

THE ANGELENOS' RECIPE FOR SUCCESS

Budget Recommendations presented to
Mayor Antonio Villaraigosa by the
NEIGHBORHOOD COUNCIL BUDGET ADVOCATES (NCBAs)
April 17, 2013

OPENING STATEMENT

NCBA Co-Chair Marcello Robinson

This presentation is the product of hundreds of hours of analysis and dozens of meetings by the NEIGHBORHOOD COUNCIL BUDGET ADVOCATES (“NCBAs”) since their election on the Mayor’s Budget Day, November 17, 2012. The NCBAs are active Neighborhood Council (“NC”) stakeholders who represent a broad-based, diverse set of backgrounds and points-of-view. The NCBAs continue to study the policies, procedures and productivity of our City’s Departments in order to increase the depth and breadth of our understanding and recommendations.

The NCBAs’ work to fulfill the City Charter mandate (Article IX, Sections 900 and 909) that the Neighborhood Councils (“NCs”) have “...an advisory role on issues of concern..” and “...may present to the Mayor and City Council an annual list of priorities for the City Budget...in a timely fashion.”

The NCBAs, like all NC positions, are unpaid volunteers who take valuable time from their daily schedules and devote it to bettering our great city. We represent the views and recommendations of over 1,700 NC board members; young and old, all genders, all levels of educational and almost every one of the world’s races, religions, nationalities and cultures. Our constituents, the NC stakeholders, are not just the 3.9 million L.A. residents but also the thousands of business and factual basis stakeholders that make the City of Los Angeles a vibrant community.

The Los Angeles City budget process is a \$7.3 billion, complex structure mired down in “we always have done it that way” concepts and practices. We have focused our views and formed our recommendations to rejuvenate basic concepts, increase transparency and find more effective measures and effect efficiencies which will produce better practices and large dollar changes. The “low hanging fruit” (the easy, obvious and one-time solutions) has all been picked. **The total potential savings and additional generation of revenues from these recommendations is at least net \$1.06 billion.** We have hard evidence backing up most of the specific amounts and in addition, the multiple unknown items were estimated at a minimal amount of at least \$1 million, each.

Economic Development

1) **Develop an Economic Development Department which includes Neighborhood Councils**
Advocate: Dr. Buashie Amatokwu

The city needs more economic development and more good jobs. Los Angeles has higher unemployment rates than any other large city in the country. As the City has budgeted \$32 million (Council File 08-3050) to establish a “new” Economic Development Department (EDD), we would like to insure its successful implementation by involving the NC representatives in the development of the EDD programs. We do not want to reproduce the problems left by the now defunct Community Redevelopment Administration (CRA). Unknown total impact – **Estimated at least \$1 Million**

Pension, Health Care and Direct Salary Reforms

Rising costs of employee compensation in the face of unchanging general fund revenues are the principal and almost sole cause for the City’s persistent structural deficit. The LACERS and Fire/Police Plans’ Unfunded Actuarial Accrued Liability (UAAL), the current value of future retiree’s retirement benefit, is presumed to add \$80 million to the City’s structural deficit, every year, for the foreseeable years, unless it

is resolved. The UAAL for the two Plans is now over \$11 billion and it is expected to rise to over \$20 billion within five years. This amount may be understated because it relies on an investment rate assumption of 7.75%. City (active and retired) employees, unlike most people, have a “free” health and dental plan. City (active) employees now enjoy high basic salaries due to overly-generous increases in the past five years.

2) [Defer the City’s \(Active\) Employees retirement age.](#)

Advocate: Ed Novy

At present, employees can retire as young as 55. We are living longer and retaining our productivity longer. This parallels the upward, national trend (e.g. Social Security) for a later retirement age. But deferring the retirement age the City can save millions of dollars in delayed payment of benefits. There will also be a gained benefit in encouraging longer tenure of our most experienced employees. Unknown total impact – **Estimated at least \$1 Million**

3) [Base the City’s \(Active\) Employees’ retirement benefit on the last 3 years of service.](#)

Advocate: Ed Novy

This would avoid the problem of employees “spiking” their benefits by last-year salary increases. The dollar benefits to the City remain to be calculated but as many City employees increase their salary in the last year in order to increase future benefits a comprehensive study would show that many millions of dollars could be saved. Unknown total impact – **Estimated at least \$1 Million**

4) [Renegotiate the contribution that the City’s \(Active\) Employees pay to their Retirement Plans so that it is equitable to the percentage that is prevalent in the market.](#)

Advocate: Ed Novy

The City must equalize the participation of all of our employees in their retirement programs. The dollar-for-dollar savings in the City’s contribution to the two retirement plans remain to be calculated from the numbers of employees involved, their individual base salaries and the changes in the percent of their contributions. This is the general practice in the market, it is the fair thing to do and it will encourage and equalize the participation of all City employees in their retirement programs. At present, employee contributions vary from employee to employee. However, 20% of the \$3.09 billion salaries is a **saving of \$600 million.**

5) [Negotiate a co-pay \(\\$10 per office visit\) for the City’s \(Active and Retired\) Employees](#)

Advocate: Vera Del Pozo

In order to encourage the responsible use of their health care benefits and to save the City an amount which could be **saving of \$35 to \$50 million.** The co-pays are standard in the community but the savings in premiums paid by the City remain to be negotiated with the employees and insurance carriers.

6) [Negotiate an equitable contribution that the City’s \(Active and Retired\) Employees pay for their own, their spouse’s, their partner’s and their childrens’ health plan premiums](#)

Advocate: Vera Del Pozo

The employees of Los Angeles based companies (for companies with more than 500 employees) pay 20% - 28% of their premiums. Since L.A. City employees do not pay anything toward their health care premiums, this would mean City employees are provided a benefit above the market. This needs to be negotiated with employees and the insurance carriers to achieve at least a 10% participation on the \$300 million Health Care Premiums would produce **at least \$30 million in savings.**

7) [Negotiate City’s \(Active\) Employees vacate FY 2013-2014 5% salary increases and modify future Cost-of-Living-Adjustments \(COLAs\) to be based on the Los Angeles Consumer Price Index \(LA C.P.I.\)](#)

Advocate: Gregory Wilkinson, Esq.

Because contracted employee base salary increases have not been COLAs and because there

have been no major changes in our recent costs-of-living, increases in City employee salaries should be related to City revenues. Thus in order to eliminate arbitrary and/or mandatory increases and make the annual employee salary costs actually reflect current local cost-of-living changes we recommend that all salary COLA's be based off the official federal Consumer Price Index (CPI) for the Los Angeles region. This will make the City finances more sustainable and could **save up to \$140 million dollars** this fiscal year.

8) **Conduct a Review of Wage Scales and Withhold COLA's for overpaid employees.**

Advocate: Gregory Wilkinson, Esq.

In order to reduce unneeded expenditures of funds the City should conduct a top to bottom review of all City job classification wage scales to align them to current market conditions and withhold any COLA increases for those workers paid 5% or more above the market wage bracket. The City spends at least 4% more than the average salary of similarly placed workers in the private sector in regards to base salaries and wages. And also because the City pays certain workers more in base salary than is actually approved via the City's wage scales. This results in millions of dollars of money being spent on worker that could be employed for low but until market rate wages. Further we recommend that no COLA's be given to any worker whose actual base wage is above the maximum wage scale rate approved by the City. This would **save the City \$112 million** in over spent, unwarranted and unapproved wages and to bring the City's wage rate in line with market conditions.

9) **Require the Managerial/Executive Staff take a 10% cut in Their Base Salary**

Advocate: Daniel Wiseman, M.D.

In order to treat all employees of the City in a fair and equal manner we recommend that all managerial and executive positions within the City take a 10% cut in their base salary. These positions would include the Mayor, 15 City Council Members, Controller, City Attorney, and all department heads. This is needed to also help reinforce that the other City workforce salary reductions are not vengeful or capricious. In total this would **save the City \$1.1 million** for the 56 positions we have identified. These people are our City's policy and decision makers and should lead by example.

Preventing Excessive and Unnecessary Costs

Sometimes the City's current and proposed programs just cost too much.

10) **Review and Reform LAPD & LAFD policies/practices for prevention/management of**

- a. **Officer-related personal injury, wrongful death and property damage claims;**
- b. **Inter-departmental harassment, discrimination and retaliation claims;**
- c. **Worker's Compensation claims.**

Advocate: Brandon Pender and Jonathan Reich, Esq.

From the very beginning public safety measures instituted by any local government or municipality, were meant to secure not only the safety and welfare of its inhabitants, but to ensure a certain degree of "quality of life" for all those who live, work and visit that community. This unfortunately extends to the financial fortunes of the community. Public safety expenditures routinely absorb over two-thirds of any city's budget. In analyzing the departments responsible for safeguarding the City of Los Angeles. We have found 'again' definite areas in which reform(s) are undoubtedly a necessity to help ensure a budgetary balance in Los Angeles' financial well-being.

The Triune of Public Safety:

We've identified the three major municipal departments responsible for the City's public safety as, the Los Angeles Police Department, the Los Angeles Fire Department and the Los Angeles City Attorney's Office. Two of these entities, in particular the LAPD and the LAFD have in the past been known to incur certain financial liabilities adding to the City's 'negative budgetary balance'. One area that can be viewed as a no-fault liability issue among the 'rank' 'in file' in both LAPD/LAFD would be in the workman's compensation

injuries. As a whole there are very few fraudulent cases involving this type of financial liability. It seems to be an uncommon occurrence (even though it sometimes happens) amongst the culture of both fraternities to perpetrate such an endeavor against the taxpayers of the City. However, one of the most costly burdens of these onset financial liability are the lawsuits initiated by members of the rank and file of LAPD and LAFD for various offenses.

Particularly these are plain harassment, sexual harassment, retaliation by superiors and racial discrimination. This type of legal action against the city seems to occur with frequent regularity. This committee has obtained documents dating back to at least 2005 where the LAPD (which has the highest incidents and even higher public profile of this nature) has been involved in hundreds civil law suits and what can only be described as a 'systemic problematic issues' inherent in the overall system of how the police department is managing its personnel's conduct on the job. Unfortunately, we could not secure similar reference material documenting any such litigation within the LAFD, although, it is a known fact they too suffer from some of the same "systemic problem" but to a lesser degree.

These issues occurring in both the LAPD and LAFD are costing the city tens of millions of dollars a year. There has to be a 'cooperative solution' to this problem, which should involve not only the agency's administration but also the employee unions representing the sworn personnel.

That being said, it is not unreasonable to expect the administration and the union to try and work together to curb if not prevent the ongoing systemic deterioration of the working environment being prevalent in both agencies. There can only be change if both entities governing the 'ideals' and the 'code of conduct' of the 'rank-and-file' start an outreach effort to reform the system leading to an ease in the City's financial burden in the public safety area.

Another financial liability issue that is exclusive to the LAPD is citizens law suit against the department. Albeit, these cases are not as institutional as officer-to-officer claims and at least 30% may warrant some merit. The cost of settlement or litigation does contribute to the city's 'bottom-line-negative.' Notwithstanding, how police officers regularly interact in the future with a certain category of suspects could be improved during first contact and retention needs to improve.

The Los Angeles Police Protective League:

The LAPPL has stated its preference of their members to seek a more expeditious remedy for most of their legal conflicts with the department. However, the union also wants to pursue the best (if not the fairest) outcome possible for its membership as well. The Protective League tendered the following suggestions in their opinion would help reduce the strain on the city's budgetary problems via the LAPD's systemic treatment of probationary personnel and lower rank'-and-file'.

- More training at the academy level addressing anti-discrimination and harassment for sex, racial and lifestyle differences.
- The willingness of the supervisory and (or) management/command level personnel to discipline offenders of any rank.
- Definite rules of engagement for taking and retention of Arrestees during a lawful apprehension (arrest) of any suspect. ***
- A reformation of the typical board of rights for both probationary personnel and tendered personnel.
- And mandatory 'binding arbitration' of any potential outside or interdepartmental civil litigation once the allegations are investigated and deemed valid or with merit. ***
- The utilization of more civilian personnel for administrative and clerical positions in the LAPD and the use of Police Service Representative (PSR) to work the front desk positions in stations. **
- The use of Police Academy Training services to offset the overhead of the LAPD training program. **

- Enhance the Reserve Officer program to improve morale. **
- A support of the current Rand report suggesting that the LA International Airport Police Force be merged with or absorb by the Los Angeles Police Department. Both budgets can be utilized as one to cut cost, which is what happened with the City Hall/building security. This is also similar to the LA County Sheriff's Office and the Metro Police Force.
- Reduce the LAPD Police Bureaus from four to two citywide. **
- Develop a 'ACE' task-force program similar to that of San Bernardino and Riverside County. Include L.A. City Animal Services on the task force because of the presence of 'attack dogs' on the suspect's premises.

*** Suggested by NCBA PS Committee to LAPPL.

** The same suggestion mentioned in last year's White Paper

Pension and Welfare:

The LAPD Protective League is not inclined to suggest any new changes in new hire pension compensation and current hire pension and welfare contributions. They foresee an exodus of tendered officers and a lack of new recruits coming into the department if this type of change is made.

For years the LA Police Department has been known as a destination for new potential candidates in the state and experienced police officers who apply for lateral transfers from other Police Departments.

The NCBA recommends that there be at least a small increase to the current contributions the LAPD officers are putting toward their pension, health and welfare fund. And possibly more for newly hired officers coming into the department. The city's taxpayers can hardly sustain the level of benefits now being paid out to its current retirees, not to mention those who will soon be mustered out of public service within the next few years. Nevertheless, it would be impossible to continue to do so in the future.

The Interview With the United Firefighters of Los Angeles City, Local #112:

The UFLAC representative was more open and transparent about the union's agenda in its effort to have their members available to serve the public in all areas of the LAFD's job descriptions. Even though in 2009 when the department took a \$40 million reduction to its annual budget the union still encourages its members to perform more functions than normally prescribed by department policy. The contrast between the two fraternities, i.e. UFLAC and LAPPL, is not that far apart or indifferent. Both seek better working conditions and seemingly fair monetary compensation (fruits) for their member's labors. However, the committee members who interviewed the spokesman for the fire fighters union denoted a more willingness to crossover and accept less long-term gains for the overall good of the City. Despite all of this cooperation by the UFLAC, the lack of foresight on this matter by the current administration can only be described as an under appreciation of a valuable and noble service viewed by the City fathers.

*The LAFD receives more than 750,000 calls a year. There are 3,588 sworn members of the LAFD and 353 civilian staff. 96% of the City budget for the LAFD pays for personnel, leaving less than \$20 million for all other LAFD expenses. There are 106 fire stations in the City of Los Angeles. Each day there are 986 members on duty at fire stations 24 hours a day. *****

Because of these resent revelations it has resulted in a drastic increase in response time, also a decrease in services and available sworn personnel. Furloughs and transfers of highly trained personnel to nonessential duty assignments are hamstringing the department. The typical firefighter is trained as a fire engineer, ambulance driver, EMT and/(or) paramedic, etc. There are no work restrictions; they perform every job description at the engine station. The duty tours are drastically unlike that of the average uniformed police officer. The typical work week is a minimum 56 hours with each tour being 24 hours long with 24 hour turnover per officer.

The LAFD is a standby service agency therefore it is crucial that the response times be cut down. All the studies in the past have set the stage for future response times. Most of the emergency runs (calls), 83%,

are medical rather than fire responses. However, the amount of available personnel is limited and hardly sufficient execute the task. The decision of how many and what type of engines to deploy when responding to a call is determined by what the emergency caller says on the phone.

Unpaid furloughs of LAFD support staff (mechanics, office personnel etc..) is common but burdensome. In some engine stations the equipment is sorely outdated and in need of replacing.

Unfortunately the city does not bill for emergency medical services when the caller needs more than basic EMT treatment. This should be explored as an option if the patient can afford the charge or his insurance could possibly absorb the cost.

****** Statements from the L.A.F.D's website**

The Interview with the City Attorney's Office:

The Los Angeles City Attorney is responsible for all legal services for the City of Los Angeles. With a vast myriad of responsibilities put upon this department it is clear that the City Attorney is understaffed and overburdened with cases better left to 'binding arbitration' (*see LAPPL notes*) and in need of more operational funding. If the city would consider the prioritization of the fundamental function of the office which is civil and criminal prosecution i.e. [jurisdiction] enforcement and the protection of the City's interest in advising the City Council and other City departments in civil procedures in adherence to the law. Recently the City Attorney's office has had to shift resources from its day-to-day prosecution of misdemeanor cases over to litigation of tort actions initiated against the City. As mentioned in the LAPPL interview an effort toward binding arbitration in certain cases would be desirable and less costly to the City's bottom line.

Unpaid furloughs are a particular burden to the City Attorney's office. The personnel required to bring forth adjudication of cases to the court, are being severely hampered by time lost due to these furloughs with no backup support. If the City cannot see its way to eliminate this practice in this department then we suggest making up the budgeting difference by increasing the amount of support staff (paralegals, investigators and secretaries) which would cost less than the rate cost of an actual attorney. *We believe furloughs are materially impairing LACA's ability to properly perform their responsibilities.*

The overall consensus of the rank and file of this department is that if given a choice they would gladly contribute more of their salary toward their pension, health and welfare, retirement, etc. but the LACCA (their union) is not open to it plus the current five (5) year contract is still in force which has a moratorium on increased benefit contributions. As of 2007 all of the deputy city attorneys are signatory with a 'MOU' (Memorandum of Understanding) in affiliation with SEIU, Local 721 with the city (CAO) outlining both parties obligations and restrictions.

The NCBA Public Safety Committee's Overall Conclusion:

Other than what has been stated above and in view of similar revelations from last year's NC Budget Advocates 'White Paper' review. We think an unambiguous query into what the 'CAO' is intending to do with his estimated \$10,000,000 surplus (slush fund) and why can't he disperse some of those funds to departments, which can make good uses of this much-needed capital.

11) **[Reject the Bureau of Sanitation's \(SAN\) Exclusive Trash Franchises Proposal and Implement a Non-Exclusive System](#)**

Advocate: Ginger Damon

In order to generate instant franchise fees, institute the Non-Exclusive Trash Franchise recommended by the CAO and favored by businesses, apartments owners, and haulers. This would generate revenues, which are not viewed as business unfriendly, while providing better service at a lower price. It would also be easier to administer. This would also avoid any legal challenges that Exclusive Franchises are anti-competitive to the City's 150 waste haulers. This would **save at least \$4 million, in contract costs per year, and to raise a minimum of \$20 million dollars per year for the first five years.** The Exclusive

Franchise Proposal is self-serving and exposes SAN's inability to do its job(s).

Creating New Services & New Revenue.

These two recommendations, like the TOP PRIORITY item (Creation of the EDD), above, are items which involve social justice.

- 12) **Start billing Medi-Care, Medi-Cal, Insurance Companies and Transportees for Medical Services delivered by our Paramedics and EMTs.**

Advocate: Daniel Wiseman, M.D.

The City does not bill any insurance provider (public or private) or the actual transportee of any emergency medical response incident for the actual medical services delivered by paramedics or Emergency Medical Technicians (EMTs). We only bill for transport services. Other large cities (San Francisco, Seattle, and Chicago) across the country bill for these medical services in addition to transport services. We would start receiving payments for at least **\$61 million or more** for these valuable, sometimes life-saving medical services for which we currently do not recover the costs.

- 13) **Renegotiate, bill & receive adequate payments for LAFD-EMS Ambulance Transports**

Advocate: Daniel Wiseman, M.D.

There currently exists a gap of between the City's costs (\$1,400) and payments from Medi-Care (\$400), Medi-Cal (\$120), private Insurance (\$1,000) & Claimants (\$100). This is the largest item on the City's list of Accounts Receivable which is never fully paid. The City fails to collect **over \$80 million** of the annual LAFD-EMS Ambulance Transports.

- 14) **Implement an Administrative Citation Enforcement (ACE) Program**

Advocate: Joanne Yvanek-Garb

In order to speed justice, decrease court loads, permit reassignment of city attorneys from lesser crimes to major activities and direct fines and civil assessments directly to City coffers we recommend a pilot implementation of the Administrative Citation Enforcement (ACE) Program. Unknown total impact – **Estimated at least \$1 Million**

- 15) **Consider the City Attorney's Requests to stop furloughing City Attorneys and to allow the hiring of much needed attorneys**

Advocate: Joanne Yvanek-Garb

The NCBA consider the Office of the City Attorney to be one of our City's public safety departments, entitled to full funding with the LAPD and LAFD and to assure mandated and necessary services (Claims Management and Criminal Prosecution) and to avoid "material impairment" of the City Attorney's Office. These activities will depend on the restoration of about \$30 million to their budget. The City Attorney's claims defense and criminal prosecution activities are already dependent upon the imaginative (unpaid) Reserve Deputy program.

EFFICIENCY MEASURES (to increase unrealized income)

- 16) **Systematic Review of City Licenses and Permits.**

Advocate: Joanne Yvanek-Garb

In order bring collections for licenses, permits, fees and penalties up to date, the City should regularly check current activity, proper renewals and adherence to City Ordinances. These reviews should lead to notification of deficiencies, formal hearings and prompt action to assure the licenses and permits are up-to-date, collections of unpaid fees are received and, when appropriate, the revocation of the permit or license. In addition, an overhaul of the permit and licensing system should be investigated and implemented to streamline the hearing, collection and possible revocation process (see Culver City model). We believe that there are significant numbers of unlicensed businesses, non-permitted projects and uncollected fees with the associated, undocumented illegal business practices and hazardous

products. Unknown total impact – **Estimated at least \$1 Million**

EFFICIENCY MEASURES (to retain and enhance essential Special Services)

17) **Support Investment in Cultural Tourism Through DCA and Metro**

Advocate: David Mack

In order to support cultural values, and sometimes, their necessity to important segments of our society, fund and/or expand important departments with minimal financial impacts. For instance, the Department of Cultural Affairs' (DCA) is dependent on Transient Occupancy Taxes (TOT). DCA support is "pegged" as 1% (less than \$ 2 million) of the TOT (plus 0.5% of arts ordinance out of Metro). We recommend that the Metro component be expanded from solely Visual Arts to all Performing Arts. Even now, DCA earns more than it receives. From FY 2007-2008 to FY 2010-2011, DCA earned \$ 10.5 million in cultural grant funds. It is not much money and it is a lot of what makes us a World Class City. Unknown total impact – **Estimated at least \$1 Million**

RESTORING NECESSARY NC and DONE FUNDING

18) **Restore the annual NC Allocation to \$50,000**

Advocate: NCBA Co-Chair Jay Handal

Recognize that we as NC's are the City's best bargain. We are thousands of unpaid volunteers who provide \$2-3 million worth of service (even if calculated at "minimum wage"), help efficiently direct millions of dollars of our allocated budgets back into the City and present millions of dollars worth of valuable, unbiased, independent advice such as the material contained here, in our presentations, in our White Paper and our White Book clearly show. This funding allows the Neighborhood Councils to perform their Charter mandated responsibilities. This would cost \$1.2 million.

19) **Approve and Fund the scheduled 2014 NC Elections**

Advocate: NCBA Co-Chair Jay Handal

In order to honor our country's tradition of regular, scheduled, accessible elections and our NCs' expectations, approve and fund the scheduled 2014 NC elections. The cost would be about \$683,000.

20) **Restore DONE funding - Approve the Expanded FY 2013-2014 DONE Budget**

Advocate: NCBA Co-Chair Jay Handal

In order to restore essential services, fully fund the Department of Neighborhood Empowerment (DONE) to allow it to provide vital services to Neighborhood Councils. In the last few years, the DONE Budget has decreased from \$4.2 million to \$2.1 million per year and the DONE staff has decreased from 62 to 15, more than 50%. Managing the NC Funding Program and the NC-DONE notifications and communications are already inadequately funded. The proposed budget requests an added sum of \$250,000. Full restoration would cost up to \$1,000,000, not including the three City Attorneys needed for NC support, legal counseling and training. It is contrary to the Charter (Article IX, Section 911) to apply short term (one-year) changes to the DONE or NC Special Fund and essential to avoid "materially impairing" DONE and/or the NCs.

MODERNIZED FINANCIAL PHILOSOPHIES

These items (#21 to #23) suggest major changes in basic financial philosophies which will not be easy to arrange but all of which improve the operations of the City and the quality of life of everyone here.

21) **Repair, Replace, Install and Maintain a World Class City Infrastructure**

Advocate: Lisa Samson

Our streets, street lights, sidewalks, sewers and buildings show the major effects of deferred maintenance, inadequate upgrading, repair and replacement, which can be appreciated by all. A full restoration program, like the Mayor's program to use Measure R funds and the 10-30 Plan to make major improvements in our public transportation, is usually the product of great vision and are usually funded by long-term bonds which are paid over many years. To restore our City to the quality we really want, to stimulate our economy (create jobs, etc.) and to efficiently implement these projects will cost at least \$10 billion (over 10 or more year) plus enough continuing funds to prevent further degradation.

22) **Institute Performance-Based Budgeting in All Departments**

Advocate: Daniel Wiseman, M.D.

Accelerate the Controller's (October 4, 2011), City Council's (Council File 11-1702-S1, Englander et al) and Mayor's vision for replacing the past input based budgeting or line-item-based budgeting mentality with Performance-Based Budgeting principles. The City should consider the differences between its "total or optimal" and its mandated and its delivered work products so as to identify successes and failures to meet our goals and experiences regarding:

- (1) Administration and Personnel Performance
- (2) Application of Technology
- (3) Customer Service Satisfaction
- (4) Financial Effectiveness and Efficiency

23) **Draft a Charter Amendment to which requires the City "Lives Within Its Means" and that the City annually reviews and updates a 5-year Budget Plan?**

Advocate: Jack Humphreville

In order to eliminate the structural deficit, fund the pension Plans and repair our streets, sidewalks and the rest of our deteriorating infrastructure pass a Charter Amendment to restrict the City from spending more than it takes in and to require a solid five (5) year budget.

Report on the Regional and Citywide Survey Results

NCBA Co-Chair Marcello Robinson

The Mayor's budget survey also known as "The Los Angeles Budget Challenge" received over 5,000 visits and 2,100 comments this year. The collection period was from February 1 until March 4, 2013. For eight weeks the NCBA's worked very closely with the Mayor's office and DONE to finalize the budget survey questions. The Budget Advocates worked round-the-clock to help "spread the word"; our outreach efforts included attending meetings and reaching out to: Neighborhood Councils, the regional alliances of NC's, local organizations, City departments, and City Councilmember offices.

Regional Budget Day was held on Saturday, March 16th and was attended by over 145 stakeholders, up 20 stakeholders from the year prior. Instead of hosting regional budget day at City Hall, the NC Budget Advocates went out into the community and hosted Regional Budget Day in four different locations throughout the city covering all seven regions. South Los Angeles had the largest turnout with 60 stakeholders attending. The biggest surprises coming out of the budget day was how the priorities for City services varied per region and/or district.

For example, Police and Fire account for more than approximately 72% of the City budget but only two out of the seven regions ranked police as their number one priority. South Los Angeles and East Los Angeles would like a more livable neighborhood. When we say livable we're not talking only about infrastructure but good paying jobs, South and East LA stakeholders specifically asked for better jobs like a Traders Joes or Target and NOT another liquor store, check cashing franchise or fast food joint.

The Harbor, North and South Valley stakeholders ranked Police and Fire as their top two budget priorities with improved infrastructure coming in a close third place. Central ranked Improved Infrastructure and Livable Neighborhoods as their top two priorities and the West Region ranked Improved Infrastructure and Police Services as their top two budget priorities.

Citywide the budget priorities that ranked the highest were police and fire services and improved infrastructure. Over 50% of respondents favored reforming employee health care and employee compensation, continued reduction of workers compensation costs, and the implementation of a new economic development model. Increased funding for Animal Services was supported by 39% while cuts were favored by 29%. Half of the respondents want to maintain the funding levels for the City Attorney's office but 63% want reduced funding for constituent services and legislative analysis. For transportation, streets, and infrastructure, 41% want to maintain funding while 40% prefer an increase in spending.

Respectfully Submitted By the 2013 Neighborhood Council Budget Advocates

The NCBAs look forward to working further to addressing and solving these financial challenges problem in continuing discussions with the Mayor, City Council, Council Committees, CAO, CLA and other key officials.

| <u>Name</u> | <u>Neighborhood Council</u> |
|-------------------------|-----------------------------|
| Buashie Amatokwu | E C Southwest |
| Frank Anderson | Central San Pedro |
| Glenn Bailey | Northridge East |
| Bianka Bailey | CANNDU |
| Claudia Bayard | PICO |
| Dana Carter | EC North |
| Gloria Castro-Trejo | Historic Highland |
| Miguel Cordova | Harbor Gateway South |
| Zula Damdin | Wilshire Center |
| Ginger Damon | Atwater |
| Vera Del Pozo | Boyle Heights |
| Manuel Flores | Wilshire Center |
| Nathan French | Hollywood Studio |
| Craig Goldfarb | NW San Pedro |
| Terrence Gomes | SORO |
| Jay Handal | West L.A. |
| Gina Harden | Harbor Gateway South |
| Jack Humphreville | Greater Wilshire |
| David Hurtado | DLANC |
| Sergio Ibarra | Arleta |
| Tom Johnson | Northridge West |
| David Mack | Watts |
| Romerol Malveaux | EC West |
| Rusty Millar | Silverlake |
| Kwazi Nkrumah | Echo Park |
| Ed Novy | Sunland-Tujunga |
| Scott Ouellette | Studio City |
| Ankur Patel | Northridge East |
| Brandon Pender | Studio City |
| Marcello Robinson | Westwood |
| Olivia Rubio | Boyle Heights |
| Lisa Samson | Greater Valley Glen |
| Faarax Sheikh-Noor | Panorama City |
| Gregory Wilkinson | Panorama City |
| Corey Williams-Flournoy | EC Central |
| Dan Wiseman | West Hills |
| Cindy Wu-Freedman | Granada Hills South |
| Joanne Yvanek-Garb | West Hills |