,675)	(13) 8-hr Furlough Days
<u>\$93,492</u>	Adjusted Compensation	<u>\$89,177</u>	Adjusted Compensation

In the event negotiations are successful in generating savings to offset the budgeted \$41 million reductions, sworn furloughs could be discontinued immediately as has been the case with civilian employees. The Department was unable to absorb an unplanned ERIP payout of \$4.5 million in the current fiscal year and independent of any other agreement, it will be extremely difficult for the Department to address a \$41 million sworn salary shortfall beginning January 1, 2012. If we postpone addressing this issue until January 1, 2012, the Department may be forced to impose two sworn furloughs per deployment period per officer or consider, up to, 700 civilian layoffs.

Per MOU 24, the Department is required to notify officers of their schedule one deployment period in advance. If sworn furloughs are to be implemented effective July 1, 2011 notice should be given to officers by May 28, 2011. If notice is given after May 28, but by June 18, sworn furloughs would go into effect on July 18, 2011.

Additionally, the Chief Legislative Analyst (CLA) report proposes six furloughs days for Sworn Special Duty personnel at the Fire Department generating a savings of \$70,000 per day. Exempt from the furloughs are fee supported inspectors, grant funded personnel and positions reimbursed by proprietary departments. Total projected savings for the six days is \$420,000. Our Office supports the CLA's recommendation.

## **RECOMMENDATIONS**

That the City Council, subject to the approval of the Mayor:

- 1) That the Council, subject to the approval of the Mayor, instruct the Chief of Police to implement sworn furloughs effective July 1, 2011 and continue sworn furloughs until \$41 million in General Fund savings are generated, either through furloughs, other reductions, or labor concessions; and
- 2) That the Council, subject to the approval of the Mayor, instruct the Fire Chief to implement furloughs for Sworn Special Duty personnel at the end of fire season and continue furloughs until \$420,000 in General Fund savings are generated, either through furloughs, other reductions, or labor concessions.

## **FISCAL IMPACT STATEMENT**

Approval of the recommendations in this report will generate \$41.4 million in General Fund savings in Fiscal Year 2011-12.

Table 1 - Impact of Sworn Furloughs on Sworn Shifts Worked Per Deployment Period\*

Current 5/40 Schedule - 19 Shifts						
One DP		DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
	Week 1	8	8	8	8	8
	Week 2	8	8	8	8	8
	Week 3	8	8	8	8	8
	Week 4	8	8	8	8	8 (HO)

5/40 (13 Furloughs) - 18 Shifts						
One DP		DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
	Week 1	8	8	8	8	8
	Week 2	8	8	8	8	4 (HO) 4 (Fur)
	Week 3	8	8	8	8	8
	Week 4	8	8	8	8	4 (HO) 4 (Fur)

104 less hours worked per officer annually = .05 FTE  
 .05 FTE times 9,800 Post-certified Officers = 490 FTE

Current 4/10 Schedule - 15 Shifts						
One DP		DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
	Week 1	10	10	10	10	OFF
	Week 2	10	10	10	10	OFF
	Week 3	10	10	10	10	OFF
	Week 4	10	10	10	10 (HO)	OFF

4/10 (13 Furloughs) - 14 Shifts						
One DP		DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
	Week 1	10	10	10	10	OFF
	Week 2	11	10	10	5 (HO) 4 (Fur)	OFF
	Week 3	10	10	10	10	OFF
	Week 4	11	10	10	5 (HO) 4 (Fur)	OFF

104 less hours worked per officer annually = .05 FTE  
 .05 FTE times 9,800 Post-certified Officers = 490 FTE

Current 9/80 Schedule - 17 Shifts						
One DP		DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
	Week 1	9	9	9	9	OFF
	Week 2	9	9	9	9	8
	Week 3	9	9	9	9	OFF
	Week 4	9	9	9	9	8 (HO)

9/80 (13 Furloughs) - 16 Shifts						
One DP		DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
	Week 1	9	9	9	9	OFF
	Week 2	9	9	9	9	4 (HO) 4 (Fur)
	Week 3	9	9	9	9	OFF
	Week 4	9	9	9	9	4 (HO) 4 (Fur)

104 less hours worked per officer annually = .05 FTE  
 .05 FTE times 9,800 Post-certified Officers = 490 FTE

Current 3/12 Schedule - 13 Shifts						
One DP		DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
	Week 1	12	12	12	12	OFF
	Week 2	12	12	12	4 (HO)	OFF
	Week 3	12	12	12	OFF	OFF
	Week 4	12	12	12	OFF	OFF

3/12 (13 Furloughs) - 12 Shifts						
One DP		DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
	Week 1	12	12	12	8	OFF
	Week 2	12	12	12	2 (HO) 4 (Fur)	OFF
	Week 3	12	12	12	OFF	OFF
	Week 4	12	12	12	2 (HO) 4 (Fur)	OFF

104 less hours worked per officer annually = .05 FTE  
 .05 FTE times 9,800 Post-certified Officers = 490 FTE

\*This table is provided for illustrative purposes only. The implementation of any furlough plan adopted and the operational deployment method used to administer the furlough plan rests solely within the purview of the Chief of Police.



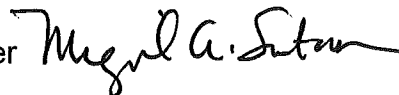
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 133

Date: May 18, 2011

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Reference: 2011-12 Proposed Budget (C.F. 11-0600)

Subject: **ADDITIONAL INFORMATION REGARDING RECREATION AND PARKS  
SENIOR FOOD AND SOCIAL SERVICES PROGRAM**

This memorandum is to provide supplemental information regarding the Department of Recreation and Parks (Department) Senior Food and Social Services Program. The 2011-12 Proposed Budget includes the deletion of funding and regular authority for two Senior Recreation Director Is and two Recreation Coordinator positions. Funding in the amount of \$438,433 is also deleted from the Salaries As-Needed account.

The Department has previously provided senior food and social services programs at the Felicia Mahood (Westside) and Wilkinson (Northwest Valley) Multi-Purpose Centers funded through grant agreements with the Department of Aging (DOA). The Department's two Multi-Purpose Centers serve two of the 16 defined Aging Service Areas (ASAs). The other 14 ASAs are served by non-profit agencies through grant agreements with DOA. The service providers, including the Department, are selected through a Request for Proposals (RFP) process conducted annually by DOA.

Non-profit agencies, selected through the RFP process by the DOA for the Felicia Mahood and Wilkinson Multi-Purpose Centers, are expected to begin services on July 1, 2011. The Department did not submit proposals to DOA for fiscal year 2011-12. The Department reports that the average annual cost of the program is \$2.2 million and the average annual reimbursement from DOA is approximately \$1.5 million, leaving a shortfall of approximately \$700,000. The non-profit agencies are required to provide the same level of service previously provided by the Department as detailed in the grant agreements with DOA.

The deletion of the regular authority for the four full-time positions will not result in layoffs. The Department reports that the full-time employees will be re-assigned within the Department.

This memorandum is informational only. Therefore, there is no fiscal impact.

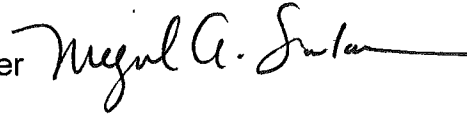
CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 134

Date: May 18, 2011

To: City Council

From: Miguel A. Santana, City Administrative Officer



Reference: 2011-12 Proposed Budget (C.F. 11-0600)

Subject: **DEFICIT BORROWING – COMMERCIAL PAPER**

Deficit borrowing is a financial mechanism the City can use to manage its financial and budgetary needs. Typically, deficit borrowing occurs when expenditures exceed receipts. In recessionary periods, it is not uncommon for governmental entities to use deficit borrowing to meet their budgetary needs. Though not uncommon, deficit borrowing is not viewed as a positive financial tool to use even in times of financial pressures.

Several types of deficit borrowing have been implemented by other municipalities, such as commercial paper, debt restructuring (scoop and chuck) of the Convention Center lease revenue debt, Pension Obligation Bonds, and various revenue securitizations. After exploring these options, issuing commercial paper for working capital was determined to be the least costly to the City. If deficit borrowing is utilized, it should be used to pay for one-time expenditures only. Additionally, certain parameters should be in place to ensure the repayment is a financial priority.

The Mayor's Proposed 2011-12 Budget proposes to use deficit borrowing by issuing commercial paper (\$43 million) through the Municipal Improvement Corporation of Los Angeles Commercial Paper Note Program (MICLA CP Program) to finance the City's Early Retirement Incentive Program (ERIP) costs and the City's working capital needs. Though the MICLA CP Program allows commercial paper to be issued for working capital purposes resulting from extraordinary circumstances, there are several risk factors that should be considered:

**Interest Rate Risk**

Since March 2009, the MICLA CP Program has experienced historically low short-term interest rates. The current short-term interest rates range from 0.25% to 0.33%. We expect interest rates to remain low for the remainder of 2011. Market expectations suggest short-term interest rates will grow to less than 2.0% by the end of 2012. However, short-term interest rates are difficult to predict and may differ from current assumptions.

## **Tougher Scrutiny by Rating Agencies and Investors**

The MICLA CP Program was established as temporary borrowing to finance the City's **capital** needs, including capital equipment and capital construction projects. Deviation from its main purpose will increase scrutiny from rating agencies and investors. In particular, rating agencies may heighten their review of the City's financial management decisions for long-term solutions to solve structural budget imbalances.

## **Letter of Credit Risk**

From the recent MICLA letter of credit (LOC) substitution and extension transaction, obtaining LOCs from new banks was very difficult as banks tend to reserve their credit for their existing clients, provided that their financial positions have not deteriorated. Prior to offering LOCs, banks perform their own credit analysis of the City to determine if the City is credit worthy and the LOC rates. If the City engages in deficit borrowing to pay for its working capital needs, the weaker the City's financial position is because deficit borrowing is the opposite of a structural budget change. For example, when the City seeks renewal of its LOCs, banks will consider the City's financial actions in their analysis which may result in LOC disapprovals from banks or higher LOC rates.

After multiple conversations with the City's financial advisors, bond attorneys, and bankers, issuing commercial paper to pay for ERIP costs and working capital expenditures was not encouraged. Ideally, during the budget process, planned expenditures should match estimated receipts. If expenditures exceed receipts, the best course of action financially for the City is to reduce expenditures and make budget decisions that result in structural changes. Deficit borrowing, if possible, should not be used as it is not viewed as a best practice and will likely affect or cause to be more difficult for the City's to maintain its high credit ratings which allows the City to secure low interest rates in the municipal market.

## **RECOMMENDATION**

Deficit borrowing is not recommended. However, if deficit borrowing is utilized, it should be used to pay for one-time expenditures only with certain parameters in place to ensure the repayment is a financial priority.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

C.F. No. 11-0600

Date: May 18, 2011

To: The Honorable City Council

From: Miguel A. Santana, City Administrative Officer Subject: **IMPACTS OF DECREASING THE RESERVE FUND TO RESTORE SERVICES**

At a recent City Council meeting, a question was posed on the feasibility of using the Reserve Fund to provide additional funding to the Fire Department for the purpose of restoring fire resources consistent with the current Modified Coverage Plan (MCP) as an alternative to the New Deployment Plan proposed in the budget for Fiscal Year 2011-12.

While funds currently budgeted as part of the Reserve Fund for 2011-12 may be used to fund the Fire Department or any other General Fund service, taking funds out of the Reserve Fund to pay for ongoing expenditures does not come without real fiscal consequences. The following is a brief summary of some of the more severe impacts the City would encounter as a result of moving funds out of the budgeted Reserve Fund and into the Fire Department or any other department as part of the 2011-12 budget.

**1) Increase to the Structural Deficit for 2012-13 and beyond**

Should the City Council decide to use the Reserve Fund to restore Fire services to the current MCP levels, the City is essentially forgoing a structural solution in the New Deployment Plan for the temporary solution of the MCP. Additionally, continuing the MCP rather than implementing the New Deployment Plan will result in the Fire Department falling \$35 million short of its targeted savings of \$54 million. The majority of the lost savings is due to increases in overtime required to staff the positions that are anticipated to become vacant from normal attrition next year. Combined with the current suspension of the drill tower recruit classes, the decision to continue the MCP requires adding \$35 million to the Fire Department's salary and constant staff overtime accounts for 2011-12. Furthermore, these costs will have to be factored into the four year outlook for the City. Including these costs into the four year outlook would result in an increase of \$35 million to the projected deficit for 2012-13, from \$281 million

to \$316 million. Future cost of living adjustments and other costs changes would further exacerbate the estimated budget gap.

## **2) Depletion of the Reserve Fund well-below the City's Financial Policy**

In accordance with the best practices approved by the Government Finance Officers Association (GFOA), in 1998 the City of Los Angeles adopted a financial policy that established a Reserve Fund. The City later revised its financial policies on the Reserve Fund to establish an Emergency Reserve and Contingency Reserve and set a funding level for the fund at five percent of the General Fund budget. Subsequent revisions have been made to this policy, most importantly setting a minimum funding level for the Emergency Reserve. This policy change was recently strengthened through the adoption of *Charter Amendment P*, in the City's March 8, 2011 municipal election.

*Charter Amendment P*, establishes the Reserve Fund's Emergency and Contingency Reserve as Charter accounts and sets a minimum balance for the Emergency Reserve account of 2.75 percent of General Fund receipts. Furthermore, this amendment sets an "urgent economic necessity" threshold for when the Emergency Reserve can be spent which requires the approval of at least two-thirds of the City Council and the Mayor. The objective of all of these actions is for the City to be in a strong fiscal position that will be better able to weather periods of economic decline or slowdown, like the conditions the City is currently experiencing.

The balance of the Emergency Reserve as proposed in the 2011-12 Budget complies with the 2.75 percent balance criteria of *Charter Amendment P*. In the proposed budget, the total Reserve Fund balance is currently estimated to be \$177 million, consisting of \$120 million in the Emergency Reserve and \$57 million in the Contingency Reserve. The proposed Reserve Fund balance of \$177 million represents approximately four percent of the Adopted Budget. To achieve the five percent threshold, nearly \$47 million must be added to the Reserve Fund.

Should funding be restored to the Fire Department as proposed, this action would deplete the proposed Contingency Reserve Fund balance from \$57 million to \$22 million. Consequently, the City will be farther from its policy threshold and less likely to ever reach the five percent minimum. This action has immediate and long term financial consequences for the City as detailed below.

## **3) Limited availability of the Reserve Fund for borrowing**

Around the start of the fiscal year, the City issues debt through Tax and Revenue Anticipation Notes (TRAN) to prepay its pension systems and to secure the necessary cash flow for the first half of the fiscal year. A key factor that rating agencies and investors use in their credit analysis is the Reserve Fund to determine whether the City's liquidity level can give additional support to the repayment of debt. In connection with the TRAN, the borrowable funds are special funds and the Reserve Fund. These

funds are viewed as “additional liquidity” to the set-asides for the TRAN repayments. The Reserve Fund is particularly important for the May and June maturities as the City is prohibited from borrowing from special funds after the last Monday in April. In other words, the “additional liquidity” amount for notes maturing after the last Monday in April is only the Reserve Fund. In the past two years, investors have indicated their disinterest in the late maturities due to lower “additional liquidity” as compared to the earlier maturities. As a result, the City incurred significantly higher interest costs for the notes maturing after April. It is crucial to continually make financial decisions to increase the Reserve Fund to ensure the City has adequate liquidity levels to maintain its highest short-term credit ratings and to attract more investors to purchase the TRAN in the longer maturities.

A larger Reserve Fund also provides the City with the cushion it needs in the event that the requested borrowing amount is not satisfied. Furthermore, should the TRAN not result in required level of borrowing, the Reserve Fund would be used by the City Controller to cover any circumstances where departmental expenditures exceed appropriations or available receipts. However, the limited availability of the Reserve Fund would make these necessary Reserve Fund loans difficult to make and thereby jeopardize the operations of the City.

#### **4) Limited capacity to deal with actual emergencies during the fiscal year**

Any decision to deplete the Reserve Fund prior to the start of the fiscal year will result in less funds being available to the City during the year to deal with any economic uncertainties or emergencies.

During these periods of economic uncertainty, it is critical to maintain a prudent Reserve Fund balance. First and foremost, reserves are maintained for unanticipated expenditures or revenue shortfalls, and to preserve flexibility throughout the fiscal year to make adjustments in funding for programs approved in connection with the annual budget. Reserves are also important due to the City’s limits on raising taxes and other revenues as set by Proposition 218 and Proposition 26. The Reserve Fund also provides sufficient cash flow in instances where revenue receipts are delayed, such as in the case of deferred transfers from the State. Finally, sufficient reserves are necessary criteria to maintain positive bond ratings, thereby securing favorable interest rates for the issuance of general obligation bonds and all of our general fund debt. As reported by GFOA: *“It is essential that governments maintain adequate levels of fund balance [reserve fund] to mitigate risks and provide a back-up for revenue shortfalls.”*

#### **5) Repercussions from the rating agencies and the financial market**

The City’s success in addressing the last two fiscal year deficits through responsible decision making has helped maintain strong investor confidence in the City. This confidence depends greatly on the City’s ratings issued by Fitch Ratings, Moody’s Investors Services, and Standard & Poor’s on the City’s General Obligation Bonds which are based on their assessment of the City’s financial outlook. As shown below,

over the last five years the City has maintained a strong rating on its General Obligation Bonds. However, maintaining these ratings is contingent on how we address looming fiscal challenges and systemic cost drivers. Failure to do so will place the City at greater risk of future ratings downgrades.

Table 1. Ratings over Last 5 Years

General Obligation Bonds by Year	Moody's	S&P	Fitch
June 2010	Aa2	AA-	AA-
June 2009	Aa2	AA	AA-
June 2008	Aa2	AA	AA
June 2007	Aa2	AA	AA
June 2006	Aa2	AA	AA

In their most recent reports on the City's financial outlook, each of the rating agencies specifically cites the rebuilding of the Reserve Fund as a critical component and a key driver in the City's future ratings. The rating agency comments are as follows:

#### **Fitch Key Rating Drivers<sup>1</sup>**

- Resolution of General Fund structural imbalance in an environment where tax revenues and the real estate market remain under pressure.
- **Rebuilding of General Fund balances and reserves.**
- Implementation of long-term expenditure reduction initiatives to curb rising personnel costs.

#### **Moody's Key Rating Drivers<sup>2</sup>**

##### *What Could Change the Rating--Up*

- Negative outlook on the City's ratings largely precludes a rating upgrade over the near-term rating outlook horizon, particularly considering the City's still sluggish current economic environment.
- However, were the City to successfully implement its three-year budget plan, structurally balancing its General Fund budget while materially rebuilding reserves, an upgrade could be warranted.

##### *What Could Change the Rating--Down*

- **The City's liquidity position is again strained, and/or its budget reserve position is further depleted and not replenished on a timely basis.**
- Downward pressure would also likely result if the budget solutions the city adopts to address its cost challenges are largely one-time measures rather than on-going, structural solutions.

<sup>1</sup> Fitch Ratings Report for Los Angeles, November 3, 2010

<sup>2</sup> Moody's Report for Los Angeles, November 1, 2010

## Standard and Poor's Key Rating Drivers<sup>3</sup>

### Outlook

- The stable outlook reflects our view of Los Angeles' ability and willingness to reduce spending sufficiently so that its cost structure is better aligned with revenues that have fallen in the recent economic downturn.
- The outlook also reflects our expectation that the city will continue to target budgetary balance despite pressures associated with rising pension and other postretirement costs.
- **If budget-cutting measures are further delayed and plans for rebuilding reserves levels are not executed, we could lower the ratings.**

The fact that each rating agency ties the future outlook of the City and its ratings to the City's timely rebuilding of its Reserve Fund is not coincidental. As reported by the GFOA: "*Rating agencies consider the government's fund balance [reserve fund] policy, history of use of fund balance, and policy and practice of replenishment of fund balance when assigning ratings.*"<sup>4</sup> The importance of maintaining solid ratings is to ensure the widest buyers of the City's bonds, in particular when the municipal bond market is saturated. For this purpose it is essential that the City maintain itself in the AA category to stay competitive against other cities, especially with investment funds that are required by Federal law to only buy in the AA category.

Table 2. Ratings of 10 Largest U.S. Cities

Rating Rank	City	Fitch	Moody's	S&P
1	San Jose, CA	AAA	Aaa	AAA
2	San Antonio, TX	AAA	Aa1	AAA
3	Phoenix, AZ	NA	Aa1	AAA
4	Dallas, TX	NA	Aa1	AA+
5	New York, NY	AA	Aa2	AA
5	Houston, TX	AA	Aa2	AA
<b>7</b>	<b>Los Angeles, CA</b>	<b>AA-</b>	<b>Aa2</b>	<b>AA-</b>
8	Chicago, Il	AA-	Aa3	A+
9	San Diego, CA	AA-	Aa3	A
10	Philadelphia, PA	A-	A2	BBB

### 6) Increased cost of borrowing

According to the GFOA, "*a well developed and transparent strategy to replenish [the] fund balance may reduce the cost of borrowing.*" Alternatively, as stated by Moody's Investors Services, the City's rating may be downgraded and its cost of borrowing will increase "[if] the City's liquidity position is again strained, and/or its budget reserve position is further depleted and not replenished on a timely basis."

<sup>3</sup> S&P's Ratings Report for Los Angeles November 2, 2010

<sup>4</sup> GFOA *Best Practice: Appropriate Level of Unrestricted Fund Balance in the General Fund*



Given the City's reliance on debt issuance for capital projects, to prepay its pension systems, and to secure the necessary cash flow for the first half of the fiscal year, it is critical the City continue to have access to low interest rates. In the event the City's rating were to be downgraded from the AA category to an A category, the City's interest rate would be subject to an increase of 70 basis points. On a \$100 million bond issuance for 20 years, this increase would result in annual debt service increase of about \$368,000 per year. Over the course of the 20 year issuance, this results in \$7.4 million more in debt service. This increase in debt service does not include the increases in the fees that underwriters and other financial entities would charge the City for their services.

For these reasons and in light of the forecasted 2012-13 budget gap, this Office recommends that we continue to build the Reserve Fund and minimize its use for restoring ongoing services. This Office further recommends that the City Council adopt the goal of achieving compliance with the five percent Reserve Fund threshold set forth in the City's Financial Policies by June 30, 2012.

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