

WHAT'S NEXT?



NEIGHBORHOOD COUNCIL BUDGET ADVOCATES

WHITE PAPER 2020

This book is published by the 2019-20 Neighborhood Council Budget Advocates.

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Budget Representatives and Others Who Made Great Contributions This Year

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January 27, 2020

RADICAL TRANSPARENCY

The Neighborhood Council Budget Advocates (as well as many Angelenos) are losing confidence in Mayor Garcetti and the City Council because of the recent disclosure of budget deficits that exceed \$1.2 billion and the lack of transparency into the City's budget process and labor agreements.

On July 1, 2019, the City announced that the budget was balanced. The City projected a budget surplus in each of the next four years, topping out at \$78 million in 2024. The four year cumulative budget surplus was projected to be \$200 million.

Now, despite record revenues, the City is projecting deficits. This year's budget deficit is estimated to be approximately \$200 million. The City is also projecting budget deficits ranging from \$200 to \$400 million for each of the next four years. The four year cumulative deficit is estimated to be \$1.2 billion, an average of \$300 million a year.

These deficits are largely attributable to salary increases for sworn (police and fire) and civilian employees pursuant to new labor agreements that were not included in the Adopted Budget. These agreements were negotiated behind closed doors without any input from the public. Furthermore, the approval of these new labor agreements was ramrodded through the Personnel Committee and the City Council without any meaningful discussion or disclosure.

As a result of the Structural Deficit of \$1.2 billion over the next four years and the need to balance the budget, Angelenos will experience a lower level of services, or a Service Deficit. At the same time, the City will be dumping on the next generations of Angelenos significant liabilities consisting of unfunded pension liabilities (\$15 billion) and deferred maintenance (\$10 billion). This is Intergenerational Theft.

The following recommendations by the Neighborhood Council Budget Advocates are meant to increase transparency into the City's budget process that will hopefully mark the beginning of the process of restoring Angelenos trust and confidence in City Hall.

1. Update the Four Year Budget Outlook to reflect the current budget reality including the projected deficits.
2. Require the Mayor to submit the budget to the City Council on or before February 1 rather than the current deadline of April 20. Each Department will then present its proposed budget and priorities to the appropriate City Council Committee. Afterwards, the Budget and Finance Committee will conduct hearings on each Department's budget.
3. All labor negotiations shall be open and transparent. Furthermore, the City shall solicit an independent opinion that analyzes the fiscal impact of any new labor contracts. Beginning

30 days after the release of the independent opinion and prior to approval, the City Council will conduct a series of public meetings to discuss the new labor contracts. Any new labor agreements shall not result in deficits.

4. Create a Pension Commission to review and analyze the City's pension and Other Post-retirement Employment Benefit (OPEB) plans and develop recommendations to eliminate the unfunded liability over time.
5. Implement multiyear budgeting.
6. Develop a ten year infrastructure plan that includes, but is not limited to, streets, sidewalks, parks and their restrooms, trees, buildings, and vehicles. This will include plans for the Los Angeles River, the Civic Center, and the Convention Center.
7. Benchmark the efficiency of the City's Departments and operations.
8. Implement a plan to increase the City's Reserve and Budget Stabilization Funds to an amount equal to 10% of its General Fund Revenues.
9. Establish an independent Office of Transparency and Accountability to oversee the budget and other related matters in real time.
10. Develop solutions to balance the budget over the next four years and eliminate the Structural Deficit.

The Budget

Despite record revenues, the City is projecting a \$200 million deficit this year. The City is working on solutions to balance this year's budget. More information will be provided in the Mid-Year Financial Status Report.

Next year, the budget deficit is anticipated to be \$200 million. This will require a reduction in expenditures of about 3%. But this reduction cannot be spread evenly across all Departments because the City has priorities such as homelessness and climate change that require additional resources.

The Mayor and his budget team, in conjunction with the City Council, need to allocate the City's finite resources to reflect their priorities. This will result in selected Departments receiving more resources with other Departments required to reduce expenditures by more than 3%. This allocation of resources should be made available to the public early in the budget process.

Four Year Budget Outlook

Updating the Four Year Budget Outlook to reflect the projected deficits will quantify the Structural Deficit and increase transparency. At the same time, the City can begin the process of developing

policies and solutions to eliminate the Structural Deficit, where expenditures increase faster than revenues.

The Four Year Budget Outlook should also include an alternative scenario that assumes a slowdown in the economy.

February 1 Budget Submission

The City Charter requires the Mayor to submit the budget to the City Council on April 20. With the Mayor submitting the budget on February 1, Angelenos and the media will have an additional 80 days to review and analyze the thousands of pages of budget related material. Each Department will also present its budget to the appropriate City Council Committee prior to meeting with the Budget and Finance Committee. This will result in greater transparency. The current policy does not allow sufficient time to review and analyze the budget and make meaningful comments.

Open Labor Negotiations

Personnel expense is the City's largest expense, yet it is not transparent. New labor agreements in the current fiscal year resulted in large multiyear budget deficits that jeopardized the City's finances and its ability to deliver adequate services. This is not the first time this happened. The City also lived through this in 2007 and it's time to make sure this does not happen again. In line with the Mayor's Back to Basics principles, any increases in salaries and benefits must not result in any current or future budget deficits.

The Budget Advocates request that the City Administrative Officer prepare an analysis of the recent labor agreements and the annual impact on salaries and benefits and the overall budget.

Pension Commission

Unfunded pension liabilities are by far the City's largest liability. While this debt like obligation must be paid by the City, our elected officials and Angelenos do not understand pensions and this massive liability and its implications. The City has not developed a realistic plan to eliminate this liability. Furthermore, this liability is understated because of the reliance on an overly optimistic investment rate assumption of 7¼%. A Pension Commission would review and analyze the City's two pension plans and develop recommendations to eliminate the pension and OPEB liabilities over time. This was recommended by the LA 2020 Commission, but not implemented.

Multiyear Budgeting

Multiyear year budgeting is a common practice with many municipalities and allows elected officials and the public to have a better understanding of the impact of current policies in future years. This was recommended by the LA 2020 Commission, but not implemented.

The City should also develop a long range operating and financial plan.

Benchmarking

The City should benchmark the efficiency of its operations. This is a standard operating procedure for any large enterprise, especially one the size of the City. It can also be the foundation for improving the City's operations. This would especially benefit Public Works (Sanitation, Street Services, Street Lighting), Transportation, and the Police and Fire Departments.

Reserves

Despite record revenues, the City has shortchanged the Budget Stabilization Fund by diverting money to fund capital expenditures, an ordinary operating expense. Despite the projected deficits, the City needs to establish a policy to increase the balance in the Reserve and Budget Stabilization Funds to an amount equal to 10% of General Fund revenues, a level recommended by the City Administrative Officer. This would involve the expenditure of \$50 million a year for the next four years.

Office of Transparency and Accountability

The proposed Office of Transparency and Accountability would be independent of the City Council and Mayor and would oversee the City's budget and finances in real time. This would result in increased transparency into the City's budget, operations, and finances. This was recommended by the LA 2020 Commission, but not implemented.

Structural Deficit

The immediate focus is to eliminate the projected Four Year Structural Deficit of \$1.2 billion. However, the Structural Deficit is considerably higher when adjusted for future increases in salaries and the proper funding of reserves, of the repair and maintenance of the infrastructure, and of the City's two underfunded pension plans. While the Four Year Budget Outlook is projecting a deficit of \$400 million in 2024, the adjusted deficit is almost \$1.4 billion. See attached spread sheet.

Departments and the Allocation of Resources

The Neighborhood Council Budget Advocates realize that homelessness, affordable housing, and climate change will require additional resources, some of which may be funded with debt. All decisions regarding these matters should be transparent. While we do not have enough information or expertise to allocate the City's finite resources, we recommend that the City increase funding for "backbone" departments that are essential to the operations of the City. These backbone departments include Personnel, Information Technology, and the Bureau of Engineering, all of which provide essential services to many City departments.

The departmental reports that follow in this book are sometimes inconsistent with our overall budget recommendations and the need for reductions in spending. Department reports are based on limited meetings with Department management and tend to reflect department priorities and aspirations without considering the need to eliminate the upcoming deficit. Importantly, the City

has not given us any guidance as to how it wants to allocate its finite resources other than to suggest across the board cuts, an unrealistic expectation that does not reflect the City's priorities.

Furthermore, Budget Advocates are not in a position to recommend budget cuts or operational efficiencies because we do not have access to internal information despite repeated requests to be embedded in the budget process for the departments and the Mayor's budget team.

Civil Service

A concern of many Department General Managers is the inefficiencies associated with civil service. First, hiring new employees may take an inordinate amount of time, resulting in qualified candidates accepting other jobs. Second, civil service makes hiring of qualified, mid-level employees very difficult. And third, many valued and experienced employees are poached by the proprietary departments that offer higher salaries. This is an issue that must be addressed by the Personnel Department and the City Council as the City's hiring process seems to create obstacles to its own success.

Conclusion: Back to Basics

Despite record revenues, the City does not have a balanced budget. To the contrary, the City is anticipating budget deficits of \$1.2 billion over the next four years. This is unacceptable.

In its November 10 editorial, *LA's Riches-to-Rags Budget*, the Los Angeles Times said, "When Garcetti become mayor in 2013, he pledged to get "Back to Basics." There should be nothing more basic than balancing the budget." See attached editorial.

We agree.

The Mayor and the City Council need to begin the process of earning the trust and confidence of Angelenos by engaging in a policy of Radical Transparency, by adopting our recommendations, eliminating the current budget deficit and the Structural Deficit, restoring basic services, and reducing or eliminating the unfunded pension liabilities and the deferred maintenance budget.

Otherwise, the City will be engaging in Intergenerational Theft, a real threat to the City's vitality and future generations of Angelenos.

This will not be an easy process, but the City cannot continue to kick the can down the road. Refusing to face reality is a recipe for disaster.

Attachments:

Los Angeles Times Editorial
City Receipts (2013 – 2020)
Pro Forma Structural Deficit

Editorial: What do you know, L.A. is in financial peril again

Los Angeles officials warn the city is facing budget deficits of \$200 million to \$400 million and departments should plan for cuts.

By [THE TIMES EDITORIAL BOARD](#)

NOV. 10, 2019

Just six months ago, Los Angeles Mayor Eric Garcetti and the City Council celebrated as they passed a record \$10.6-billion spending plan. One city leader call it “easily the [best budget](#) we’ve seen in 10 years,” and, after a decade of belt tightening, the city forecast surpluses ranging from \$33 million to \$77 million per year over the next four years.

But the good times don’t last long in Los Angeles.

Today, those surpluses have been replaced by huge deficits. Instead of having more cash to spend on sidewalks, trees and police, L.A. is now [facing a \\$200-million to \\$400-million shortfall](#) in each of the next four years, and city departments have been instructed to [begin looking for places where they can cut](#).

Yet, the reversal of L.A.’s financial fortunes should have come as no surprise. Even as the mayor and council members touted their “fiscally responsible” budget and the years of surpluses they were supposedly expecting, they knew deficits were looming. They were about to sign off on half a dozen labor contracts with firefighters, police officers and civilian employees. The pay raises and healthcare benefits they endorsed will cost the city at least \$750 million and probably more over the three years the contracts cover. But city officials said their policy is not to include anticipated pay hikes in the budget, and so now the city must scramble to balance its finances.

There are a number of problems here.

For years, Garcetti and the City Council have pledged to eliminate L.A.’s structural budget deficit. This is the recurring, annual gap between what the city takes in through taxes and fees and what it pays out, mostly in salaries. The gap has to be closed every year with all manner of budget gymnastics, such as leaving jobs unfilled, postponing infrastructure repairs and dipping into the city’s reserve fund. The ongoing deficit makes it harder to make long-term investments, such as modernizing aging city facilities, fixing broken sidewalks and replacing ancient computer systems to make the city run more efficiently.

If there’s ever been a time to get the city’s financial house in order, this should be it. Thanks to a booming national economy, along with higher local property, sales and business taxes, Los Angeles has been taking in revenue at record levels. Voters and state lawmakers have raised taxes to pay for street repairs and to house homeless people. Yet the city is still in the red. What’s going to happen when the economy slows, as it inevitably will, or if there’s a deep recession? Good luck. The new deficit projections are almost entirely the result of the new labor agreements. Certainly L.A. needs to offer competitive pay and benefits to attract and retain talent. The cost of living in Southern California has gone up and the contracts need to reflect that. But labor contracts have to

reflect the city's fiscal realities too, which is why it's alarming that the new deals threaten to put L.A. into a deep hole for years to come.

So what can the city reasonably afford? What's the total cost of the contracts? What will be the impact on pension spending, which already consumes 20% of the general fund, and on services, which may have to be cut in the face of higher labor costs?

There's virtually no public discussion of those questions. Rather, labor contracts are negotiated in secret, ratified by union members and quickly rubber-stamped by elected officials. Public employee unions are major donors to City Hall political campaigns, so perhaps it should be no surprise if elected officials are reluctant to drive a hard bargain or unwilling to question the deals in public.

The lack of transparency and public accounting is no idle concern. In 2007, city leaders approved raises of nearly 25% over five years for some 20,000 workers. Then, as now, city officials approved the raises even as [they warned of financial troubles](#) ahead. They were prescient: When a severe recession hit in 2008, the city had to defer some of the raises, eliminate thousands of jobs and eviscerate basic city services to avoid bankruptcy.

Yes, L.A. is better prepared for an economic downturn today. City leaders have put more money away for a rainy day than in previous years, though they still haven't reached their goal of having a 10% reserve fund. Nevertheless, it's hard to see how L.A. could plug a large and recurring deficit without either spending reserves it should be saving for a recession or slashing services or both.

When Garcetti became mayor in 2013, he pledged to get "back to basics." There should be nothing more basic than balancing the budget.

<https://www.latimes.com/opinion/story/2019-11-10/los-angeles-budget-deficit>

Pro Forma Structural Deficit

The Four Year Budget Outlook, adjusted to reflect findings of the CAO's First FSR and other assumptions.

| FYE June 30, | 2020 | 2021 | 2022 | 2023 | 2024 | Cumulative |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Revenue (CAO) | 6,570 | 6,708 | 6,888 | 7,085 | 7,286 | |
| Increase | 379 | 138 | 180 | 197 | 201 | |
| % Increase | | 2.1% | 2.7% | 2.9% | 2.8% | |
| Budget Surplus (CAO) | | (200) | (267) | (333) | (400) | (1,200) |

The Budget Outlook does not contain any raises for City workers unless they are pursuant to an existing labor agreement.

Civilain unions contracts expire on June 30, 2022. Increases are \$50 million a year.

Police contract expires on June 30, 2022. Increases are \$25 million a year.

Firefighters contract expires on June 30, 2022. Increases are \$10 million a year.

| | | | | | | |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Civilian Raises | - | - | - | 50 | 100 | |
| Police Raises | - | - | - | 25 | 50 | |
| Firefighter Raises | - | - | - | 10 | 20 | |
| Subtotal of Raises | 200 | - | - | 85 | 170 | 255 |
| Adjusted Budget Surplus | (200) | (200) | (267) | (418) | (570) | (1,455) |

The City is underfunding the repair and maintenance of its infrastructure by at least \$250 million a year.

Assumes increase of \$50 million a year for Reserve Fund and BSF to reach 10% level recommended by GOFA and CAO.

The unfunded pension liability increases by \$6 billion if the discount rate is lowered to 6.25%.

The cost to amortize this increased liability is at least \$500 million per year.

| | | | | | | |
|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Buildup of Reserves (10%) | 50 | 50 | 50 | 50 | 50 | 200 |
| Infrastructure | 250 | 250 | 250 | 250 | 250 | 1,000 |
| Pensions (6.25%) | 500 | 500 | 500 | 500 | 500 | 2,000 |
| Subtotal | 800 | 800 | 800 | 800 | 800 | 3,200 |
| Structural Deficit | (1,000) | (1,000) | (1,067) | (1,218) | (1,370) | (4,655) |

| | | | | | | |
|-------------------------------------|--|----|----|----|----|-----|
| ----- | | | | | | |
| Budget Surplus (Proposed) | | 7 | 1 | 35 | 49 | 92 |
| Budget Surplus (Official Statement) | | 33 | 27 | 62 | 78 | 200 |

City Receipts
2013-2020 Adopted

| Revenue Category (in millions) | 2013 Actual | 2014 Actual | 2015 Actual | 2016 Actual | 2017 Actual | 2018 Actual | 2019 Actual | 2020 Adopted | % Increase |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|------------|
| Property Tax | 1,609 | 1,660 | 1,727 | 1,737 | 1,895 | 1,940 | 2,084 | 2,216 | 38% |
| Utility Taxes (Electric, Telephone, Gas) | 620 | 627 | 639 | 615 | 625 | 626 | 638 | 652 | 5% |
| Business Tax | 449 | 475 | 497 | 510 | 528 | 555 | 602 | 657 | 46% |
| Sales Tax | 339 | 357 | 371 | 418 | 520 | 530 | 581 | 590 | 74% |
| Documentary Transfer Tax | 147 | 181 | 197 | 198 | 210 | 208 | 206 | 212 | 44% |
| Hotel Tax | 168 | 184 | 203 | 231 | 266 | 299 | 318 | 327 | 95% |
| Parking Users Tax | 89 | 96 | 100 | 111 | 111 | 116 | 120 | 122 | 36% |
| Economy Sensitive Funds (7) | 3,422 | 3,581 | 3,735 | 3,820 | 4,155 | 4,273 | 4,551 | 4,776 | 40% |
| Licenses, Permits, Fees, and Fines | 725 | 832 | 852 | 887 | 913 | 1,015 | 1,127 | 1,227 | 69% |
| Parking Fines | 157 | 161 | 152 | 148 | 141 | 139 | 130 | 124 | -21% |
| Other | 85 | 83 | 92 | 91 | 92 | 110 | 158 | 151 | 78% |
| Subtotal Less Transfers | 4,388 | 4,657 | 4,830 | 4,947 | 5,301 | 5,538 | 5,965 | 6,277 | 43% |
| Telecommunications Development | - | - | - | 5 | - | - | - | - | - |
| Power Revenue Fund | 247 | 253 | 266 | 267 | 264 | 242 | 233 | 236 | -4% |
| Special Parking Revenue Fund | 33 | 35 | 31 | 56 | 28 | 31 | 32 | 57 | 76% |
| Reserve & Budget Stabilization Funds | - | 8 | 118 | 60 | 35 | 9 | 6 | - | - |
| Total Transfers | 279 | 296 | 414 | 389 | 328 | 282 | 270 | 293 | 5% |
| Total General Fund Revenue | 4,667 | 4,954 | 5,244 | 5,335 | 5,629 | 5,820 | 6,235 | 6,570 | 41% |

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LIST OF RECOMMENDATIONS BY CITY DEPARTMENT

Aging, Department of

- Continue advocacy of coordinated City and County programs so senior services are more efficient and client-focused.
- Increase funding for meal programs to meet the needs of a growing senior population.
- Continue efforts to expand programs targeted to the unique needs such as older adult homelessness and Lesbian Gay Bisexual Transgender Queer (LGBTQ) seniors.
- Continue advocacy for basic training for City employees, not just management, on aging issues.
- Increase funding for the Older Workers Employment Program to help stabilize growing numbers of older adult homelessness.
- Continue efforts to encourage better government preparation for an older adult population soon to nearly double in number.

Animal Services

A. Recommendations to Help Achieve and Maintain No-Kill

- Fund the Animal Sterilization Fund in the amount of \$2.75 million to save the City tens of millions of dollars in the future.
- Explore funding for spay/neuter and veterinary services from special funds such as homeless funds.
- Fund \$250,000 to deal with the temporary influxes of animals during peak periods.
- Fund a position for a clerical assistant for the Life Saving Liaisons who work at the 6 City shelters (1 clerical assistant for all 6 Life Saving Liaisons).
- Additional work with State Fish and Wildlife Department regarding coyotes.

B. Recommendations to Increase Volunteer Support for the Shelters

- Investigate the retention rate for shelter volunteers and the termination of volunteer status of the most experienced volunteers.
- Fund supplies for the volunteers at the 6 City shelters.
- Fund 12 new Animal Care Technician (ACT) positions. Replace the 6 ACTs who are currently acting as the Volunteer Liaisons after volunteer retention issues are resolved. Replace the 6 ACTs who are currently acting as the Life Saving Liaisons.

C. Recommendations Regarding Staffing

- Fund the hiring of 45 new Animal Care Technicians (ACTs) (which includes the 12 noted above) over the next 3 years.
- Fund a position for a Data Analyst.

Building & Safety

- Continue the pre-apprentice and targeted neighborhood programs to find new candidates
- Continue the 120-day contracts to temporarily backfill positions and maintain institutional knowledge
- Continue to fast-track the approval process for facilities related to homelessness such as bridge housing

Cannabis Regulation

- Add enforcement staff to this Department and use existing funds budgeted for LAPD to fund this Department and the relationships it must have with other City departments.
- Reconsider the limits on licenses issued for commercial cannabis businesses from the 400-450 range to 1000 to raise the revenue base for special cannabis taxation.
- Start a devoted team for communication and logistics in intra-departmental and state agency matters.
- Get the complaint/knowledge portal to completion and add it to the My311 app.

City Administrative Officer (CAO)

- Create transparency in CAO contract negotiations with city employee unions.
- Ensure Departmental fee structures capture the full cost of services provided.
- Study implementation of a vacancy tax as a revenue source.
- Prepare city staff with opportunities to grow and assume senior positions.

Recommendations related to homeless strategic plans

- Prioritize housing projects that are less-costly & commit to coming on line faster.
- Maximize efficiencies in the funding process to speed up homeless projects.
- Expand incentives for the early repayment of loans on homeless housing.
- Implement a system to connect homeless to income-restricted units.
- Ensure effective monitoring of all subsidized housing projects including TOC.
- Emphasize progress in addressing homelessness through the local media.
- Advocate to provide enhanced services under the California Lanterman-Petris-Short Act for persons impaired by substance abuse psychosis.

City Attorney

- Continue stepping up efforts to address risk management and liability claims.
- Increase educational efforts with City Departments to address potential liability issues.
- Recommend to the Mayor and City Council that consideration be given of ways that Departments and their General Managers could be penalized for liability payouts arising from their operations.
- Continue efforts to determine ways to make the City less of a target for litigants.

- Expand homelessness programs including HEART (Homelessness Engagement and Response Team) program to trade homeless citations for community service or enrollment in substance abuse, and train Neighborhood Councils on homeless issues.
- Increase efforts for protection of animals, including prosecution of animal abuse cases and the lifting of the injunction against City participation in Trap, Neuter, Return (TNR).
- Increase revenue generating activities, like consumer protection litigation.

City Clerk

- Improve City Clerk Office knowledge of Neighborhood Council (NC) bylaws. Improve the ability to work with NCs regarding election outreach.
- Devote more attention to implementing a Vote-by-Mail throughout the NC System.
- Improve training of NC Board Members regarding financial responsibilities and authorities.
- Work with the Information Technology Agency to continue development of IT Systems for both NC Funding and NC Elections.
- Incorporate financial operations of the Congress of Neighborhoods and Budget Advocates into the NC Funding portal.

Controller

- Add 5 employees to the Waste, Fraud and Abuse staff to save the City money.
- Create a uniform system for City departments to compile data on funds spent on homeless programs.
- Advocate for policies that apply standard procedures when creating new Special Funds.
- Form an Audit Task Force to help optimize the audit process.

Convention and Tourism

- Partner with the Department of Cultural Affairs and the Neighborhood Councils to create Neighborhood Tourism Districts.
- Partner with Metro Art Los Angeles to highlight transportation artwork.
- Collaborate with the Department of Planning the change downtown zoning so it is feasible to develop additional hotel rooms near the Convention Center.
- Encourage a Downtown public 5G network.
- Increase funding for the Los Angeles Tourism and Convention Board (LATCB) to expand their mission.

Department of Neighborhood Empowerment (DONE)

- Consolidate the processing of financial activities to the Office of the City Clerk for both the Congress of Neighborhoods and Budget Advocates.
- Implement regular Neighborhood Council (NC) member training programs on meeting protocols and methods.

- Establish a Workgroup of NC members to discuss NC System issues and concerns.

Economic and Workforce Development Department

- Fill the General Manager position that is vacant since Jan Perry's departure.
- Continue training and certification programs geared towards industries with high hire rates and high open job rates.
- Continue developing partnerships with the public and private sectors and expand outreach efforts to increase grant funding,
- Continue to increase work placement in both the public and private sectors for youth and adults year-round.
- Allocate funds for 4 people for the Jobs and Economic Development Incentive Zones (JEDI) Program staffing.
- Allocate 9 full time staff members to facilitate the Business and Loan resources and Small Business Boot Camp.
- Utilize resources that are available through HHH funds and through Special Grant Funds. Consider using some of these funds for LA:Rise.
- Revamp the "Employment at EWDD" web site to include real time positions.
- Maintain existing Department key performance measures for 2020-21.
- Allocate funds for 1 full time position for detailing analytics and tracking key performance measures with actual job placement.
- Allocate funds for a city-wide public service campaign to inform citizens about Workforce Centers and the JEDI Program.

Emergency Management Department

- Establish a 5-year plan to ramp up the scope of the Emergency Management Department to realistically meet needs of the City of Los Angeles in the event of a major emergency.
- Properly fund continuing upgrades of the Emergency Operations Center.
- Establish satellite offices, possibly in Council District Field Offices, to coordinate neighborhoods in the aftermath of an event.
- Make current resolution positions permanent.
- Permanently fund sufficient disaster management personnel to staff the current Emergency Operations Center and satellite centers 24/7 in emergencies, rotating shifts to allow sufficient down time for maximum efficiency.
- Fund a fleet of stand-alone vehicles to be mobile operations centers on the ground in disasters.
- Fund a shadow General Manager to assist and to cover when the General Manager is unavailable.
- Double the staff for training and outreach programs and make them full time.
- Encourage all Council Districts to develop local plans out of their constituent Field Offices.

Engineering

- Ensure outreach for capital projects connects with all community groups and stakeholders.
- For Taylor Yard project:
 - Create a barrier, hedge or wall, along the railroad tracks to keep the speeding trains from blowing the contaminated dust into the environment.
 - Place air quality electronic monitors at nearby schools, on the grounds of El Rio de Los Angeles State Park, and on the River Park residential complex adjacent to Parcel G2 for measuring the amount of pollutants and alert the students and visitors as to the site's level of contamination exposure for their precaution and safety.
 - Find an alternative method besides using retardant dust offered by Department of Toxic Substances Control for repressing the contamination.
 - Place alert signage, with listings of the on-site levels of contaminants, along the pedestrian hiking paths on both sides of the Los Angeles River within 1,000 ft. radius from Parcel G2 including along the fence of Rio de Los Angeles State Park, and school sites.
 - Eliminate the use of vapor extraction of contaminants even though some agencies approve of the strategy.
 - Alert (via canvassing) the adjacent public schools and community when extracting contaminants.

Ethics Commission

The City should:

- Fund regularizing one Auditor 1 position, upgrading the governmental ethics program manager to a Senior Management Analyst I, and creating and maintaining a developer database with compliance assistance regarding prohibited contributions if prohibitions are adopted.
- Enhance the Commission's ability to enforce its mandate by:
 - Returning to the original proposal by the Ethics Commissioners on developer money reform (those whose interests are the target of such reform cannot derail the reforms).
 - Requiring every Council District to set up and maintain a page on its website clearly showing details of all monies received and expended in connection with the Councilmembers' discretionary funds.
 - Making the necessary institutional changes to ensure that all departments report malfeasance to the Ethics Commission and City Attorney upon discovery.
 - Compensating the Commission from the Matching Funds Trust Fund for the operation of the Fund.
- Push the City Attorney to set clear parameters and related procedures to reduce the incentive for that office to cave to lawsuits challenging treatment of ethics violations.
- Make the necessary regulatory changes to ensure all instances of malfeasance are punishable.
- Increase the penalties for scofflaws.

The Commission should:

- Work with the Mayor's office and departments to address ways to enforce reports of potential ethics violations consistently across departments including setting clear parameters to protect confidential personnel info.
- Develop strategies to address ways to change the culture of hiding violations.
- Consolidate and plan for the future including proposals for Charter update.
- Continue and expand its outreach to allow stakeholders' voices to be heard above the self-interest of the electeds.
- Increase its visibility.

Finance

- Continue investments in new and upgraded Enterprise Resource Planning software.
- Develop forecasts with various degrees of risk that will lead to contingency plans if revenues plateau or decrease.
- Forecast future liabilities, contractual wage increases or otherwise, in financial models to give transparency to critical factors which may limit future year budget flexibility.
- Create a mechanism for taxing segments of the Cannabis industry that avoid current regulations such as delivery services. Licenses and permitting could extend to businesses that operate in a 'middle-man' capacity between retailer and consumer.

Fire Department

- Add 3 drill towers for a total of 4 and hire new firefighters at a rate of 200 per year for the next 3-5 years to lower long range hiring costs by \$50 million+.
- Develop tracking metrics for calls involving homelessness to advocate for additional funds for specialized homelessness mobile units.
- Add more advanced trucks and helicopters.
- Add more advanced units for both trucks and helicopters to meet the new demands the Fire Department has to deal with.
- More budget money for advanced unit firefighters.

General Services

- Advocate for changes to the hiring process to allow more seasoned employees to be hired, particularly for this Department.
- Increase the City's percentage of electric cars and increase the amount of publicly available EV chargers in the downtown area.
- Increase the preventative maintenance fund in an effort to slow down more costly replacement purchases.
- Create a Petroleum Volatility Fund to save costs on fuel over the long run.
- Spearhead a new initiative with Information Technology to get all City requests for service in electronic form and sent to the correct department.

HCID

Increase Staff

- Ensure that all vacant positions in the HHH and other programs are filled with the required staff to keep the pace of affordable housing construction progressing.
- Hire an increased number of staff to support the administrative and financial functions of the HHH Program to streamline the pre-construction and construction phases.
- Work with the Personnel Department to periodically release certified lists to expedite the hiring process.
- Recycle the repaid HHH loans to continue building additional low-income housing.
- Hire an increased number of Finance Development Officers to manage the finance staff who oversee the finance work of various units of the Department.
- Hire an increased number of qualified staff to oversee the at-risk affordable housing database and track the expiring covenants to notify tenants 18 months prior to expiration date.

Increase Fees

- Increase rent stabilization, SCEP, and other fees so the programs can continue to be self-sustaining.
- Progressively increase the fines that apply to violations of the codes, prohibiting the use of rent-stabilized units for home sharing rentals in order to retain affordable housing units.

ITA

- Finish implementing the new Citywide Human Resources operations and payroll system.
- Refresh all end-of-life equipment in the Information Technology (IT) environment, including network routers and switches, Intrusion Prevention System and/or Intrusion Detection System, as well as firewalls and server platforms. Update out-of-date software, equipment, and systems, and spend the required money for full hardware maintenance.
- Harden systems, perform required and recommended systems patches, and install the best up-to-date Cyber Security Packages and Anti-Virus Protections.
- Centralize and consolidate all IT functions of the City Departments under the ITA.
- Create a centralized backup system instead of performing local backups on each individual computer.
- The ITA should be involved in the procurement and implementation process of any and all new technology acquired by City Departments to ensure efficient network integration and/or compatibility with existing infrastructure.
- Use virtual servers to save on hardware costs and consolidate applications to save on maintenance contracts of overlapping applications.
- Move appropriate systems to a Cloud provider.

More specifically, the following budget requests from the ITA should be fulfilled.

1. Funds requested for continuation of the HRP Project (Payroll System Replacement). The estimated cost is \$17 million. Currently there is \$9 million in the budget for this project and with the additional \$17 million it will total \$26 million.

2. Funds requested for the Critical Cyber Security Package (Response to Personnel Department Cyber Attacks). The estimated cost is \$1.85 million. This includes the Enterprise Digital Equity Program (Google Business Licenses), Cloud Access Security Broker Upgrade, Vulnerability Management and risk prioritization software and services, Zscaler licenses, and Splunk licenses relating to Personnel data breach.
3. Funds requested for Police Phone Replacement (VoIP). The estimated cost is \$2.25 million. Upgrade data and voice network equipment at several police stations/facilities to support Voice over Internet Protocol (VoIP). This is the 4th and final year for the LAPD VoIP implementation.
4. Funds requested for the LAPD and LAFD Radio Infrastructure Repairs Phase 3. The estimated cost is \$2.25 million. This is the 3rd year of equipment replacement needs located at various mountaintop sites. This year will be more focused on LAFD sites.
5. Funds requested for Obsolete Equipment Replacement. The estimated cost is \$5 million. For Fiscal year 2019/2020, \$900,000 was allocated.
6. LAFD Voice Radio System Replacement. The estimated cost is \$3.3 million. This is the 2nd year of the project.
7. Funds requested for LAFD Dispatch Console Replacement. The estimated cost is \$6.6 million.
8. Funds requested for a City-wide Data Analytics Platform. The estimated cost is \$300,000.

Police Department

- Hire more sworn officers to fulfill staffing shortages and to eliminate the need for overtime.
- Provide funding for more training classes.
- Allocate \$15 million for more black and white vehicles.
- Allocate funds towards enhancing IT capabilities and upgrading technology and hardware.
- Purchase 3,400 TASERS and new holsters to replace current outdated stock.
- Provide safety plexiglass partitions at all 21 geographic stations (~\$100,000+ each at level III protection).

Police Protective League

- Allow LAPD to interview, test and place potential candidates themselves in order to expedite the hiring process which at present takes an inordinate amount of time.
- Fully fund all civilian positions so that sworn officers can return to full time line status in the field.
- Initiate an audit of both response times and dropped calls per division in conjunction with the basic car study being released in November.
- Initiate an audit of how Proposition 47 has affected both response times and petty crimes increases if any.
- Increase funding up to \$500,000.00 for recruitment and retention.
- Immediately take more drastic steps to protect the health and well being of officers by increasing clean up and sanitizing of every division.

- Perform an audit of ALL NON RELATED CITY EVENTS using LAPD resources to assess full cost recovery for services rendered.
- Study how the City is preparing for public safety and crowd control in major events such as the 2028 Olympics.
- Provide training to first responders in how to handle individuals with mental illness.

Pension Plans

- Establish a pension commission to review and analyze both LACERS & LAFPP, as suggested by Mayor Eric Garcetti.
- Recognize that the \$15 billion unfunded pension liability is the most significant financial issue facing the City of Los Angeles, and that the City take NEW definable and tangible immediate action to address this issue.
- Lower the Rate of Return assumptions.
- Have open and continuous hiring exams to allow for more efficient hiring of the retirement systems' position classifications.
- Include the retirement systems in the development and implementation of the new payroll system.

Personnel

- Continue Anytime/Anywhere Remote testing and maintain current Cert Lists for all Departments.
- Continue awareness and training regarding harassment along with MyVoiceLA.
- Develop better procedures to encourage and increase employee buy-in of new programs or policies.
- Examine existing concerns regarding employee safety and come up with specific programs to address these concerns.
- Ensure the request for proposal (RFP) for the new HR System properly identifies the requirements for the software and has enough specificity for the bidders to recognize the work and funds required to complete the project.
- Allocate Department resources to finding and applying for grants.
- Review the rationale for retaining Custody Medical Care within the Personnel Department.

Planning

Home Sharing Ordinance

- Assure that property owners are not renting on home sharing platforms without permits including rent-stabilized units. Create penalties for violations that have progressively increasing fines.
- Find a way to make sure that permitted units on home sharing platforms are renting to people 21 years old and older and create a penalty structure for violations with progressively increasing fines.
- Analyze the costs for supporting the Home Sharing Ordinance and modify the fee structure if needed so the program is self-sustaining.

Specific Plans

- Identify those areas of the City where the land has environmentally adverse conditions causing health problems and mitigate by planning very low-to-minimum density to avoid litigation expenses.
- Collaborate with the State's Division of Oil, Gas, and Geothermal Resources (DOGGR) and neighbors in Central City West to alleviate concerns involving underground oil wells.

Technology

- Invest in artificial intelligence to automate approval of simple plans.

Public Works

- Hire Fund Manager(s) for compliance and effective management of Special Funds or evaluate how to utilize existing staff to accomplish these tasks in an efficient manner.
- Centralize procurement and grants management.
- Encourage continued Board oversight of Department operations.
- Form a task force to improve the evaluation of the Department's operational performance.
- Support the Risk Management Task Force to limit, ideally eliminate, liability exposure throughout the Department.
- Establish another Office of Community Beautification warehouse in the Valley.
- Support approval and funding for internships.

Sanitation -- Homelessness

- Deployment of additional trash bins around encampments and provide resources and services for individuals experiencing homelessness in the hygiene centers in each region.
- Fund 13 trucks for collection of hazardous waste from RV's occupied by individuals experiencing homelessness in all regions in the City.
- Use the General Fund immediately to implement rodent abatement and invest in preventative services.
- Invest in realtime technology in order to provide services more efficiently.
- Provide civil testing frequently in order to fill vacancies expeditiously.

Sanitation – Solid Resources

- Expand use of new technology for logistics, routing and communication to increase efficiency and to reduce response time.
- Make franchise haulers accountable for program outcomes and customer satisfaction through progressive procedures up to and including liquidated damages.
- Establish a reward system and implement suitable penalties in order to enforce municipal codes.
- Work together with other cities to reduce solid waste and address other problems.

- Address the high number of vacancies within the Department.

Sanitation – Sustainability

- Accelerate implementation of the Zero-Waste and Curb Your Food Waste LA Programs.
- Actively pursue development of local recycling plants and markets.
- Seek additional markets for green waste.
- Expand organics recycling for homes and businesses.
- Develop and apply technology to filter pesticides, herbicides, prescription medication, and micro-plastics out of the City’s water and sewage systems.
- Continue the shift to electric vehicles.
- Prioritize programs that will enhance the City’s resilience in the event of an emergency.

Sanitation – Water

- Expedite the Mayor’s push to recycle 100% of the City’s wastewater by 2035.
- Expedite the Mayor’s push to source 50% of the water for Los Angeles locally by 2035 and cut purchases of imported water by 50% by 2025 by expanding water capture and recycling and increasing effective water conservation by residents, businesses and the City itself.
- Fund positions necessary to increase clean water oversight at businesses including the rapidly expanding cannabis industry.
- Expand sourcing funds and partners to accelerate watershed improvements.
- Continue to fund innovation internally, through the Mayor’s office discretionary funds and through specialized programs at the state and national level.
- Continue to build sustainability and resilience in the face of climate change, economic swings and potential natural and manmade disasters.
- Expand education for residential stakeholders, condo owners and businesses on water reclamation and conservation.

Street Lighting

- Add more dedicated staffing for combatting copper wire theft.
- Increase the amount of faster high-speed EV chargers on streetlights in consultation with Neighborhood Councils.
- Expand the Smart City program to include more sensor types and create more public-private partnerships to provide services for residents.
- Explore licensing options for revenue generation.
- Add a dedicated employee for monitoring the Smart City sensor program.
- Start a “Smart Banner” pilot project to place smart banners (small digital displays) near public transit to increase information to residents.

Street Services

- Provide the public with evidence that programs are being run in the most cost-effective manner possible (Controller 2014 audit follow up).
- Provide Street Network data by Neighborhood Council area to allow residents to better understand how programs and services effect our neighborhoods.
- Support the StreetsLA Stakeholder Advisory Committee and ensure this effort results in meaningful input into resource allocation decision-making and operational oversight.
- Support a StreetsLA Executive Dashboard.
- Support street vending enforcement legislation.
- Support expanded street sweeping by staggering weekly sweeps (double the percentage of streets swept).
- Support small area street and sidewalk repair projects, anchor location repair, and other innovative ways to improve public safety.
- Support urban forest initiatives including the Urban Forest Management Plan, street tree inventory, street tree work management system using the Recreation and Parks software, and 7-year cycle tree trimming goal.

Transportation

- Provide the public with evidence that programs are being run in the most cost-effective manner possible (Controller 2015 traffic control audit for special events follow up and improved performance metrics).
- Eliminate the 20% staff vacancy rate.
- Develop data tools to monitor and provide feedback to stakeholders including service request tracking.
- Prioritize District Office support and efforts to eliminate the service request backlog.
- Establish benchmarks and metrics for timely District Office evaluation of projects and field office implementation.
- Support funding for basic transportation infrastructure projects and working with Neighborhood Councils through District Offices for timely review and implementation of service requests.
- Support funding for speed surveys every seven years to allow for ongoing traffic enforcement.
- Support enforcement of Dockless Mobility Program rules in our neighborhoods.

DEPARTMENT OF AGING

Meeting of October 7, 2019

ATTENDEES

Department of Aging: Laura Trejo, General Manager; Marco O. Perez, Deputy Director
Budget Advocates: Ann Job, Dr. Princess Sykes; Budget Representative Penelope McMillan

RECOMMENDATIONS

- Continue advocacy of coordinated City and County programs so senior services are more efficient and client-focused.
- Increase funding for meal programs to meet the needs of a growing senior population.
- Continue efforts to expand programs targeted to the unique needs such as older adult homelessness and Lesbian Gay Bisexual Transgender Queer (LGBTQ) seniors.
- Continue advocacy for basic training for City employees, not just management, on aging issues.
- Increase funding for the Older Workers Employment Program to help stabilize growing numbers of older adult homelessness.
- Continue efforts to encourage better government preparation for an older adult population soon to nearly double in number.

DISCUSSION

The Department of Aging's \$6.9 million City budget appropriation for fiscal year 2019-2020 may seem small in comparison to other departments, but the Department is critical in the face of major demographic changes predicted for the City's senior citizens. The City's 60+ population in the 2010 census was 585,366, a figure the State predicts will increase 80% by 2030. The coming explosion is a City, County, State, and National phenomenon some officials call a "silver tsunami" and for which they fear the government is unprepared.

The Department of Aging is responsible for the administration of City-based programs, services, and activities for seniors and their caregivers. Various Federal and State programs provide grants totaling more than \$20 million to the Department. The Department's managers describe Aging as a largely grants-funded Department, but make clear that the City's General Fund contribution plays a critical role in helping to fill gaps created in recent years. For example, resources from the General Fund were needed when reduced Federal funding threatened reductions in the meals the Department provides. Today meals are provided to approximately 15,000 seniors daily. These meals are delivered to senior citizen's homes and to over 80 group sites. The estimated annual number of meals provided in the past two years is 126,812 fewer than meals provided in 2014 despite a noticeable increase in the senior population. The General Fund contributions prevent the number of meals served from decreasing further. The department would benefit from an increase in funding to maintain this vital program.

The City established the Older Workers Employment Program in 2016. The Program provides job training and placement services for approximately 150 low-income and homeless older adults. 9% of the City's 2019 homeless population is 62+ years old. Efforts to address this growing demographic are worthy of increased funding.

The Department provides and oversees traditionally expected services that include nutrition, transportation, health education, legal, care management, and in-home assistance. Most are managed through 16 large multi-purpose senior centers around the city and, in recent years, through 2 "mini" centers in South Los Angeles and Echo Park so seniors don't have to travel outside their communities for services. The Department is expanding the "mini" center approach by requesting funds for centers focused on particular needs such as LGBTQ and homeless seniors.

The Department is heavily involved in planning for the expected population increase. One challenge in doing so involves the number of providers. More than half of both the Los Angeles City and County Departments play a role in delivering services to older adults. Because of this, the Department of Aging advocates for better inclusion of senior needs in planning and services by other Departments and for more "client-centered" coordination among them. As part of this effort, the Department seeks funding for the training of City employees to make them more aware and supportive of aging issues.

Three years ago, the Department worked with Los Angeles County to produce a Purposeful Aging Los Angeles (PALA) Initiative. This is an Action Plan with 34 recommendations on how to establish the needed infrastructure and an aligned service system for senior citizens. Early in 2019, the County Board of Supervisors passed a motion, supported by Mayor Garcetti and the Department of Aging, instructing the County's Chief Executive Officer to study the feasibility of creating a single standalone County Department dedicated to services for seniors. The County CEO was also instructed to consult with the City to determine whether the services the City now provides could be included in the new County Department.

At the State level, last June Governor Gavin Newsom called for a Master Plan for Aging to be developed by October, 2020. Meant to serve as a blueprint for delivery of State and local services to seniors, the Executive Order also stated the plan must identify how to "better coordinate Federal, State, and local government programs and services," a mandate on which the City and County are already working.

CONCLUSION

The State, County, and City all face the challenge of a future society where the number of senior citizens may one day exceed the number of children. The governmental agencies are entering a period of transition with unknown impact on current organizational structures, staffing, and budget. The passion and commitment of the Department of Aging leadership to raise awareness is commendable. Calls for better planning are reminiscent of those made in past decades by local advocates for the homeless and raise hopes that those fighting today on behalf of older adults will have a better outcome.

DEPARTMENT OF ANIMAL SERVICES

Date of Meeting: October 11, 2019

ATTENDEES

Department of Animal Services (LAAS): Tammy Watson, Assistant General Manager; Melissa Webber, Assistant General Manager of Lifesaving; Catherine Chico, Senior Management Analyst II, Financial Management Division
Budget Advocates: Jeffrey Mausner, Melanie Labrecque

RECOMMENDATIONS

A. Recommendations to Help Achieve and Maintain No-Kill

- Fund the Animal Sterilization Fund in the amount of \$2.75 million to save the City tens of millions of dollars in the future.
- Explore funding for spay/neuter and veterinary services from special funds such as homeless funds.
- Fund \$250,000 to deal with the temporary influxes of animals during peak periods.
- Fund a position for a clerical assistant for the Life Saving Liaisons who work at the 6 City shelters (1 clerical assistant for all 6 Life Saving Liaisons).
- Additional work with State Fish and Wildlife Department regarding coyotes.

B. Recommendations to Increase Volunteer Support for the Shelters

- Investigate the retention rate for shelter volunteers and the termination of volunteer status of the most experienced volunteers.
- Fund supplies for the volunteers at the 6 City shelters.
- Fund 12 new Animal Care Technician (ACT) positions. Replace the 6 ACTs who are currently acting as the Volunteer Liaisons after volunteer retention issues are resolved. Replace the 6 ACTs who are currently acting as the Life Saving Liaisons.

C. Recommendations Regarding Staffing

- Fund the hiring of 45 new Animal Care Technicians (ACTs) (which includes the 12 noted above) over the next 3 years.
- Fund a position for a Data Analyst.

DISCUSSION

Los Angeles Department of Animal Services (LAAS) is one of the largest municipal animal shelter systems in the United States with 6 shelters serving approximately 60,000 animals annually, 20,000 of which are emergencies. LAAS promotes and protects the health, safety, and welfare of animals and people.

For fiscal year 2019-2020, the Department of Animal Services costs are approximately \$48.68 million, less than one-half of one percent of the City's \$10.7 billion budget. That small share of the City budget has to cover the care for all of the animals in the City including those in the 6 City animal shelters.

The Department's funding comes from the General Fund and Special Funds.

No-Kill

In 2017 the City Council passed, and the Mayor signed, City Council File 17-0170 to make the achievement and maintenance of No-Kill a high priority for the City. The City should not kill healthy, adoptable animals due to lack of kennel space. In order to achieve that goal, the budget for the Department of Animal Services should be modestly increased to include the recommendations set forth in this report.

Spay/neuter is the key to reaching and maintaining No-Kill. Spay/neuter also saves the City money in the long run. It is less expensive to spay/neuter dogs, cats, and rabbits than it is to care for generations of their offspring at the City shelters and ultimately have to put them to death when the shelters run out of space.

According to the Humane Society (<https://www.humane.org/services/no-birth-campaign-spay-neuter/>), female cats can breed three times a year and have an average of 4 kittens per litter. Dogs can breed twice a year with litters of 6-10 puppies. In 7 years, 1 unspayed female cat and her offspring can produce 420,000 cats and one unspayed female dog and her offspring can produce 99,000 dogs. While this is just the statistical possibilities and the numbers would be much less in the real world, it is clear that failure to spay/neuter just a few dogs and cats will lead to the birth of hundreds, if not thousands, of homeless dogs and cats over several years. Failure to provide adequate funding for spay/neuter of thousands of animals is penny wise and "pound" foolish.

Prior to 2015, \$1.1 million was transferred annually from the General Fund to the Animal Sterilization Fund. This was decreased to \$500,000 in fiscal year 2015-2016 and then no transfers were made in fiscal years 2016-2017 and 2017-2018. The Animal Sterilization Fund was about to run out of money which would have eliminated spay/neuter services for low-income pet owners. The City Council stepped in to provide \$850,000 in May 2018. The City Council provided \$400,000 in the fiscal year 2018-2019 budget pursuant to the recommendation of the City Administrative Officer (CAO). In May 2019 they appropriated an additional \$498,000 pursuant to the recommendation of the Los Angeles Neighborhood Council Budget Advocates. See http://clkrep.lacity.org/onlinedocs/2019/19-0600_pc_5-7-19.pdf page 5 and http://clkrep.lacity.org/onlinedocs/2018/18-0600_pc_4-28-18.pdf.

The full annual transfer of \$1.1 million from the General Fund to the Animal Sterilization Fund should be reinstated. Additional funds of \$1.65 million are needed this year to make up for years in which there was no funding or reduced funding because there is an increase in the numbers of dogs, cats, and rabbits that need to be spayed/neutered.

After many years in which thousands of animals were killed in the City shelters for lack of space,

the City has finally achieved No-Kill for dogs. (Over a 90% live save rate is considered No-Kill. The remaining 10% consists of animals who are too sick or injured to be saved or too aggressive to be adopted.) This is a monumental achievement for which the Department of Animal Services, the City Council, the Mayor, Rescue Organizations, and the entire City can be proud. This accomplishment will be jeopardized if the Animal Sterilization Fund is depleted. Decreasing the numbers of dogs and cats who are born is the basis for maintaining No-Kill. If spays/neuters decrease, in a few years the shelters will be killing dogs and cats again for lack of space.

Housing and killing animals cost the City much more than the additional funds for the Animal Sterilization Fund.

The City has not yet achieved No-Kill for cats because of the injunction against Trap, Neuter, Return (TNR). TNR is the program for controlling free roaming cats by trapping them, neutering them, and returning them to the place where they were trapped to live out their lives and not produce additional offspring. Organizations that want to round up and exterminate free roaming cats have obtained an injunction against the City's participation in TNR. The City is currently working to overturn the injunction. A draft Environmental Impact Report to do so was released on August 29, 2019. Once that becomes final, the City Attorney's Office will go back to court to attempt to lift the injunction.

\$250,000 is needed around the 4th of July (June-August) each year when the City Shelters become over-crowded with dogs. Dogs are afraid of fireworks and many run away when they hear them. Many of these runaway dogs end up in the City shelters. Though most of these dogs are reunited with their owners within several weeks, overcrowding in shelters, even temporarily, may cause other dogs to be put down due to lack of space. This Fund would be used to support fosters and other programs so dogs would not have to be killed to make space for the holiday influx. It would also be used for kitten and cat fosters when there is overcrowding during other times of the year, including emergencies.

In fiscal year 2017-2018, each of the 6 City shelters designated an Animal Care Technician (ACT) to serve as the Life Saving Liaison for that shelter. These Life Saving Liaisons work to increase placements with private rescue organizations, increase fosters, and ultimately increase adoptions. These positions are essential to achieving and maintaining No-Kill and should be made permanent full-time positions. Six ACTs should be hired to replace the ACTs serving as Life Saving Liaisons. There is a shortage of ACTs at all of the shelters – patrons often have to wait to adopt animals (and some patrons leave without adopting because they cannot get help), the front desk is unstaffed because ACTs are doing other tasks, and there is other work that goes undone because there are not enough ACTs. A full-time clerical assistant with experience in social media should also be hired to assist the 6 Life Saving Liaisons with social media outreach for the animals and other tasks.

The Department should think about other avenues to increase adoption. One idea is to produce a weekly commercial television show about the exploits of Animal Care Officers (ACOs), Animal Care Technicians (ACTs), and Volunteers caring for and aiding the adoption of animals. Additionally, there might be a revenue opportunity here.

Coyotes

A common issue Neighborhood Council representatives hear from stakeholders is coyotes roaming the neighborhoods. The citizens of many neighborhoods are afraid, both for their pets and their families, including their children. Coyotes are not the responsibility of LAAS, but of the State Fish and Wildlife Department. In fact, under State Law, LAAS cannot trap wildlife. Because this has become such a significant problem in some neighborhoods, it is recommended that LAAS increase its work with the State Fish and Wildlife Department to come up with an effective and humane way to deal with coyotes. For every coyote that is trapped and removed to a safe location, one or two new coyotes take its place. LAAS should explore whether a Trap, Neuter, Return (TNR) program managed by State Fish and Wildlife with assistance from LAAS would be effective. If not, what other programs might work? Determine whether a humane and effective solution to this could be funded under the City's Innovation Fund.

Volunteers

LAAS volunteers provide tens of thousands of hours of free labor to the Department. Without the volunteers, it would cost the City millions of dollars more to run the animal shelters. The volunteers greatly improve the quality of life of the animals in the shelters, taking them for walks, providing training, bringing dogs into play groups, caring for the animals, assisting with adoptions, cleaning kennels, etc. The animals would receive very little of this care if it weren't for the volunteers. To the credit of LAAS, the recruitment of new volunteers has increased over the last two-year period. There are still many people who would like to become volunteers and existing volunteers are dropping out. The City and the animals are losing out on thousands of free volunteer hours. While LAAS compiles statistics on the number of new volunteers and total volunteer hours, it does not compile statistics on volunteer retention and experience levels of volunteers. Volunteer retention appears to be low. Statistics should be compiled and if, in fact, retention is low, the reasons for that should be determined.

The Department is terminating, suspending, or pressuring into quitting some of the most experienced and dedicated volunteers. These volunteers have, over the years, raised concerns about shelter conditions, treatment of the animals, and/or the killing of animals. An investigation should be conducted to determine whether the exercise of First Amendment rights by these volunteers contributed to their terminations and whether these volunteers were afforded due process prior to termination. Such an investigation is necessary because terminating, suspending, and/or driving away experienced volunteers because they complain about shelter conditions or denying these volunteers due process would be a terrible mistake for many reasons including:

- The shelters are losing their best, most experienced, and most devoted volunteers (in terms of time they spend and their ability to deal with the animals), which is a waste of City resources.
- Important information may not reach Department management.

- These terminations may create a climate of fear and intimidation among the remaining volunteers.
- It may result in liability for the City as a result of lawsuits for suppression of First Amendment rights and violation of due process.
- The loss of experienced volunteers has a detrimental effect on the animals. The dogs that these volunteers take out for walks will not have that necessary exercise and care, because the new volunteers are not experienced enough to handle many of these dogs. The mental, physical, and behavioral condition of these dogs will deteriorate. The dogs will sit locked in their kennels 24/7 until they are adopted or put to death. These dogs will not be photographed, videotaped, and networked, decreasing their chances of adoption. The same is true of cats and rabbits.

Last year, the Budget Advocates recommended that the Volunteer Liaison positions be made permanent full-time positions. The Budget Advocates still support that in concept. The issues regarding volunteer retention and the termination of some of the most experienced volunteers should be resolved before this is done. An investigation of the volunteer program, volunteer retention, and termination of shelter volunteers should be undertaken by an entity outside LAAS, such as the City Controller's Office and/or the City Attorney's Office. After these matters have been investigated and resolved, six additional ACTs should be hired to replace the ACTs serving as Volunteer Liaisons.

Last year, the Budget Advocates recommended that the position of Director of Volunteer Programs, who oversees all 6 City shelters, should be changed from Resolution Position Authority to Regular Position Authority to make the position permanent. That was done in last year's budget. The Director of Volunteer Programs should resolve the issue of the most experienced volunteers being terminated.

The City Council should fund an additional \$25,000 for supplies for the volunteers. Currently, the volunteers provide their own supplies such as leashes, gloves, treats for the animals. As noted above, the volunteers save the City millions of dollars each year. The City should provide volunteers (especially those with limited income) the necessary tools so they can donate their time.

Staffing

The Budget Advocates support the Department's request for funding to hire 45 new Animal Care Technicians (ACTs), which includes the 12 noted above, over the next 3 years. There is a severe shortage of ACTs at all the shelters.

Hire a Data Analyst to support statistics for No-Kill, WoofStat (the LAAS database that shows the fate of animals taken in by the shelters), and other statistics. This hire contributes to No-Kill and general Department operations.

Change the following positions from Resolution Position Authority to Regular Position

Authority, to make these positions permanent: 6 Veterinary Technicians, 8 Canvassers, 1 Public Information Director, 2 Administrative Clerks.

Consider hiring contractors to do kennel cleaning to free up ACTs to perform other tasks.

Technology Systems: Fund software, Wi-Fi, My311 Interface as necessary.

Medical: Increase funding for blood testing and medicines to the extent necessary.

CONCLUSION

The above items, and in particular full funding of the Animal Sterilization Fund, are necessary to humanely and properly care for the animals of our City and to achieve and maintain No-Kill. They will result in only a slight increase to a budget that is one half of a percent of the City budget.

BUILDING & SAFETY

Meeting of October 1, 2019

ATTENDEES

Building & Safety: John Biezins, Assistant General Manager; and Steve Ongele, Assistant General Manager

Budget Advocates: Carol Derby-David, Jennifer Goodie, Faalaniga T. Smith

RECOMMENDATIONS

- Continue the pre-apprentice and targeted neighborhood programs to find new candidates
- Continue the 120-day contracts to temporarily backfill positions and maintain institutional knowledge
- Continue to fast-track the approval process for facilities related to homelessness such as bridge housing

DISCUSSION

Overview:

The Building and Safety Department (“The Department”) deals with issuing permits and code enforcement for all structures in the City. The department is largely self-funded through its revenue generating activities. It has two sources of funding:

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

The Department has been successful in reducing response and resolution times for code enforcement and permit inspections. Code violation resolution has been reduced to 10 days or less for 70% of cases. The Department has continued with the temporary contracts for retired inspectors, implemented a pre-apprentice assistant inspector program, and started a targeted neighborhood initiative to find more local candidates.

Issues:

The Department’s largest pain point is around staffing. It is a three-prong problem with issues of sourcing, turnover, and attrition. With an aging workforce making up a large segment of inspectors, attrition is unavoidable. This issue is compounded by the challenges around sourcing and turnover.

Sourcing of candidates for certain positions is a problem due to outdated cert lists from Personnel. By the time the list is being utilized, all of the top candidates have already found other employment. This can add many weeks to the hiring process. There has also been a problem seeking apprentices at local trade schools. Because there are no candidates meeting the requirements for apprentice, a pre-apprentice program had to be created.

The largest staffing problem being seen by The Department is turnover. Once the Department hires and trains new employees these new employees make lateral transfers to proprietary City departments -- namely LADWP. The employees are making these lateral transfers because there is a sizeable disparity in salary and benefits.

CONCLUSION

The challenges that the Department is seeing around staffing are present for several departments within The City and are endemic of a larger systematic problem. The City needs to re-examine the cert process. The process should be producing efficiencies in hiring – but it is doing the opposite. The City should address strategies for trying to avoid turnover and the waste of time and resources spent on training employees who are then hired away by other City agencies.

DEPARTMENT OF CANNABIS REGULATION

Meeting of October 28, 2019

ATTENDEES

Department of Cannabis Regulation: Cat Packer, Executive Director; Jason Killeen, Assistant Executive Director

Budget Advocates: Tracey Brown, and Budget Representative Josh Nadel

RECOMMENDATIONS

- Add enforcement staff to this Department and use existing funds budgeted for LAPD to fund this Department and the relationships it must have with other City departments.
- Reconsider the limits on licenses issued for commercial cannabis businesses from the 400-450 range to 1000 to raise the revenue base for special cannabis taxation.
- Start a devoted team for communication and logistics in intra-departmental and state agency matters.
- Get the complaint/knowledge portal to completion and add it to the My311 app.

DISCUSSION

The Los Angeles Department of Cannabis Regulation is responsible for administering rules and regulations adopted by the LA City Council for licensed commercial cannabis businesses within the City. The administration, auditing, inspection and regulation of regulatory compliance of licensed cannabis-related businesses is done in partnership with the Cannabis Regulation Commission with support services from the LAPD and LADWP.

Their primary mission is to handle the licensing of commercial cannabis businesses. This is being done in several waves.

Staffing

The Department has increased from 5 total employees when the Department started in 2017 to 32 this current FY. They still do not yet have their enforcement unit and have to utilize the resources of both LAPD and LAFD for enforcement. This Department needs more funding to hire employees to work with LAPD to shut down unlicensed operations.

The City has budgeted \$10 million for enforcement assistance from the LAPD. There are many safety issues involved in shutting down unlicensed operations, from gun running to methamphetamine distribution on site. The weaponry and danger involved can require SWAT team levels of sophistication, so there will always be a need for partnering with LAPD.

But the Department's other relationships, such as with LAFD, Building and Safety inspectors and more, also could have used some of those funds. Those partnerships matter a lot and help the Department with its mission. It is recommended that the funds budgeted for the LAPD be split among multiple departments next FY.

Licensing

The primary mission of this Department is licensing. To that end, here is a definitive explanation of the licensing process. Starting in 2017, with the founding of this Department, Phase 1 began. At that point in time, a decision was made to have one available license per 10,000 residents, meaning that no more than 400-450 total licenses will ever be issued under current legislation and ordinance. The City has also been subdivided into 35 zones with a soft cap on each area based off of its population, and 6 zones were already above the soft cap at the start of the program. Phase 1 dealt with the 187 existing cannabis stores that wanted to continue selling, meaning 210-260 licenses were still available.

After Phase 1 ended, Phase 2 began, which was licensing the supply chain for the Phase 1 businesses. This did not change the number of commercial licenses being given out. This phase was to make sure that Phase 1 suppliers were able to complete their production processes. Phase 2 was completed in 2018.

Phase 3 incorporated “social equity” into the process. This is a three-phased checklist to see if a potential licensee had one or more of the following: a cannabis arrest/conviction, personal poverty, and/or lived in a designated area that was unusually affected by prior cannabis enforcement. The decision was made that there should be 2 social equity licenses per 1 regular commercial license, so with 187 existing commercial licenses, that meant that 374 social equity licenses would have to be given out before another regular commercial license. But that total amount is above the 400-450 limit, so no further regular commercial licenses will be issued. Only social equity licenses will be issued, and the queue for those licenses is already full.

The City needs to reconsider the limit on the number of total licenses. There are many unlicensed cannabis businesses still operating in the black market, and restricting the number of legal ones only limits the amount of taxes that the City can bring in. The social equity program is well intended, but locks out too many residents from being able to open and own a commercial cannabis business.

Communications and Shared Departmental Resources

This Department is still very small at 30 employees. Without an expanded workforce, mission-critical-level tasks end up being done by other Departments. The LAPD charges overtime (time-and-a-half) to do enforcement work, which effectively means that the City is paying more for those services than it should be. This Department has to work with a host of other Departments to do its mission. The enforcement arrangement may have made more sense in 2017 when the Department started, but the leadership there now has multiple years of running the Department and should get all the resources needed to do its job and begin hiring its own enforcement unit, including tactical gear and weaponry equivalent to what LAPD has, including SWAT level teams.

The State of California has three different state agencies with which this Department has to coordinate: Consumer Affairs – Cannabis Control, Department of Public Health, and Department of Food and Agriculture. As the Department’s profile grows in the City, it will have to interact

with other City departments on a larger and more regular basis because the size of the industry will have grown. This Department should focus on adding cross-agency staff to facilitate communications. There is already a City task force for cannabis operations, and having a direct manager will help all involved parties.

Enforcement

Enforcement issues are very important to Neighborhood Councils and stakeholders because of the dangers coming from unlicensed stores, including gun running and methamphetamine production. As stated above, the City has budgeted \$10 million for the LAPD to handle enforcement issues for the Department. While that is resulting in shops getting closed, that money is not being used as effectively as possible.

This Department finds that results happen more quickly when employees are given civil fines at most, saving criminal charges for the ownership. Additionally, they are finding that targeting the property owner/landlord can have a dramatic effect because that strikes at the property's ability to ever make money again. Another successful penalty has been to remove utility services like power and water.

The Department is also working on improving a complaint portal on its website. This portal is supposed to ultimately be on the My311 app as well. Its goal is to have materials for health and safety, how to tell if a store is licensed vs unlicensed, and a new grading system for safety and testing standards for a given store. Neighborhood Councils should be able to inform their residents about which stores benefit the City and which are criminal enterprises.

CONCLUSION

Cannabis Regulation needs to be able to control the funding that affects its mission. It should have its own dedicated enforcement unit to handle unlicensed stores. The number of licenses needs to be doubled at a minimum to increase the revenue base and have a more realistic number of stores relative to existing demand. A communications team should be developed over time to handle the varied agencies and departments with which this Department will have to deal on a daily basis in the near future. Enforcement and complaints need to go solely through this Department and no others to maximize success and minimize waiting time for approvals.

**OFFICE OF THE CITY ADMINISTRATOR and
HOMELESS INITIATIVE PRINCIPAL PROJECT COORDINATOR**

Meetings of October 17 and 30, 2019

ATTENDEES

Office of the City Administrator: Richard H. Llewellyn, City Administrative Officer; Patricia Huber, Executive Officer; Ben Ceja, Assistant City Administrative Officer; Yolanda Chavez, Assistant City Administrative Officer; Jacob Wexler, Finance Specialist V; and Meg Barclay, Homeless Initiative Principal Project Coordinator

Budget Advocates: Barbara Ringuette, Ernesto Castro, and Jeanette Hopp

RECOMMENDATIONS

- Create transparency in CAO contract negotiations with city employee unions.
- Ensure Departmental fee structures capture the full cost of services provided.
- Study implementation of a vacancy tax as a revenue source.
- Prepare city staff with opportunities to grow and assume senior positions.

RECOMMENDATIONS RELATED TO HOMELESS STRATEGIC PLANS

- Prioritize housing projects that are less-costly & commit to coming on line faster.
- Maximize efficiencies in the funding process to speed up homeless projects.
- Expand incentives for the early repayment of loans on homeless housing.
- Implement a system to connect homeless to income-restricted units.
- Ensure effective monitoring of all subsidized housing projects including TOC.
- Emphasize progress in addressing homelessness through the local media.
- Advocate to provide enhanced services under the California Lanterman-Petris-Short Act for persons impaired by substance abuse psychosis.

DISCUSSION

The City Administrative Officer (CAO) is the chief financial advisor to the Mayor and the City Council reporting directly to both. The Office studies and makes recommendations on City management matters and assists the Mayor and Council on all aspects of the City budget. The Office represents management in negotiating all labor contracts, coordinates grants, and performs other duties required by the Mayor and City Council.

The fiscal year 2019-2020 budget for the City Administrative Officer is \$17,203,832 of which 89% is from the General Fund and 11% from Special Funds based on the work related to that Special Fund.

City Budget

While the City budget as a whole has grown very slowly, the limited growth has principally been in addressing homelessness. For the current fiscal year, every city department was asked to submit a budget with a zero increase. Departments were to swap out one project for another where the need is greater.

In June 2019 the Mayor and City Council approved a budget that forecasted surpluses each year for four years beginning in fiscal year 2020-2021. That budget failed to account for pay raises and health benefits that the City was negotiating with sworn and civilian employee unions. In late October it was revealed that labor contracts will cost the city at least \$750 million over the next three years, wiping out any surplus and leading the City into deficit. There was no opportunity for input from the public on these negotiations and there should have been.

As a result of the shortfall, the CAO is asking city departments to reduce costs or find new revenue equaling three per cent of this year's budget without reducing services. Since employee costs are the largest of city expenses, employee positions may be left unfilled.

City Revenue

The City is seeing additional revenue from billboards, short term rentals, and cannabis sales as well as an increase in the City's portion of County taxes. The City has issued several series of HHH bonds. For the future, the CAO is considering issuing bonds to fund public safety and bonds for parks and trees, both of which may require voter approval.

There is a renewed effort to look at fees for services the City Departments provide. In general, fees should fully fund the services the City provides, but some fees, such as programs teaching children to swim, ought to be subsidized.

Much conversation is taking place around a City vacancy tax. Housing units remain unoccupied resulting in a loss of potential economic activity in our neighborhoods. Further, the housing market is very tight, contributing to higher rents. A vacancy tax would serve to encourage economic activity and could increase housing availability while creating an additional revenue stream which could be earmarked for affordable or homeless housing.

Staffing Plans

A city-wide exercise has focused on succession planning to talk about continuity and how to prepare the next group to take on greater responsibility for departmental programs. Many departments have a large percentage of staff eligible for retirement. To that end, the CAO does an annual review, a formal process to assess what training and experience would give city staff the opportunities to grow.

Homelessness Budget

The total fiscal year 2019-2020 budget for the Homeless Services and Housing Program is \$428,542,462 broken down into General Fund expenditures of \$106,395,876, Departmental

Special Funds, primarily Recreation and Parks of \$4,805,836, a state Homeless Emergency Aid Program Grant of \$36,000,000, and Proposition HHH bond proceeds of \$281,340,750. This represents an approximate 14% increase over the final homelessness budget for 2018-2019.

The Budget & Finance Committee of the City Council increased the Mayor's Homeless Budget – adding capacity to expedite the Bridge Home Shelter program, funding for mobile showers, two management assistants, and additional underwriters and monitors for Housing and Community Investment Department (HCID) programs.

Homelessness Successes and Challenges

The CAO and the City understand the urgency of finding solutions and are pressing forward to address homelessness. Nearly all sections of the CAO are working on homeless-related matters.

Capital funding was approved to meet a goal of 1538 beds in the Bridge to Housing Program. This very lofty goal is on track due to relatively little pushback.

100% of HHH funding has been allocated in just three years, fast for that much money and that many projects (112). An \$85 million grant from the state is over 90% committed, well ahead of the state timeline to commit just 50%.

At the same time, it's disheartening to see homeless counts increase even after 22,000 homeless people have been placed in housing. It will be easy to quantify success as the number of tents on the streets decrease.

Homeless Strategy

Addressing homelessness is a massive, city-wide program. Most City Departments have a role in planning for homeless solutions with multiple analysts working together on various aspects. Nearly everyone in the CAO office has a function related to homelessness. The City is coordinating with the County's Los Angeles Homeless Services Agency (LAHSA) to address the multiple challenges of homelessness in a show of cooperation that has not been seen in the past.

Subsidies for low income housing programs were the first public/private projects for combatting homelessness. It's the private sector that responds to requests for projects, that puts together the complex funding packages, and builds the units. The cost of building affordable housing and for permanent supportive housing is not much different than that for market rate housing. Kitchens and bathrooms are expensive to build. All projects must conform to City codes.

Thanks to the voters who authorized HHH bonds, \$1.2 billion can be awarded in loans to partially subsidize the development of up to 10,000 supportive housing units. Most of the bond money has been allocated in three separate requests for proposals managed by the Housing and Community Investment Department (HCID).

Under HCID's Housing Innovation Challenge, \$120 million of HHH bond proceeds was awarded to six projects in a pilot program encouraging innovative, less costly approaches for

permanent supportive housing. These include modular housing, micro-units, shared housing, etc. Congregate living is likely appealing to young people and to seniors including widows and widowers who may benefit from a house companion to look out for one another. Depending on the success of these projects, incentives for these innovative programs should be developed.

It's important to consider that there is an end user – that people must want to live in the proposed housing. An even bigger consideration is that lenders have to be willing to invest in these units that by covenant must be available for 55 years.

Speeding the Building Process

Carrying costs and interest expenses add to the total cost of construction projects. The City and the public are looking at ways to build less expensively including first, how to speed up the funding process, and then, how to expedite the construction of permanent supportive housing and shelters.

HCID and the Housing Authority of the City of Los Angeles (HACLA) are working to implement a common application for subsidies due to be released soon. This would expedite a one-step process to apply for state and federal housing funds and should substantially speed the funding of housing projects. Funding also depends on the availability of capital in general.

Assembly Bill 1197 will exempt supportive housing and emergency shelters in Los Angeles from California Environmental Quality Act (CEQA) requirements, eliminating lawsuits which delay projects. A court decision is expected in December which should permit additional Bridge Home projects to move forward.

When implemented, all proposed changes could reduce the timeline to complete projects from the current 3 years to 1 year.

The Cost of Supportive Housing Projects

On September 9, 2019, Richard Llewellyn, CAO and Chair of the Proposition HHH Administrative Oversight Committee, forwarded recommendations to issue letters of financial commitment for 112 supportive housing projects not to exceed \$238,120,946 and 1 \$7 million project on a City-owned site.

There are many soft costs in construction projects such as fees for architectural, engineering, and consultant services, the total running as high as 40% of the overall project cost.

There are two ways to describe the cost per unit built with HHH funding. The first is the cost to the City for the loan under HHH. The second is the cost to build a unit. The average allocation per unit under HHH is \$150,000 whereas the total median cost of constructing a unit is in the range of \$531,000. The cost of building with City funds comes with enhanced construction requirements, such as building to Americans with Disabilities Act (ADA) standards, and those raise construction costs above other building projects.

Many factors affect the cost of construction projects. The current building boom has increased competition for land, labor, and materials. There are a limited number of construction companies that understand how to comply with the very complex HHH laws. In this construction environment, companies have numerous projects to choose from and are less inclined to learn City requirements for HHH projects. Also affecting the speed with which a project can be built and thus the cost, are the many jobs in line for container or prefabricated housing from a small number of manufacturers. Currently it is not less expensive to build with innovative methods proposed for these projects.

Early loans provided under HHH required supplemental funding of \$80,000 per unit because the Mental Health Services Act (MHSA) funding approved under Assembly Bill 63 and Proposition 2 in 2018 was not yet in place. The City expects to receive about \$700 million of the \$2 billion in Proposition Two. Several developers have applied for MHSA funds to reimburse the City's supplemental subsidies which will free up funding for additional city projects. Early repayment of loans should be incentivized in order to fund additional projects.

Income-Restricted Units

Thousands of income-restricted units are being built under the City's Transit Oriented Communities (TOC) program. These units are built with no city money.

The City needs a system to link the homeless to available affordable housing. A centralized listing system of (1) available affordable units would ease the burden of identifying available units for those in need of housing. At the same time a centralized listing of (2) income eligible individuals and families could expedite the renting of a unit. The City could require property managers with a vacancy of a covenant-restricted unit to consult the centralized waiting list. Individuals and families on the Housing Authority's Section 8 waiting list could be added to the centralized list.

A concern is that there be effective monitoring and enforcement of the units ensuring units reserved for low-income individuals and families are actually occupied by those eligible according to 55-year covenants on the properties. A centralized system would be a giant step in ensuring that income-restricted units accommodate income-eligible families.

Rapid Re-housing

The City has provided short-term rental subsidies for 6 to 12 months after which tenants take over the entire rent. 93% of those who have received subsidies remain housed a year later. HCID and the Housing Authority of the City of Los Angeles (HACLA) are working to implement a common application for subsidies due to be released soon.

Los Angeles Homeless Services Agency (LAHSA)

The CAO oversees the Homeless Initiative, evaluating LAHSA's requests for funding, meeting monthly with LAHSA and HCID. LAHSA provides direct services for those experiencing

homelessness while the City's only direct service is the Sanitation Department's Pitstop Program.

LAHSA serves three masters – the City, the County, and the LAHSA Commission which has the authority to make budgetary, funding, planning, and program policies. About 60% of the County's homeless population is in the City, and around 60% of LAHSA's funding goes towards services for the City's homeless. The City's willingness to accept services ensures the City receives full value for the funds it commits. HCID administers the contract with LAHSA and proposes amendments as additional projects are identified.

Media Opportunities

The City is trying to get the word out that things are changing, that the City is effectively addressing homelessness. Towards that end - the Mayor invites the press to openings of homeless shelters. However, the City's efforts at showcasing openings of shelters and housing are overshadowed by the multiple articles and TV coverage that point to an ever-expanding, worsening crisis.

It's important to earn public confidence and validate hopes that the homeless will be housed. As openings of shelters and of housing are covered, the City should inform of the larger picture - that numerous projects are in the works, providing timelines for units to be completed. The City should make known data illustrating successes such as 93% of persons housed under the Rapid Re-housing program remain in housing a year later. Further, publicity should highlight success stories of individuals recently housed.

Advocacy for Mental Health Services

An area of concern to both residents and businesses in our communities is how to coexist with people experiencing homelessness and others who habitually disrupt the peace as a consequence of drug-induced psychoses and other mental illnesses. County Mental Health and Police resources have limited ability to make a difference. Mental health workers offer services that people can decline. Arrests for low level crimes result in immediate release onto the streets. Mental health services are what is needed.

Expanding the criteria for involuntary mental health services under the Lanterman-Petris-Short Act to include drug-induced psychoses is essential for both the safety of homeless individuals and the safety of the housed public. The City should advocate with state officials to update the LPS Act so those with drug-induced psychoses may receive involuntary treatment before unnecessary social, criminal justice, and/or medical consequences occur.

How Can Budget Advocates Help?

Budget Advocates and Neighborhood Councils can speak up in support of homeless projects coming to their neighborhoods. City Council members listen to constituents. Generally, however, only those opposing a proposed project attend meetings or otherwise voice their

complaints. Support for projects by Neighborhood Councils as well as by property owner associations would help assure homeless projects move forward.

CONCLUSION

The City with the huge involvement of the City Administrator's Office is working under the strictures of a tighter budget than it initially appeared. Nonetheless, the Office of the City Administrator as well as the entire City is moving ahead to address the Homeless Crisis. Hopefully the results of all this labor and funding will become evident to everyone soon.

OFFICE OF THE CITY ATTORNEY

Meeting of September 27, 2019

Department Personnel: Leela Kapur, Chief of Staff; Michiko Reyes, Budget Director
Budget Advocates: Carol Newman, Jeffrey Mausner, Jon Liberman

RECOMMENDATIONS

- Continue stepping up efforts to address risk management and liability claims.
- Increase educational efforts with City Departments to address potential liability issues.
- Recommend to the Mayor and City Council that consideration be given of ways that Departments and their General Managers could be penalized for liability payouts arising from their operations.
- Continue efforts to determine ways to make the City less of a target for litigants.
- Expand homelessness programs including HEART (Homelessness Engagement and Response Team) program to trade homeless citations for community service or enrollment in substance abuse, and train Neighborhood Councils on homeless issues.
- Increase efforts for protection of animals, including prosecution of animal abuse cases and the lifting of the injunction against City participation in Trap, Neuter, Return (TNR).
- Increase revenue generating activities, like consumer protection litigation.

DISCUSSION

Overview

The City Attorney acts as legal advisor to the City, prosecutes all misdemeanor offenses occurring within the City, and defends the City in civil litigation. In addition, the City Attorney initiates a variety of affirmative litigation, including actions to protect consumers and abate nuisances in Los Angeles' neighborhoods. The Office includes four branches: Municipal Law; Civil Litigation; Proprietary; and Criminal and Special Litigation. The City Attorney's Office employs more than 500 attorneys and approximately 500 support personnel.

Issues

1. Introduction

In fiscal year 2019-20, the City Attorney's adopted budget is approximately \$146.9 million, an increase of more than \$9 million from the previous fiscal year, primarily for salaries. The great majority of the City Attorney's funds come from the General Fund.

Notable successes of the Office last year included a program to monitor Los Angeles Police Department (LAPD) body cameras, cannabis regulation, assisting in the LAPD's and Sanitation Department's homeless outreach, dealing with CEQA (California Environmental Quality Act) regulation and lawsuits relating to homelessness, defense verdicts for the City, litigation and settlement with City contractors, and adding more neighborhood prosecutors and an attorney in the mental health unit of the Superior Court. The most notable setback for the Office is the federal investigation of the Office's involvement in the lawsuits arising out of the Department of Water and Power customer billing system debacle.

The Office is to be commended for consistently trying to do more with less and to stay within its budget. When there are changes in the laws, such as the legalization of cannabis and the introduction of LAPD body cameras, the Office must cope with an increased workload that it did not create and cannot fully control. The Office has successfully managed to deal with these pressures by shifting resources around. Significantly, the Office did not ask the Budget Advocates to advocate for an increase to its budget, which is almost unique among City Departments.

2. Risk Management

In previous years' meetings with the City Attorney's office, the Budget Advocates had emphasized their focus on risk management and trying to reduce the City's liability payouts. At 2017's meeting, the City Attorney's office took the position that the primary responsibility for addressing risk management was with the CAO's office rather than the City Attorney or any other Department. The Budget Advocates were concerned that these critically important goals – risk management and reducing liability payouts by the City – were being impeded by silo-ization: City Departments failing to work together to address issues of importance to the City.

Last year, the City Attorney's office reported that City Attorney Mike Feuer has spearheaded an emphasis on risk management, and that this emphasis has been successful. The Office has grown its operation dramatically in terms of data, systems, and protocol, and has done a lot of work with Councilmember Krekorian, the CAO's office, and the other City Departments. This was welcome news, as the Budget Advocates believe that no single office within the City is potentially better positioned to address liability issues than the City Attorney. The Office has been seeking increases in its budget for risk management staffing, and last year the increase was partially granted. The Budget Advocates urge the City Attorney's Office to continue to expand its role in reducing risk and liability, and urge the City Council and Mayor to fund those efforts,

since the return on lower liability costs will more than make up for the increased funding requested.

The number one liability driver in the City is dangerous condition cases, including such conditions as potholes, bike lanes, sidewalk problems, and scooters. Admittedly, over the years there has been a dramatic uptick in payouts stemming from dangerous conditions. This creates a vicious cycle – the liability payouts decrease the money available to make needed repairs, which then results in more accidents and payouts. In fiscal year 2017-18, the City considered floating a bond to cover such payouts, but has not yet done so. The City Attorney is aiming for a reduction in the number of new dangerous condition cases, as well as all other types of cases brought against the City. In order to reduce if not eliminate these dangerous conditions, cooperation has to be established among City Departments. Parameters should be set for measuring progress in fixing the City's infrastructure. Each City Department has a "general counsel" in the City Attorney's Office; that attorney should view reduction of liability related to his or her Department as of the utmost priority.

The City Attorney hired the City's first risk manager, Kelli Porter, who is professionalizing the risk management operation. The City Attorney has tasked its litigators with helping to develop proactive action plans, instead of just being in defensive mode. Ms. Porter is pulling together general managers of the various City Departments which have suffered the largest payouts, and is having regular ongoing communication with them. She is working on improved communication regarding the City infrastructure. She has served as facilitator for a more unified response. Corrective Action Reports are now required as a part of City litigation, starting three years ago.

Ms. Porter has convened a Risk Management Steering Committee with the major Departments. There is much greater interest citywide in dealing with these problems. The Mayor's office has been using risk management to make budget determinations. The City Attorney has some leverage in these determinations.

The LAPD now has a significant risk management operation with an outstanding risk manager, a former Deputy Mayor. In past years, the LAPD has been one of the primary sources of litigation payouts, both to outside claimants and to its own employees claiming harassment, discrimination, etc. There has been a significant downward trend in liability in the LAPD. The Fire Department, another big driver of claims, also now has a dedicated risk manager and is taking those claims more seriously. The City Attorney is working closely with both of those Departments. The larger Departments now all have risk management staffs.

The Budget Advocates recommend, and have recommended in the past, that consideration be given to ways that Departments could be penalized for liability payouts caused by their wrongdoing, negligence, or mismanagement. This has to be done with care, so as not to hurt the people the Department serves. The Office does not believe it has the authority to make such a recommendation, which would be within the purview of the Mayor, CAO, or City Council. Nevertheless, the Budget Advocates still urge the City Attorney's office to voice its support of

such a change. The City Attorney has attempted to track the payouts for each Department, and the Budget Advocates support dramatically improved transparency in tracking those numbers.

The City is an easy target, and its litigation load is heavy. A lot of ways to try to make the City less of a target have been explored and will continue to be explored. The Budget Advocates recommend that the City Attorney continue to try to determine ways to make the City less of a target for litigants.

3. Homelessness Programs

The City Attorney has the HEART (Homeless Engagement and Response Team) program which tries to positively impact homelessness by forgiving citations issued to the homeless and trading the citations for community service or enrollment in substance abuse programs. That program is due to expand. The Neighborhood Prosecutors support what is going on in the community and also try to make a positive impact locally. The City Attorney has a homeless coordinator and is still evaluating its needs. One of the ways to make a difference would be to educate Neighborhood Councils on homeless issues so that the stakeholders understand what can and can't be done under the law as it currently exists.

4. Revenue Generation

The City Attorney's Office has a unit that prosecutes consumer protection cases under Sections 17200 and 17500 of the California Business & Professions Code. The Office has been successful in cases involving Wells Fargo, Southern California Gas, and lead in prenatal vitamins, among others, and is currently involved in cases involving tax software, counterfeit pharmaceuticals, and solar energy systems. See www.lacityattorney.org/consumers. The Budget Advocates strongly encourages the City Attorney to continue and expand this unit's cases. Not only do these cases protect the public from unlawful and fraudulent business practices, they also generate revenue for the Office to file additional consumer protection cases without taking money from the General Fund.

CONCLUSION

The City Attorney's office is headed in the right direction to expand and direct risk management efforts along with the CAO and other City Departments which appear to be finally addressing the City's liability payouts. The City Attorney should be one of the leaders in this effort, to coordinate and educate the Departments. Additionally, the City Attorney should be a leader in recommending that Departments and their General Managers be held responsible in some fashion for liability payouts arising from their operations, as that approach appears to be working for the County of Los Angeles. The City Attorney should also continue its efforts to try to determine how to make the City less of a target for litigants, and expand its homeless programs and educate Neighborhood Councils on homeless issues so that the Neighborhood Councils can be a resource to their stakeholders on those issues.

OFFICE OF THE CITY CLERK

Meeting of October 17, 2019

ATTENDEES

Office of the City Clerk: Myra Puchalski, Division Manager Administrative Services Division;
Ruben Viramontes, Fiscal Manager Administrative Services Division
Budget Advocates: Danielle Sandoval, Carol Derby David, Brian Allen

RECOMMENDATIONS

- Improve City Clerk Office knowledge of Neighborhood Council (NC) bylaws. Improve the ability to work with NCs regarding election outreach.
- Devote more attention to implementing a Vote-by-Mail throughout the NC System.
- Improve training of NC Board Members regarding financial responsibilities and authorities.
- Work with the Information Technology Agency to continue development of IT Systems for both NC Funding and NC Elections.
- Incorporate financial operations of the Congress of Neighborhoods and Budget Advocates into the NC Funding portal.

DISCUSSION

The mission of the Office of the City Clerk is to facilitate and support City legislative processes and meetings, record and provide access to the City's official records, preserve the City's history, support economic development, and conduct elections with integrity.

The City Clerk serves as the Clerk of the City Council and maintains a record of all Council proceedings, maintains the official City records and archives, administers all City elections, provides fiscal, administrative, and personnel services to the City Council and Mayor, and provides staff assistance to City Council Committees.

The Office promotes and facilitates programs in support of the Mayor and the City Council's economic development initiatives. To that end and by mandate, the City Clerk administers the City of Los Angeles's Business Improvement Districts program.

All claims filed against the City must be received and recorded by the City Clerk.

The Office provides the administrative activities for the City Council and its committees ensuring compliance with the requirements of the Brown Act for all postings of its public meetings.

Although the Office of the City Clerk maintains accounting for a number of accounts within the city, it does not make payments. Payments are the responsibility of the City Controller's Office.

The fiscal year 2019-2020 budget is approximately \$16.6 million. This represents a 27% increase over its 2018-2019 fiscal year budget of approximately \$12 million.

Salaries represent the largest expense of the Office, totaling just under 79% of its budget.

The Office's revenues come from the General Fund and the Solid Waste Resources Revenue, Sewer Operations and Maintenance, Business Improvement Trust, and Cannabis Regulation Special Revenue Funds. It also takes some revenue from the Telecommunications Development Account. Approximately \$15 million of the revenue is from the General Fund with the noted Special Funds contributing the remaining \$1.5 million.

The Office of the City Clerk is involved in Neighborhood Council (NC) elections. The different NC bylaws are not always well-understood by the Office. It would help for the Office to improve its ability to work with the NCs regarding election outreach. The Office could benefit from some additional training. With regards to NC elections, the Office should devote more attention, and possibly funds, to implement a Vote-by-Mail system.

The NC Funding operation continues to identify issues that either need better understanding or updates to be in compliance with financial requirements. NC board members would benefit from additional training about financial responsibilities and authorities. The system would benefit from including the financial operations of the Congress of Neighborhoods and Budget Advocates in the NC Funding Portal.

Training alone will not provide the needed improvements to maintain oversight of the NC Systems. Additional personnel will also be needed to keep up with the demand.

The department has for a few years been trying to improve their IT operations. Working with the Information Technology Agency to accomplish systems that provide better support and faster and more accurate information would, in the long run, reduce the ongoing cost of normal operations and could help with improvements for both NC funding and NC elections.

CONCLUSION

With future changes and demands from all Departments it would be better to make a few increases now rather than be caught behind the eight ball with no time or money to make improvements in later years. We know that special programs that the City Clerk will have to support are constantly being suggested and implemented by various areas of the government. Will the Office of the City Clerk be able to provide the services required without delay or error? Only a positive active evaluation of potential need will answer this question.

Now is the time to consider if there enough support for any new projects and, if there isn't, how much investment is required to provide the needed support.

OFFICE OF THE CONTROLLER

Meeting on October 25, 2019

ATTENDEES

Office of the Controller: Ron Galperin, Controller; JoVonne Lavender, Management Services Division; Jake Stotz, Government Affairs Deputy
Budget Advocates: Josh Nadel, Barbara Ringuette, Tony Michaelis, Danielle Sandoval

RECOMMENDATIONS

- Add 5 employees to the Waste, Fraud and Abuse staff to save the City money.
- Create a uniform system for City departments to compile data on funds spent on homeless programs.
- Advocate for policies that apply standard procedures when creating new Special Funds.
- Form an Audit Task Force to help optimize the audit process.

DISCUSSION

The City Controller is the elected paymaster, auditor and chief accounting officer for the City of Los Angeles. The budget for the current fiscal year is \$20,165,548 which represents a 10% increase over the previous year. 95% of the budget covers salaries with the remaining 5% being used for office expenses and travel. 97% of the current fiscal year budget comes from the General Fund. The remaining 3% comes from reimbursements from Special Funds for work provided to other Departments.

Controller Ron Galperin oversees a team of more than 160 employees who conduct independent audits, manage the City's payroll and spending, report on the

City's finances, and provide City metrics and data online via a dashboard at <https://lacontroller.org/controlpanel-la/>.

The Controller deserves credit for creating the dashboard. It makes a wealth of data available to the citizens of Los Angeles. Some citizens find the dashboard daunting and would be helped by a simpler portal and/or canned reports.

Staffing

Staffing issues are the largest problem currently facing the Office of the Controller. The Office of the Controller submitted a request for 2 additional Waste, Fraud and Abuse positions although they assess that they need 5 more people. Filling these positions could save the City more than the cost of the people. For example, a recent 4-year audit of the Street Damage Restoration Fees resulted in an increase from \$7 million to \$70 million. If the Office had a larger staff, those revenues may have been realized earlier and more than paid for the additional staffing.

The civil service hiring process is another issue. Year-around examinations can facilitate the availability of up-to-date Cert Lists when the Office has an open position.

The proprietary agencies, such as the Department of Water and Power (DWP) and Los Angeles World Airports (LAWA), are able to hire trained employees because they pay more. It would help the Office of the Controller if there were reasonable limits on the number of yearly hires the proprietary agencies can hire from the non-proprietary departments.

Homelessness

The Controller's October 2019 report on the City's response to the homeless crisis sheds light on the factors impacting the City's ability to address concerns affecting many of the City's Departments. <https://lacontroller.org/audits-and-reports/high-cost-of-homeless-housing-hhh/> There is not a uniform system for each Department to measure its expenditures. For example, there are no data on what percentage of Police or Fire services are being used in support of people experiencing homelessness. Another example is the costs for additional upkeep for Parks and Recreation.

The Office recommends improvements in the processes the City uses to determine the number of homeless people and encampments. It would be helpful for the Office to create a system for City departments to compile data on funds spent on homelessness programs by department.

The audit that led to the report found that 40% of overall HHH costs come from soft costs, like consultants, attorneys and lobbyists. It also determined that more funds from HHH should be used on storage so sidewalks are not the de facto storage for the possessions of those experiencing homelessness and on temporary housing solutions since most of the HHH housing will not be available for 5-6 years.

Special Funds

The Office of the Controller has been doing significant work over the last few years on the various Special Funds the City has. While some Special Funds are used efficiently, many are not. The Office of the Controller should sponsor legislation for automatic sunset provisions on any new Special Fund that is created. Further, the Office needs to push for more use of the existing Special Funds. It should mandate annual reviews and assist Departments in freeing up funds.

For example, the Cultural Affairs Department that takes 1% of commercial construction costs for an Art Fund. The Controller successfully advocated to change the original provision that mandated that the money must be spent within one block of the construction project that paid the money. Nonetheless, the Cultural Affairs Department does not use all of the money. It doles out some amount to each Council Member to use in his or her District, but the Fund still has \$10 million unspent.

Audits

Audits are one of the responsibilities of the Office of the Controller. The 2017-18 fiscal year saw the most audits at 22, while 12 are expected this fiscal year. One reason for the decline is that the

Controller made a change to the nature of the audits. In 2000, a City Charter update granted the Controller the power to conduct performance audits of City departments, allowing an examination of departmental effectiveness.

Audits had been primarily financial in the past, similar to a standard 3rd party audit of a corporation. The Controller found that the financial information was useful, but there was other important information that was not reflected in the audits. As a result, the Office of the Controller has changed the audit process to performance audits that review the effectiveness and efficiency of the Departments and their funds. This change resulted in large savings for the City, such as in the audit on Street Damage Restoration Fees that was described earlier.

The performance audits can provide the City's citizens with better information, but they come at a price in time and effort. The Office of the Controller recently performed a performance audit of the HHH funds. The HHH performance took 9 months to complete. The Controller said that a financial audit would have completed in a few weeks. Would a financial audit have found what the HHH found? The Office needs to assess where it can wisely use the extra time and effort of the performance audit and where it can safely use a financial audit. The Office could consider using financial audits for fast moving programs and reserve performance audits for explorations of day-to-day services.

An Audit Task Force can help with this process. The Task Force should be composed of the Controller Office's Lead on the audit team, 2 City Councilmembers, a representative from the Mayor, and several members of the community who have Los Angeles City experience and a financial background. This Task Force should discuss which topics should be audited and what the nature of the audit should be. The input from the Task Force would not be binding on the Office, but would be another source of input into the process.

CONCLUSION

The Office of the Controller does valuable work that benefits Los Angeles's citizens. Funding the Office can save the City money.

DEPARTMENT OF CONVENTION AND TOURISM DEVELOPMENT

Meetings of October 3 and 28, 2019

ATTENDEES

Convention & Tourism Development: Diana Mangioglu, Assistant General Manager
Budget Advocates: Josh Nadel, Tina Chinakarn, Tracey Brown

RECOMMENDATIONS

- Partner with the Department of Cultural Affairs and the Neighborhood Councils to create Neighborhood Tourism Districts.
- Partner with Metro Art Los Angeles to highlight transportation artwork.
- Collaborate with the Department of Planning the change downtown zoning so it is feasible to develop additional hotel rooms near the Convention Center.
- Encourage a Downtown public 5G network.
- Increase funding for the Los Angeles Tourism and Convention Board (LATCB) to expand their mission.

DISCUSSION

The City of Los Angeles Department of Convention and Tourism Development (CTD) manages the Los Angeles Convention Center and the Tourism and Convention Board (LATCB). The Department contracts with the Anschutz Entertainment Group (AEG) to manage the day-to-day operations of the Convention Center. The Department contracts with the Los Angeles Tourism and Convention Board to market the City and to attract conventions to the LACC.

The Department strives to bring economic growth and job creation to the City by increasing the competitiveness of Los Angeles as a convention and tourist destination. It plans to achieve this goal through privatizing operations of City owned Convention and Tourism properties through contracts with AEG, a new governance model that gives authoritative rather than advisory authority to its Board of Commissioners, modernizing the Los Angeles Convention Center (LACC), and promoting hotel development with a goal of adding 4000 new hotel rooms within walking distance of the LACC by 2020.

The Department of Convention and Tourism Development has a budget of just under \$2 million, nearly a 22% increase over the 2018-2019 fiscal year. This Budget excludes the money for the AEG and LATCB contracts. Approximately 80% of the budget covers salaries with the remaining 20% covering office expenses and travel. The Department is budgeted for a staff of 13 and it currently employs 9 people.

The Department's largest source of revenue is from Convention Center, approximately \$1.4 million. The remaining \$567,395 of its revenue comes from the Los Angeles Convention & Visitors Bureau Trust Fund.

Los Angeles Tourism and Convention Board (LATCB)

The LATCB is funded by the City's 14% Transient Occupancy Tax (TOT). The LATCB receives 1% of the TOT of which 95% is spent and 5% is reserved. The LATCB funding for this fiscal year is \$24.5 million, a 1.2% increase over last year.

The LATCB is responsible for attracting conventions to Los Angeles. \$9.38 million is budgeted for marketing Los Angeles as a destination for meetings, conventions, and trade shows. More staffing and an increased prioritization of conventions 48 months and more in the future is needed as the City benefits from Return on Investment from large conventions.

The Board is also responsible for marketing the City and driving tourism. \$10.3 million is budgeted for this function. The goal is to encourage visitors to come during the slow season for hotels. 50 million people traveled to Los Angeles last year.

Brand USA provided \$500,000 of matching funds for LATCB's international marketing.

Global Public Relations focuses on travel writers to increase coverage. This spending creates a force amplification effect that results in \$60 million of additional targeted coverage of Los Angeles.

The LATCB also has several contractual relationships with hotels, restaurants, LAX, and attractions to help provide awareness and increase travel dollars coming to the City.

The Los Angeles Convention Center (LACC)

The LACC is the Downtown Los Angeles location for conventions, trade shows, and exhibitions.

There are 4,900 hotel rooms within a half mile of the Convention Center compared to 15,000 hotel rooms in Anaheim. Los Angeles has 800,000 square feet of convention space compared to 2 million in Chicago. These smaller numbers impact Los Angeles's competitiveness for convention business. The limiting factors for Los Angeles include space where expansion is feasible and the need for any expansion and modernization to be self-funded.

To build more hotel rooms and increase the competitiveness of the LACC, the Department could work with the Department of Planning to change zoning rules around the LACC to allow hotels to be built 20 stories higher, providing they build the 10 lowest floors for use as offsite LACC facilities.

The Department is working on a major capital expansion proposal to connect the Convention Center to its sister building across Pico and Figueroa. Its third attempt at approval for this project will be presented to the City Council in July 2020.

The LACC partnered with Verizon to implement 5G services throughout the LACC campus for no remuneration. The LACC and the City should try to increase partnerships with telecom companies and expand 5G coverage throughout the Downtown area so the Department can develop apps that work for Convention Center visitors both inside and outside the venue.

The Department should consider working with the Department of Transportation (DOT) who is currently piloting LANow in the Palms/Mar Vista/Del Rey/Venice neighborhoods of Los Angeles. LANow is a shared on-demand shuttle service. LATCB may be able to use LANow to provide transportation between Downtown hotels and the Convention Center. Some Convention Center visitors are distressed by the proliferation of homeless encampments. This service can help mitigate visitor discomfort. In the absence of such a solution, the LATCB is providing guided escorts between the hotels and the Convention Center.

The Department is interested in employing officials and celebrities to welcome visitors to large conventions. They think this could help raise the profile of the LACC.

The Los Angeles Convention Center has a \$47 million loan that will be fully repaid in fiscal year 2022-23. The Department is prioritizing finding new uses for the mortgage payment funds.

Tourism Master Plan

The Department spent 2 years creating a Tourism Master Plan to incentivize repeat tourist visitors by focusing on a tourist's experience as compared to a focus on the decision process driving them to visit Los Angeles. A tourist's visitor experience includes lodging, food, and transportation and takes into account commercial, government, and public stakeholders. The Plan is scheduled to complete this fiscal year. The Department has spent approximately 12.5% of its budget on developing the Plan for each of the years it worked on it.

Another consideration in the Tourism Master Plan is "post trip advocacy". The Department considers word of mouth to bring friends and family to the City superior to marketing efforts because of the closeness of the connections.

Infrastructure and capacity issues are among the primary items the Plan considers. It has two phases, the first of which is complete. Stakeholder meetings, visitor surveys, community surveys, destination analysis of Los Angeles against 14 top global cities, and a hospitality analysis of both hotels and Airbnb locations are the 5 major steps of the Phase 1 Plan. The Phase 1 Plan culminated in a report on the State of Tourism in Los Angeles that was presented to an internal Steering Committee.

Phase 2 is ongoing as of the date of this meeting. This phase has included four different visioning sessions with both commercial and public stakeholders. Topics covered include responsible and sustainable tourism practices. There is a focus on Hardware (infrastructure) and Software (destination programming). The draft of this work is being sent to the Steering Committee at the start of November for final results by the end of 2019.

The Department should prioritize implementation of the items in the Tourism Master Plan that will benefit the 2028 Olympics to sustain the temporary increase in visitors for the future.

The Plan does not address Neighborhood Tourism Districts. These Districts can be implemented using signage that could be funded through the Department of Cultural Affairs. The Districts can provide aesthetic integration of neighborhoods and more options for tourists especially if neighborhood and cultural events are highlighted. Neighborhood Tourism Districts fit with the

experience and advocacy goals of the Master Tourism Plan. The Department should collaborate with the Neighborhood Councils to create these Districts.

To engage visitors as they use public transportation, The Department could partner with Metro Art Los Angeles. Metro Art Los Angeles implements the Los Angeles County Metropolitan Transportation Authority's (Metro's) art program. The art program includes a volunteer docent council to staff art tours. This is an opportunity to engage visitors as they use public transportation to visit multiple Neighborhood Tourism Districts throughout the City. The Department and Metro would have the opportunity to cross-promote their products to enhance tourism.

CONCLUSION

This Department is heading in a positive direction. Promoting tourism and partnerships with the City and County Departments is critical for CTD to maximize their mission. The 2028 Summer Olympics need have a greater focus and hopefully will achieve that from the completion of the "Tourism Master Plan".

DEPARTMENT OF NEIGHBORHOOD EMPOWERMENT

Meeting of October 25, 2019

ATTENDEES

Department of Neighborhood Empowerment: Raquel Beltran, General Manager; Armando Ruiz, Director of Administrative Services

Budget Advocates: Garry Fordyce, Howard Katchen, Brian McCain, Brian Allen

RECOMMENDATIONS

- Consolidate the processing of financial activities to the Office of the City Clerk for both the Congress of Neighborhoods and Budget Advocates.
- Implement regular Neighborhood Council (NC) member training programs on meeting protocols and methods.
- Establish a Workgroup of NC members to discuss NC System issues and concerns.

DISCUSSION

The Department of Neighborhood Empowerment (DONE) mission is to promote citizen participation in government and make government more responsive to local needs through the development of a citywide system of Neighborhood Councils (NCs), ensuring that every part of the City is within the boundary of a Neighborhood Council. The Department assists neighborhoods in preparing petitions for recognition or certification, identifying boundaries that do not divide communities, and organization. It coordinates the annual Congress of Neighborhoods meetings and arranges training for the Neighborhood Councils' officers and staff.

The 2019-2020 fiscal year budget for DONE is approximately \$3.3 million, an approximately 14.7% increase over the 2018-2019 fiscal year. The Department's revenues are entirely from the Department of Neighborhood Empowerment Fund. Approximately 84% of the Department's budget is spent on salaries.

Currently, the Department of Neighborhood Empowerment is in a state of flux. It has a new General Manager. There are other changes that will require time to settle in and have impact. Staff is still far below what it was before 2009 and the impact of the reduced staff is not fully understood. The workload in the timeframe has changed in that funding operations and elections have been removed from the Department. This trend should continue by consolidating the processing of financial activities to the Office of the City Clerk for both the Congress of Neighborhoods and the Budget Advocates.

In light of the recent changes in DONE Management, there should be a wait and see period before recommending and major operational changes

Over the years the Department of Neighborhood Empowerment's activities have evolved. Change is not always negative, but all of the changes to date have not been received with support

from the NCs, causing the Department to, from time to time, incur costs supporting initiatives that are not optimal. An example is the decision to spend outreach funds without consulting with the NCs. The NCs might view the outreach effort differently or may consider it ill-advised altogether. The NCs should have input. Each NC has its own specific needs and one size does not necessarily fit all. An advisory workgroup of NC members to discuss NC System issues and concerns could help.

As Neighborhood Councils continue to evolve, institutional knowledge within the NCs continues to erode. To combat this loss of knowledge, the Department will have to identify changes in operations to help the NC System maintain consistent operations. One area of concern that all NCs are considered independently operating entities. Though that is true, the processes they use should be consistent across the system. To ensure the Department's ability to maintain consistent oversight of processes, the staff must be able to provide the same guidelines to each NC. This may mean an ongoing training and monitoring environment that will ensure performance is consistent between the Department's Neighborhood Empowerment Advocates (NEAs).

The Department's new General Manager is embarked on a Listening Tour, visiting each of the Neighborhood Councils. At the conclusion of the Listening Tour and the resulting evaluation of its results, a new review should be undertaken by the Budget Advocates to determine if there is any financial impact that should be considered and/or supported.

Increasing the Department's communication with the City's other Departments will help to make the NC System more effective and involved with the City. There is very little cost to supporting the NC System with other Departments and the rewards for the City could be large.

Based on the need to support the NC System and considering the ever-changing Department personnel, it is difficult to envision how the Department will be successful in making large improvements without increasing its staff.

CONCLUSION

It is our hope that change will be forthcoming and bring positive new ideas to improve the NC operations. A hopeful sign has been the attitude of cooperation we have been given in suggesting that the Department can be a source of assistance by providing suggestions rather than stating rules and moving on.

The few minor recommendations listed above will, in our mind, help provide some needed efficiencies as well as move towards more consistency within the NC System. The financial impact to implement these recommendations would be minor at best and could produce large rewards in the future.

For now, we look forward to the rest of the year and the impact the change in management will have on both the City and the NC System.

ECONOMIC & WORKFORCE DEVELOPMENT DEPARTMENT

Meeting of October 18, 2018

ATTENDEES

Economic & Workforce Development Department: John Reamer, Director (Inspector of Public Works)

Budget Advocates: Melanie Labrecque; Elias Garcia, Charles Taylor; Budget Representative Mary Chan

RECOMMENDATIONS

- Fill the General Manager position that is vacant since Jan Perry's departure.
- Continue training and certification programs geared towards industries with high hire rates and high open job rates.
- Continue developing partnerships with the public and private sectors and expand outreach efforts to increase grant funding,
- Continue to increase work placement in both the public and private sectors for youth and adults year-round.
- Allocate funds for 4 people for the Jobs and Economic Development Incentive Zones (JEDI) Program staffing.
- Allocate 9 full time staff members to facilitate the Business and Loan resources and Small Business Boot Camp.
- Utilize resources that are available through HHH funds and through Special Grant Funds. Consider using some of these funds for LA:Rise.
- Revamp the "Employment at EWDD" web site to include real time positions.
- Maintain existing Department key performance measures for 2020-21.
- Allocate funds for 1 full time position for detailing analytics and tracking key performance measures with actual job placement.
- Allocate funds for a city-wide public service campaign to inform citizens about Workforce Centers and the JEDI Program.

DISCUSSION

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

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

EWDD has a total budget of \$25 Million, a decrease of just under 3% from the previous fiscal year. Approximately half the budget comes from federal funding via Workforce Innovation and

Opportunity Act (WIOA) funding. An addition 37% comes from the General Fund. The remainder comes from grants and philanthropic sources.

Indirect costs total \$12.2 Million. This funding is also heavily grant-based and any decrease in grants could cause a shortfall leaving the department in a deficit.

Positions are mostly backfilled with grant money. The Department would benefit from procurement reform to help it maintain its staffing to support its Programs. The Department would also benefit from finding additional resources that are available through HHH funds and through special grant funds.

There are 167 full time approved positions. 35 positions, representing nearly 21% of the approved staffing, are unfilled. Most of the hiring is internal from other City Departments.

John L. Reamer is the interim General Manager of the Department. He is also an Inspector with the Bureau of Contract Administration. Both of these organizations would benefit from focused management.

With Regard to the Department website and hiring for the Department, the “Employment of EWDD” web site should be revamped to include real time positions. None of the actual vacancies are currently listed on the website.

Programs

This Department receives 63% of its funding from grants provided by two federal agencies, the Department of Labor and the Department of Housing and Urban Development. The rest of its funding is from the City’s General Fund. EWDD manages a broad range of programs that provide assistance in the areas of business support, employment, and youth development. The Department has 3 service divisions:

- The Economic Development Division offers \$600 million in direct and indirect financing and technical assistance to programs that promote business growth and job creation.
- The Workforce Development Division oversees employment services offered through Work Source and Youth Source Centers.
- Youth Source, Hire LA’s Youth, and Summer Youth Employment Program are teen and young adult programs that work to promote youth achievement. The Division engages families and community partners to create opportunities for teenagers and young adults to reach their educational, employment, and personal development goals.

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

- Annual revenue not to exceed \$10 Million.

- Create a permanent full-time equivalent job for every \$35,000 in financial assistance received.
- Of total jobs created, 51% must be filled or made available to low- and moderate-income people.

Business development incentives and programs offered through EWDD are as follows:

- The EB-5 Visa Program provides visas for individuals seeking permanent residence based on their engagement in a new commercial enterprise.
- The Restaurant and Hospitality Express Program acts to streamline approvals, provide assistance to restaurateurs and their design and construction teams, and coordination of permitting and regulations.
- The Federal empowerment Business Tax incentive that provides:
 1. Tax deduction for state and local general sales taxes.
 2. Tax credits for research expenditures.
 3. Work Opportunity Tax Credit which is a credit for hiring qualified long-term unemployed people.
 4. Increased expense allowance for business assets, computer software, and qualified real property.
 5. Bonus depreciation allowance.
 6. Tax incentives for investment in empowerment zones.
- The Green Business Incentive is dedicated to promoting the clean technology sector through innovations like Los Angeles Cleantech Incubator, a business incubator established to accelerate the commercialization of clean technology and job creation, and PortTech, a non-profit center dedicated to creating sustainable technologies for ports.

Los Angeles Unified School District (LAUSD) offers a Small Business Boot Camp. It is an 8-week program that provides small contractors with the tools to improve their competitiveness. Graduates from the program have the needed knowledge to bid on LAUSD contracts.

An additional 9 full time positions would enable the Department to better facilitate the Business and Loan resources and Small Business Boot Camp.

The Jobs and Economic Development Incentive Zones (JEDI) Program is a recent ordinance that identifies zones that meet certain criteria based on unemployment, high crime rate, and high opportunity. The ordinance expedites the permitting processes and reduces wait times. The targeted areas have not benefited from the improving economy and are not experiencing the growth that other communities in the City experience.

JEDI's goal is to help grow the identified communities' economies and to bring economic equity throughout the city. The JEDI program is a business opportunity to experience growth in areas like East San Fernando Valley, East Los Angeles, Boyle Heights, Pico Union, South Los Angeles, Wilmington, and San Pedro. They are identified in the Department's 5-year plan. The JEDI program could be expanded with 4 additional positions that would serve all 15 City Council Districts.

The LA:Rise Program was implemented 5 years ago to build a path from unemployment to transitional employment to permanent employment. The Program is a collaborative partnership between EWDD, Chrysalis Enterprises, Goodwill Industries, Los Angeles County's Workforce Development System, and for-profit employers. It puts experts at the front line, interacting with individuals that face multiple barriers to employment. The Program is successful and growing.

The Department should engage in a city-wide public service campaign to inform citizens about Workforce Centers and the JEDI Program. They can explain how the Programs specialize in different job offerings by industry and by trade. The 2020-21 Budget should fund this effort.

The Department measures the success of its programs with 3 key metrics, the number of new jobs created through Workforce Centers, the number of WIOA placements, and the number of hires in youth job placement. The Department would benefit if it hired a data analyst to help track metrics and provide quantitative analysis.

CONCLUSION

The strength of the EWDD programs stem from the continued support of industries and organizations that see the value in the economic development in the City. EWDD helps serve regional economic workforce employment needs. The EWDD programs also play a valuable role in the California Community Colleges Chancellor Office's Workforce and Economic Development framework that prepares its students to enter or re-enter the workforce. These efforts address the structural skills mismatch facing the Los Angeles workforce.

The EWDD has strong programming with the support of industry and granting organizations that see value in furthering the economic development of the City. While the EWDD helps to service regional economic workforce and employment needs, it is important to ensure that stakeholders from one region can pursue opportunities across regions. It is through combined efforts that the EWDD programs rise to an ever-changing environment to develop and sustain economic growth and global competitiveness.

EMERGENCY MANAGEMENT DEPARTMENT

Meeting of October 16, 2018

ATTENDEES

Emergency Management Department: Aram Sahakian, General Manager; Ellen Linaac, Division Chief Administration & Finance

Budget Advocates: Liz Amsden, Tracey Brown, Melanie Labreque; Budget Representative Matt DiMeglio

RECOMMENDATIONS

- Establish a 5-year plan to ramp up the scope of the Emergency Management Department to realistically meet needs of the City of Los Angeles in the event of a major emergency.
- Properly fund continuing upgrades of the Emergency Operations Center.
- Establish satellite offices, possibly in Council District Field Offices, to coordinate neighborhoods in the aftermath of an event.
- Make current resolution positions permanent.
- Permanently fund sufficient disaster management personnel to staff the current Emergency Operations Center and satellite centers 24/7 in emergencies, rotating shifts to allow sufficient down time for maximum efficiency.
- Fund a fleet of stand-alone vehicles to be mobile operations centers on the ground in disasters.
- Fund a shadow General Manager to assist and to cover when the General Manager is unavailable.
- Double the staff for training and outreach programs and make them full time.
- Encourage all Council Districts to develop local plans out of their constituent Field Offices.

DISCUSSION

Is the City of Los Angeles going to have a moment after one of the emergencies identified in the Stafford Act hits? When the should-haves and could-haves dominate the news cycles? When people are dying and resources can't be moved to them?

The Stafford Act defines a major disaster as any natural catastrophe (including any hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought) or, regardless of cause, any fire, flood, or explosion.

Damage from hurricanes, snow, and tornadoes is infrequent in Southern California, but the City is at high risk for many of the other cited disasters. Today we face concerns unheard of at the time the Stafford Act passed in 1953, planes toppling high rises, typhoid in homeless camps, gas leaks beside housing developments, ricin in parcels, and a multitude of cyber security issues.

Think of what would have happened if the 7.1 Ridgecrest earthquake had ripped through downtown Los Angeles on a business day? Northridge was only 6.7. A Ridgecrest magnitude quake would be almost 50% more severe, and an 8 would be more than twice as bad. There have been 9s further up the West Coast and a 9.5 earthquake devastated Chile in 1960.

The current budget for the Emergency Management Department (EMD) is about \$3.75 million, less than \$1 per person in Los Angeles. \$3.5 million of that is for salaries with a staff of 30 including only one public health coordinator. About \$600,000 is for community emergency management and preparedness. The latter would address bioterrorism, epidemics, outbreaks of infectious diseases, and health care issues such as water contamination (a real concern given the fracking within city limits) and the Aliso Canyon gas leak.

In following the Mayor's Budget Policy Goals' stated mandate to "Submit zero impact budget requests for all new service proposals or enhancements to existing services that have a General Fund impact," EMD will make limited requests. This does not benefit the residents and businesses of Los Angeles.

Expenditures can be mitigated by participating in State and Federal programs aimed at reducing risks and by sharing costs between Departments.

Too much of Los Angeles's General Fund is consumed by liability payouts and other preventable settlements as well as on homeless programs. The former needs to be stopped. Those guilty should pay, not the City, and the City needs to adopt a zero-tolerance policy towards fiscal and discrimination improprieties.

And, while reducing the human costs of homelessness is a priority on many levels, our tax dollars need to benefit all Angelenos. The health and welfare of all inhabitants should take precedence over a deplorable situation caused and exacerbated by decades of political see-no-evil. And that solution may not be building new housing at a per-unit cost of over \$400K. The City needs to evaluate all its priorities. After 9/11, City executives bought into Homeland Security's my-toys-are-bigger-than-you-toys game and millions of taxpayer dollars at all levels of government were spent on weaponry for what, for most people, will be a once in a lifetime event. In the meantime, people are dying every year in fires and flood.

At the Federal level, FEMA has a budget of \$450 million for terrorism, but only \$10 million for emergencies such as hurricanes, fires, and tornadoes that annually injure and kill far more Americans.

To double the Los Angeles EMD budget would take \$1 per person, less than most spend on coffee or the lottery in a week and, according to many, would be preferable to bad paving of local streets before elections or the stockpiles of swag that Neighborhood Councils, Council District Field Offices, and Departments give out that just add to our landfills.

Staffing

The EMD's mandate is to provide for response and recovery of the entire City in the event of an emergency. There are approximately 30 people currently working to not only address immediate response and abatement of any major emergency, but also to develop and implement a recovery effort that might take years.

Often there is not one isolated incident but a cascade of problems. The Woolsey fire report shows that those problems do not have to be just in Los Angeles. Other crises in California and elsewhere can drain aggregate resources.

As in a number of other City Departments, EMD's employees are hired away after they are trained. The Los Angeles Department of Water and Power pays 20% more and has better retirement benefits as do other cities' emergency management teams that are also scaling up. Retention must be addressed.

The EMD is short-staffed. It would be difficult, if not dangerous, for it to manage an event by working 24/7 in 12 hours shifts beyond two weeks. The Department needs qualified back-up for all operational management.

Given that there is only one Emergency Operations Center and the risk that access to it would be limited in many of the possible events, the Department needs more than back-up personnel. It needs cross-training so staff can handle all operational needs.

If this means that staff other than the General Manager need to be in exempt positions, so be it. Operational readiness starts with a well-trained team and this is not a Department where the City can allow democracy to delay action. Leadership skills and military backgrounds should be encouraged.

Ready Your Los Angeles Neighborhood (RYLAN) and other programs that use residents-in-place in the immediate aftermath of an event to assess their homes and those of their neighbors, take action for the ill and handicapped on their streets, and have plans to address food, water, fuel, transportation, communication and first aid are commendable. After the first few hours, there needs to be boots-on-the-ground trained leaders assessing, communicating, and rolling out a plan across the City. The Department needs to find and build those leaders now. It cannot rely on volunteers who can move, die, or become incapacitated through age or illness. They need to introduce these leaders to the neighborhoods so they know the problems the different areas of the City face, be it crumbling high-rises, limited through-streets, etc.

RYLAN and Neighborhood Council trainings can multiply the reach of these programs, but relying on existing staff to provide these trainings on overtime is a false economy. The Department needs twice the number of people working full time right now.

The Department needs to aggressively target volunteer programs in higher-risk neighborhoods such as those around the Port and in fire-prone zones. While there has been good response in some areas of the City, all areas need to be included. The Department needs to assess and

address why some areas lack volunteers. Reasons can include that people work multiple jobs and/or hours that don't jibe with schedules, access, etc.

The EMD also needs teams that focus on area-specific concerns such as refinery-related problems in the port area, tsunamis and liquefaction along the coast, and slides and bottlenecks in the hills. It also needs to address pan-City problems including potable water, food, and fuel for 4 million plus people, evacuation procedures, disease and quarantine, and communications. The Department needs to update plans, especially those for major evacuations while allowing emergency equipment access. The EMD needs partners, not only in the other Departments, but also in the Council Districts and the Neighborhood Councils. People need to know their roles for each eventuality to avoid panic and expedite recovery.

Equipment

On top of the dearth of personnel, too little of the EMD's budget is invested in equipment needed to effectively respond to emergencies and oversee recovery afterwards. Funding is needed for continuous maintenance and upgrades of the Emergency Operations Center. Replaced equipment can be recycled to build satellite centers and/or sold to other cities in need.

The Department needs its own vehicles so it is independent of the General Services motor pool (already in the cross-hairs of the City Controller). It should have vehicles with 4-wheel drive off-road capabilities so they can serve as mobile operations centers with GPS, mapping, satellite communication, and EMD operations staff field shelter and supplies.

After PG&E cut off power for nursing homes and people at home who rely on power for life support, the Department for Disability, the Los Angeles Department of Water and Power, Los Angeles Homeless Services Authority, Neighborhood Watch Programs, Council Districts, and others need to work together to develop lists of and plans for the elderly, the handicapped, those needing ongoing medical attention, and shut-ins.

Community outreach can be combined with ensuring every Angeleno has a basic support system in place, not only in an emergency, but always. It may take some sensitivity to work around privacy concerns, but this would establish a foundation to improve the quality of life in neighborhoods across the City.

The EMD needs to have the resources for a more robust recovery phase, the planning and resources necessary to sustain the City on an interim basis until State and Federal resources can be tapped.

This might be a few days but, depending on the event and how widespread it is, this could be a few weeks or a few months or years. Remember Katrina.

Plans and Programs

The EMD is taxed with ensuring the City and all its Departments have updated emergency response plans for their staff as well as continuity of operations plans. The EMD can help with grants and other resources to amplify the resources procured with City funds.

The Department needs to partner with the Port to invest in joint emergency training and plans for the South Bay including interfacing on emergency procedures.

The EMD needs the personnel and resources to ensure they are on the cutting edge for cyber-security response, both within the Department and City operations, and if a major event hits Los Angeles.

To expand its penetration through the 469 square miles of the City, the EMD would like to work through the Council Offices on their continuity of operations plans. This is currently not mandatory and only two Council Districts have taken advantage of their offer so far.

There could be significant synchronicity from working through Field Offices which typically are more familiar with their area and people and can offer training, services, storage, and, potentially, space and support for brick-and-board satellite operations centers and/or staging for mobile operations centers.

Inter-agency Response to Emergencies

Los Angeles cannot act in a vacuum. Fires and other disasters do not pay attention to county and city boundaries, and response must be seamlessly coordinated between jurisdictions.

Los Angeles County's recently-released After Action Review of the Woolsey Fire Incident sets out many steps that the County, City, various agencies, community groups, homeowners, and individual residents can take to upgrade the effectiveness of responses next time. And there will be a next time.

First and foremost, there needs to be consistent, clearer, and more timely communications to residents and between agencies. In July, Los Angeles residents jolted by the Ridgecrest earthquakes, received no information for 3 days. Notifications for the Sepulveda and Getty Fires showed significant improvement, first in promptness and then in specifics.

Evacuation strategies must plan for all considerations including combinations of factors (both the Woolsey Fire and the fatal Paradise Fire in northern California included high wind events) when, as often happens in California, they are closely linked.

Earthquakes and fires can lead to tsunamis and landslides which will impact water supplies, create transportation bottlenecks, and affect medical responders and equipment. Plans cannot be made in isolation from either of the type of emergency, the populations affected, and the agencies providing assistance.

CONCLUSION

The Emergency Management Department is undervalued, underfinanced and understaffed. It has good people and good plans, but it currently lacks the resources to implement them. While the Department is making a heroic effort to fulfill its obligations to Angelenos, the Mayor and City Council need to give it the same increase in resources that were given to the Los Angeles Fire Department after the Woolsey Fire.

Major disasters have tripled in the last 50 years and with climate changes we can expect them to become more frequent and more intense.

After a major event is too late to plan, too late to staff, and too late to answer to the people of Los Angeles.

Los Angeles needs to be prepared for any eventuality. The EMD infrastructure needs to grow from overextended and inadequate to become the pride of the City.

The Mayor needs to stop prioritizing reining in the budget through the old line-item approach and start looking at the City and its needs holistically. He needs go back to what he was asking for five years ago when performance budgeting was intended to put results above the bottom line.

This is a major opportunity for innovation, for Los Angeles to lead the way, instead of crossing its fingers.

The Mayor and City Council need to give the Emergency Management Department the resources needed to prepare Angelenos to survive.

BUREAU OF ENGINEERING

Meeting of September 27, 2019

ATTENDEES

Bureau of Engineering: Deborah Weintraub, Chief Deputy City Engineer; Robert M. Kadomatsu, Chief Management Analyst

Budget Advocates: Connie Acosta, Brian McCain, and Budget Representative Kay Hartman

RECOMMENDATIONS

- Ensure outreach for capital projects connects with all community groups and stakeholders.
- For Taylor Yard project:
 - Create a barrier, hedge or wall, along the railroad tracks to keep the speeding trains from blowing the contaminated dust into the environment.
 - Place air quality electronic monitors at nearby schools, on the grounds of El Rio de Los Angeles State Park, and on the River Park residential complex adjacent to Parcel G2 for measuring the amount of pollutants and alert the students and visitors as to the site's level of contamination exposure for their precaution and safety.
 - Find an alternative method besides using retardant dust offered by Department of Toxic Substances Control for repressing the contamination.
 - Place alert signage, with listings of the on-site levels of contaminants, along the pedestrian hiking paths on both sides of the Los Angeles River within 1,000 ft. radius from Parcel G2 including along the fence of Rio de Los Angeles State Park, and school sites.
 - Eliminate the use of vapor extraction of contaminants even though some agencies approve of the strategy.
 - Alert (via canvassing) the adjacent public schools and community when extracting contaminants.

DISCUSSION

The Bureau of Engineering (“Bureau” or “Engineering”), part of the Department of Public Works, focuses on the planning, design, and construction management of public buildings, infrastructure, and open space projects. Projects include municipal buildings, bridges, street and transit projects, stormwater and wastewater systems, development of parks, and the restoration of wetlands. Engineering also manages permits for construction in the public right-of-way.

The Bureau does not initiate projects. If another Department has a project that requires the Bureau of Engineering's services and the Mayor and City Council prioritize it, the other Department contracts with the Bureau for its services.

Revenue

The Bureau's budget is approximately \$104 million, approximately 9.2% greater than the previous fiscal year. Approximately 36.6% of the revenue comes from the General Fund with the remaining 63.4% coming from Special Funds, including payment from other Departments that hire the Bureau and \$40 million in permit fees.

Most of the Bureau's funds are transfers from projects requested by other City Departments. Salaries are paid with money from public right-of-way permits, and this money is increasing as the number of projects increases, although the permit fees do not cover the full cost of staffing. The difference comes from the General Fund. Ninety-five % of the Bureau's budget goes to salary and benefits. That said, Development Services are full cost recovery. Development Services consist of Plan Check & Permit, Inspection, and Code Enforcement. The services are provided by the Bureau of Engineering along with the Department of Building and Safety, the Department of City Planning, the Department of Transportation, and the Department of Water and Power.

Staffing

The Bureau struggles to maintain staffing levels. It currently has 128 vacancies out of the 911 positions in the budget. The Personnel Department has completed a new Cert List from which the Bureau can hire and this should ease hiring in the near future.

The City calculates a Salary Savings Rate that takes into account anticipated vacancies. The Bureau's Salary Savings Rate is 5% which means that it is supposed to maintain staffing levels at 95% of the approved positions.

The staff is augmented by contracted help. The consultants enable the Bureau to be flexible with staffing. When more people are needed for a specific project, it can quickly staff up. When the project completes, it can let the consultants go. This allows the Bureau to maintain a consistent staff and not have boom and bust cycles. In fact, in the last city layoff, the Bureau of Engineering did not lay anyone off. It even picked up City employees from other Departments who were being laid off.

Thirty-six % of the staff is eligible for retirement. Hiring generally occurs at the entry level. It is difficult to attract young engineers and architects although the City and the Bureau are taking steps to become more attractive to that population.

To hire new talent, the Bureau employs its young and vocal employees to recruit new graduates. It has an internship program for college juniors and seniors.

Once hired, the Bureau allows new hires to work in an 18-month rotation to get broad experience and then decide the preferred areas of interest. It has a robust mentorship program where the

mentor comes from outside the employee's group. It also includes junior staff in strategic planning so their voices are heard.

To engage potential future employees, the Bureau sponsors a high school bridge building contest and it supplies staff to support any Los Angeles team that reaches the national finals.

The City entered into new Memos of Understanding (MOUs) allowing associates to start at Step 6. The previous starting step was 1. This is new and it is a big selling point that has helped to make recruitment easier.

The Bureau finds that many of its employees promote out (move on to another department) after 3 or 4 years.

The Bureau is hiring a large number of women with an eye towards achieving gender equality, a priority for the Department of Public Works.

Projects

The Bureau considers fiscal year 2018-2019 a success. It completed 127 projects. Among the completed projects are:

- Albion Riverside Park, built with Proposition O money, completed in March. It includes a water infiltration system that captures storm water and then filters it below ground before it is released into the Los Angeles River.
- The Gardner Street Library conversion to bridge housing, financed through HHH funds at a cost of \$1.8 million. Built in the 1950s, the project required reinforcing the masonry, new plumbing, a new roof, and repaving the street. The project design had to meet the requirements of the building's historic designation.

At any one time the Bureau has close to 500 projects in development. Eighty-two projects are planned for completion in fiscal year 2019-2020.

The Bureau thinks it is doing sufficient outreach on its capital projects. It coordinates with the City Council Districts on outreach to the communities including the Neighborhood Councils.

The Bureau plans for 3 years, creating timelines for each phase of a project. That is as far as it can see for the kinds of projects that it is asked to complete. The exception is sanitation projects that are budgeted for 10 years. Budgets depend on the length of each project, many taking multiple years to complete.

Technology

The Bureau of Engineering has an aggressive technology program. It has its own technology group that comes up with ideas and then implements them. Its ideas are forward-looking and coordinated with the City IT Department. Technology innovation projects include:

- Within the next year the Bureau plans to complete its migration to the Microsoft Azure cloud. The Bureau expects to be the first Bureau or Department to completely migrate to the cloud. Interoperability between the Bureau and other Departments/Bureaus will be difficult to impossible until and unless more Departments also migrate. Once the migration completes, the Bureau will be able to decommission its servers with the expectation that this will save money.
- The Bureau is experimenting with tablets and with 3D goggles. The goggles allow the engineer to “see” what’s underground. It’s not x-ray vision. The engineers don’t really see. The system interprets the data that maps to what the engineer is looking at and renders it in the goggles.
- The technology group installed a 3D printer. This will allow the Bureau to test its designs less expensively.
- The Bureau executes an annual equipment refresh of technology equipment during which 20% of the Bureau’s equipment is upgraded, balancing budget with modernization.

Metrics

The Bureau takes metrics seriously and uses them to set goals. Metrics are second nature to them. Every program has a measure.

One year ago, the Bureau initiated the use a mobile app that walks a citizen through the steps of obtaining a permit and then allows the citizen to pay for that permit online. The implementation of this app allows the Bureau to maintain current staff while increasing the number of permits it issues. The goal is to issue 8 permits within 60 seconds 90% of the time.

Taylor Yard Parcel G2 Project

In 2017, the City bought Taylor Yard Parcel G2 (Parcel G2) from a former railroad network with the focus to revitalize its river edge. It is a highly contaminated 42-acre site, sitting east of Elysian Park, on the northern riverbed of the Los Angeles River and behind the railroad tracks of El Rio de Los Angeles State Park on San Fernando Road in Cypress Park.

Taylor Yard Parcel G2 was part of the former Union Pacific Railroad network. Parcel G2 was used as a rail yard operations site for fueling, rail car and locomotive maintenance, and storage

facility. Under various other names the network existed from 1865-1996. The site permanently closed in 2006 and was demolished in 2009.

The Bureau of Engineering is taking the lead in the cleanup/remediation effort of the contaminated site. The Parcel G2 project team is in partnership with government agencies, City departments, and City hired consultants with the ultimate goal of activating the river edge along Parcel G2.

The nearby communities to Parcel G2 have health concerns regarding the constant dust that is generated at the contaminated site due to the ongoing traffic. Department of Toxic Substances Control recommended for the City to use dust retardant, Soil-Sement^R to contain the contaminated soil at Parcel G2. However, the problem is compounded and dust retardant is not effective as trucks with heavy equipment drive over the suppressant blowing it away when working in the adjacent easement. Also, residents are concerned when the speeding trains running along the upper border of Parcel G2, loosen the retardant of the contaminated Parcel G2.

CONCLUSION

The Bureau is at the forefront of technology in designing and supervising the many diverse projects proposed by City Departments. The Bureau is also preparing to handle the demands of many Departments by increasing its staff through the implementation innovative hiring practices.

The technology innovation has benefits and drawbacks. A benefit is that the Bureau is propelling itself into the future. The drawback is that it will lose any interoperability until other City Departments migrate to the cloud.

ETHICS COMMISSION

Meeting of October 2, 2019

ATTENDEES

Ethics Commission: Executive Director Heather Holt and Deputy Executive Director David Tristan

Budget Advocates: Liz Amsden and Carol Newman

RECOMMENDATIONS

The City should:

- Fund regularizing one Auditor 1 position, upgrading the governmental ethics program manager to a Senior Management Analyst I, and creating and maintaining a developer database with compliance assistance regarding prohibited contributions if prohibitions are adopted.
- Enhance the Commission's ability to enforce its mandate by:
 - Returning to the original proposal by the Ethics Commissioners on developer money reform (those whose interests are the target of such reform cannot derail the reforms).
 - Requiring every Council District to set up and maintain a page on its website clearly showing details of all monies received and expended in connection with the Councilmembers' discretionary funds.
 - Making the necessary institutional changes to ensure that all departments report malfeasance to the Ethics Commission and City Attorney upon discovery.
 - Compensating the Commission from the Matching Funds Trust Fund for the operation of the Fund.
- Push the City Attorney to set clear parameters and related procedures to reduce the incentive for that office to cave to lawsuits challenging treatment of ethics violations.
- Make the necessary regulatory changes to ensure all instances of malfeasance are punishable.
- Increase the penalties for scofflaws.

The Commission should:

- Work with the Mayor's office and departments to address ways to enforce reports of potential ethics violations consistently across departments including setting clear parameters to protect confidential personnel info.
- Develop strategies to address ways to change the culture of hiding violations.
- Consolidate and plan for the future including proposals for Charter update.

- Continue and expand its outreach to allow stakeholders' voices to be heard above the self-interest of the electeds.
- Increase its visibility.

On Budget Day, stakeholders raised a number of ethics-related issues which do NOT fall within the jurisdiction of the Commission but which deserve to be addressed by the City immediately and with transparency, including:

- Developers skirting around code requirements and harassing complainants.
- Businesses/developers not providing the promised quid pro quo to the City and its residents in return for tax and other incentives.
- The City not enforcing health and safety violations by landlords.
- Public money being spent on settling harassment cases brought against City officials.
- Liability settlements, often excessive, for frequently spurious cases which only encourage more of the same.
- Perceived manipulation of the Fire and Police DROP programs rules to significantly increase payouts to already well-paid individuals.

DISCUSSION

Founding and Purpose of the Ethics Commission

The mandate of the Ethics Commission is to preserve the public trust by promoting elections and government decisions that are fair, transparent and accountable, and to shape, administer, and enforce laws regarding governmental ethics, conflicts of interests, campaign financing and lobbying.

After perceived conflicts of interest by the mayor in the 1980s, City voters approved Charter Amendment H in 1990, embodied as Sections 470, 471, and 700-712 of the City Charter, creating the Ethics Commission to oversee governmental ethics, campaign financing and lobbying in the City of Los Angeles. As part of the most comprehensive package of local governmental ethics in the country, the Commission's goals are transparency, integrity, impartiality and accountability.

In addition, the Ethics Commission oversees and regulates the City of Los Angeles Matching Funds Trust Fund. The matching funds program first became effective with the 1993 elections. The trust fund balance now stands at nearly \$20 million, so, even with recent changes to expand the program, it is anticipated the fund will remain fiscally sustainable at least through 2026.

Areas of Jurisdiction

The Commission has three separate but related areas of jurisdiction: campaign finance, lobbying, and governmental ethics. All three need sufficient funds to educate, advise, process disclosure statements, audit, investigate, and provide the appropriate evidence to enforce on a timely basis to provide strong deterrents to scofflaws.

Under a new contract, LAUSD must reimburse the Commission for its work on school board election oversight. The new reimbursements are reflected in this year's budget, which provides six-month funding for additional outreach and education staff.

The Commission regulates tens of thousands of persons, including elected officials, employees, lobbyists, candidates, contractors and others. Ethics staff process over 15,000 disclosure filings and assist with over 20,000 compliance contacts each year, numbers that continue to increase. Only the State of California's Fair Political Practices Commission, which administers the State's Political Reform Act regulating campaign financing, conflicts of interest, lobbying, and governmental ethics, has more compliance contacts than the Los Angeles City Ethics Commission (think of all those propositions and PAC donations), but their budget is almost three times greater with over three times the staff. The Secretary of State's office handles campaign filings for the state.

Funding

All of the Ethics Commission's funding comes from the General Fund. Their operating budget for FY 2019-20 is \$3,687,881; of that over \$3 million is in salaries, up about \$350 thousand from last year. The majority of the monies budgeted for 'contractual services' -- \$250 thousand, almost 7% of their total budget -- is designated solely for an outside prosecutor in the event there might be a conflict of interest in using City attorneys.

As a matter of record, the outside prosecutor fund has rarely been tapped -- a total of \$16,000 over the past 25 years. Since this amount is designated as Ethics monies under Charter Amendment H, these funds should be rolled forward (i.e. a year after they are budgeted) for use by the Ethics Commission in educational purposes, specifically people considering running for office, potential staff, lobbying firms, and issue-specific groups, and for more robust investigation and prosecution of those who break the law.

With the infusion of monies as a result of the LAUSD refunding costs incurred by the Commission in connection with schoolboard elections, they now have funds and flexibility to address some of the concerns that have arisen in recent years.

But, given the significantly lower limit for matching funds and the expectation that the next couple of City Council elections will have a large number of candidates due to the terming-out of incumbents, work for the matching funds program may dramatically increase. A couple of years will be needed to work through the impact of these changes on workload and demands before reassessing funding and personnel needs again.

Why the Ethics Commission Is Essential

The Ethics website at <https://ethics.lacity.org/> is a window to transparency in Los Angeles, and a great source of information on all things ethics-related. It is also a door to accountability. The public can use it to watchdog as much as they want, and the Commission believes the best scenarios are when the public has the opportunity to examine public filings and raise questions. Whistleblowers can report online or call (800) 824-4825.

And it works: following the recent report of the largest penalty assessed in the Commission's history, there has been a significant up-tick in calls requesting information and help. Furthermore, more and more people whose activities fall under the Commission's purview are reaching out to the Ethics staff to determine what they can and can't do, forestalling potential problems and saving them and the City money.

By escalating the reporting and publicizing of cases and penalties, the Commission is showing its commitment to protecting the interests of the people of Los Angeles as well as putting those who might emulate scofflaws on notice that malfeasance will not be tolerated.

The City should hold department managers strictly responsible for reporting of potential infractions to the Ethics Commission and the City Attorney within 10 days as is currently required, as well as immediately stopping the practice, still active in certain departments, of allowing lawbreakers to resign or retire without consequences in an effort to avoid blowback on such departments. And those who break the law should never be allowed to draw City pensions. Rewarding such bad behavior is abhorrent to most voters.

We again recommend that the Commission increase its visibility in pursuing and publicizing verdicts against fraud committed by City employees and vendors including those referred to other law enforcement agencies, and for any proven pay-for-play relationships between developers and City Hall, as soon as feasible.

The public has less concern about the City's image and more about what is right. And that image can only improve if the bad apples are consistently weeded out and punished. Every effort should be made to change the culture in the City government from one of looking the other way to one of being accountable to all Angelenos. The Ethics Commission has a mandate to not only pursue these cases but also to ensure that convictions serve as a public deterrent to all who would break the laws and drain our tax dollars away from needed services.

CONCLUSION

The primary focus of the Commission as the people's representative at City Hall must be to assess what is important to the people of Los Angeles, so the Commission can deliver what is wanted/needed by the people, which may not necessarily coincide with the plans of the electeds. Currently the Commission is working with the Department of Neighborhood Empowerment and the Neighborhood Council system but they need to reach out to other interest groups around the City.

Dating back to before the establishment of the Ethics Commission, the people of Los Angeles have mistrusted those on the City Council. The more the Commission can do to reverse this trend, the more confidence stakeholders will have in those in office and those who do their bidding.

Increasingly, the public has voiced concerns about ethical improprieties, real or perceived, by the elected officials and City employees and influence peddling by developers and other lobbyists -- all impacting decisions that affect stakeholders' quality of life. These do not happen in a

vacuum. For many years there has been a culture at City Hall to accept the status quo, to look the other way. Real change depends on moving toward an environment of openness and accountability.

Educating people at all levels on ethics laws and encouraging participation in oversight through the website should be a priority moving forward. When decisions are made with knowledge of parameters, there is far less incentive to step outside laws and regulations. And even when actions are not technically illegal, the appearance of malfeasance can have a significant impact. The City cannot risk losing the trust of the electorate.

OFFICE OF FINANCE

Meeting of October 16, 2019

ATTENDEES

Office of Finance: Edwin Avanesian, Revenue Manager; Horacio Arroyo, Sr. Management Analyst

Budget Advocates: John DiGregorio, Brian Allen

RECOMMENDATIONS

- Continue investments in new and upgraded Enterprise Resource Planning software.
- Develop forecasts with various degrees of risk that will lead to contingency plans if revenues plateau or decrease.
- Forecast future liabilities, contractual wage increases or otherwise, in financial models to give transparency to critical factors which may limit future year budget flexibility.
- Create a mechanism for taxing segments of the Cannabis industry that avoid current regulations such as delivery services. Licenses and permitting could extend to businesses that operate in a ‘middle-man’ capacity between retailer and consumer.

DISCUSSION

The Office of Finance is tasked with the assessment and collection of fees and taxes as well as auditing each licensed business within the City. Along with collections, the Office of Finance maintains the status of all funds, including Special Funds, and those approved by ballot measures such as HHH.

The Office is currently tasked with the accounting and collection of all taxes and license fees associated with Proposition 64, the legalization of Cannabis. This new revenue stream has greatly impacted the Office which must now manually count and deposit large quantities of cash daily. After the implicit security concerns, the operational inefficiency created by this practice needs to be addressed. Over a dozen City employees in the basement of City Hall, along with LAPD and private security companies, are required to handle these collections because Federal law and insurance does not extend to money related to the sale or distribution of Cannabis.

To increase the Cannabis revenues further, the Office should create a mechanism for taxing additional segments of the Cannabis industry that are outside current regulations such as delivery services. Licenses and permitting could extend to businesses who operate in a middle-man capacity between retailer and consumer.

The most notable improvement to the Office’s operational efficiency was the successful launch of PONDERA, a case management and fraud detection tool. This software aids the Office in its assessment the City’s licensed businesses to determine their relative risks and the selection of businesses for routine audits to ensure their compliance. Additionally, the software allowed the Department to eliminate or automate many tasks that have historically taken multiple people or

teams weeks to complete. The software allows the team to create virtual workflows that ensure no task is duplicated, eliminating pre-deployment duplications. The software also gives the team transparency as to who is working on what and when.

The Department should continue to invest in new and upgraded Enterprise Resource Planning software. This will lead to further process automation and the streamlining of financial modeling and will free up Department employees to focus on analyzing models and trends instead of data collection, consolidation, and preparation.

The top priority for this fiscal year is the transition from Wells Fargo to several successor banks that are now the City's primary partners in investment strategies. Much of the Office is focused on working to ensure the successor banks are compliant with Los Angeles's "Responsible Banking Ordinance" which requires any bank bidding for a contract with the City to disclose its internal sales goals and other potentially predatory business practices.

The Office of Finance shares many of the same burdens as other City Departments. Obsolete or non-existence systems don't "speak" to systems in other Departments, multiple staffing vacancies exacerbated by bottlenecks in the Personnel Department, and rigid Charter-based requirements that limit innovation.

The Office would benefit greatly from recruiting new hires out of the private sector. Looking outside of the City's current roster to those familiar with business practices other than those employed by the City could help improve operational efficiencies and free up current personnel for more high-level analysis.

The Office is asked to play politics, to find the "right number" by looking at projections provided by the Mayor's team, the CAO, and the Controller. Ultimately this leads to revenue projections based on ideals and policy goals rather than data analytics. A shift to historical modeling with real-world market trends should be left solely to the City's experts in the Office of Finance.

Modeling could include development of forecasts with various degrees of risk that would encourage Departments to develop contingency plans should revenue plateau or decrease, especially those primarily or solely dependent on volatile funding sources.

The Office could also forecast future liabilities and contractual wage increases or otherwise to give transparency to critical factors that may limit future year budget flexibility including wage increases for each union, infrastructure investments, and costs associated with the Green New Deal.

CONCLUSION

The Office is looking to the future through software modernization. This will benefit not only the Office, but the City as a whole. Through technology-led improvements and increasing revenue streams through Cannabis, the Office is defining its future.

FIRE DEPARTMENT

Meeting of October 7, 2019

ATTENDEES

Fire Department: Fred Mathis, Chief Deputy and Administrative Operations Commander; Mark Davis, Chief Management Analyst, Financial Services; Emilio Rodriguez, Senior Management Analyst 2, Budget Management

Budget Advocates: Ernesto Castro; Budget Representative Josh Nadel

RECOMMENDATIONS

- Add 3 drill towers for a total of 4 and hire new firefighters at a rate of 200 per year for the next 3-5 years to lower long range hiring costs by \$50 million+.
- Develop tracking metrics for calls involving homelessness to advocate for additional funds for specialized homelessness mobile units.
- Add more advanced trucks and helicopters.
- Add more advanced units for both trucks and helicopters to meet the new demands the Fire Department has to deal with.
- More budget money for advanced unit firefighters.

DISCUSSION

1,108 uniformed firefighters (including 270 serving as Firefighter/Paramedics), are always on duty at Fire Department facilities Citywide, including 106 neighborhood fire stations strategically located across the Department's 471 square-mile jurisdiction. The Los Angeles Fire Department continues to see a rise in emergency responses pertaining to Fire and Emergency Medical Services (EMS).

Staffing

The Fire Department is plagued with massive staffing issues. In the current FY 2019-20 budget, regular staffing costs are \$403 million with another \$176 million in constant overtime costs needed to maintain the firefighting personnel required to staff every station. That is an extra 43% cost leading to an overall cost of \$579 million. The only way to change that is adding more sworn staff.

A drill tower is the key component of training recruitment. It is the bottleneck of the hiring process. One drill tower can only service a certain number of recruits. Effectively it is the equivalent of a "teacher" but in a fixed asset form rather than a variable cost.

The Fire Department requests a second drill tower to double the amount of hiring from 50 to 100. This will barely make a dent in solving the long-term systemic hiring issues the Department has. Instead, they should get 3 more drill towers this FY, so they can raise hiring to 200 firefighters per year. In a 3-5 year span, hiring levels would equalize so that the overtime rate drops from \$176 million to under \$25 million. It would also be expected that the regular rate rises by no more than \$100 million. This will result of a net savings per year of \$50 million. That would make for some considerable budget changes involving the General Fund.

The Fire chiefs also spoke about an upcoming retirement spike. This is another reason to add 3 drill towers and hire 200 firefighters per year for 3-5 years. In addition to the current shortfall, the Department should expect retirees to take advantage of retirement benefits that are available. One advantage of hiring lots of firefighters in anticipation of a retirement spike is that the yearly salary average per employee will drop from senior employees making way for younger ones.

Homelessness

The Fire Department has many calls for homeless-related issues. These calls use valuable resources and can involve both fire and medical services. The City financial entities (CAO & Controller primarily) do not yet have any metrics to capture the cost of funds used on combatting homelessness. The Fire Department should track homelessness calls by percentage and use some actuarial calculations to figure out how much more resources they are using per year for helping with the homelessness crisis as opposed to their standard mission of fire and emergency medical service.

The Department should use these funds for specialized mobile units. There should be two fire fighters, a social worker and a nurse practitioner. These units would be utilized in the Skid Row area. Those stations in that area are overwhelmed with homelessness calls. That in turn affects neighboring areas. Instead, a small fleet of specialized units should help combat this issue on a more hands-on basis.

Advanced Units

The Fire Department has seen many new challenges over the last decade, including more huge wildfires, the homelessness crisis & the explosion of medical calls. The Fire Department in the City has become a force for both combatting fires and handling emergency medical issues. These demands impede the Department's basic mission of maximizing the City's abilities to deal with damage coming from fires.

The City needs to radically expand its force of advanced units to help control future costs. Currently 81% of the calls to the Department are medical, and that is only rising. The new Advanced Provide Response Units (APRU) are new vehicles that have 2 firefighters and 1 nurse practitioner, with on-board capabilities to solve many medical issues on site. These units have specialized training for many issues including 911 "power users", mental health calls, sobriety calls and other high-volume work comprising the majority of 911 calls. These units stay mobile and can help lower the overtime crisis if a large enough fleet existed to cover much of the hardest worked portions of the City.

The wildfire crisis shows another growing area of concern for our City's fire fighting capabilities. Los Angeles is one of very few global metropolises that has major concerns with yearly wildfires. This problem has seemingly been growing every year for the last few years. The Fire Department needs more advanced units of all sorts from trucks to helicopters to maximize their ability to control fires to minimize damage and loss of life from fires.

Budget

As of the date of this meeting, the 2020-21 FY budget has not been completed. It will be done close to the 12/22 deadline the mayor provided. The budget is supposed to be a "zero balance" budget, meaning that any new spending would have to be offset by lowered spending elsewhere in the budget. That is a penny wise but dollar foolish policy. The Fire Department could be saving the City vastly greater sums on expenses from having additional staffing. This needs to be a priority and should gain an exemption from the zero balance budget mandate.

CONCLUSION

The Fire Department needs to radically increase hiring. The City can save \$40-50 million per year starting in 3-5 years by increasing staffing for this important Department now.

GENERAL SERVICES DEPARTMENT

Meeting of October 25, 2019

ATTENDEES

General Services Department: Emily Mayeda, Assistant Director; Ronn Encarnacion, Assistant Director

Budget Advocates: Garry Fordyce, Nina Smith; Budget Representative Josh Nadel

RECOMMENDATIONS

- Advocate for changes to the hiring process to allow more seasoned employees to be hired, particularly for this Department.
- Increase the City's percentage of electric cars and increase the amount of publicly available EV chargers in the downtown area.
- Increase the preventative maintenance fund in an effort to slow down more costly replacement purchases.
- Create a Petroleum Volatility Fund to save costs on fuel over the long run.
- Spearhead a new initiative with Information Technology to get all City requests for service in electronic form and sent to the correct department.

DISCUSSION

The mission of the General Services Department is to manage City facilities, equipment, supplies, maintenance, and other support services for elected officials and other City departments. They are the behind-the-scenes tacticians allowing every other department to function smoothly. This Department works with almost every other City department, offering a range of services including building maintenance, fuel services, fleet management, parking services, mailing services and much more.

Staffing

This Department lost over 1,000 employees during the period after the Great Recession nearly 10 years ago. They have never recovered those employees. In a typical year this Department may get 50-75 new hires. The problems are that the civil service hiring protocols only allow for lower level employees to get hired into the system and the proprietary departments like DWP & LAWA poach employees for higher pay.

While current budget realities will not allow for much hiring, this Department should advocate if possible for a change to the civil service hiring process, allowing mid- and late-career professionals to be hired for the valuable experience and insight they could bring.

Maintenance

Maintenance is among the highest priorities for this Department. Over 50% of the auto fleet is past its projected life span. Building maintenance is around the 70% level, which is less than ideal. There are a variety of challenges for maintenance in this era of a reduced workforce.

The Department should be lauded for the fine work it has done. However, the City needs to fund this Department's preventative maintenance efforts more. While getting back to the pre-recession level staffing would be impossible, the assets purchased when larger workforces were the norm still require maintenance today. It is vastly cheaper to do preventative maintenance as opposed to new purchases. Accordingly, an increase of funds here will slow down future spending.

Successes in current FY

General Services experienced a lot of success this FY. They have been working on making the City's auto fleet more electric, as per the mayor's demands. As a result, a huge array of EV chargers was required for the City's auto fleet. More chargers should be added.

There is also a new system for Asset Management that promises to save money for the City. Lastly, they introduced a new website with a new portal for City officials (and the public) to use for making requests of General Services. This has cut down on service request wait times in the 6 months it has been active.

Petroleum Volatility Fund

General Services has 17 different subdivisions, and their budget is spread across all of those divisions. Most spending tends to be fairly predictable with some yearly variance, such as building maintenance or mailing services. The fuel budget is highly volatile and has many realtime needs.

Some kinds of maintenance work can be deferred, such as not repairing the secondhand towel dispenser in a bathroom on a timely basis, but not others like the elevators working in a given building. Fuel, on the other hand, is constantly needed. The Department has to maintain a fuel depot capable of refueling all of its vehicles.

With fuel prices being highly volatile, the City and Department should begin procedures to create a Petroleum Volatility Fund to help defray fuel costs when they get too high. This hedging action would save lots of money in the long run. Also, it will be a critical source of fuel in case of a natural disaster emergency.

Portal and IT considerations

This Department debuted a new website in April 2019 to great success. Many City departments need to work with General Services to complete their own mission and now all requests have been standardized to go through the same portal to help facilitate the workload for the Department.

Many departments have huge IT needs looking forward, in terms of how they can best communicate with and offer services to residents. This Department should spearhead a new initiative with Information Technology to get all City requests in electronic form and sent to the correct department for the service request.

CONCLUSION

This Department has a very complex mission. By being the support agency for nearly every other City department, this means that they are stretched thin both from a workforce and a funds point of view. This Department should get more money for preventative maintenance, since that is much cheaper than replacement purchases. A Petroleum Volatility Fund will help hedge against rising fuel costs and provide some emergency services supplies as well. Additionally, this Department, with the help of Information Technology, could greatly help streamline service requests from other departments, saving money and frustration both from City employees and stakeholders.

LOS ANGELES HOUSING COMMUNITY INVESTMENT DEPARTMENT (HCID)

Meeting of October 1, 2019

ATTENDEES

Administration and Staff: Luz Santiago, Assistant General Manager; Daniel Gomez, Director of Enforcement Operations; Rosa Benavides, Chief Management Analyst; Sara Wall, Community Housing Programs Manager; Brittany Batong, Sr. Management Analyst

Budget Advocates: Connie Acosta, Charles Taylor, Elias Garcia, Evelyn Valdez; Budget Representative Kay Hartman

RECOMMENDATIONS

Increase Staff

- Ensure that all vacant positions in the HHH and other programs are filled with the required staff to keep the pace of affordable housing construction progressing.
- Hire an increased number of staff to support the administrative and financial functions of the HHH Program to streamline the pre-construction and construction phases.
- Work with the Personnel Department to periodically release certified lists to expedite the hiring process.
- Recycle the repaid HHH loans to continue building additional low-income housing.
- Hire an increased number of Finance Development Officers to manage the finance staff who oversee the finance work of various units of the Department.
- Hire an increased number of qualified staff to oversee the at-risk affordable housing database and track the expiring covenants to notify tenants 18 months prior to expiration date.
-

Increase Fees

- Increase rent stabilization, SCEP, and other fees so the programs can continue to be self-sustaining.
- Progressively increase the fines that apply to violations of the codes, prohibiting the use of rent-stabilized units for home sharing rentals in order to retain affordable housing units.

DISCUSSION

HCID was founded in 2013, comprised of the existing LA Housing Department and the assets transferred over by the City from the State's closing of the Community Redevelopment Agency. HCID provides diverse services that include community engagement programs and affordable housing for low- and moderate-income individuals. Some of the Department's other programs include Systematic Code Enforcement, Rent Stabilization, the Homeless Service Unit, the Accounting Division and Contracting Unit, the Development and Finance Unit, and Proposition HHH.

HCID's five-year strategic plan for 2018-21 contains housing element goals and project development objectives with benchmarks and dates for completion. HCID's metrics reflect the Department services as delineated by their budget and the Mayor. The Department has no plans to eliminate any programs.

The number of assisted affordable housing units in HCID's portfolio has increased from nearly 12,000 units in 2003 to over 41,000 units in 2018.

Budget, Staffing, Retirement

Approximately 90% of HCID's budget comes from programs' special fees and grants. This year's General Fund allocation was \$12.9 million, which is 14% of the Department's total funding allocation. Code Enforcement generated 35% of the total budget. Unfunded mandates such as a state requirement for balcony inspectors are absorbed.

The Department's focus is to hire approved positions to better manage its existing programs with a planned reduction of the Department's 17% vacancy rate by 7% (to a 10% total) by the end of the year. The Department has a salary savings rate of 3%, meaning it is required to leave 3% of its open positions unfilled.

The Department's staff total is 756 employees, of which 589 are regular (permanent) authority and 167 are resolution (temporary) authority positions. As the Department has a high retirement rate, it is seeking new hires. HCID also has staff in other city Departments including the City Administrative Office and Mayor's Office. Total salaries appropriated are \$70.2 million including \$118,000.00 for overtime and \$336,000.00 for salaries as needed. There was a salary increase appropriation of \$3.85 million from the prior year.

A small portion from programs' special fees is automatically released to the Office of the City Attorney to cover the Department's service fees. This year, five special receipts contributed \$1.27 million.

Systematic Code Enforcement Program (SCEP)

- Inspection of Rent Stabilized and New Residential Units

SCEP's regulatory fees derive from program fees, citations and late payments. The fees support the entire program with a staff of 96 housing authority inspectors. Although HCID is the main office for SCEP, the program also has staff at City Planning and the Department of Building and Safety. Presently, inspections are four months behind schedule as a result of the program having 10 vacancies. SCEP inspections are done every four years and go beyond the Rent Stabilization Program. They include new properties with two or more residential units on a lot where at least one unit is rented or advertised as a rental, and also hotels rented as a primary residences.

As development grows in the city, so does the growth in SCEP's inventory, increasing from 760,000 units to a present estimate of 800,000 units.

In 2017, the number of units that were inspected totaled 158,055 and the number of violations cited in initial inspections totaled 352,520. A unit can receive multiple citations.

The number of properties with notices of acceptance into the Rent Escrow Account Program (REAP) totaled 1,187. Owners of REAP housing are required to fix the cited violations and bring unit(s) to a safe and habitable condition before the property is returned to them. Tenants receive a rent reduction during the repair period.

- Information Systems

SCEP is continuing to use its own cloud-based system called Code Compliance and Rent Information System (CCRIS). It provides live data for every inspector in the field via a wireless tablet. CCRIS is directly responsible for increasing productivity by 33%, and its billing component generated \$31 million dollars in revenues last year. SCEP plans to expand this system to include the LA Department of Building and Safety.

- Prospective Fees Increases

SCEP has a fee study in progress to determine if fees need to be increased to match the current services. The present fee is \$43.32 per unit and has been in place since 2011. The prior fee set in 2005 was \$32.52.

The Rent Stabilization Program has a fee increase proposal that has already been submitted to the City and is pending the Housing Committee review. If the Housing Committee approves the fee increase, the proposal will proceed to the City Council for approval with a target effective date of January 1, 2020. This fee increase will allow the program to continue to be self-sustaining.

- Home Sharing Ordinance (HSO)

City Planning is administering the Home Sharing Ordinance and is working with a consultant to identify the number of Home Sharing rentals. Home-Sharing enforcement begins November 1, 2019. SCEP will determine the fees required to be self-sustaining and submit a transmittal to go before the City Council requesting the required staff in collaboration with other departments.

Homeless Service Unit ((HSU) and Housing Opportunity for Persons with AIDS Program (HOPWA)

HCID's Homeless Service Unit with the assistance of the Accounting Division and Contract Unit works to provide administrative and management oversight for the Los Angeles Homeless Service Authority (LAHSA). The programs of LAHSA are city-funded, and HCID's two Units coordinate the administrative budget, city contracts and procedures, including federal compliance and reporting requirements. Some contracts include "50 different programs implemented by over 75 sub-recipient agencies." HSU will conduct more than 15 site-monitoring visits in 2019-20. HCID is recommending adding a management analyst and one accountant to support the oversight overload in 2019-20.

In addition, HCID's Housing Opportunity for Persons with AIDS (HOPWA) Program provides oversight of LAHSA's Homeless Service Programs.

The Facilities Bond Issue Program (proposition HHH)

- Successes

The Department is on target to have 10,000 units approved within 10 years. There are currently 7,000 units in the pipeline. As of September 2019, the total HHH funding committed was \$790 million for 79 projects within the development pipeline, with a total of 5,410 housing units. Of these units 4,132 are supportive and 1,190 are non-supportive.

A vital component of the HHH construction phase, with an average timeline of 18-months, involves construction monitoring and wage compliance with ongoing monthly reporting for duration of this phase. The staff managing the construction phase is responsible for ensuring the funds are spent in accordance with the approved design and the wages required by the state are paid.

- Challenges:
HCID's staff had to set aside ongoing commitments in other programs to meet the 2022 Prop HHH commitment. Yet, the Budget and Finance Committee Report of 2019-20 on Department's Deficits, identified 7 vacancies in the Prop HHH Program as of May 7, 2019.
- Proposition HHH Bond Loans for the Building of Permanent Supportive and affordable Housing
Money from the HHH bonds are used for low interest loans to developers. The money is not recycled after it is repaid. The Department is evaluating recycling the bond money.

HCID oversees the applications for the HHH bond loans. There is more interest on the part of developers than there is money. The developers must pass a background check/screening to participate. They are subject to many requirements and regulatory agreements. They must have experience in the construction of residential buildings for affordable and permanent supportive housing, and experience in providing supportive services. Included is the commitment to work with a qualified management team for the proposed building(s), and an experienced supportive service provider.

During the pre-loan approval, to maximize resources and leverage the HHH funding, HCID provides gap financing by awarding HHH bonds to qualifying applicants who have other government subsidies and/or private funding in their portfolio.

- Pre Occupancy of Permanent Supportive Housing and Affordable Housing
Before the units are ready for occupancy, they must have a clearance from Code Enforcement and a Certificate of Occupancy from the Department of Building and Safety.

It is the responsibility of the developer or owner of the PSH or Affordable Housing building to connect with the Housing Authority of the City of Los Angeles (HACLA) to set up a voucher system to house its occupants. HACLA inspects annually when there are Section-8 units; mandates come directly from the Federal Housing Urban Development (HUD).

Monitoring the Density Bonus Transit Oriented Communities (TOCs) Affordable Restricted Units

HCID, with the Mayor and Council approval, has a service contract with the Urban Futures Bond Administration (UFBA) to monitor the restricted housing units. UFBA ensures that tenants living in the units are income-eligible and in compliance with the rent. The occupancy restrictions are codified in the City's affordable housing regulatory agreements and land use covenants.

When the amended contract ending on June 30, 2019 at a cost of \$2.49 million, HCIDLA would request authority to make a final request with UFBA to cover FY 2019-20. Then, for FY 2020-21 Department will issue a Request For Projects for services of occupancy monitoring and start with new contracts. Expenditure will come from HCIDLA's Housing Funds, see Transmittal dated 11/19/2018, attachments from HCIDLA dated 11/15/18, Amendment to contract with Urban Futures.

At-Risk Affordable Housing Covenants

Although HCID hired a \$130,000 per year contractor to track expiring covenants, HCID is awaiting the release of a new civil servant list to hire a new Development and Finance Officer to better oversee the management of the database of thousands of affordable housing units to track at-risk properties and alert tenants of their expiring covenants. This officer will also work to maintain the affordability of the units.

Housing and Urban Development (HUD) Voluntary Compliance Agreement (VCA) with City of Los Angeles

In August 2019, HUD reached a settlement with the City to provide accessibility improvements for people with disabilities across its affordable multi-family housing program. This was in response to concerns raised about accessibility over the City's affordable housing program.

The VCA lays out a process and time frame for the City to reach compliance as HUD provides oversight and monitoring. One of several VCA requirements for the City includes 15% accessible housing units in new and rehabilitated development with 11% mobility accessible units and 4% sensory (faucets, lights, toilets) accessible units.

- **Enhanced Accessible Program**

A feature of the VCA is the implementation of a new "Enhanced Accessibility Program." It will produce units with features that provide much more accessibility than the current federal standards require. 50% of the designated mobility units in developments that consist of studios or one- bedroom units are to provide roll-in showers.

- **Accessibility Website**

When the city first entered into the settlement agreement with HUD, it was mandated to create an accessibility website so people with disabilities who are in need of accessible units would have access to them upon their availability. Presently units are available for people who need access to services. Counselors can be reached by phone to assist in the process for those in need of skills in technology.

When the City entered into the Voluntary Compliance Agreement with HUD, HCID then added affordable units. The County is the main source of the website for low-income units. HCID coordinates with the provider by providing them with affordable units coming out of the city's initiative including Transit Oriented Communities (TOC).

CONCLUSION

HCID would increase its efficiencies from hiring additional staff at various levels in several programs to expedite its growing workload: Proposition HHH Bond, Systematic Code Enforcement, Rent Stabilization, and the Homeless Service Unit. Also, SCEP and Rent Stabilization, service producing programs, would benefit from a raise in fees to continue to be self-sustaining.

INFORMATION TECHNOLOGY AGENCY

Meeting of October 24, 2019

ATTENDEES

ITA Department: Laura Ito, Assistant General Manager; Tita Zara, Director of Finance and Administrative Services

Budget Advocates: Dentis Davis Fowlkes, Jacqueline Le Kennedy

RECOMMENDATIONS

- Finish implementing the new Citywide Human Resources operations and payroll system.
- Refresh all end-of-life equipment in the Information Technology (IT) environment, including network routers and switches, Intrusion Prevention System and/or Intrusion Detection System, as well as firewalls and server platforms. Update out-of-date software, equipment, and systems, and spend the required money for full hardware maintenance.
- Harden systems, perform required and recommended systems patches, and install the best up-to-date Cyber Security Packages and Anti-Virus Protections.
- Centralize and consolidate all IT functions of the City Departments under the ITA.
- Create a centralized backup system instead of performing local backups on each individual computer.
- The ITA should be involved in the procurement and implementation process of any and all new technology acquired by City Departments to ensure efficient network integration and/or compatibility with existing infrastructure.
- Use virtual servers to save on hardware costs and consolidate applications to save on maintenance contracts of overlapping applications.
- Move appropriate systems to a Cloud provider.

More specifically, the following budget requests from the ITA should be fulfilled.

9. Funds requested for continuation of the HRP Project (Payroll System Replacement). The estimated cost is \$17 million. Currently there is \$9 million in the budget for this project and with the additional \$17 million it will total \$26 million.
10. Funds requested for the Critical Cyber Security Package (Response to Personnel Department Cyber Attacks). The estimated cost is \$1.85 million. This includes the Enterprise Digital Equity Program (Google Business Licenses), Cloud Access Security Broker Upgrade, Vulnerability Management and risk prioritization software and services, Zscaler licenses, and Splunk licenses relating to Personnel data breach.
11. Funds requested for Police Phone Replacement (VoIP). The estimated cost is \$2.25 million. Upgrade data and voice network equipment at several police stations/facilities to support Voice over Internet Protocol (VoIP). This is the 4th and final year for the LAPD VoIP implementation.
12. Funds requested for the LAPD and LAFD Radio Infrastructure Repairs Phase 3. The estimated cost is \$2.25 million. This is the 3rd year of equipment replacement needs located at various mountaintop sites. This year will be more focused on LAFD sites.

13. Funds requested for Obsolete Equipment Replacement. The estimated cost is \$5 million. For Fiscal year 2019/2020, \$900,000 was allocated.
14. LAFD Voice Radio System Replacement. The estimated cost is \$3.3 million. This is the 2nd year of the project.
15. Funds requested for LAFD Dispatch Console Replacement. The estimated cost is \$6.6 million.
16. Funds requested for a City-wide Data Analytics Platform. The estimated cost is \$300,000.

DISCUSSION

The City of Los Angeles Information Technology Agency (ITA), with a \$93 million fiscal year budget, manages IT (Information Technology) services for 18 elected officials, 48,000 City employees, 41 City Departments, 4 million Los Angeles residents spread across 469 square miles, 97,000 Los Angeles businesses, and 45 million tourists a year. It currently employs 442 IT professionals who are organized into 18 divisions that provide 366 diverse technology services for the City.

The ITA is comprised of the Applications Bureau, the Customer Engagement Bureau, the Infrastructure Bureau, Finance & Administration, and the Office of the Chief Information Security Officer (CISO). The ITA is responsible for fixing IT issues for most of the diverse and decentralized Departments within the City. It is also responsible for the City's public safety communications that employ a microwave system for data and communications. The ITA provides technology engineering services for the radio systems and display terminals for vehicles. It also operates 30 radio towers for the City, some of which will eventually need to be upgraded.

In terms of resiliency, redundancy, business continuity, and disaster recovery planning, the ITA has a remotely located Hotsite in Las Vegas. There is also a Cloud presence, with 160 Cloud instances or applications citywide. The City's Financial Management system is Cloud-based. Furthermore, the mainframe (and about 30 public safety applications) are being moved to State facilities for additional security and safety.

The ITA needs to finalize the tool for and complete the upgrade of the City's payroll payment processing and Human Resources systems as soon as possible. The ITA is working on transitioning all City Departments to the new HR system. Currently, each City Department processes its own payroll and HR matters. Compliance and video trainings are manually tracked in spreadsheets. The current Pacer payroll system is maintained and operated by an outside vendor who is a small sole proprietor. Any Memo of Understanding (MOU) changes must be manually programmed by the vendor. Replacing the current payroll and HR system is a major undertaking and the City cannot afford mistakes along the way (otherwise employees will not be paid on time). Relying on one person or small vendor to run such an important system, such as Payroll and HR operations, is dangerous and exposes the City to risks associated with having a single source of failure.

Unfortunately, the City experienced a data breach in the past year. As a result, there is a proposal to upgrade all Gmail licenses to business level for better security. ITA currently performs intrusion detection monitoring and employs two-factor authentication. ITA utilizes several monitoring tools including Cisco's suite of security products. If a computer becomes infected with a virus or ransomware, it is immediately quarantined. Despite all the aforementioned, the ITA still needs to upgrade its Cyber Security Protection package.

The network itself is so large and old that equipment constantly needs to be replaced. In order to keep up with innovation, a well-maintained network infrastructure is imperative. This means network equipment that is end-of-life must be refreshed in order to remediate bugs and secure a feature rich environment. The Agency's inventory includes 1388 devices (938 Cisco and 450 Hewlett-Packard). 616 or 44% of this equipment is at or beyond end-of-life and needs to be replaced. The replacement cost for each of these devices ranges from \$80k to \$90k.

Larger City Departments manage their own budgets and maintain autonomy with respect to their IT spending. This may create waste, inefficiencies, increased costs, vulnerabilities, and security risks for those Departments as well as the City's technology infrastructure and networks. For example, the Los Angeles Police Department (LAPD) has its own IT budget, estimated to be over \$14 million. A problem occurs when LAPD acquires exciting new equipment without considering the technology infrastructure required to properly and efficiently operate the new equipment. Sometimes they fail to take into consideration power consumption needs, air conditioning/cooling needs, security risks, or support needs for their IT decisions. Whenever a problem arises, the ITA is called and becomes responsible for troubleshooting and fixing LAPD's IT problems. Hence, the ITA must consistently attack problems from a reactionary position. ITA's Chief Information Security Officer, Timothy Lee, is often consulted prior to a department's procurement of major equipment or technology, but doesn't have the authority to reject or approve such purchases, especially purchases made by larger departments, such as LAPD or the Los Angeles Fire Department (LAFD). No one up the chain of command for the ITA can override the procurement decisions of other City Departments whose staff have less technical expertise.

The City Council recently allocated \$65 million to LAFD for new Motorola radios. Fortunately, ITA was brought in to determine the engineering needs. However, ITA will now need to upgrade its server and infrastructure to accommodate the integration of these new radios. Now that LAFD received new radios, it would also like to replace its dispatch center consoles and consolidate services under a single vendor. This is done more for reliability than cost savings. One system that is fully integrated will work better than a Frankenstein patchwork, however this will cost ITA \$6.6 million. Neither the City Council nor LAFD had considered this additional cost which will now land on ITA's budget. Consistently, the ITA has had to support these kinds of expenses out of its own budget even though it was not in their plan.

ITA maintains 28 mountaintop sites for LAPD and LAFD communication networks. For the last 2 years, LAPD received funding for upgrading this infrastructure. Some towers turned out to be too old and could not bear the weight of the upgrades and had to be replaced also, another unplanned expense. New batteries were installed and air conditioning was upgraded to mitigate the high heat encountered at the sites. This year LAFD is anticipating similar infrastructure

upgrades. It is anticipated that ITA will incur expenses to service and integrate LAFD's upgrades.

An important aspect of safeguarding a modern network is changing from a local backup that is performed on each computer to a centralized backup that employs one or two consoles. Centralization is more economical because there is less hardware to acquire and it is more efficient in terms of maintenance costs and security. It limits access to unauthorized persons and hardens the network from security threats.

The lack of a centralized structure for municipal IT service offerings is a problem. Siloization of the IT function throughout City Departments creates an inefficient system that allows each Department to control its own IT, radio, and electronic upgrades. The ITA is often faced with having to come in and troubleshoot and fix problems after a Department has already purchased hardware, equipment, or technology that may not be compatible with existing infrastructure. The City needs to centralize its IT functions, responsibilities, and applications. Applications and technology should be acquired and maintained by the IT Department. There should only be one IT group citywide and not one IT group per City Department. This will cut down on wasted staff hours caused by overlapping work and extra work required to calibrate or synchronize technologies and will save the City money.

Other money-saving opportunities exist in virtual servers and the cloud. Virtual servers save hardware costs and consolidate applications to save on maintenance contracts of overlapping applications. The ITA should perform a cost-benefit analysis of moving appropriate data and applications to the cloud to demonstrate the cost savings that can be found there.

CONCLUSION

The ITA is tasked with operating an ageing network and mainframe that appears to not be properly secured from cyberattacks and failures. Outdated and obsolete equipment will hinder the IT needs of the City. For the last three years, the City was awarded the #1 Digital City by Government Technology rankings, yet the City's equipment and servers are old and outdated. In order to maintain cutting-edge performance, all equipment needs to be up to the task. Shorting the equipment/hardware budget is a recipe for disaster that could cripple the City's digital infrastructure and services. Furthermore, having the right hardware and software is only half the story. The City should also update and ensure that its IT policies and procedures incorporate best practices and standards for legal, compliant, safe, and secure operations.

The problems facing the ITA are structural or systemic in nature. The ITA has done an amazing job with the limited control and resources that they have. The City should not wait for another disaster before making the proper changes suggested in this report. The City's IT needs are evolving faster than the hardware and staff. The ITA must be given the proper tools and authority over the integration of equipment from each Department in order to cut costs and safeguard the network.

LOS ANGELES POLICE DEPARTMENT

Meeting of October 31, 2019

ATTENDEES

Department: Beatrice M. Girmala, Assistant Chief Director of Office of Support Services; Ann Marie Sawyer, Chief Financial Officer; and Patricia Paterno, Budget and Revenue
Budget Advocates: Brian Allen, Glenn Bailey, Dentis Fowlkes, Jennifer Goodie, Jon Liberman, and Edwin Chen (appearing on behalf of Jacqueline Kennedy)

RECOMMENDATIONS

- Hire more sworn officers to fulfill staffing shortages and to eliminate the need for overtime.
- Provide funding for more training classes.
- Allocate \$15 million for more black and white vehicles.
- Allocate funds towards enhancing IT capabilities and upgrading technology and hardware.
- Purchase 3,400 TASERS and new holsters to replace current outdated stock.
- Provide safety plexiglass partitions at all 21 geographic stations (~\$100,000+ each at level III protection).

DISCUSSION

Founded in 1869, the Los Angeles Police Department (“LAPD”) celebrated its 150th anniversary this year. Responsible for the safety of over 4 million Angelenos, the Department was allocated a budget of over \$1.7 billion for fiscal year 2019-2020. With a jurisdiction covering over 468 square miles, LAPD operates 21 stations throughout the City. It employs 10,103 sworn officers and 3,077 civilian employees. Officers are given overtime to patrol the Metro bus and rail lines. In comparison, LAPD employs a significantly lower number of sworn officers than NYPD, which has a force of over 39,000 officers servicing 8.5 million people.

RECRUITMENT AND TRAINING

The Department is woefully understaffed. Major budget constraints limit the increase of new sworn officers. LAPD is restricted to hiring within its budget and cannot hire new officers based on actual need. Furthermore, training of new officers has been insufficient over the years (for example, only 11 classes were offered for 13 deployments this past year). From a liability and risk management standpoint, the number of training classes should match the number of new deployments. Academy classes typically enroll about 500 candidates and graduate about 53 to 56 cadets. After one year of probation, the retention rate of new officers may vary. In order to retain new officers, LAPD will need funding to offer more bonuses and incentives, such as language and education bonuses. For the next fiscal year, there is also a push to hire more women, Asian Americans, and Pacific Islanders for a more diverse work force.

MINIMIZE OVERTIME

The new Metro contract is currently serviced by existing officers working extended overtime. Currently, 150 overtime shifts have been authorized for the Metro contract.

Although the overall costs of hiring new officers (e.g. benefits package plus training costs, etc.) may outweigh the total costs of paying overtime to existing officers in the short-run, a long-run strategy and goal should be to hire more sworn officers instead of using overtime resources. There are dangers with using too much overtime due to officers' physical limitations and fatigue. LAPD uses the COAST program to properly address officer fatigue issues.

NEW PATROL VEHICLES AND STATIONS

More black and white cars are requested and will need to be reconfigured. A Final Report regarding Traffic Needs and Reconfigurations is being compiled and will be submitted to the CAO's office once completed. LAPD will need capital improvement funding for the Southwest traffic station. A new station with new cars may be needed. Possible sites include the Baldwin Hills Crenshaw Project. The Harbor jail is expected to open January 2020. There is also talk regarding opening a new jail in the Valley, near Foothill and Devonshire, as well as turning the Topanga station into a full station.

NEW TECHNOLOGY AND HARDWARE

LAPD needs \$60 million to upgrade its technology hardware. The Department's computers still operate on Windows 7 and much of the hardware equipment is reaching its end of life cycle. Last year, due to weaknesses in LAPD's network security, a breach occurred that exposed personal information of 2500 officers and 17,500 officer applicants. LAPD needs to improve its systems and invest in better access controls for its networks and systems. Furthermore, due to interoperability problems, LAPD's email system experienced a temporary shutdown. Thus, in general, the Department's computer infrastructure is not adequate and needs upgrading. Last, but not least, LAPD requests funding for the development of a dictation application that could save officers and staff time; currently, officers are spending too much time doing reports. This app would include features such as automation and online reporting.

TASERS EQUIPMENT AND HOLSTERS

LAPD requests 3,400 new TASERS, as the current model is being phased out with a different newer model and cartridge. In general, after about 5 years a TASER's mechanism degrades every 3-4 months. Thus, replacement TASERS are needed soon. LAPD will also need new holsters because the new TASER model cannot physically fit into the old holsters.

HOMELESSNESS

The Department has deployed an overwhelming amount of resources to assist in handling complaints and calls involving the homeless population. A proper homeless intake will require about 4-6 hours of one police unit's time. Triage can be implemented in order to save on police manpower, and triage teams, such as the HOPE TEAM, include trained outreach and mental health professionals that can help provide wraparound services to the homeless. On average, an

arrested homeless person is held for 72 hours before being released. However, traditional brick and mortar police stations are not adequate facilities to accommodate the massive numbers of homeless persons who come through. LAPD should not be the primary Department dealing with the homeless crisis. Instead, more outreach personnel, and medical and mental health facilities should service this special population. The County should assist by providing more Sheriffs and County mental health resources.

OLYMPICS

For the upcoming Olympics in 2028, LAPD is working with Mayor Garcetti's office in order to plan for the foreseeable traffic issues and congestion in 2028.

SAFETY PARTITIONS AT POLICE STATIONS

New plexiglass partitions are requested for each of the 21 geographic police stations. The partitions will be level III compliant, which typically can handle hand gun and shot gun bullets. The estimated cost for each partition is over \$100,000. Lethal shootings at stations have occurred several times over the past decade. One officer was recently shot but luckily survived due to his bullet proof vest. The safety of officers and staff working the front desks of stations is constantly in jeopardy, so the request for safety partitions is quite reasonable.

CONCLUSION

The Department has serious deficiencies in terms of manpower, technology hardware and infrastructure, and patrol vehicles, and there are concerns for front desk safety at each station. The City needs to develop better procedures for handling our homeless population, and the County needs to provide more Sheriffs and county mental health resources for the homeless, to take pressure off LAPD officers and resources. More officer hires are needed for the City's increased traffic and the new Metro contract. Equipment such as new TASERS and holsters are also needed. LAPD's IT capabilities should be enhanced so that the Department may better handle reports and intake, while its network security and IT infrastructure needs major improvement and upgrading (as evidenced by the recent security breach). LAPD will now meet with the Budget Advocates every quarter in order to enhance the symbiotic relationship between LAPD, the City, and its diverse communities.

LOS ANGELES POLICE PROTECTIVE LEAGUE (LAPPL)

ATTENDEES

LAPPL: Craig Lally, President; Tom Saggau, consultant.

Budget Advocates: Jay Handal, Brandon Pender

RECOMMENDATIONS

- Allow LAPD to interview, test and place potential candidates themselves in order to expedite the hiring process which at present takes an inordinate amount of time.
- Fully fund all civilian positions so that sworn officers can return to full time line status in the field.
- Initiate an audit of both response times and dropped calls per division in conjunction with the basic car study being released in November.
- Initiate an audit of how Proposition 47 has affected both response times and petty crimes increases if any.
- Increase funding up to \$500,000.00 for recruitment and retention.
- Immediately take more drastic steps to protect the health and well being of officers by increasing clean up and sanitizing of every division.
- Perform an audit of ALL NON RELATED CITY EVENTS using LAPD resources to assess full cost recovery for services rendered.
- Study how the City is preparing for public safety and crowd control in major events such as the 2028 Olympics.
- Provide training to first responders in how to handle individuals with mental illness.

DISCUSSION

The LAPPL is the union responsible for representing the sworn uniformed personnel (police officers) in any and all negotiations with the City. It provides legal representation and insurance coverage and represents its members in grievances, arbitrations, and unfair labor practices issues. It seeks to assure the safety, welfare, work environment and fair dealings toward its members.

There are a myriad of concerns ranging from paid overtime, underserved “Civilianization,” to long response times in heavy crime districts. As it has done previously, the League has been promoting mandatory minimums at each division. The League believes that each division, no matter what the actual crime statistics are, should have a minimum number of sworn personnel assigned to ensure proper service and response. The Department overtime budget has been about \$80 million, and the MTA contract overtime is around \$41 million. The Department is on pace to hit over \$105 million.

The Los Angeles Police Department’s hiring practices have been controlled by the City’s Personnel Department and not by the LAPD itself, which is ultimately responsible for the training and standards of the sworn personnel and civilian support staff that serve the City. This has caused more difficulty in both quality and quantity of overall recruitment as well as longterm

tenure of uniformed personnel. The real question is whether the LAPD would be more efficient and effective if it were granted full responsibility over the hiring of both the rank-and-file sworn and non-sworn personnel for the LAPD.

Another issue that has raised concerns recently is the decline in the environment in which both civilian and sworn personnel are forced to work. Sanitation has deteriorated in certain divisions around the City that have an abundance of homeless citizens.

The League is concerned about response times to emergency calls, including dropped calls. This area is of much concern that the LAPD is having trouble hitting its mark because there is no accurate accounting of exactly where most of the dropped calls are originating per division. The lack of radio cars in certain areas not able to render assistance in a timely manner contributes to the problem. The Department needs to be able to acquire the resources to determine which divisions are affected in order to recommend adjustments and management of increased resources (deployment of units).

The City Controller should perform an audit on emergency response times in reference to dropped calls, especially emergency calls. A top to bottom audit in conjunction with the forthcoming (already paid for by the City) 'Basic Car Study' of the system would clearly be in order for some quality of life emergencies and officer safety issues.

The negative impact of Proposition 47 has caused more crime in the long run by lowering the felony threshold to \$950.00 on such offenses as drug possession, vandalism, larceny and petty theft. The suspects who commonly engage in these crimes have a high recidivism rate and are often rearrested within 30 days of the original crime or release from prison (due to Prop. 47), sometimes by the same officer who first detained them. A thorough investigative impact study would certainly shed some light on the alleged benefits or lack thereof.

Another concern is the poor and unsanitary conditions of some of the divisions throughout the City. Because of the unsafe work environment brought on by officers having to encounter, arrest and process homeless and hygiene-challenged suspects in their radio cars and station houses, there have been outbreaks of diseases such as typhus, influenza, MRSA and staph infections to name just a few. The City needs to do more to insure the health and safety of the officers, civilian staff and detainees at these facilities. A clean, safe working environment is not too much to expect from the City. This problem affects morale as well as recruitment and reflects negatively on the whole City.

Recruitment and retention of new officers in the Department is still a concern. A full complement of line officers on the street is crucial especially when the City is expected to host major events like the World Cup and the 2028 Summer Olympic Games. This effort of increasing the ranks and staffing up needs to be initiated as soon as possible. Recruitment efforts needs to be accelerated to meet the demand for the upcoming public safety needs during those events. The budget for recruitment needs to be increased trifold and the Department (if allowed to be in charge of recruitment) shouldn't be limited to only the surrounding region but the whole country. Prime candidates such as ex-military and candidates coming over from other

departments out of state should be considered. The sweet spot for recruitment to be mission ready by the summer of 2028 and beyond is 12,500 officers, not 9600.

Full cost recovery for security provided for major (non-city) events should be considered for a future revenue stream for the Department. In the past the City has offered LAPD for security at high profile events at no charge to the promoter or sports organization. If the City would consider charging (and collecting) a services-rendered fee on behalf of the Department, it could offset the deficit the Department is incurring. In other words, every non-city event should be revenue neutral.

Special training programs for LAPD officers to be equipped and ready to humanely deal with individuals with mental disorders should be funded. Many line officers are ill-equipped to deal with this phenomenon especially among the homeless population. This special training would be beneficial to both the officers and the mentally challenged citizens with whom they will come in contact.

Information technology is a constant problem with every Department in the City, but especially for both the LAPD and LAFD. The City has not kept up with the needs of the 21st century. Most of the computers are obsolete or in need of repair. Communication between Departments is nonexistent or challenging. Perhaps thousands of person-hours are wasted every year because of the limitations of each Department's IT capability. Computers must be compatible for communication purposes. Funding new computers in each station house should be a priority for the City.

CONCLUSION

The City's micro-management of the LAPD is the antithesis of organized thought. At every turn the City has proven to be counterproductive to positive change within the system. At one time the LAPD was a model of what a gold standard law enforcement agency should be. But now the City has no interest in the readiness of the force, ignores the morale and health and welfare of the rank-and-file, and underfunds the basic tools and training required by the Department to perform its functions of public safety.

The City needs to get out of its own way. The LAPD command knows what is best for its officers. Giving the Department more autonomy over recruitment and budgetary expenditures such as equipment, overtime and area resources would be an adequate starting point. The City deserves an updated modern law enforcement agency that is well equipped and superlative in all respects. Giving the Department the resources to protect its officers will also protect the citizenry as well.

**PENSION PLANS –
LOS ANGELES CITY EMPLOYEES’ RETIREMENT SYSTEM (LACERS) and
LOS ANGELES FIRE AND POLICE PENSIONS (LAFPP)**

Meeting of October 10, 2019

ATTENDEES

LACERS: Neil Guglielmo, General Manager; Todd Bouey, Assistant General Manager; Lita Payne, Assistant General Manager; Rod June, Chief Investment Officer

LAFPP: Ray Ciranna, General Manager; Bill Raggio, Executive Officer; Joe Salazar, Assistant General Manager

Budget Advocates: Jack Humphreville, Jon Liberman; Budget Representative Josh Nadel

RECOMMENDATIONS

- Establish a pension commission to review and analyze both LACERS & LAFPP, as suggested by Mayor Eric Garcetti.
- Recognize that the \$15 billion unfunded pension liability is the most significant financial issue facing the City of Los Angeles, and that the City take NEW definable and tangible immediate action to address this issue.
- Lower the Rate of Return assumptions.
- Have open and continuous hiring exams to allow for more efficient hiring of the retirement systems’ position classifications.
- Include the retirement systems in the development and implementation of the new payroll system.

DISCUSSION

The two City pension plans, Los Angeles City Employees’ Retirement System (LACERS) and Los Angeles Fire and Police Pensions (LAFPP), are each managed as their own separate Departments, each of which is run by its own Board of Commissioners, a majority of whom are appointed by the Mayor, while the balance consist of active and retired employees. LACERS administers pension and retiree medical plans for all City employees, except for sworn members of the Fire Department, Police Department and DWP. LAFPP administers the pension and retiree medical plans for sworn employees of the Fire Department, Police Department, Harbor Department and LAWA.

The budget process for these Departments differs from other City departments in that they forward their budgets to the City every year after their respective Boards have adopted them preliminarily in March, with final approval by the respective Boards in May or June for the next fiscal year. The Mayor and City Council do not approve their operating budgets. While their operating budgets are included in the City’s proposed and adopted budgets, this is generally for

transparency and accounting purposes. Their Boards are charged with providing financial oversight for these Departments.

The City provides funding to these departments solely in the form of the “City Contribution.” The “Contribution” is for both the pension plan and retiree medical benefits (OPEB = “other post-employment benefits”). Each of these components consists of two parts: the normal cost contribution and the unfunded (catch-up) liability payment. LACERS and LAFPP are in better shape with pre-funding their OPEB than many other jurisdictions, but they still have significant unfunded liabilities with respect to both the pension and OPEB benefits.

The “City Contribution” is determined by a third-party consultant actuary based on a number of economic and demographic assumptions. These assumptions are used by the actuary to calculate a percent of pay calculation that is then applied to the City payroll. The actuarial calculation includes a methodology called “smoothing,” which allocates market gains and losses on the investment portfolio over a seven year period.

In addition to the “City Contribution”, the other major sources of funding for these Departments are investment earnings and member contributions. Operating expenses for these Departments are taken out of their sources of funding.

Operations

Both Departments break their expenses down into two main subsets: (a) back office – controllable expenses, and (b) investment fees, pension & OPEB payments– non-controllable expenses.

Back office expenses have recently included new pension administration systems, which allow for more automation and fewer side systems. Fewer side systems increases efficiency and allows for better modeling. These changes have been implemented over a multiyear span with a few components still to be added. While the system is more efficient, there is added complexity from all the side systems being integrated into one master system. This has, in turn, demanded that staff be more knowledgeable about the entire system, rather than having siloed knowledge about individual side systems. The staff is said to enjoy the new system much more than the old system.

More benefits specialists are needed to help keep up with the workflow, as well as more analysts. A problem was mentioned in that the current City hiring system limits their ability to find capable and trained mid to late career employees.

The City has, to this point, refused to face the reality that City employees’ pensions are underfunded. A Pension Commission to review and analyze both LACERS and LAFPP could be very effective in creating transparency. Mayor Eric Garcetti has suggested forming such a Commission. This Commission can help review the City’s long-term retirement benefit offerings. The respective Boards for each plan determine their investment policies and decisions and set all actuarial assumptions, pursuant to the City Charter and California State Constitution.

A new City payroll system will be coming online soon, and the Controller's Office needs to work closely with both Departments to maximize the efficiency of City payroll operations. Since the Controller is the City's paymaster, the Controller needs to partner with the retirement systems in the implementation of the new City payroll system, ensuring the retirement systems' needs are met.

Assumptions:

The City needs to change their assumptions regarding Rate of Return (RoR). By having an unrealistic 7.25% assumption for RoR, staff is under great pressure to try to meet the numbers every year or run the risk of creating additional unfunded liabilities. This past year LACERS realized a net RoR of 6% return, while LAFPP achieved a 6.2% return. Both were significantly lower than the investment return assumption but still provided excellent returns. Corporations, which use FASB guidelines instead of the less stringent GASB guidelines, tend to have RoR levels more in the 4-5% range, which is more realistic for projections for private sector employers.

Both Departments expressed that their goals include keeping investment fees low while trying to keep the Rate of Return (RoR) high.

The RoR assumptions are among the biggest source of concern for the General Managers, because the assumptions are too high. After factoring in investment fees and other major concerns such as market volatility, investment risk, and new mortality tables for public safety employees, the Departments have not been able to meet the high assumptions, which are politically motivated and which keep the "City Contribution" artificially low.

CONCLUSION

Both Departments have a lot of optimism about the work they are doing. They are preparing for an economic slowdown, which seems likely at the time of this writing, and reviewing their actuarial funding policies recommended by each plan's actuary.

RoR assumptions need to be lowered to provide more realistic numbers for both investments and pension payouts. This will have a large and more immediate effect on the City budget, but will provide more workable numbers from which to assess the long-term fiscal needs of and impacts from the pension systems.

The Controller's Office should work closely with both departments regarding payroll, and that will help with efficiency.

PERSONNEL DEPARTMENT

Meeting of October 8, 2019

ATTENDEES

Personnel Department: Wendy Macy, General Manager; William Weeks, Assistant General Manager; Aram Kouyoumdjian, Assistant General Manager; Veronica Cavanaugh, Executive Administrative Assistant

Budget Advocates: Jon Liberman, Danielle Sandoval

RECOMMENDATIONS

- Continue Anytime/Anywhere Remote testing and maintain current Cert Lists for all Departments.
- Continue awareness and training regarding harassment along with MyVoiceLA.
- Develop better procedures to encourage and increase employee buy-in of new programs or policies.
- Examine existing concerns regarding employee safety and come up with specific programs to address these concerns.
- Ensure the request for proposal (RFP) for the new HR System properly identifies the requirements for the software and has enough specificity for the bidders to recognize the work and funds required to complete the project.
- Allocate Department resources to finding and applying for grants.
- Review the rationale for retaining Custody Medical Care within the Personnel Department.

DISCUSSION

The Personnel Department classifies all civil service positions and assigns appropriate titles. It recruits employees, holds competitive examinations, and establishes eligible lists (Cert Lists) of qualified candidates for employment in both civilian and sworn positions. It establishes rules and regulations governing the appointment, promotion, transfer, and removal of City employees. The Department also provides centralized human resources (HR) support for 24 City Departments.

Personnel provides programs to enhance the workforce and promote career development. It administers the City's Rideshare and Workplace Safety Programs. The Department conducts health risk appraisals, administers employee benefits, and investigates and hears discrimination complaints and disciplinary action appeals. It conducts pre-employment medical examinations and administers the workers' compensation program.

The Department provides medical care for people in custody of the Police Department. This is not a core service of Personnel and could be moved to a Department for which the function is a core service. Moving this service would allow the Personnel Department to focus more resources on its core functions.

Personnel is tasked with attaining fiscal year hiring goals, maintaining employment, and risk management.

Many of the Department's functions may be obsolete within the next 5 years. The Department needs to spend time addressing the question, "What is the future of Work?"

The Department's fiscal year 2019-2020 budget is approximately \$72 million, representing an approximately 13.7% increase over the 2018-2019 budget. Approximately 80% of the 2019-2020 fiscal year budget is spent on salaries. Approximately 86% of the revenue comes from the General Fund with the remaining revenue coming from various Special Funds.

The Department notes that there was greater than usual turnover in Executive Staff recently.

During the last year, The Personnel Department had a string of successes. It

- Tested 16,000 candidates by computer (Anytime/Anywhere Remote testing).
- Hired over 500 people from within the targeted geographical areas around City Hall as part of the LA Local Hire Program. This Program provides 6 months of training followed by 6 months on the job. After a successful year, Program employees become regular City employees.
- Successfully rolled-out MyVoiceLA that allows employees to anonymously report misconduct or harassment.
- Met all goals established for the Department specifically related to staffing, medical services, and Police hiring.

Other projects that are in progress include

- Implementing new policies is taking longer than anticipated. The Department needs to spend time developing better procedures to increase employee buy-in of new programs and policies.
- Allowing ample time and resources for first responders to plan for the 2028 Olympics.
- Employee safety is a concern, because offices are located in the core of the Central City. These concerns relate to getting to and from the workplace. The Personnel Department wants to investigate ways to beef up security and create a more secure environment.
- Personnel spent time working with other Departments to develop a new HR system to handle employee salaries and benefits. The Department is close to finalizing the work for the approval to release a Request for Proposal (RFP). The Department is concerned that the RFP must have significant specificity to allow outside companies to develop a bid to create and install the Program. This specificity is also necessary so outside companies can cost the bid and City Officials can devote adequate resources to fund the new Program. The Department wants to avoid the situation that nearly crippled the Los Angeles Unified School District HR Program where insufficient details and funding allowed a bug-ridden new program to go live with insufficient testing including running the new software in parallel with the existing system. The proposed HR System will

create havoc throughout City Government if the Program isn't appropriately defined, coded, debugged, and tested.

Among the goals for the 2020-2021 fiscal year are

- Increase emphasis on employee retention. The Department may need to match existing employees to jobs for which they are not trained.
- Leadership development and training, possibly in some sort of Leadership Retreat setting.
- Develop non-management Career Paths so employees who are not interested in management have the ability to advance their careers.
- Succession planning and the transfer of institutional knowledge.
- Continue emphasis on maintaining a consistent approach among the 24 Departments under the Personnel Department's umbrella.
- Add resources for employee security.
- Investigate providing an eldercare component to employee benefits.
- Increase revenue to the City through greater emphasis on finding grants and writing grant applications. The Department intends to streamline the process by using existing staff.
-

Other City Departments find hiring difficult. The Cert Lists fall out of date meaning that the candidates the Departments can hire may have already found other employment. The City would benefit from all Cert Lists being kept up-to-date so other Departments can pull from lists of people who are actually seeking employment. It also would benefit the City for Personnel to continue its implementation of continuous testing so new employees are always available.

CONCLUSION

The Executives from the Personnel Department are open about their successes and areas for improvement. They are on an appropriate course, but need to do more to enable hiring by other Departments.

DEPARTMENT OF CITY PLANNING

Meeting of September 30, 2019

ATTENDEES

Department of City Planning: Kevin Keller, Executive Officer; Anna Orellana, Secretary; Lisa Webber, Deputy Director
Budget Advocates: Connie Acosta, Danielle Sandoval, Budget Representative Kay Hartman

RECOMMENDATIONS

Home Sharing Ordinance

- Assure that property owners are not renting on home sharing platforms without permits including rent-stabilized units. Create penalties for violations that have progressively increasing fines.
- Find a way to make sure that permitted units on home sharing platforms are renting to people 21 years old and older and create a penalty structure for violations with progressively increasing fines.
- Analyze the costs for supporting the Home Sharing Ordinance and modify the fee structure if needed so the program is self-sustaining.

Specific Plans

- Identify those areas of the City where the land has environmentally adverse conditions causing health problems and mitigate by planning very low-to-minimum density to avoid litigation expenses.
- Collaborate with the State's Division of Oil, Gas, and Geothermal Resources (DOGGR) and neighbors in Central City West to alleviate concerns involving underground oil wells.

Technology

- Invest in artificial intelligence to automate approval of simple plans.

DISCUSSION

The Department of City Planning (DCP) oversees and updates Los Angeles's General Plan. The General Plan serves as a blueprint for the future, prescribing policy goals and objectives to shape and guide the physical development of the City. The Plan is comprised of the "elements" Framework, Land Use (35 Community Plans), Air Quality, Conservation, Health, Safety, Mobility, Infrastructure Systems, Open Space, Public Facilities and Services, Noise, and Housing.

The Framework Element of the Plan is the organizing element. Its policies address and connect all of the other Elements of the General Plan.

Budget and Staffing

This fiscal year, DCP's total budget is \$60.88 million, an 18.4% increase over the previous fiscal year. \$15.28 million comes from the general fund with the remainder coming from special funds.

The largest of the special funds is the Planning Case Processing Fund at \$26 million. This fund is the depository of the application fees.

The permit surcharges are deposited into the Planning Long-Range Planning Fund which is expected in the current fiscal year budget to reach \$9.24 million. The Department charges a 7% surcharge for a permit, an increase from the previous surcharge of 4%. DCP assesses that the surcharge should be 11% but they don't think the citizens would accept a surcharge this large.

A couple of years ago the Department performed an analysis of their costs and reset their fees in response. In general, the Department needs to perform a new analysis and increase their fees to reduce reliance on the General Fund. DCP plans to update their fees in the current fiscal year.

The total salary allocations are \$45.9 million, an increase of \$5.2 million from prior year. Staff is composed of 389 regular and 92 resolution authority (temporary) positions, an increase of one regular and 6 resolution authority positions from the prior fiscal year.

The City calculates a Salary Savings Rate that takes into account anticipated vacancies. The Department's Salary Savings Rate is 7% which means that it is supposed to maintain staffing levels at 93% of the approved positions. This translates to being required to keep 54 positions open.

Planning is a young Department due to a large amount of attrition by retirement. Approximately 12.5% of its current employees are eligible for retirement in 2020 and can only be replaced at entry level. The Department's 2019-20 total indirect costs for pensions and retirement were \$13.7 million. The human resources benefits were \$6.0 million.

Historically, hiring is a challenge. The Department has struggled with out-of-date Cert Lists from the Personnel Department. They now have a current List and that should improve the Department's ability to hire. More resources for personnel would improve the hiring process. Streamlining the hiring process would also be an improvement.

Programs and Projects

- The Department established an external affairs team using 8 City Planners as community liaisons to work with Neighborhood Councils and send out regular communications. The outreach increases transparency. The Department views this function as important and would prefer to hire people specifically for this activity so the City Planners can return to the jobs for which they were hired. The function is not funded. The Department is shaving money from here and there to make sure the outreach continues.
- The Department launched the Community Plans update program, planning a 3- to 5-year time frame. 20% of the City's 35 Community Plans have been updated and another 33% are in progress. The remainder will follow. In this year's proposed budget, the Long-Range Planning Fund funded the accelerated Community Plan Program with \$2.7 million, see CAO Memo No. 123 dated 05/07/19.

As part of the Community Plan updates, the Department should strive to identify those areas of the City where the land has environmentally adverse conditions causing health problems and mitigate by planning very low-to-minimum density to avoid litigation expenses.

The Central City West area is home to hundreds of subterranean oil wells that were in operation at the turn of the last century. In the early 1900s, bungalow-type dwellings were erected above the oil wells while a few oil wells remained in operation. Present residents protest the gas smells and health risk. Large developments are perceived to be exacerbating the problem. The Department says that a well is capped before a dwelling can be built on it. Some collaboration between the State's Division of Oil, Gas, and Geothermal Resources (DOGGR) and neighbors in the area could go a long way towards relieving tensions.

- The Department is updating Housing Element of the General Plan to cover Home-Sharing, Permanent Supportive Housing, Interim Motel Conversion, Affordable Housing Linkage Fee, Emergency Shelters, Transit Oriented Communities Affordable Housing Incentive Program, and the Unpermitted Dwelling Ordinance.
- The Department is processing 68 active projects with Environmental Impact Reports, of which 30 are in production. These projects cover 19,000 residential units, 4 million square feet of commercial and office floor area, 6800 hotel rooms, 100,000 square feet of institutional floor area, and 811,000 square feet of medical facilities. See 2019-20, Budget Memo Question 520 dated 05/07/19.
- The City has a new Home Sharing Ordinance. The Department is funded for one year to establish the core program.

The Department hired a contractor to scan the home sharing platforms to identify properties in Los Angeles that are available for short-term rental for which there are no permits including rent-stabilized units (RSOs). The Department should create a penalty structure for those violations with progressively increasing fines.

The Department should also find a way to make sure that permitted units on home sharing platforms are renting to people 21 years old and older and create a penalty structure for violations with progressively increasing fines.

Because the program is new, the Department is not completely sure what the correct fee structure is to make the program self-funding. This will take time to determine and there may be a need for a fee increase and additional hiring.

Technology

The Department plans to automate with a web-based system the permitting for home sharing.

DCP is looking into using the BuildLA online system to route plans.

The Department is also looking at creating an online module to schedule appointments. This would free 2 people who could work on other tasks.

The Department is working on migrating some of its computing to the cloud. It does not plan for a full migration.

DCP does not plan to automate plan approval although an investment in artificial intelligence to automate approval of simple plans would be a good use of money.

Metrics

The Department uses metrics to track and does not use them for goal-setting other than time-based measures. For example, they have a metric to approve projects within 180 days of application.

When the Mayor says he wants 100,000 units in a set amount of time, the Department reviews its processes to see if they can find a way to comply.

Key goals for fiscal year 2020-2021 are housing, sustainability, and an equity/inclusion framework. The City would benefit from metrics to track the Department's progress on these goals.

CONCLUSION

The Department should continue to make progress with the staff that it has. It should raise fees as necessary to be self-sustaining.

BOARD OF PUBLIC WORKS

Meeting of October 23, 2019

ATTENDEES

Board of Public Works: Kevin James, President, Commissioner; Dr. Fernando Campos, Executive Officer; T.J. Knight, Assistant Executive Officer

Budget Advocates: Tony Michaelis, Howard Katchen, Joanne Yvanek-Garb

RECOMMENDATIONS

- Hire Fund Manager(s) for compliance and effective management of Special Funds or evaluate how to utilize existing staff to accomplish these tasks in an efficient manner.
- Centralize procurement and grants management.
- Encourage continued Board oversight of Department operations.
- Form a task force to improve the evaluation of the Department's operational performance.
- Support the Risk Management Task Force to limit, ideally eliminate, liability exposure throughout the Department.
- Establish another Office of Community Beautification warehouse in the Valley.
- Support approval and funding for internships.

DISCUSSION

The Board of Public Works governs the Department of Public Works and is comprised of a five-member full-time executive team that is committed to delivering Projects and Programs that enhance quality of life, economic growth, public health, and the environment to all Angelenos.

The Department of Public Works consists of more than 5500 employees and is responsible for the design, construction, renovation, and operation of public projects ranging from bridges to wastewater treatment plants to libraries to curbside collection to graffiti removal to maintenance of streets, sidewalks, sewers, streetlights, and street trees.

The Department of Public Works's Bureaus are Contract Administration, Engineering, Sanitation, Street Lighting, and Street Services. Its Offices are Board Secretariat, Accounting, Community Beautification, Citywide Filming, Petroleum Administration, Community Forest Advisory Committee, Project Restore (works to improve and protect historic buildings), and Employee Resources.

The 2019-2020 fiscal year budget is approximately \$24 million with 79% coming from the General Fund and 21% coming from Special Funds.

The breakdown of the expenses by program category is \$14 million (58% of the budget) for the Office of Community Beautification, \$5.6 million (23%) for Accounting, \$2.6 million (11%) for Secretariat, \$720,000 (3%) for Petroleum Administration, \$670,000 (3%) for Financial Systems, and \$145,000 (1%) for Project Restore.

The Board manages a complex array of funding sources and is evaluating for the next fiscal year centralizing staff to improve productivity in the areas of grants management and procurement. The Board would benefit from hiring Fund Manager(s) for compliance and effective management of Special Funds. It could also evaluate how to utilize existing staff to accomplish these tasks in an efficient manner.

The Department lacks publicly available data that would enable meaningful oversight of the cost effectiveness and efficiency of Bureau and Office operations. Oversight responsibility belongs to the Mayor, Controller, City Administrative Office (CAO), and the Board of Public Works. The Board should consider creating a task force with the oversight organizations and the Bureaus to improve the evaluation of the Department operational performance in terms of cost-effectiveness and efficiency, metrics creation, and review.

The Board continues to look into ongoing technology innovations to improve operational performance and promote cost savings. One technology example is the rollout of Accela, a purpose-built software platform for improving government efficiency.

The Board has a unique opportunity to provide oversight because it has full time commissioners who meet three times per week.

Staffing

Staffing has increased from 89 positions (88 funded and 1 temporary) in fiscal year 2015-2016 to 112 positions (99 funded and 13 temporary) in fiscal year 2019-2020.

Filling open positions and retaining staff is a concern for the Board. Lack of Civil Service reform and structural flaws in the employee classification system cause years-long chronic vacancy rates. Hopefully, the new Human Resources system the Personnel Department is rolling out will help. In the end, the employee classification system needs reflect the right title with appropriate pay levels to hire and retain staff. There need to be regularly scheduled civil service exams to maintain up-to-date Cert Lists and the ability to hire on the spot a qualified candidate, allowing credit from a candidate's education and experience to be used in lieu of taking an exam. Improvements have been made, but progress is limited and slow.

Internships are important for attracting employment candidates. Each intern position must be approved, authorized, and funded which is an arduous task in and of itself.

There need to be personnel policies that promote permanent hiring in an efficient and timely manner.

Bureau of Street Services (BSS)

Areas of improvement that the BSS rolled out or is considering include

- Improved metrics such as increasing the Pavement Condition Index (PCI) from 62-70+.
- Innovative Projects such as Cool Pavements that have the potential reduce heat-related illnesses, reduce illnesses from the formation of smog, and provide cost savings.
- Doubling the number of streets swept by staggering street sweeping schedules to every other week.
- The NovusAGENDA software system that streamlines agenda processing and meeting efficiency.

Board President Kevin James co-chairs the City's Risk Management Task Force. The goals are to minimize liability and judgments and evaluate settlement strategy. The BSS's anchor strategy to focus repair work at the liability point and a geographic radius around the site is an example of efforts to minimize liability. Anchor repair strategy can also help minimize judgements. The Task Force is not limited to the BSS.

Office of Community Beautification (OCB)

OCB operates a Clean Streets Program that has a warehouse in the Downtown area that is stocked with tools and equipment for neighborhood cleanup and beautifications, sidewalk repair, and Adopt a Median programs. OCB is considering establishing a second warehouse in the Valley to meet the demand for equipment and supplies by Valley Neighborhood Councils, organizations, and neighborhoods undertaking beautification projects. The cost of equipment and supplies is a minimal investment that, coupled with volunteer efforts, yields cost savings compared with the City doing the work itself. The estimated \$100,000 investment in supplies and equipment can yield a cost savings of up to \$3 million.

Bureau of Sanitation

RecycLA is a public-private partnership that offers waste and recycling services to commercial and industrial businesses, institutions, and large multi-family buildings. The Bureau plans to extend the Program to everybody in the City. The goal is the move towards zero waste.

RecycLA trash hauler services have been stabilized. Fee complaints continue to be addressed and have diminished. There is ongoing contract review and clarification with the Program's authorized trash haulers. The Board was not able to discuss litigation against RecycLA because a case is currently ongoing and confidential.

Office of Citywide Filming

California must increase the film tax credit. Television filming in Los Angeles has increased significantly, but demand exceeds tax credit availability with the result that projects are moving out of Los Angeles to states where filming tax credits are available. Tax credit studies show the credits return broad economic value to Los Angeles. The City has a filming infrastructure and comparative advantages over other venues. Efforts are being made to avoid neighborhood "over

filming” stress by working with production companies and neighborhoods to spread filming sites throughout Los Angeles.

CONCLUSION

The Board of Public Works structure and governance of essential public services is unique to Los Angeles and can work to provide ongoing oversight for budgets, cost- effectiveness and efficiency, and metrics creation and review.

LA SANITATION & ENVIRONMENT

Homelessness / Technology / Staffing

Meeting of October 10, 2019

ATTENDEES

LA Sanitation - Enrique Zaldivar, General Manager; Lisa Mowery, Chief Financial Officer Budget Advocates - Liz Amsden, Joanne Yvanek-Garb, Danielle Sandoval, Evelyn Valdez

RECOMMENDATIONS

- Deployment of additional trash bins around encampments and provide resources and services for individuals experiencing homelessness in the hygiene centers in each region.
- Fund 13 trucks for collection of hazardous waste from RV's occupied by individuals experiencing homelessness in all regions in the City.
- Use the General Fund immediately to implement rodent abatement and invest in preventative services.
- Invest in realtime technology in order to provide services more efficiently.
- Provide civil testing frequently in order to fill vacancies expeditiously.

DISCUSSION

The Los Angeles Bureau of Sanitation (LASAN) has a wide variety of services. Their objective is to serve the consumers as quickly and efficiently as possible. The Department believes that public health is their responsibility and on October 1, 2019, they launched the new Cleaning and Rapid Engagement (CARE) team. CARE teams will provide public health services for encampments, mobile hygiene units and daily trash collection to ensure city streets are clean.

The City Council adopted a Biodiversity Motion in 2017 to protect and enhance the City's biodiversity. Investing and increasing the city's tree canopy will improve our biodiversity.

LASAN collaborated with interested individuals and formed an Expert Council which developed recommendations for the City of Los Angeles. LASAN efforts to evaluate biodiversity and expanding community outreach to engage and regularly update the City's stakeholders on the development of the Los Angeles biodiversity index are critical.

Homelessness

LASAN and the Los Angeles Homeless Services Authority (LAHSA) have partnered to provide sanitation services near and around encampments and outreach services to individuals experiencing homelessness. 257 LASAN CARE team members throughout the City are working on a daily basis deploying waste receptacles and regular cleaning services to high density encampments. Exploring utilizing the mobile hygiene units by integrating homeless services will increase outreach to individuals experiencing homelessness.

Vehicle encampments have caused parking shortages and sanitation issues. Funding should be provided for 13 additional RV pumping vehicles for onsite collection. Tow companies refuse to haul away RVs due to pests and overflowing/leaking sewer tanks. Illegal discharge of hazardous waste from RVs onto streets and sidewalks poses a health risk for the public.

Homelessness is growing. Illegal dumping has increased and rodent infestation is becoming a major problem in the City. The City should immediately establish effective rodent control methods and execute abatement. Rodents can carry hundreds of pathogens that transmit various diseases and dangerous parasites. Fleas can transmit diseases carried by a rodent to another animal or a human being, which raises concerns for the health and welfare of the public. Pest control should be a priority.

Technology

The City should invest in realtime technology. It will optimize the Department's ability to achieve its goals and improve the Department's logistics. Realtime technology will cut back on the amount of manual input, save time, and reduce error. It will aid in planning for multiple stops and determining faster routes for drivers to expedite collection and reduce waiting time and expenses. Tracking service calls, data collection and analysis are also benefits from this type of technology.

DEPARTMENT OF SANITATION – Solid Resources, including RecycLA

Meeting of October 10, 2018

ATTENDEES

Department Personnel: Enrique Zaldivar, General Manager; Lisa Mowery, Chief Financial Officer

Budget Advocates: Liz Amsden, Danielle Sandoval, Evelyn Valdez, Joanne Yvanek-Garb

Since the Department of Sanitation covers a number of distinct areas, there are four reports addressing (a) Homelessness, and Administration (b) Solid resources, RecycLA, (c) Watershed protection, Clean Water; and (d) Green & Sustainability issues, Resilience, and the Zero-Waste program

RECOMMENDATIONS

- Expand use of new technology for logistics, routing and communication to increase efficiency and to reduce response time.
- Make franchise haulers accountable for program outcomes and customer satisfaction through progressive procedures up to and including liquidated damages.
- Establish a reward system and implement suitable penalties in order to enforce municipal codes.
- Work together with other cities to reduce solid waste and address other problems.
- Address the high number of vacancies within the Department.

DISCUSSION

The Los Angeles Sanitation Department (LASAN) has approximately 3,300 authorized positions of which approximately 2,800 are active employees, and an annual revenue budget of over \$1 billion. The vast majority of their budget is derived from customer billings and Special Funds (funds the City sets aside for specific purposes that cannot be tapped for General Fund uses) with only a small percent, primarily used for homelessness-related services, coming from the City's General Fund.

LASAN's foremost responsibilities are sewage and solid waste, the latter recently expanded under RecycLA. Solid waste is defined to mean food waste, green waste, landscape and pruning waste, non-hazardous wood waste, and food-soiled paper waste that is mixed with food waste.

Recently passed California bills dovetail with many of LASAN's more proactive programs to reduce solids being dumped into our landfills and curtail greenhouse gas emissions (methane in particular) through organic waste diversions.

Angelenos currently recycle green waste and landscaping waste in green pails and containers, paper and other recyclables in blue pails. The next step is comprehensive organic waste diversion.

Starting in May, LASAN commenced a limited one-year pilot program, Curb Your Food Waste LA, to educate and encourage LA households to reduce and recycle organics. This needs to be rolled out as expeditiously as possible for all Angelenos.

Additionally, LASAN should continue and expand its partnerships with Los Angeles businesses on green practices such as the Sofitel's use of an ORCA system, which "digests" food waste into environmentally safe water that flows into the city's sewage system.

After a rocky start, complaints about RecycLA are dropping. There are still many issues which need to be addressed, regulations enforced and scofflaws penalized. In multi-million dollar operations, it is too easy for franchise haulers to count small fines as a cost of doing business, so these need to be significant and progressive.

Furthermore, LASAN needs to provide strict oversight to ensure that these service providers continue to move towards affording businesses and multi-unit housing equal or equivalent services to LASAN's residential customers.

Despite the increase in fines, dumping is still a huge problem in many areas including the Valley, the Northeast, Central LA and the port area. LASAN and the City need to vigorously pursue enforcement in target areas to inhibit future dumping which will create income and reduce expenses.

Alleys are also a problem. There are a number of contributing factors, ranging from the homeless to improper garbage disposal and dumping, but which also include street services, lighting and other Departments and safety issues.

LASAN should reestablish the reward system and enforce municipal codes. The CARE/CARE+ teams can be used to investigate illegal dumping while providing routine services. Surveillance cameras and enforcement teams are needed on alleys and some streets to cite the offenders.

Los Angeles does not exist in a vacuum. The City has many other municipalities on its borders and/or sharing resources. The responsibilities and authority of LA County and the State of California overlap with those of the City. What to do with everyone's garbage is a national and international problem. To address change effectively, all must work together.

Finally, this Department has a high number of vacancies. LASAN needs to work with the Personnel Department to determine why. Are too many experienced people being poached by other municipalities or agencies with offers of higher pay and better benefits? This appears to be an across-the-board problem for all or nearly all Departments.

In past years, some hiring requirements ruled out the promotion of qualified workers. Are they all needed? Can some seasonal positions be combined with others? Or with positions in related Departments? With the cost of labor and benefits being a primary expense for any Department, this needs to be addressed.

CONCLUSION

LASAN's progressive plans regarding the City's water and garbage should be included in their budget requests moving forward. Anticipating new regulations at the state and federal level before they are implemented will ease transition and mitigate costs.

LASAN's budgets must be based on a realistic assessment of the current and future needs of both the City and its stakeholders and should not be tied to past budget numbers or political tampering. Spending money today is an investment in tomorrow.

DEPARTMENT OF SANITATION

Green and Sustainability Issues, Resilience, Zero-Waste Program

Meeting of October 10, 2018

ATTENDEES

Department Personnel: Enrique Zaldivar, General Manager; Lisa Mowery, Chief Financial Officer

Budget Advocates: Liz Amsden, Danielle Sandoval, Evelyn Valdez, Joanne Yvanek-Garb

RECOMMENDATIONS

- Accelerate implementation of the Zero-Waste and Curb Your Food Waste LA Programs.
- Actively pursue development of local recycling plants and markets.
- Seek additional markets for green waste.
- Expand organics recycling for homes and businesses.
- Develop and apply technology to filter pesticides, herbicides, prescription medication, and micro-plastics out of the City's water and sewage systems.
- Continue the shift to electric vehicles.
- Prioritize programs that will enhance the City's resilience in the event of an emergency.

DISCUSSION

In addition to its traditional role of collecting and disposing solid waste and sewage, the Los Angeles Sanitation Department (LASAN) oversees important environmental programs and pursues long term solutions to the problems of cleaning up after 4 million people

The three Rs, reduce, reuse, recycle, predate the rationing of World War II and are as urgent today as they were 80 years ago. The City's Zero-Waste LA program aims to reduce landfill disposal by 1 million tons per year by 2025 and to enforce compliance with environmental regulations, including mandatory commercial and organics recycling.

Curb Your Food Waste LA is a one-year pilot program launched last May 2019 to educate 18,000 households in 25 neighborhoods to

- Shop smart: Prevent food from being wasted.
- Waste less: Make the most of your food.
- Recycle the rest: Use your Green Bin to recycle your food scraps.
- Learn how to home compost more effectively.

This needs to be rolled out across the city as quickly as possible.

With developing countries no longer willing to accept America's trash, LASAN's recycling shifted from a profit center to a loss which makes it harder to push recycling as a lasting solution. It will take years to change people's throwaway society mentality and those of the industries that bank on rampant consumerism.

In the interim, the Budget Advocates reiterate our suggestions that the Department work with the City to facilitate the development of local businesses, both to handle the workflow from trash to usable products and to use their output to manufacture goods needed by customers in Los Angeles and elsewhere. Furthermore, Los Angeles should use its existing water, power, real estate, and other resources to leverage synchronistic economic growth for the City and increase resilience for the greater L.A. area.

Given that the City produces more green waste than it can currently handle and that will only increase with green recycling from RecycLA customers coming on line and the needed expansion of the City's tree canopy, LASAN should encourage innovation for other local uses.

This past year has seen increased concerns across the country about the impact of pesticides, herbicides, prescription medication, and micro-plastics on the treated water that is percolated into our groundwater or released into the ocean. History has shown that the ramifications of this type of pollution often don't manifest for years and can have deleterious effects on the health and reproduction of insects, fish, and vertebrates including humans. This should be prioritized as the return of drought conditions may accelerate the concentration of these poisons.

The Budget Advocates commend LASAN for its planned transition to electric vehicles and urge that this be expedited.

While it is incumbent on the City to move towards local water sustainability, it is LASAN and the Los Angeles Department of Water and Power (LADWP) who will need to make this happen.

LASAN also has the infrastructure and connections to work with businesses and residents to push the incremental changes necessary for the City to become more sustainable and resilient. It may appear overwhelming to try and change our world overnight but nothing will happen unless the City can work with LASAN to introduce and enforce those first few steps.

LASAN must actively coordinate with the City's Emergency Management Department, LADWP, Los Angeles County, and all the people living and working in the greater Southern California area on resilience issues to ensure survival of the City in the event of earthquake, wildfire, terrorism, insurrection, and more.

In both the short and long term, these will have varying, often significant, impact on the water and waste infrastructures, diseases and treatment, communication, energy, and transportation. Resilience is the City's ability to face and recover.

CONCLUSION

There is a lot to be done and a lot of costs involved. But some of those costs will be cheaper in the long run if they are initiated now. Recycling may end up as a profit center again. Efficiencies, including waste reduction, have immediate savings. Others will end up saving the City money overall, for example, an investment in cutting pollution could result in fewer sick days, less cleaning of buildings, and avoidance of potential lawsuits.

Forming committees to discuss the problems is a start, but we need coordinated action. LASAN has a good history of investing in long-term solutions rather than Band-Aid approaches that have certainly not benefited the City's roads and sidewalks. The Budget Advocates encourages LASAN to vigorously pursue this and continue to provide a good example to the City and its other Departments.

DEPARTMENT OF SANITATION – watershed protection, clean water

Meeting of October 10, 2019

ATTENDEES

Department Personnel: Enrique Zaldivar, General Manager; Lisa Mowery, Chief Financial Officer

Budget Advocates: Liz Amsden, Danielle Sandoval, Evelyn Valdez, Joanne Yvanek-Garb

RECOMMENDATIONS

- Expedite the Mayor’s push to recycle 100% of the City’s wastewater by 2035.
- Expedite the Mayor’s push to source 50% of the water for Los Angeles locally by 2035 and cut purchases of imported water by 50% by 2025 by expanding water capture and recycling and increasing effective water conservation by residents, businesses and the City itself.
- Fund positions necessary to increase clean water oversight at businesses including the rapidly expanding cannabis industry.
- Expand sourcing funds and partners to accelerate watershed improvements.
- Continue to fund innovation internally, through the Mayor’s office discretionary funds and through specialized programs at the state and national level.
- Continue to build sustainability and resilience in the face of climate change, economic swings and potential natural and manmade disasters.
- Expand education for residential stakeholders, condo owners and businesses on water reclamation and conservation.

DISCUSSION

LA Sanitation (LASAN) operates the largest wastewater collection system in the US, serving a population of four million within a 600 square-mile service area. LA's more than 6,700 miles of public sewers convey 400 million gallons per day of flow from customers to LASAN's four water reclamation plants across the City, which have a combined capacity to treat 580 million gallons per day of wastewater.

The Clean Water program recycles water for landscape and industrial purposes as well as supplementing the flow of the LA River to support the local habitat. Residuals from the treatment plants are discharged back to the sewer for further treatment in order to protect our river and marine environments and public health.

LASAN also addresses climate change, brownfield remediation, monitoring and reducing greenhouse gas emissions, and promoting renewable energy, green infrastructure and urban greening to deliver a triple bottom line of economic, environmental, and social benefits that sustain the quality of life in Los Angeles.

The mission of the Watershed Protection Program is to protect the beneficial uses of receiving waters while complying with all flood control and pollution abandonment mandates. The program employs a multi-pronged approach to ensure the City of Los Angeles is in compliance with regulations and to reduce the amount of pollution flowing into and through regional waterways.

Low Impact Development (LID) is a leading stormwater management strategy that seeks to mitigate the impacts of runoff and stormwater pollution as close to its source as possible.

The purpose of green infrastructure is to capture, clean, and/or infiltrate stormwater through the design of paved areas using permeable materials and drought tolerant plants. Converting the City's paved areas from gray to green will reap multiple benefits.

Proposition O authorizes the City of Los Angeles to fund projects (up to \$500 million) that prevent and remove pollutants from our regional waterways and ocean, consequently protecting public safety and meeting Federal Clean Water Act regulations.

Municipalities, non-governmental organizations and community members are working collaboratively to develop and implement Enhanced Watershed Management Plans for Los Angeles' five watersheds.

The Watershed Protection Program Environmental Officers protect public health and safety and the environment through effective education, prevention, emergency response, criminal investigations and enforcement of Federal, State and Local Laws.

Adopting good housekeeping practices -- from harvesting rainwater to picking up after your dog, from taking a canvas bag to the market to recycling your used motor oil -- will help create a cleaner and more sustainable City.

CONCLUSION

There is discontent amongst stakeholders as regards to water availability, cost and management: the City must prioritize its needs and adopt a fiscally conservative approach that embraces change, expanding innovation, and tracking accountability.

LASAN should develop and provide the Budget and Finance Committee with best-case/worst case scenarios for innovative strategies necessary for the City's continued successful growth and survival in the face of growth, drought and climate change.

Their budgets must be based on realistic assessment of the current and future needs of both the City and its stakeholders, and should not be tied to past budget numbers or political manipulation.

The Budget Advocates encourage LASAN to continue to engage partners and source state and federal funds to multiply their efforts to improve water quality and make the City less and less reliant on water from beyond its borders.

In a rapidly changing world, where sustainability, resilience, the remediation of polluted water and rectifying climate change have become imperatives, LASAN must continue to seek out innovative approaches from around the world to incorporate into their long term planning and budgets, and move forward expeditiously on those projects that are applicable to Los Angeles.

And the City should approve such budget requests moving forward whether or not their cost affects the immediate bottom line.

Last but definitely not least: Los Angeles County sits on a number of aquifers: some are sinking from years of drought and overuse, others suffer from contamination from the Aliso Canyon natural gas storage facility and toxins leaching from the Scholl Canyon Landfill.

For building watershed protection, water resilience, and the efficient provision of clean water to its stakeholders, the City of Los Angeles must address the following issues with LASAN, the LADWP and the relevant County and State agencies:

- (a) the need for an accelerated biodiversity program to ensure a healthy ecosystem within the City through regulation and policies including the socio-economic correlation between tree canopy, groundwater retention and costs to residents and businesses;
- (b) the obligation to engage with boundary cities – Glendale, Burbank, Santa Monica – as well as with the County and State water management and recycling policies;
- (c) the extent to which Sparkletts is depleting Los Angeles groundwater – they’ve been pumping water from under Highland Park since 1925, hundreds of thousands of gallons a day – and other companies which do the same elsewhere in the state;
- (d) the increasing risk of saltwater contamination from coastal waters as the pressure in inland aquifers is reduced through overuse;
- (e) the impact of increasing the amount of potentially contaminated water from LADWP wells within and close to the San Fernando Valley Superfund site needed to increase the City’s resiliency in the event of increased drought and/or a disaster cutting off outside water supplies;
- (f) the continuing concern about possible contamination of the San Gabriel Valley groundwater aquifer which provides 90 percent of the drinking water for over one million Angelenos;
- (g) the dangers of drilling and fracking within the City limits and how to mitigate them: California has approved hundreds of oil and gas extraction or wastewater disposal injection wells into aquifers protected under the Safe Drinking Water Act, and the City has yet to take visible action on these despite the fact that the San Fernando Basin *aquifer* is a critical part of its water future;
- (h) the bureaucratic complexity of boards overseeing state and city water supplies which allows for questionable practices in contracting and compensation, and outright criminality; and
- (i) the cost to Los Angeles consumers of the monitoring and cleanups required due to all the above as well as the provision of water for drinking and all other purposes.

P.S. Is the City participating in Sparkletts’ profits?

DEPARTMENT OF STREET LIGHTING

Meeting of October 10, 2019

ATTENDEES

Street Lighting: Megan Hackney, Assistant Director; Kerney Marine, Assistant Director
Budget Advocates: Joanne Yvanek-Garb, Elias Garcia, and Budget Representative Josh Nadel

RECOMMENDATIONS

- Add more dedicated staffing for combatting copper wire theft.
- Increase the amount of faster high-speed EV chargers on streetlights in consultation with Neighborhood Councils.
- Expand the Smart City program to include more sensor types and create more public-private partnerships to provide services for residents.
- Explore licensing options for revenue generation.
- Add a dedicated employee for monitoring the Smart City sensor program.
- Start a “Smart Banner” pilot project to place smart banners (small digital displays) near public transit to increase information to residents.

DISCUSSION

The Bureau of Street Lighting (BSL) is responsible for the design, construction, operation, maintenance and repair of the street lighting system within the City of Los Angeles. There are currently more than 210,000 lights in the City consisting of more than 400 designs. Streetlights provide illumination for City roadways and sidewalk areas. The main purpose of a lighting design is to provide comfortable visibility to encourage vehicular and pedestrian traffic. All lighting installed in the City is designed to meet national lighting levels that provide visibility and reduce sky glow and glare. All streetlights installed are tested for efficiency, safety and maintainability.

The FY 2019-20 budget is approximately \$43 million (Special Funds - 100%). This was an 11.3% increase from 2018-19. Expenses by program category are: Design & Construction - \$25 million (58%), System Operation, Maintenance & Repair - \$14 million (33%), General Admin- \$3 million (7%), Street Lighting Assessment - \$1 million (2%).

Staffing has increased from 253 positions (209 funded/44 temporary in FY 2015-16 to 337 positions (210 funded/127 temporary) in FY 2019-20. This is 3 permanent positions lower than 2018-19.

Copper Wire Theft

Copper wire theft is the largest problem facing this Department and the costliest development the Department is dealing with. Copper wire is a valuable commodity. While there are already dedicated teams for preventing more theft and dealing with replacement, adding more employees to prevent theft will result in a net savings for the City. Spending initiatives that result in net savings are always encouraged, and preventing theft of copper wire will save money. Additionally, it will allow the City to maintain higher levels of service as well.

The theft problem tends to be in the more remote areas. The Department is hardening the casings to prevent further thefts, but the speed at which that can be done is limited by the number of dedicated employees. It is actually more costly to replace copper wire than to add employees.

Stopping copper wire theft will not only save the City money in the long run but will also save lives. The persons who are stealing the copper wire are not always aware of which streetlights can kill them. One person was already electrocuted while trying to steal copper wire from a high voltage streetlight. Stopping copper wire theft thus is necessary for many different reasons.

Street Lighting conversions to LED lighting

The Department has been working on a project to convert all street lighting to LED lighting. This will result in a higher quality of light at a lower price point with less maintenance. Adopting this new lighting modality has resulted in an approximate \$9M savings per year as compared to the previous style of lighting. This changeover is approximately 96% completed, and the remaining 4% should be completed by the end of the next fiscal year. The teams that have been working on this project have mostly been redeployed for other Department initiatives but some employees are still working on finishing the project.

The Department is constantly experimenting with new potential types of lighting. They currently are exploring the long run feasibility of both plasma and induction lighting. Cost is a major factor making both unaffordable for now, but the cost may be reduced with advances in technology, and the Department is poised to be prepared for any future changes.

Co-location services

This is a newer initiative to allow small cell antennas and cabinets for communications to be co-located on streetlights. They are placed high up to minimize any chances for theft or interference. The various telecom companies that are using the co-location services pay for some of the maintenance costs because of the added burden of work in and around the streetlights. Allowing the small cell antennas improves cellular reception for residents without having to add extra poles. Additionally, it helps to defray overall maintenance costs.

EV chargers are also being added to streetlights to encourage electric car usage. A total of 432 streetlights will have this capability by the end of the fiscal year. The Department has been adding them at a rate of 150 per fiscal year. It is unclear if that pace will continue because many of the ideal locations (ends of streets) have already gained this capability. Another issue is that usage rates for this service vary across the City. Electric cars still command a premium price and

their adoption rate is thought to mirror the socioeconomic divisions across the City. Nonetheless, the City should continue adding these EV chargers to encourage electric car usage all across the City, even if some areas have higher usage rates. The focus should be on high capacity chargers to allow for rapid charging, which would allow users to finish faster and increase the turnover rate for charging on a daily basis.

The Department should work with Neighborhood Councils on the placement of future EV chargers because they have the best knowledge of which are the best locations in a given neighborhood.

Smart City Program

The Department has been working on a project that places sensors on streetlights to create smart hubs. Some of the uses of these sensors include foot traffic measurements in high volume areas, air quality monitors for measuring air pollution, fire and smoke detectors to help prevent fires from growing unnoticed near streetlights, and repair sensors for the streetlights themselves. The potential for more sensors is essentially limited by cost and creativity. While the former is obvious, the latter is more subtle. Some suggestions could be weather sensors (temperature, barometric pressure and humidity) and car traffic monitoring for high volume areas.

All of these sensors are used by remote control allowing for centralized data collection. A dedicated employee should be hired to maximize the value of this program. Additionally, the Department should task this employee with finding private partners to develop apps and other services to provide value to residents. Revenue can be gained from this through licensing the sensor information to these private partners.

The Department is also exploring starting a “Smart Banner” project. This would be a series of digital banners, located in high trafficked areas, that could display useful local information. There could be some near public transportation that display transit times. There could be a news aspect for City Council bills and matters to increase residents’ knowledge of the goings on at City Hall. Again, creativity would be the only limiting factor for what could be displayed. This project could provide a lot of value for residents and is strongly encouraged.

Homelessness

One of the challenges facing every City Department this fiscal year is the homelessness crisis. While homelessness has always been a problem in the City, the last few years have been particularly challenging. This Department is seeing a “power sharing” issue. This means that people are using makeshift wiring to give themselves power outlets on the street. The Department reports they have seen actual jerry-rigged power outlets attached to streetlights.

Obviously, this situation raises serious safety concerns, not only for the people doing the jerry-rigging, but for entire neighborhoods. Further, the ability to jerry-rig the streetlights encourages homeless encampments.

My311 and data reporting

Most of the requests for dealing with malfunctioning streetlights come from 311 calls and the My311 app. The only limiting factor for servicing the streetlights is staffing issues. The Mayor has a metric page for this information. Statistics about requests and repairs being posted on the My311 app would help assure residents that every part of the City is being equally covered for repairs.

Working with the Cultural Affairs Department

The Cultural Affairs Department has control over a large special fund for artistic endeavors. This money comes from a 1% tax on the construction costs for new developments and has to be paid prior to receiving a building and safety permit. That account has millions of dollars in it but rarely gets used.

Imaginative uses of street lighting would make for wonderful art projects. The Street Lighting Department should leverage their status as a City department to help Neighborhood Councils gain access to those funds and install those art-based LED projects. This would be an excellent opportunity for this Department to re-brand itself to the residents as a patron of the arts and a Department that expands its mission to make the City aesthetically pleasing.

CONCLUSION

The Street Lighting Department is run extremely efficiently. They are actively working on new projects to benefit the residents. The co-location and Smart City programs both are providing added benefits without much or any cost. These sorts of projects should not only be encouraged but should be a model to other City Departments of the sort of meaningful projects that should be explored.

Copper wire theft is a very serious issue and more staffing should be provided so that this Department can minimize losses and maintain high levels of service. Power stealing by the homeless needs to be stopped and efforts should be increased to keep this from becoming a larger problem. The My311 app has been a boon to residents to inform the Department of outages and malfunctions. More tracking of this information needs to be publicly available.

Working with the Cultural Affairs Department will be an outstanding way for this Department to show the many benefits that street lighting can provide the City above and beyond “basic lighting”. It offers an opportunity for the City to become more aesthetically unified and gives the employees a chance to do something fun that benefits the City as a whole.

BUREAU OF STREET SERVICES

Meeting of October 7, 2019

ATTENDEES

Bureau of Street Services: Adel Hagekhalil, Executive Director/General Manager; Stephanie Clements, Assistant Director Administration and Budget/Chief Financial Officer; Greg Spotts, Assistant Director Maintenance, Urban Forest, Investigations, and Enforcement/Chief Sustainability Officer; Keith Mozee, Assistant Director Pavement Preservation/Chief Operations Officer; Fred Mousavipour, Assistant Director Sidewalks, Advanced Planning, Engineering/Chief Technical Officer; Chi Ming Gong, Executive Office Manager/Street Services Superintendent /Chief Resiliency and Innovation Officer; Martin Schlageter, Director External Affairs; Gabriella Ortiz, Manager Customer Service/ Methods & Standards; Melinda Gejer, Public Policy Coordinator/Urban Forest

Budget Advocates: Glenn Bailey, Tony Michaelis, Joanne Yvanek-Garb

RECOMMENDATIONS

- Provide the public with evidence that programs are being run in the most cost-effective manner possible (Controller 2014 audit follow up).
- Provide Street Network data by Neighborhood Council area to allow residents to better understand how programs and services effect our neighborhoods.
- Support the StreetsLA Stakeholder Advisory Committee and ensure this effort results in meaningful input into resource allocation decision-making and operational oversight.
- Support a StreetsLA Executive Dashboard.
- Support street vending enforcement legislation.
- Support expanded street sweeping by staggering weekly sweeps (double the percentage of streets swept).
- Support small area street and sidewalk repair projects, anchor location repair, and other innovative ways to improve public safety.
- Support urban forest initiatives including the Urban Forest Management Plan, street tree inventory, street tree work management system using the Recreation and Parks software, and 7-year cycle tree trimming goal.

DISCUSSION

The mission of the Bureau of Street Services (BSS), also known as StreetsLA, is to provide quality street services in a timely and efficient manner and to create a more livable and sustainable City. BSS's goals are to improve the quality of the street surface, maintain a safe, clean, and green public right of way, and build streetscape improvements. Core Services are Pavement Preservation, Urban Forestry, Motorized Street Sweeping, and Investigation and Enforcement.

In line with Mayor Garcetti's goals to create a safe, livable and sustainable, prosperous and well-run city, StreetsLA performs a wide range of planning, construction, maintenance, and enforcement activities to maintain the City's public works infrastructure and enhance the experience and quality of life of City residents, visitors, and stakeholders. StreetsLA strives to maintain a world class street network through integration, innovation, and inclusion.

The 2019-2020 fiscal year budget is approximately \$208 million, a nearly 18% increase over the 2018-2019 fiscal year's budget of approximately \$171 million. 23% of the budget comes from the General Fund and 77% comes from Special Funds.

BSS expenses by program category are

- Pavement Preservation – \$103 million (52%)
- Street Tree & Parkway Maintenance (Urban Forest) – \$25 million (13%)
- Maintaining Streets – \$19 million (10%)
- Street Improvement Construction – \$18 million (9%)
- Street Sweeping – \$13 million (6%)
- General Administration – \$7 million (4%)
- Investigation/Enforcement – \$7 million (3%)
- Street Improvement Engineering – \$7 million (3%).

Staffing

Staffing has increased from 1177 positions (899 funded/196 temporary) in fiscal year 2015-2016 to 1376 positions (942 funded/434 temporary) in the 2019-2020 fiscal year.

There is an approximate 20% vacancy rate in the Bureau. BSS believes the key to eliminating chronic vacancy rates and attracting high quality candidates involves reforming the civil service process. Reforms could include credit for candidates with accredited certifications who would qualify for on-site offers and a consolidation of the promotional and open eligible candidate lists. High vacancy rates result in use of overtime to meet service requirements. A resolution to this structural hiring problem must be found.

Urban Forest

There are approximately 700,000 trees in Los Angeles. There is a goal to trim each tree every 7 years. There are currently 5 crews and the plan is to add 2 crews per year until the 7-year goal is met. The current tree trimming rate is around 40,000 trees per year.

The BSS is requesting from the City Council funding for a 2-year tree inventory. If approved, professional arborists will begin assessing the trees in the Valley and Metro areas. The assessments will be available online by Neighborhood Council area using a Recreation and Parks software application. The focus will be on dead tree removals, proper tree treatments, and continuation of annual tree summits to maintain best practice standards.

Pothole Management

New technology continues to improve pothole management service efficiency and delivery. 40,000 requests were received last year and the average time for repair continues to be 3 days. The Pothole Blitz program started before the new application was available. The Blitz is no longer needed based on the success of new system, but it is well-liked in the neighborhoods. The success of both programs may result in more à la carte services (e.g., storm drain clearance).

Pavement Preservation

Significant efforts have been made to improve public safety, efficiency, and effectiveness through the Pavement Preservation program. Small area repairs of sidewalks, concrete and failed streets are being completed based in part on evaluation of risk and liability. Rather than wait for an entire street repair, innovative approaches have been developed to target damaged segments. The result is improved safety by addressing root problems as compared with the past “all or nothing” approaches. Additional crews have been added to address a street repair based on risk and liability, creating an anchor location. BSS then uses the crew to address service requests that are within a ½ mile radius of the anchor location.

The Griffith Park Boulevard concrete street and bike path project is projected to cost \$8-10 million. Directors will survey the site to determine if the anchor location approach can be used to solve this street repair issue in a more timely and cost-effective manner.

Alley repair is in this fiscal year’s budget.

Street Sweeping

There are 65 street sweepers in the City. This covers about 40% of city streets based on posted signage. An evaluation is underway to determine if it is possible to double the number of streets covered (80%+) by sweeping less frequently (e.g., bi-weekly or monthly) and/or targeting greater parts of neighborhoods being swept with a “100% brushes down” model.

Data/Metrics

The BSS previously used miles paved to measure its work. This can favor paving less-damaged streets. The metric was changed to percent of street network in good repair. This may mean fewer miles paved, but it addresses the streets in most need of repair and it can improve public safety and overall road conditions. The Bureau thinks that this pavement preservation metric change provides a better assessment of its overall performance.

Neighborhood Council area street repair service mapping would allow communities to better understand how the BSS is implementing street and sidewalk repairs.

StreetsLA Stakeholder Advisory Council

The StreetsLA Stakeholder Advisory Council begins with its first meeting on October 12, 2019. The Council is an effort to engage Los Angeles residents in the process and aligns with the Mayor's Participatory Involvement Program. The Council should incorporate Neighborhood Council input on specific street repair projects each year.

Street Vending

The illegal use of streets and sidewalks for street vending continues to be a problem in many neighborhoods. The key to implementation is enforcement. Municipal code 56.08 and Council File 13-1493 need to be reviewed. The Bureau needs to memorialize misdemeanor citations and confiscation of property for effective resolution.

Toilets Homeless Initiative (Metro)

At Metro's December Board meeting, the Bureau requested funding for public toilets to be built around transit hubs to help reduce public health and safety due to street waste.

Innovation Initiatives

Innovation projects that are being considered and piloted to save money and improve outcomes (e.g., more miles of road paved) include

- Diamond grinding in partnership with the Department of Transportation
- Add plastic bottles to the asphalt stream
- High strength asphalt testing
- Interactive work and performance dashboard
- Global streets best practices summit
- Tree summit

CONCLUSION

The Bureau received additional funding that allows for increased basic services and the incorporation of new technologies. In addition, the Bureau continues to increase stakeholders' involvement in the process. We support these efforts with an understanding that publicly available data need to be provided to allow meaningful independent financial and performance oversight.

DEPARTMENT OF TRANSPORTATION

Meeting of October 1, 2019

ATTENDEES

Department of Transportation: Monique Earl, Assistant General Manager, Administration;
Angela Berumen, Chief Management Analyst, Budget/Administration;
Budget Advocates: Glenn Bailey, Tony Michaelis

RECOMMENDATIONS

- Provide the public with evidence that programs are being run in the most cost-effective manner possible (Controller 2015 traffic control audit for special events follow up and improved performance metrics).
- Eliminate the 20% staff vacancy rate.
- Develop data tools to monitor and provide feedback to stakeholders including service request tracking.
- Prioritize District Office support and efforts to eliminate the service request backlog.
- Establish benchmarks and metrics for timely District Office evaluation of projects and field office implementation.
- Support funding for basic transportation infrastructure projects and working with Neighborhood Councils through District Offices for timely review and implementation of service requests.
- Support funding for speed surveys every seven years to allow for ongoing traffic enforcement.
- Support enforcement of Dockless Mobility Program rules in our neighborhoods.

DISCUSSION

The Los Angeles Department of Transportation (LADOT) is responsible for the development of plans to meet the ground transportation needs of the traveling public, both private and commercial. It has centralized authority over the conceptual planning and operation of the City's streets and highways system. It provides a primary interface with other governmental agencies on transportation matters. The Department

- Studies parking and traffic needs.
- Provides the installation and maintenance of traffic signs, signals, parking meters, street name signs, and other transportation control devices.
- Controls traffic and pedestrian movement at all intersections, enforces parking rules and regulations, and accounts for all revenue therefrom.
- Coordinates the development of off-street parking.
- Oversees crossing guard services.
- Provides public utility regulation through investigation of services and rates of the privately-owned public utilities.

- Regulates the rates and services of taxicabs, ambulances, and sightseeing vehicles, and issues permits to drivers of public transportation vehicles.
- Prepares and enforces provisions of franchises and audits franchise payments.

The Department's 5-year budget increased from approximately \$154 million in fiscal year 2015-2016 to \$197 million in the 2019-2020 fiscal year. The 2019-2020 fiscal year budget receives 59% of its revenue from the General Fund and 41% from Special Funds.

Parking fine revenue for fiscal year 2019-2020 is projected to be approximately \$123.78 million. This revenue accrues to and represents 1.2% of the General Fund. The Special Parking Revenue Fund (SPRF) is projected to contribute approximately \$51 million to the General Fund.

Revenue based on the fiscal year 2018-2019 Adopted Budget shows the LADOT produced approximately \$224 million in General Fund Revenues of which parking fees accounted for 63.34%, Special Parking Revenue Fund (SPRF) Transfer accounted for 14.33%, licenses, permits and fees accounted for 13.23%, and franchise income accounted for 9.10%.

Staffing

Staffing has increased from 1311 funded and 206 temporary positions in fiscal year 2015-2016 to 1397 funded and 360 temporary positions in fiscal year 2019-2020. 80% of the department budget is staff.

The Department carries a 20%+ staff vacancy rate. Funding is provided in the current budget for additional staff. It is essential that personnel management be a top department priority since the vacancies undermine all existing programs and services. The Department should support changes to the civil service hiring process such as hiring based on applicant experience, education, and credentials in-lieu of civil service exams.

Overtime management and special event reimbursement practices are improved when compared with the 2015 Controller audit. Overtime primarily results from Department vacancies, large venue events, permitted, reimbursable special events, and non-reimbursable special events such as traffic accidents or downed traffic signals.

Top Funded Budget Priorities

- Personnel (4 new positions)
- Traffic officer safety (8 new positions)
- Radio replacement
- Continued public adjudication services (parking citations)
- Transit service expansion and bus electrification
- Safe and healthy street projects (primarily grant funded programs with 1 position to oversee/manage)
- Priority corridors pedestrian refuge island, traffic signal, engagement, and speed surveys for the Vision Zero program
- Scooter program management

DASH

DASH funding comes from Metro by way of Prop A monies which vary by year based on sales tax revenues. 80 electronic buses will arrive February 2020. Further information will be available through the traffic transit service analysis.

Dockless Mobility

LADOT created a pilot One-Year permit to regulate and manage dockless scooters and bicycles. The Department needs to step up enforcement of the related rules, for example driving on the sidewalk and parking violations.

Metrics

The Department needs to establish benchmarks and metrics for timely District Office evaluation of projects and field office implementation. The effort to develop data systems to monitor and measure Department programs is a complex, multi-department, significant technology investment. The Department should have this discussion, along with a personnel task force to address vacancy issues, with the Mayor's office.

Service Requests

LADOT should support funding for basic transportation infrastructure projects including painting crosswalks, repairing street signs, adding pedestrian enhanced crosswalks, congestion relief through stop light timing improvements, and working with Neighborhood Councils through District Offices for timely review and implementation of service requests.

The Department has a service request backlog. It needs to prioritize District Office support to eliminate the backlog. It should develop data tools to monitor and provide feedback to stakeholders including service request tracking.

CONCLUSION

The Department should focus on prioritizing neighborhood infrastructure projects, improving operational and financial oversight, and efforts to address structural operational issues (e.g., personnel vacancy rate and public data availability).