



## BUDGET ADVOCATES REPORT August 2023

### Los Angeles City Budget Update

The City and the Police Protective League agreed on a new contract that will increase compensation by 21% over the next four years. This includes a first-year bump of 6%. The impact on the budget is unknown, but estimates are that it will create a \$75 million deficit. This deficit will also increase when the City enters into a new labor agreement with its civilian workers at the end of the year. These operating deficits will most likely be funded by the Reserve Fund which should be used only for emergencies.

County Assessor Jeffrey Prang indicated that the value of the City's 794,000 properties increased by 5.9% to \$820 billion. Our property taxes contribute a third of General Fund Revenues. The Assessor said that the growth in the second half of the year was "sluggish" which may impact the growth in next year's valuation. Also of concern is the lower valuation of office buildings, many of which are experiencing high vacancy factors.

In July, the City issued \$173 million of Solid Waste bonds to finance the purchase of replacement and new vehicles and equipment used to collect trash from single family homes and small apartment buildings. This will most likely require an increase in our Solid Waste Fee that appears on our bimonthly DWP bill. This fee was last increased in 2008.

The City Council approved the Environmental Impact Report for the Zoo's expansion plans. There was no discussion on the financing of this controversial \$650 million project. Other capital-intensive projects include the Civic Center, the Los Angeles River, the Convention Center, and the repair of our streets and sidewalks.

Estimates to house the unsheltered and those in interim housing are estimated to be in the range of \$15-20 billion although these funds come from many sources.

The impact of the Hollywood strikes is unknown, but it will have a significant impact on the City's economy. How this will impact the City's revenues is unknown.

### Budget Advocates Activity

The Budget Advocates appreciate the support of the Neighborhood Councils. Now that the newly elected boards are seated, we ask that you appoint two Budget Representatives if you have not done so already. Budget Representatives may do as little as vote for new Budget Advocates and as much as the Budget Advocates do. Participating with the Budget Advocates involves meeting with department heads, making contacts that you can access to help your community. The work is interesting and worthwhile. We are excited to work with whomever you appoint as your Budget Representatives – they may be a Board member, former Board member, or a Stakeholder. Please email their names and contact information to [LABudgetAdvocates@gmail.com](mailto:LABudgetAdvocates@gmail.com). For more information, please visit our website at [www.BudgetAdvocates.org](http://www.BudgetAdvocates.org).