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- Pending - Report back on Budget Memo 45 (ITA One-time funds for technology) - ITA attachment priority 10 - Communications Electricians. Provide more specific details and recommendations as to how to address this issue.
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	Fire	CITYWIDE - BUDGET IMPACTS IN RESPONSE TO THE COALITION OF LA CITY UNIONS REPORT: A BUDGET TO MOVE LA FORWARD
	Human Resources & Benefits	CITYWIDE - BUDGET IMPACTS IN RESPONSE TO THE COALITION OF LA CITY UNIONS REPORT: A BUDGET TO MOVE LA FORWARD

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118	Housing Department	CITYWIDE - BUDGET IMPACTS IN RESPONSE TO THE COALITION OF LA CITY UNIONS REPORT: A BUDGET TO MOVE LA FORWARD
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CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 1

Date: May 3, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer Subject: **INFORMATION TECHNOLOGY AGENCY – 3-1-1 CALL CENTER STAFFING**

Your Committee requested this Office to report back regarding the prior-year reductions to the 3-1-1 Call Center and the resources required to increase services. The following table provides a summary of the operational hours and number of positions in the Information Technology Agency (ITA) assigned to the 3-1-1 Call Center over the last five years:

Fiscal Year	Authorized Positions	3-1-1 Call Center Hours of Operation (Seven days a week)
2008-09	78	24 hours
2009-10	54	7:00 A.M.-11:00 P.M.
2010-11	51	7:00 A.M.-11:00 P.M.
2011-12	43	8:00 A.M.-5:00 P.M.
2012-13	37	8:00 A.M.-5:00 P.M.

Of the 37 positions authorized in 2012-13 for the 3-1-1 Call Center, 30 positions are Communications Information Representatives (CIRs), who act as 3-1-1 call takers. The Department is currently experiencing a high absentee rate in the CIR classification, as up to 19 of the 30 CIRs in the Department are unavailable to work in the Call Center, on a full or part-time basis, due to family medical leave, workers compensation claims, work restrictions, and other attendance issues. Coupled with three vacancies in this classification, these absences resulted in an average wait time in February 2013 of nearly six minutes before a caller spoke with a 3-1-1 operator. Due to these wait times, 44 percent of callers hung up before the call was answered.

The 2013-14 Proposed Budget increases 3-1-1 Call Center staffing to 45 total positions, including the addition of one regular authority position for a new total of 38 regular authority positions and seven resolution authority positions. Six of the seven resolution authority positions proposed for 2013-14 were authorized as substitute authorities in 2012-13 in order to help reduce 3-1-1 Call Center wait times. After filling these six new positions and filling the three previously vacant positions, the average 3-1-1 caller currently waits less than one minute before they speak with a 3-1-1 operator.

As previously indicated, the 3-1-1 Call Center currently operates from 8:00 A.M. to 5:00 P.M., seven days a week. In the calendar year 2012, the Call Center answered 1.2 million calls. If the Call Center hours were to be increased to 7:00 A.M. to 8:00 P.M. daily, ITA

estimates an additional 120,000 calls per year could be answered. ITA estimates that this increase to operational hours would require the addition of six staff, including one Senior Communications Operator I, one CIR III, and four CIR IIs. The total cost of these six positions would be \$518,612, including direct salary (\$381,841) and related costs (\$136,771), as detailed in the following table:

Qty	Class Code	Classification	Salary	Related Costs	Total
1	1467-1	Senior Comm Operator I	\$ 65,487	\$ 29,011	\$ 94,498
1	1461-3	Comm Info Representative III	67,138	29,454	96,592
4	1461-2	Comm Info Representative II	249,216	78,306	327,522
6		Total	\$ 381,841	\$ 136,771	\$ 518,612

Additional resources are not recommended at this time given both the Call Center absentee rate and City's fiscal constraints. Instead, it is recommended that the Information Technology Agency work with the Personnel Department and this Office to develop a plan to address the high absentee rate.

RECOMMENDATIONS

1. Direct the Information Technology Agency to work with the Personnel Department and City Administrative Officer to develop a plan to address the high absentee rate in the 3-1-1 Call Center.
2. In light of both the City's current fiscal constraints and the high rate of absenteeism that exists currently, no change to the Mayor's Proposed Budget is recommended. Should the Committee desire to add funding and position authority for the 3-1-1 Call Center, this Office recommends that the cost be offset by an on-going reduction elsewhere in the budget. Furthermore, these investments will need to be prioritized along with other City needs.

FISCAL IMPACT STATEMENT

As no change to the Mayor's Proposed Budget is recommended, there is no impact to the General Fund.

MAS:MAF:11130038h


Question No. 4

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 2

Date: May 6, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **HOUSING AUTHORITY OF THE CITY OF LOS ANGELES – PROGRAMMING AND MAINTENANCE OF RECREATION SITES**

Your Committee requested this Office to report back on how programming and maintenance at certain Housing Authority of the City of Los Angeles (HACLA) housing sites will be different if they are run by a nonprofit entity rather than the City.

For several years, the Recreation and Parks Department (RAP) provided recreational services at seven HACLA housing sites. The RAP programs served public housing residents and the surrounding communities. Two years ago, due to budget constraints, RAP requested support from HACLA for these services. In 2011, the amount of HACLA's contribution was \$1 million. In 2012, the RAP request was for \$1.6 million, and HACLA reports that the Housing Authority was informed that the reimbursement for 2013 would be \$2.1 million for the seven sites. As a result of cutbacks in funding, HACLA states that the 2013 RAP request for reimbursement and future requests are not sustainable.

As an alternative and in cooperation with RAP, HACLA has begun seeking recreation services from non-profit organizations for which start-up funding could be provided in the short term with the long-term goal that the non-profits would use their fundraising experience to become self-supporting. The HACLA states that the Requests for Proposals for each park contain a scope of work that has been developed through input from residents regarding the programs that they would like to see in their parks. Based on that input, HACLA would not necessarily replicate current programs and maintenance; however, HACLA staff expects the programs and maintenance at each site to be equal to or more expansive than the current services.

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

MAS:MMR:02130109C

Question No.85

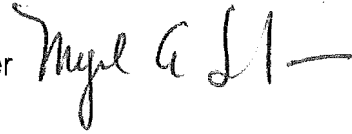
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 3

Date: May 6, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **TRANSPORTATION – CIEP PROJECTS FUNDED BY MEASURE R**

Your Committee requested that this Office report back on whether the seven projects that are funded by Measure R in the Proposed Budget have been reviewed and approved by Council.

The approval of capital projects within the City Capital Improvement Expenditure Program (CIEP) occurs when the Council and Mayor adopt the Budget containing the list of projects and appropriations. This occurs for all CIEP Projects funded through the City budget regardless of the funding source.

Specifically, for projects in the Proposed 2013-14 Measure R Budget:

Guardrail Construction

This is an ongoing project that is funded and approved by the Council and Mayor every year. This involves the repair of broken and missing guardrails along the public right of way. Multiple locations are funded each year. Five locations are funded for 2013-14. This is managed by the Bureau of Street Services.

Echo Park/Sunset Streetscape Beautification

This is a one-time project. This was approved in the 2012-13 Budget and provided design funding. Construction will start in July 2013 and construction funding is provided in the 2013-14 Proposed Budget. Federal funds will reimburse up to 80 percent. This is managed by the Bureau of Street Services.

Wilshire BRT

Wilshire Middle Lanes

These two projects are related. They are one-time projects. A construction award is projected before the end of this fiscal year. The project has been approved by the Council and Mayor. This provides the remainder of the funding required to enter construction. This is managed by the Bureau of Engineering.

East Rose Hill @ Galena Stairway

This is a one-time project. The Proposed Budget is the first opportunity for the Council to approve this project. This involves the reconstruction of a public stairway that provides lateral support for a residential hillside roadway and provides direct primary access for several residential properties. This is managed by the Bureau of Engineering.

Bus Stop Security Lighting Unit 19

This is an ongoing project that is routinely funded and approved by the Council and Mayor. This involves the installation of security pedestrian lighting at bus stops within the City. This is managed by the Bureau of Street Lighting.

Stairway and Walkway Lighting Unit 7

This is an ongoing project that is routinely funded and approved by the Council and Mayor. This involves the installation of security lighting on pedestrian walkways (including tunnels and underpasses) and stairways. The locations have yet to be determined. This is managed by the Bureau of Street Lighting.

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

MAS:DHH:06130071

Question No. 161

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 4

Date: May 6, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *Miguel A. Santana*

Subject: **INFORMATION TECHNOLOGY AGENCY – ONE-TIME FUNDS FOR TECHNOLOGY**

Your Committee requested this Office to report back regarding whether there were one-time funds available to fund technological one-time needs. There are currently no additional one-time funds available to fund technology needs, as all available one-time funds have been allocated for expenditure within the Proposed Budget.

The Information Technology Agency (ITA) has provided the attached list of Citywide Technology Tactical One-Time Initiatives. Funding for Project Five (Disaster Recovery) and partial funding for Project One (Restoration of the City's Data Center) are included in the Mayor's Proposed Budget. If the Committee identifies any one-time funding through the budget deliberation process, these one-time projects would be an appropriate use of any identified one-time revenues.

RECOMMENDATION

In light of the City's current fiscal constraints, no change to the Mayor's Proposed Budget is recommended. Should the Committee desire to add funding for one-time technology needs, this Office recommends that the cost be offset by a reduction elsewhere in the budget. As the technology projects identified by ITA in the Attachment would be a one-time expenditure of City funds, these projects would be an appropriate expenditure of any one-time revenues that are identified.

FISCAL IMPACT STATEMENT

As no change to the Mayor's Proposed Budget is recommended, there is no impact to the General Fund.

MAS:MAF:11130039h

Question No. 74

**City of Los Angeles
Information Technology Agency**



**FY 2014 Budget – City Wide Technology Tactical One Time
Initiatives Discussion**

Table of Contents

<u>Project #</u>	<u>Description</u>	<u>Estimated Cost</u>	<u>GM Priority</u>
1	Restoration of the City's Data Center	\$7.4M-\$10M	5
2	Upgrade City's Infrastructure to Fiber Optics	\$4.7M	2
3	Voice over IP (VoIP)	\$26M	4
4	Active Directory	\$4.3M	3
5	Disaster Recovery	\$500K	9
6	Mobile Data Management (MDM) Platform	\$3.3M	7
7	WiFi in City Hall, City Hall East, LA Mall, El Pueblo	\$3.2M	10
8	Windows XP Non-Support	\$5.2M	1
9	Security/Vulnerability Assessment	\$600K	8
10	Communications Electricians	<u>\$0</u>	6
	Total	\$57.8M	

#1 – Restoration of the City's Data Center	
Background:	The ITA at one point had a state of the art data center and ran the majority of the City computing resources in a secure and consistent fashion. Over the past 15 years, investment in those resources diminished and maintenance was deferred forcing departments to create their own data centers and technical staff.
City Benefits:	<ul style="list-style-type: none"> • Minimizes risk of outages and damages to computing resources in ITA which includes data communications hub, mainframe and open system environments. • Stabilizes critical systems and networks until such time as another facility is determined more viability (would take 5-8 years to relocate all system and communications in P4 to another location, so investment is not lost).
Estimated Cost:	<p>A) – Seal water leakage and repair foundational cracks - \$1.1-1.5M (1-2 months)</p> <p>B) –Get new power source from LADWP as primary feed and generator to feed data center and emergency lighting and elevators only - \$1.7-2.3M (reconfiguring existing resources – 2-3 months)</p> <p>C) Configure FM-200 Fire Suppression gas for fire prevention and damage to electronics - \$800K- 1.3M (2 months)</p> <p>D) Provide subfloor Air-conditioning and new tile floor to allow hot/cold isle configurations to maximize power savings - \$1.5-2M (2-3 months)</p> <p>E) Reconfigure Data Center (take staff out of data center and place in office space outside) and office space to create 24x7 help desk and network operation center and show case of operations - \$2-2.5M (3-4 months)</p> <p>F) Provide video security platform (base platform that could be expanded to record all security cameras City wide) and biometric entry for higher level of security access - \$300-450K</p>

#2 – Upgrade City's Infrastructure to Fiber Optics	
Background:	There are approximately 864 remaining City facilities that are not on Fiber. Each of these facilities have a voice circuit for phone communications and data circuit for access to the internet and in some cases additional circuits for network and/or fax access. All police facilities are connected to LADWP fiber, but the sites are not yet connected to the fiber. A project is underway to connect 93 fire stations to Time Warner fiber where the costs of the monthly fiber equal that of the existing data/voice circuits. The monthly costs to replace the legacy circuits to fiber should be neutral.
City Benefits:	<ul style="list-style-type: none"> • Converged costs of voice, data and video onto fiber • Fast access to the internet and access to City applications • Ability to store all files on network drives for backup/recovery

	<ul style="list-style-type: none"> • Ability to use the latest technology developments to realize costs savings and staff efficiencies
Estimated Cost:	<i>Roughly \$5,400 per site for end equipment (routers with power over Ethernet to ready sites for VoIP phones)- \$4.67M</i>

#3 – VoIP

Background:	City has expensive legacy Centrex Systems (monthly phone service in about half of the City facilities and nearly all the rest are on older legacy Nortel PBX and Key systems). All phone systems still require a long distance code and lack innovative features such as softphone or integrated contacts. City lacks standards for VoIP and staff cannot manage the current variety of systems (Cisco, Nortel, Shortel) and contracts resources are required.
City Benefits:	<ul style="list-style-type: none"> • Provides a platform that staff can manage and spare parts are available • More advanced features for improved employee productivity • Only possible once the entire City's network is on fiber
Estimated Cost:	<i>Estimated at \$26M for all City locations (some additional costs may be required for redundancy and call centers where required)</i>

#4 – Active Directory

Background:	About 17 departments are using Active Directory (AD) which is the authentication screen one enters in their password upon logon. The directory can synchronize to other City applications creating a single sign on process to control who has access to what. Upon termination, a single removal from the directory eliminates access from everything. However, 23 departments are still on Novell's Directory Services (NDS) which creates consistent access authority to city applications. The need for a standard directory is critical in being able to manage desktops, licenses and secure and consistent access to City software applications. Should be done prior to Mail RFP to set standard for how the platform will work and be managed.
City Benefits:	<ul style="list-style-type: none"> • Creates standard and common access to city applications • Provides consistent security and access (transparent to desktop) • Makes Active Directory the contact information (source) for every City employee
Estimated Cost:	<i>Roughly \$4.25M for the remaining City departments</i>

#5 – Disaster Recovery

Background:	City has a basic disaster recovery location at Van Nuys City Hall, but all of the applications to be considered for DR are not available at this location. The site also lacks adequate air conditioning and backup power. The ITA would like to seek temporary use of the EOC data center space for 8 racks until such time as a long term Disaster
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	Recovery Hot Site can be configured and tested annually (currently in the budget is funding to evaluate a hot site and possible location in the Las Vegas region to support a permanent DR location). The request would relocate systems from Van Nuys and provide adequate server and storage for PaySR, FMS, SMS and LATAAX.
City Benefits:	<ul style="list-style-type: none"> • Utilizes existing facilities, so not new infrastructure costs required • Allows interim DR services at the most environmentally safe structure in LA • Creates complete infrastructure to allow processes and procedures to be developed while RFP is being developed and awarded.
Estimated Cost:	<i>\$500K (except banking interface on the mainframe which will be considered for migration in the next 12 months)</i>

#6 – Mobile Data Management (MDM) Platform

Background:	City is looking to turn off Blackberry support due to poor support and loss of industry market share. Most governments have already migrated to Apple IOS or Google Android mobile devices (phones and tablets). In order to provide a “Bring Your Own Device” (BYOD) policy and enable a secure password protection, remote wipe, and encryption of mail, a MDM platform is required.
City Benefits:	<ul style="list-style-type: none"> • Allows enforcement of policy • Secures mobile devices with password • Can push Apps such as MyLA311 app to mobile devices to encourage employee use and spread to the community
Estimated Cost:	<i>\$3.3M for at least one device for every City employee (plus ongoing maintenance which should be neutral once Blackberry Enterprise Servers (BES) are decommissioned)</i>

#7 – WiFi in City Hall and City Hall East

Background:	ITA has implemented a few wireless access devices in various conference and floor locations in City Hall and City Hall East. The Mayor has requested pricing for WiFi at El Pueblo and the City Hall Mall. Many staff have mobile devices that can leverage free WiFi and reduce data minutes of the plans for the mobile device. To be a high tech City Hall for vendors and the public, as well as staff, this would provide virtual network/internet access for all.
City Benefits:	<ul style="list-style-type: none"> • Allows high speed option for employees (100Mb) and throttled speed for visitors (10Mb) • Economic Development tool for El Pueblo and City Mall
Estimated Cost:	<p>A) City Hall - \$1.75M + electrical and historical installation</p> <p>B) City Hall East - \$900K + electrical in ceiling</p> <p>C) El Pueblo - \$350K + electrical and installation</p> <p>D) City Hall Mall - \$190K + electrical and installation</p>

#8 – Windows XP – Non Support	
Background:	In April 2014, Microsoft will no longer support or provide security patches for the Windows XP operating systems. The City has over 8,000 systems still running XP and the cost for a new PC is roughly \$655/unit (4,898 are known by the ITA license capture, but LAPD, Bureau of Sanitation, Bureau of Engineering, and 2 other departments need to provide their counts. While upgrading the PCs is one option, most systems running XP are nearing or at end of useful life. This would bring the City standard to Windows 7 which is already 1 version behind (current is Windows 8), but the operating system cost is included in the cost of the PC and would enable support for the next 3-4 years before another upgrade is required.
City Benefits:	<ul style="list-style-type: none"> • Most City PCs will be on a common operating system to ease support • Ensures latest security patches can be deployed across all City desktops • Handles technology refresh challenges at the desktop for at least 2-3 years.
Estimated Cost:	<i>\$5.2M for City departments</i>

#9 – Security/Vulnerability Assessment	
Background:	Most City's conduct an annual security assessment which includes a penetration test and then comes back with a list of system and procedural issues to address. Once staff have remediated those items, then the independent party comes back to retest and validate the corrections are made. Generally this test includes compliance with CJIS, CLETS and DOJ standards to ensure the highest levels of security are active and in place.
City Benefits:	<ul style="list-style-type: none"> • Provides certificate of security equivalent to a banking and insurance company • Enables correction of vulnerabilities prior to an cyber attract • Address issues across all City departments
Estimated Cost:	<i>Roughly \$500-600K for all City locations (could be split 50% LAPD and 50% ITA) or could be joint effort with the proprietaries to share cost annually.</i>

#10 – Communication Electricians	
Background:	Police and Fire have requested 2 nd and 3 rd shifts of ITA resources at Mt. Lee, Police Dispatch Centers and Fire Dispatch. Currently 41 staff out of 93 Communication Electricians provides this requested service. Due to ERIP and Managed Hiring, many vacancies have created holes in coverage which has required existing staff to work upwards of 400-800 hours a year in overtime to fill the requested gaps. The ITA wants to keep this level of service, but centralize it into a true 24x7 help desk and network operations center into P4 by

	relocating a few of these resources to P4 and fill areas of need for both Police and Fire during the hours most critical to keep public safety staff productive.
City Benefits:	<ul style="list-style-type: none">• Enables consistency service to all after hours requests for service• Improves vehicle repair timelines• Diverts overtime and standby pay to those qualified to do expert system repairs
Estimated Cost:	<i>\$0 (ITA will need assistance to navigate this recommendation to conclusion)</i>

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 5

Date: May 6, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **FIRE DEPARTMENT – HOW WILL CURRENT STAFFING LEVELS AT LAFD
SUPPLY AND MAINTENANCE DIVISION ABSORB INCREASED
MAINTENANCE WORKLOAD OF 11 ADDITIONAL FULL-TIME
AMBULANCES IN LIGHT OF STAFF REDUCTIONS**

During its consideration of the Fire Department's 2013-14 Proposed Budget, the Committee requested the Department to report back on how current staffing levels at the Supply and Maintenance Division absorb the increased maintenance workload of 11 additional full-time ambulances in light of staff reductions is provided. The Department's response is attached.

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

MAS:MCD:04130107

Question No.29

Attachment

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

May 6, 2013

TO: Miguel A. Santana, City Administrative Officer
City Administrative Office

Attn: Mark Davis, Senior Administrative Analyst II

FROM: Brian L. Cummings, Fire Chief
Fire Department

SUBJECT: FIRE DEPARTMENT – QUESTION #29: ~~HOW WILL THE CURRENT STAFFING LEVELS AT THE LAFD SUPPLY AND MAINTENANCE DIVISION BE ABLE TO ABSORB THE INCREASED MAINTENANCE WORKLOAD OF 11 ADDITIONAL FULL-TIME AMBULANCES IN LIGHT OF THE SIGNIFICANT CUTS TO THE MAINTENANCE STAFF, AND THE ATTRITION OF 2 ADDITIONAL INDIVIDUALS ASSIGNED TO THE LIGHT VEHICLE SHOP IN RECENT WEEKS?~~


Adding the eleven (11) Basic Life Support Rescue Ambulances will result in an increase of annual labor hours estimated at one-third to one-half of a full-time equivalent Mechanic. The maintenance and repair needs will be performed on overtime at an annual cost of approximately \$35,000 to \$54,000. An estimated increase of \$45,000 in automotive parts will also be required. The Department would absorb these costs in the FY 2013-14 Budget.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 6

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **ECONOMIC DEVELOPMENT DEPARTMENT – Project Coordinator Positions**

This Office was asked to report on five project coordinator positions that are added to the Economic Development Department (EDD), workload indicators for those positions and the impact of not authorizing the positions in the FY 2013-14 Budget.

Project Coordinator Positions

- Principal Project Coordinator (1): Direct the work of professional, technical and clerical personnel engaged in developing, administering, and assisting community based organizations working with economic development issues throughout the City; provide leadership and act as a liaison to business owners to resolve a variety of issues; facilitate the preparation of contracts and professional service agreements with third-party agencies.
- Senior Project Coordinators (2): Consult with representatives of the Mayor, Council, Housing and Neighborhood Investment, Developmental Services and other related departments on matters pertaining to economic development; assist the Principal Project Coordinator in coordinating all phases of the economic development strategic plan among all agencies concerned and prevent overlapping of efforts; furnish information to and assist business owners to find employment resources.
- Project Coordinators (2): Perform research and prepare reports on technical matters relating to economic development; attends meetings of civic and neighborhood groups to explain the economic development strategic plan; organize and arrange meetings in specific communities to explain and develop economic development strategies.

Workload Indicators

It is anticipated that the General Manager of EDD, with assistance from staff, will develop the workload indicators for these and other EDD positions as the new department is implemented.

Impact of Not Providing Positions

The Mayor's Office of Small Business (OSB) was proposed to transfer three positions as part of the original, conceptual approval of positions to be transferred to EDD in March 2013 (C.F. 08-3050). The positions available for transfer from the Mayor's Office are Mayoral Aides that are not appropriate classifications for the EDD. Appropriate classifications

for the needed functions are the three discussed above. OSB employees will be required to interview for these positions and, if these individuals are determined to be the best fit, may be offered opportunities for placement within the EDD. One Senior Project Coordinator vacancy currently exists within EDD; however, this position is funded through a Workforce Innovation Grant and is restricted in its ability to respond to economic development concerns. Otherwise, no vacancies are currently available within these classifications in the EDD; therefore, individuals seeking to transfer from the OSB would have no positions for which they would qualify and therefore no opportunity to contribute to the new department as originally envisioned by the Mayor and Council.

Further, virtually all proposed EDD positions are special-funded and therefore are limited to responding to economic development issues within the restrictions of the funding grant. These five proposed positions are General Funded and will be able to respond to a wide variety of matters pertaining to economic development. The impact of not providing these positions may be potential delays in addressing non grant-related economic development requests.

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

MAS:KDU:021300112

Question No.184

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 7

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *Miguel A. Santana*

Subject: **FIRE DEPARTMENT – LEVEL OF EXPERTISE OF SEVEN FIRE INSPECTORS SLATED TO BE REMOVED FROM THE FIRE PLAN CHECK PROCESS**

During its consideration of the Fire Department's 2013-14 Proposed Budget, the Committee requested the Department to report back on what level of expertise do the seven Fire Inspectors who are slated to be removed from the Fire Plan Check process is provided. The Department's response is attached.

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

MAS:MCD:04130108

Question No.39

Attachment

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

May 7, 2013

TO: Miguel A. Santana, City Administrative Officer
City Administrative Office

Attn: Mark Davis, Senior Administrative Analyst II

FROM: Brian L. Cummings, Fire Chief
Fire Department

SUBJECT: FIRE DEPARTMENT – QUESTION NO. 39:
WHAT LEVEL OF EXPERTISE DO THE SEVEN FIRE INSPECTORS
WHO ARE SLATED TO BE REMOVED WITH THE FIRE PLAN CHECK
PROCESS PROVIDE?

On average, an Inspector II in the Construction Services Unit has approximately 16 years' experience as an Inspector (8 ½ years at the Inspector II level). These Inspectors have extensive background and knowledge inspecting high hazard and high risk occupancies, such as multi-residential buildings and hotels, high rise buildings, hazardous materials occupancies, industrial commercial facilities, public assemblage, etc. Most of the Fire Inspector II positions hold a State Fire Marshal Inspector II certification. The Fire Inspector IIs bring their experience with the Los Angeles Fire Code, Title 19 of the California Code of Regulations, California State Fire Marshal Code and Regulations, California State Fire Code, National Fire Code, and the California and Los Angeles Building Codes as they pertain to fire life safety.

The Fire Prevention Inspector II Certification covers skills necessary for in-depth understanding of the California Building Code, California Fire Code, fire protection system, building components, and fire problems in special occupancies. The State Fire Marshal Certification require members to complete courses, and pass course examination, in Fire Protection Systems and Building Components, Interpreting the California Building Code, Special Hazard Occupancies.

Fire inspectors look at fire life safety of buildings as a whole by assuring that systems, features, and appropriate information are in place to prevent and control fires, evacuate occupants in a safe and timely manner, and provide adequate access to first responders. This is differentiated from Building and Safety Inspectors who have knowledge in their trade, and relevant sections of fire code and standards that are relevant to their trade.

Miguel A. Santana, City Administrative Officer

May 7, 2013

Page 2

It is also important to restore to the LAFD the five (5) civilian positions and funding that is proposed to be transferred to the Department of Building and Safety as part of the transfer of Fire Plan Check services. Four (4) Fire Protection Engineering Associates IVs (FPEAs) are versed in engineering principles to protect property and people from fire, hazardous material incidents, and other emergencies. They have technical knowledge in fire behavior, fire detection, fire suppression, fire mitigation, and human behavior in emergencies. The FPEAs work in close collaboration and coordination with Fire Inspector IIs to understand the needs of firefighter operations and draw on the Inspectors' emergency incident experience to better understand the practical application of fire life safety provisions as it impacts public and firefighters safety. Maximum effectiveness requires that the Fire Inspectors and FPEAs work under the same organizational chain of command, working side-by-side, and available to consult and resolve issues as they arise. One Clerk Typist position provides clerical support to both the Inspectors and Fire Protection Engineering Associates.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 8

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *Miguel A S I*

Subject: CAPITAL FINANCE ADMINISTRATION (MICLA) – FIRE AND POLICE VEHICLES

Your Committee requested this Office to report back regarding the vehicles being replaced by the Fire and Police (non-black and white vehicles) Departments as part of the 2013-14 Proposed Municipal Improvement Corporation of Los Angeles (MICLA) financing program. The following is a summary of the vehicles for the Fire and Police Departments:

Fire Department

Vehicle	Quantity
Ambulance	20
Apparatus, Aerial Ladder	7
Apparatus, Triple Combination	15
Sedan, Emergency	5
Suburbans, Emergency Command	10
Total:	57

Police Department

Vehicle	Quantity
Unmarked Utility Vehicles and Sedans	197
Undercover Vehicles	71
Various Specialized Vehicles (6 light duty trucks; 1 van and 1 forklift)	8
Total:	276

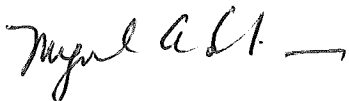
This memorandum is informational only. There is no fiscal impact.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 9

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Reference: Budget and Finance Committee Request: "Provide a report on the seven Clerk Typist positions and how funding and position authority will be provided to retain these positions."

Subject: **ANIMAL SERVICES DEPARTMENT – CLERK TYPIST AUTHORITIES**

The Budget and Finance Committee requested a report on the plan to provide position authority for seven filled Clerk Typist positions in the Animal Services Department.

Regular position authority for eight filled Clerk Typist positions was eliminated in the 2012-13 Proposed Budget, which would have resulted in layoffs. However, the positions were retained without funding, first under resolution authority for six months in the 2012-13 Adopted Budget, then as substitute or in-lieu authorities for the remainder of the fiscal year (C.F. 12-0600-S166). Authority for the second half of the year was only needed for seven positions since one employee retired during the first half of the year.

The Department was able to absorb the cost of these seven additional authorities by holding vacant seven other existing, funded regular authority positions. These vacant positions include one Accounting Clerk I, one Senior Clerk Typist and five Veterinary Technicians. The 2013-14 Proposed Budget provides sufficient funding to continue the seven position authorities in this manner. It is recommended that the positions continue to be held vacant in 2013-14 as-needed, to absorb the cost of the unfunded, filled Clerk Typist positions. Substitute and in-lieu authority will again be requested in a separate report to Council after the 2013-14 Budget is adopted in order to retain these employees.

These filled Clerk Typist positions provide critical support to Department operations. It is further recommended that should funding be available in future years that the positions be restored under regular authority.

RECOMMENDATION

The recommendations above do not require Council action at this time. No changes to the 2013-14 Proposed Budget are recommended.

MAS:JCY:04130116

Question No. 49

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 10

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **FIRE DEPARTMENT – COUNCIL MADE A POLICY DECISION TO HOLD 318 SWORN FIRE DEPARTMENT POSITIONS VACANT AS PART OF THE “RESTORATION OF NEIGHBORHOOD FIRE SERVICES” BUDGET ITEM; ARE WE ABANDONING THIS COUNCIL POLICY DECISION?**

During its consideration of the Fire Department's 2013-14 Proposed Budget, the Committee requested the Department to report back on a council policy decision to hold 318 sworn Fire Department positions vacant as part of the “Restoration of Neighborhood Fire Services” budget. The Department's response is attached.

The implementation of the Deployment Plan in the 2011-12 budget deleted 318 sworn positions through attrition over three years. During the budget deliberations, these positions were restored as As-Needed authorities, which continue in the Proposed 2013-14 Budget. Additionally, as noted in the Department's response, 21 sworn regular authorities are restored.

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

MAS:MCD:04130109

Question No.43

Attachment

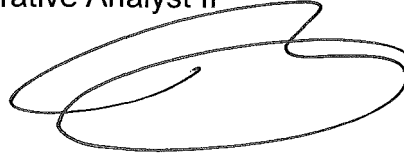
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

May 6, 2013

TO: Miguel A. Santana, City Administrative Officer
Office of the City Administrative Officer

Attn: Mark Davis, Senior Administrative Analyst II

FROM: Brian L. Cummings, Fire Chief
Fire Department



SUBJECT: FIRE DEPARTMENT – QUESTION #43: TWO YEARS AGO, THE COUNCIL MADE A POLICY DECISION TO HOLD 318 SWORN FIRE DEPARTMENT POSITIONS VACANT AS PART OF THE “RESTORATION OF NEIGHBORHOOD FIRE SERVICES” BUDGET ITEM. IN THE MAYOR’S PROPOSED BUDGET, 129 VACANT SWORN POSITIONS ARE SLATED TO BE ELIMINATED. ARE WE NOW ABANDONING THIS COUNCIL POLICY DECISION, AND WHAT FLEXIBILITY ARE WE LEFT WITH IF WE CHOOSE TO GRADUALLY BUILD BACK THE STRENGTH OF THE LAFD IN FUTURE YEARS FOLLOWING THE PROPOSED DELETION OF THESE SWORN POSITIONS?

With implementation of the Deployment Plan, the FY 2011-12 Adopted Budget deleted 318 sworn Regular Authorities and restored 267 filled sworn positions as Resolution Authorities (51 positions were vacant and not continued), which would be deleted through attrition. Based on the anticipated number of sworn retirements, all remaining sworn Resolution Authorities will become vacant by the end of FY 2012-13 and thus deleted. Restoration of these positions would require City Council and the Mayor to approve Regular Authorities and funding in the Fire Department Budget.

The Fire Department has requested incremental restoration of resources through the FY 2012-13 and FY 2013-14 budget process. The FY 2012-13 Adopted Budget restored 21 sworn regular authority positions as follows:

- One Engine Company to enhance fire resources in West San Fernando Valley (12 Positions: 3 Captains; 3 Engineers; 6 Firefighters)
- Emergency Medical Services (EMS) Captains (9 Positions)

For FY 2013-14, the Fire Department requested position authorities and funding for the following Restoration of Fire Services. Unfortunately, these requests were not included in the Mayor’s Proposed Budget.

Miguel A. Santana, City Administrative Officer

May 6, 2013

Page 2

- Restoration of two Basic Life Support ambulances (12 Firefighter III/EMT)
- Addition to Hazardous Materials Squads (6 Apparatus Operator)
- Addition to Light Force 9 (3 Engineer)
- Addition to one Battalion (3 Firefighter III/EMT)
- Restoration of three Engine Companies (9 Captain I; 9 Engineer; 18 Firefighter III)

The Fire Department continually evaluates its resource needs to determine how to best provide fire and life safety services throughout the City, and will continue to request additional resources for Mayor and Council consideration in the annual budget process.

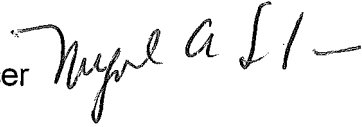
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 11

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **FIRE DEPARTMENT – ASSUMING MODIFICATION TO THE CURRENT PLATOON DUTY SCHEDULE WAS MADE, WHAT KIND OF SURGE CAPACITY WOULD WE LOSE, AND ARE TWO ADDITIONAL FIREFIGHTER POSITIONS ADDED IN THE BUDGET TO THE DISPATCH CENTER GOING TO BE ENOUGH**

During its consideration of the Fire Department's 2013-14 Proposed Budget, the Committee requested the Department to report back on what kind of surge capacity would be lost should a modification to the current platoon duty schedule be made, and are two additional Firefighter positions added in the budget sufficient for the Dispatch Center. The Department's response is attached.

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

MAS:MCD:04130110

Question No. 51

Attachment

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

May 6, 2013

TO: Miguel A. Santana, City Administrative Officer
City Administrative Office

Attn: Mark Davis, Senior Administrative Analyst II

FROM: Brian L. Cummings, Fire Chief
Fire Department

SUBJECT: FIRE DEPARTMENT – QUESTION #51. ASSUMING SOME KIND OF MODIFICATION TO THE CURRENT PLATOON DUTY SCHEDULE WAS MADE, WHAT KIND OF SURGE CAPACITY WOULD WE LOSE, AND ARE THE TWO ADDITIONAL FIREFIGHTER POSITIONS ADDED IN THE MAYOR'S BUDGET TO THE FIRE DISPATCH CENTER GOING TO BE ENOUGH?

Currently, 88 positions staff the Dispatch Center. The Fire Department requested five additional positions which were added in the Mayor's Proposed Budget (two Firefighter/Dispatchers and three Captains for supervision for a total of 93 positions) for implementation of the 40-hour workweek. Based on the new schedule comprised of the AM Watch, Day Watch and PM Watch, this staffing level would provide more call takers on the floor on a regular basis.

Augmented staffing would be required for planned events (e.g. LA Marathon, scheduled demonstrations, Red Flag days, etc.) and unanticipated events (e.g. CAD failure, system problems, or major emergency incidents). The Department is discussing this issue in the meet and confer process, including recall procedures and other means to ensure sufficient staffing is available as needed. The meet and confer process is continuing; tentative agreement has not been reached.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 12

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **LOS ANGELES CONVENTION CENTER**

The Budget and Finance Committee requested information on restoring funding for the filled position identified for deletion. The Department will place the incumbent in-lieu of an existing vacancy to avoid a layoff.

The above is in compliance with the City's Financial Policies and has no additional fiscal impact on the General Fund.

09130251: MAS:NRB:DM

Question No.197

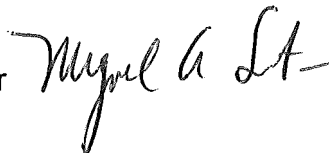
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 13

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **TRANSPORTATION - SPECIAL PARKING REVENUE FUND**

Your Committee requested to know if sufficient funds remain in the Special Parking Revenue Fund (SPRF) for the 5-year parking maintenance plan which was approved by Council and what line items in the Fund were reduced in order to increase the surplus transfer.

Sufficient funds remain in the SPRF for the second year of the 5-year parking maintenance plan and on-going funding will be reassessed on an annual basis as part of the budget process. Amounts in the 5-Year Operations and Maintenance (O&M) Plan were estimates and savings is obtained due to operational efficiencies. The line items in the SPRF schedule which were reduced include:

Parking Facilities Lease Payments
O&M 5-yr Plan \$370,000
Budgeted \$360,000

- Based on the costs submitted by the Department of Transportation funding of only \$360,000 is needed. Amounts in the 5-Yr Report are estimates and savings are due to operational efficiencies. Services will not be cut or deferred.

Maintenance Repair & Utility Services
O&M 5-yr plan \$1,873,100
Budgeted \$1,703,160

- Based on the costs submitted by the Department of Transportation funding of only \$1,703,160 is needed. Amounts in the 5-Yr Report are estimates and savings are due to operational efficiencies. Services will not be cut or deferred.

Training/Travel
O&M 5-yr plan \$18,000
Budgeted \$15,000

- Based on the costs submitted by the Department of Transportation funding of only \$15,000 is needed. Amounts in the 5-Yr Report are estimates and savings are due to operational efficiencies. Services will not be cut or deferred.

Misc. Equipment & Office Supplies

O&M 5-yr plan \$64,000

Budgeted \$60,000

- Based on the line item costs submitted by the Department of Transportation funding of only \$60,000 is needed.

Parking Meter & Off-Street Admin Salaries

O&M 5-yr plan \$6,195,200

Budgeted \$4,887,967

- The Department of Transportation deferred their request to hire eight additional staff until the FY 2014-15. The CAO has recommended that the Department relocate and fill one of the vacant MAI positions in the Parking Facilities unit to Parking Meter Operations and Meter Planning unit. The eight positions can be added to the FY 2014-15 budget if funding permits.

Transportation (Source of Funds)

O&M 5-yr plan \$561,000

Budgeted \$341,546

- Funding for one Principal Transportation Engineer was removed. This position has been vacant for two years. We determined that continuing the authority without funding will not impact the work that is being done by the Department.

Parking Meter & Off-Street Admin Related Costs

O&M 5-yr plan \$4,436,369

Budgeted \$3,426,418

- The Department of Transportation deferred their request to hire eight additional staff until FY 2014-15, which was done due to operational efficiencies.

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

MAS:BPS:06130072

Question No. 162

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 14

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer Subject: **BUREAU OF SANITATION – RESTORATION OF FOUR POSITIONS**

Your Committee requested this Office to report back on restoring position authority without funding for four positions, which includes a discussion on whether the General Fund will be required to subsidize the costs of these positions in future years and whether the Bureau can absorb the costs of the unfunded positions.

The Proposed Budget discontinues funding and resolution authority for two filled Refuse Collection Truck Operator (RCTO) IIs and one filled Maintenance Laborer (ML) in the Blue Bin Recycling Program (Blue Book No. 18) and one filled Environmental Engineering Associate (EEA) II in the Used Oil Program (Blue Book No. 21). The RCTO and ML positions are funded by the Citywide Recycling Trust Fund (CRTF) and the EEA position is funded by the Used Oil Collection Fund (See Schedule 29). The Proposed Budget discontinues funding and position authority and requires the Bureau to use existing vacancies within regular positions to staff these programs. As of March 2013, the Bureau has 82 vacant regular RCTO II positions, 40 vacant regular ML positions, and 18 vacant regular EEA positions.

The cost for these four positions in 2013-14 is \$365,824 (\$281,898 direct and \$83,926 indirect costs) and future year costs will need to reflect future salary adjustments. As of March 2013, the Bureau is reporting 23 vacancies within CRTF funded positions. These 23 vacancies will have a total salary of \$1.91 million in 2013-14, which is sufficient to support the costs of the four unfunded positions if Council elects to restore the positions. A structural deficit within the CRTF is projected in four to five years at which time the General Fund will be required to subsidize the costs for these positions. However, the deficit may be addressed before that time by transferring the City's recycling responsibilities to the property owners in accordance with Assembly Bill 341. In addition, it is unknown how these programs will be impacted with the City's implementation of an Exclusive Franchise System.

RECOMMENDATION

Approve the Proposed Budget as there are no layoffs or impact to service levels from the elimination of these four positions and the Bureau would be able to absorb these employees within its existing position authority.

FISCAL IMPACT STATEMENT

There is no General Fund impact at this time and the recommendation in this report complies with the City's Financial Policies.

MAS:WKP:06130073

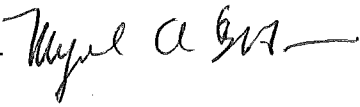
Question No. 96

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 15

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Reference: Budget and Finance Committee Request: "Report back on the efforts of private funding for the Animal Sterilization Fund."

Subject: **ANIMAL SERVICES DEPARTMENT – ANIMAL STERILIZATION FUND
PRIVATE FUNDING**

The Budget and Finance Committee requested a report from the Animal Services Department identifying sources of private funding for animal sterilization and the Department's plan to supplement animal sterilization services with these sources in 2013-14. The Department's response is provided as an attachment.

The Department expects to have sufficient private funding in 2013-14 to offset the \$400,000 appropriation reduction from the General Fund to the Animal Sterilization Fund in the 2013-14 Proposed Budget.

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

MAS:JCY:04130117

Question No. 46

Attachment

What is the Department's plan to absorb the \$400,000 reduction to the Animal Sterilization Trust Fund?

Over the last several years, the Department's Animal Sterilization Trust Fund has been subsidized with a \$1.1 million transfer from the General Fund. This Trust Fund is used to pay for sterilization vouchers for low-income residents and the general public, spay/neuter surgeries performed by private veterinarians for adopted animals, and for a contracted mobile spay/neuter van (Amanda Foundation). The proposed 2013-14 Budget reduces that \$1.1 million by \$400,000, for a total subsidy of \$710,000 to the Animal Sterilization Trust Fund. This is expected to be a one-time reduction. The Department will absorb this reduction in the following manner:

a. Private monies, exceeding \$400,000, from the ASPCA, Humane Society of the United States (HSUS), and Best Friends Animal Society are dedicated directly to the Department and to other community partners for spay/neuter surgeries. Best Friends alone pledged \$490,000 for 2013, and the ASPCA pledged \$50,000 directly to the Department and is engaged in conversations to increase services. The Humane Society is working in targeted neighborhoods in the City to provide education and no-cost spay/neuter services. It is very important for the \$400,000 cut to be a onetime reduction for Animal Services as there are no assurances, and it is unlikely, that these donations will be on-going. Rather, these private contributions should be viewed as one-time revenues.

b. This year, our staff veterinarians will perform about 3,500 in-house spay/neuter surgeries. Every surgery performed by Animal Services medical staff saves the Department \$68 - \$72, the average amount we would have to pay a private veterinarian. Next year, our goal will be 8,000 spay and neuter surgeries. Department veterinarians will be given specific goals and a schedule that will help them to achieve their targets. This increase in in-house surgeries could save us over \$500,000.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 16

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Reference: Request from the Budget and Finance Committee dated May 1, 2013 to report back regarding available funding for staff programming at Trinity Park and the potential of including this item in the proposed budget.

Subject: **RECREATION AND PARKS – REPORT BACK ON FUNDING AVAILABLE FOR TRINITY RECREATION CENTER**

During its consideration of the Department of Recreation and Parks' (RAP) 2013-14 Proposed Budget, the Committee asked RAP to report back regarding available funding for staff programming at Trinity Park and the potential of including this item in the proposed budget. Attached is the Department's response.

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

MAS:CEA:08130136

Question No. 56

Attachment

**BOARD OF RECREATION AND
PARK COMMISSIONERS**

BARRY A. SANDERS
PRESIDENT

LYNN ALVAREZ
VICE PRESIDENT

W. JEROME STANLEY
JILL T. WERNER
JOHNATHAN WILLIAMS

LATONYA D. DEAN
COMMISSION EXECUTIVE ASSISTANT II

CITY OF LOS ANGELES
CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

**DEPARTMENT OF
RECREATION AND PARKS**

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

(213) 202-2633

FAX (213) 202-2614

JON KIRK MUKRI
GENERAL MANAGER

May 3, 2013

Honorable Paul Krekorian, Chair
Budget and Finance Committee
City Clerk, City Hall Room 395
Los Angeles, CA 90012

ATTN: Erica Pulst, Legislative Assistant

Dear Councilmember Krekorian:

FISCAL YEAR 2013-14 QUESTION NO. 56-TRINITY RECREATION CENTER

The Department of Recreation and Parks (RAP) is responding to your Committee's request for information on Trinity Recreation Center.

Trinity Recreation Center (Center) is located at 517 East 25th Street, Los Angeles, CA 90011 in Council District Nine. The Center has a small gym, kitchen, classroom, restrooms and is located in a small park that includes some fitness amenities. In Fiscal Year 2010-2011 the Mayor and Council approved funding reductions in RAP's budget for recreation and maintenance. This center was one of several impacted facilities. These impacts included pre-school, afterschool, and other youth and teen programs. Currently, the recreation center building is open to the public Monday through Friday from 2:00 p.m. to 6:00 p.m. and the park is open to the public daily from 10:00 a.m. to dusk.

In the spirit of reopening this facility, RAP has reviewed the outdoor amenities and identified funding to refurbish the outdoor playground equipment. However, to reinstate the recreational components, funding will be needed for at least one (1) full-time staff, \$30,000 in part-time staff and appropriate expense money for security, amount to be determined. Currently grant funding is available for the 2013 Summer Lunch Program.

RAP is currently transitioning out of seven (7) Housing Authority City of Los Angeles (HACLA) owned properties, where RAP provides recreation and maintenance. This transition process is projected to be completed by October 1, 2013. RAP plans to increase programs at the Center by utilizing some of the previously HACLA assigned RAP staff.

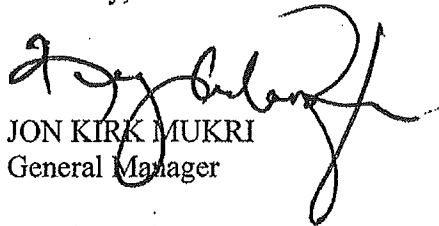
Once the facility is staffed, the intention is to provide similar programs mentioned above and to work closely with the existing concerned mothers and local nonprofits. The success of the park will depend on empowering the community. It is proven, that recreational programming deters gang and violent crimes. RAP will also involve other City entities such as Los Angeles Police Department and the Mayor's GRYPD Office.



Honorable Paul Krekorian
May 3, 2013
Page 2

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

Sincerely,



JON KIRK MUKRI
General Manager

JKM/RA:ndw

cc: Romel Pascual, Office of the Mayor
Jennie Carreon De Lacey, Office of the Mayor
Terry Sauer, Office of the City Administrative Officer
Claudia Aguilar, Office of the City Administrative Officer
Regina Adams, Executive Officer, RAP
Kevin Regan, Assistant General Manager, RAP
Vicki Israel, Assistant General Manager, RAP
Michael Shull, Assistant General Manager, RAP
Noel Williams, Chief Management Analyst, RAP

WA # 13045


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 17

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Reference: Request from the Budget and Finance Committee dated May 1, 2013 to report back regarding the deferred maintenance funding provided last fiscal year and whether there was a need for the \$500,000 to maintain these facilities.

Subject: **RECREATION AND PARKS – REPORT BACK ON SUPPLEMENTAL DEFERRED MAINTENANCE**

During its consideration of the Department of Recreation and Parks' (RAP) 2013-14 Proposed Budget, the Committee asked RAP to report back regarding the deferred maintenance funding provided last fiscal year and whether there was a need for the \$500,000 to maintain these facilities. Attached is the Department's response.

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

MAS:CEA:08130136

Question No. 58

Attachment

**BOARD OF RECREATION AND
PARK COMMISSIONERS**

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ANTONIO R. VILLARAIGOSA
MAYOR

**DEPARTMENT OF
RECREATION AND PARKS**

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

(213) 202-2633

FAX (213) 202-2614

JON KIRK MUKRI
GENERAL MANAGER

May 6, 2013

Honorable Paul Krekorian, Chair
Budget and Finance Committee
City Clerk, City Hall Room 395
Los Angeles, CA 90012

ATTN: Erica Pulst, Legislative Assistant

Dear Councilmember Krekorian:

**FISCAL YEAR 2013-14 QUESTION NO. 58-SUPPLEMENTAL MAINTENANCE
FUNDING**

The Department of Recreation and Parks (RAP) is responding to your Committee's request for information on the need to continue the \$500,000 in supplemental maintenance funding for Fiscal Year 2013-14.

In Fiscal Year 2012-13, RAP received an appropriation of an additional \$500,000 in City General Funds to provide supplemental maintenance (cleaning of restrooms and litter removal) services at some of our most heavily utilized facilities. RAP hired 30 part-time Special Program Assistants on a temporary basis to perform these duties. They primarily work on Sunday, Monday and Tuesdays.

The facilities/areas which received the additional services were:

- Griffith District-Griffith Park
- Metro District-Mac Arthur Park, Elysian Park
- Valley District-Sepulveda Basin, Hansen Dam, O'Melveny Park
- Pacific District-Venice Beach
- South Los Angeles District-Jim Gilliam Park

Deletion of funding for these supplemental services will result in the delay of litter pick-up and trash removal especially after very busy and holiday weekends. This means instead of having the parks cleaned by mid-Monday, litter and trash may not be removed until late Tuesday or Wednesday. Additionally, restrooms may remain closed until staff can clean them to ensure they are safe and sanitary. Restroom closures could last up to one day.



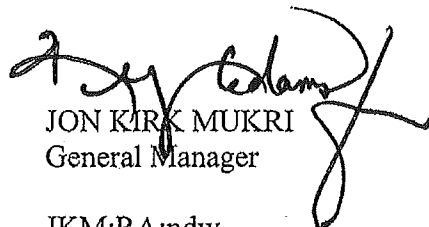
Honorable Paul Krekorian

May 6, 2013

Page 2

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

Sincerely,



JON KIRK MUKRI
General Manager

JKM:RA:ndw

Attachment

cc: Romel Pascual, Office of the Mayor
Jennie Carreon De Lacey, Office of the Mayor
Terry Sauer, Office of the City Administrative Officer
Claudia Aguilar, Office of the City Administrative Officer
Regina Adams, Executive Officer, Recreation and Parks
Kevin Regan, Assistant General Manager, Recreation and Parks
Vicki Israel, Assistant General Manager, Recreation and Parks
Michael Shull, Assistant General Manager, Recreation and Parks
Noel Williams, Chief Management Analyst, Recreation and Parks

WA # 13045

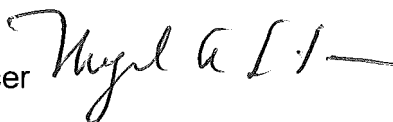
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 18

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Reference: Request from the Budget and Finance Committee dated May 1, 2013 to report back on the service level impacts from the reductions to the CLASS Parks program.

Subject: **RECREATION AND PARKS – REPORT BACK ON THE SERVICE LEVEL IMPACTS FROM THE REDUCTIONS TO CLASS PARKS PROGRAMS**

During its consideration of the Department of Recreation and Parks' (RAP) 2013-14 Proposed Budget, the Committee asked RAP to report back on the service level impacts from the reductions to the CLASS Parks program. Attached is the Department's response.

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

MAS:CEA:08130137

Question No. 60

Attachment

BOARD OF RECREATION AND
PARK COMMISSIONERS

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CITY OF LOS ANGELES
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JON KIRK MUKRI
GENERAL MANAGER

May 6, 2013

Honorable Paul Krekorian, Chair
Budget and Finance Committee
City Clerk, City Hall Room 395
Los Angeles, CA 90012

ATTN: Erica Pulst, Legislative Assistant

Dear Councilmember Krekorian:

**FISCAL YEAR 2013-14 QUESTION NO. 60-CLEAN AND SAFE SPACES (CLASS)
PARKS REDUCTION OF \$900,000-SERVICE IMPACTS**

The Department of Recreation and Parks (RAP) is responding to your Committee's request for information on the service impacts of a reduction of \$900,000 for the CLASS Parks Program for Fiscal Year 2013-14.

As a result of the proposed budget reduction of \$900,000 in Fiscal Year 2013-2014 for the CLASS Parks program, the following program services will be impacted:

Account 1070-Salaries-As Needed (\$320,000)

The reduction of \$320,000 in As-Needed salaries will eliminate the enhanced maintenance services received at all CLASS Parks sites; reduce Recreation Assistant support hours from 20 to 15 hours per week, and reduce the CLASS Parks Adventure program (outdoor recreational activities such as swimming, surfing, etc. conducted at Cabrillo Beach) from nine weeks to three weeks.

Account 3040-Contractual Services (\$180,000)

The reduction of \$180,000 in Contractual Services will eliminate 230 charter bus trips (approximately seven per CLASS park site); reduce rental equipment for special events, and reduce facility repairs through contract vendors.

Account 3160-Maintenance Materials and Supplies (\$300,000)

The reduction of \$300,000 in the Maintenance Materials and Supplies will decrease the amount of funding available to buy facility maintenance and repair materials such as: landscape material, paint, fencing, athletic field renovation materials, etc.



Honorable Paul Krekorian

May 6, 2013

Page 2

Account 6020-Operating Supplies (\$100,000)

The reduction of \$100,000 in the Operating Supplies account will reduce the amount of funding available for program materials and supplies. This reduction decreases the amount of craft supplies, sports equipment, classroom supplies, food/snacks, admission tickets for field trips, etc. at each teen center.

It is projected that the CLASS Parks program will service approximately four hundred and fifty (450) less teens in Fiscal Year 2013-14 due to the proposed reductions. However, there will continue to be full-time staff assigned to the remaining CLASS Parks sites (as staffing levels allow).

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

Sincerely,


JON KIRK MUKRI
General Manager

JKM:RA:ndw

Attachment

cc: Romel Pascual, Office of the Mayor
Jennie Carreon De Lacey, Office of the Mayor
Terry Sauer, Office of the City Administrative Officer
Claudia Aguilar, Office of the City Administrative Officer
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Michael Shull, Assistant General Manager, Recreation and Parks
Noel Williams, Chief Management Analyst, Recreation and Parks

WA # 13045


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 19

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Reference: Request from the Budget and Finance Committee dated May 1, 2013 to report back on which pools are in a state of disrepair and funding needed to repair.

Subject: **RECREATION AND PARKS – REPORT BACK ON THE STATUS OF CITY POOLS REQUIRING FUNDING TO REPAIR**

During its consideration of the Department of Recreation and Parks' (RAP) 2013-14 Proposed Budget, the Committee asked RAP to report back on which pools are in a state of disrepair and funding needed to repair. Attached is the Department's response.

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

MAS:CEA:08130138

Question No. 61

Attachments

**BOARD OF RECREATION AND
PARK COMMISSIONERS**

BARRY A. SANDERS
PRESIDENT

LYNN ALVAREZ
VICE PRESIDENT

W. JEROME STANLEY
JILL T. WERNER
JOHNATHAN WILLIAMS

LATONYA D. DEAN
COMMISSION EXECUTIVE ASSISTANT II

CITY OF LOS ANGELES

CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

**DEPARTMENT OF
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(213) 202-2633

FAX (213) 202-2614

JON KIRK MUKRI
GENERAL MANAGER

May 3, 2013

Honorable Paul Krekorian, Chair
Budget and Finance Committee
City Clerk, City Hall Room 395
Los Angeles, CA 90012

ATTN: Erica Pulst, Legislative Assistant

Dear Councilmember Krekorian:

**FISCAL YEAR 2013-14 QUESTION NO. 61-STATUS OF RECREATION
AND PARK POOLS**

The Department of Recreation and Parks (RAP) is responding to your Committee's request for information on the status of RAP pools needing repair and the funding necessary to effect repairs.

The attached spreadsheet identifies the following:

- Pool projects currently funded and in design or construction
- Pool projects which have been renovated or reconstructed since 2006
- Pool projects with anticipated funding needs



Honorable Paul Krekorian
May 3, 2013
Page 2

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

Sincerely,



JON KIRK MUKRI
General Manager

JKM:RA:ndw

Attachment

cc: Romel Pascual, Office of the Mayor
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WA # 13045

Department of Recreation and Parks (RAP)

Swimming Pool Status Summary

Funding Needs and Expenditures

Attachment

Park	CD	Year Built	Estimate	Status	Comments
Pool Projects- Anticipated Funding Needs					
Lincoln Park Pool Reconstruction	1	1951	\$ 8,500,000	Closed	Proposed funding in 2013-14 Budget, Prop K and Quimby
Highland Pool	1	1948	\$ 7,000,000	Seasonal/Open	
Valley Plaza	2	1971	\$ 8,000,000	Seasonal/Open	
Verdugo Hills	2	1951	\$ 4,500,000	Seasonal/Open	
Woodland Hills	3	1962	\$ 8,000,000	Seasonal/Open	
Griffith Park Pool	4	1927	\$ 7,000,000	Seasonal/Open	Historical Building Renovation
North Hollywood	4	1929	\$ 8,000,000	Seasonal/Open	
Hollywoodland Girls Camp	4	1951	\$ 3,000,000	Seasonal/Open	
Cheviot Hills	5	1949	\$ 8,000,000	Seasonal/Open	
Fernangeles	6	1979	\$ 8,000,000	Seasonal/Open	
Ritchie Valens	7	1960	\$ 8,000,000	Seasonal/Open	
Van Ness	8	1959	\$ 8,000,000	Closed	
Ross Snyder	9	1978	\$ 8,000,000	Seasonal/Open	
Celes King	10	1962	\$ 10,500,000	Closed	\$4.5 Million in proposed funding in 2013-14 Budget
Venice Pool	11	1961	\$ 10,500,000	Year Round/Open	
Mar Vista	11	1959	\$ 8,000,000	Seasonal/Open	
Granada Hills	12	1975	\$ 8,000,000	Seasonal/Open	
Echo Shallow	13	1956	\$ 3,500,000	Closed	
Costello	14	1950	\$ 8,000,000	Seasonal/Open	Design completed. \$6.5 Million needed
Pecan	14	1962	\$ 8,000,000	Seasonal/Open	
Yosemite	14	1979	\$ 8,000,000	Seasonal/Open	
Harbor Regional Pool	15	1955	\$ 8,000,000	Seasonal/Open	
Camp Radford	NA		\$ 4,000,000	Closed	
Misc. Upgrades at remaining pools (pool equip., ADA, etc.)			\$ 30,000,000		
	Total		\$ 200,500,000		

Department of Recreation and Parks (RAP)

Swimming Pool Status Summary

Funding Needs and Expenditures

Attachment

Park	CD	Year Built	Estimate	Status	Comments
Pool Projects-Currently Funded in Design/Construction					
Central Pool Renovation,	9	1926	\$ 4,500,000	Closed	Quimby and Prop K
Hollywood Pool Reconstruction	13	1950	\$ 8,000,000	Closed	Quimby and Prop K
Gaffey St. Pool Renovation	15	1944	\$ 8,000,000	Closed	Quimby and Port of LA
109th St. Pool Reconstruction	15	1939	\$ 8,000,000	Will Close following 2013 summer swim season for construction.	RAP and Quimby
	Total		\$ 28,500,000		
Pool Projects-Renovated or Reconstructed Since 2006					
Echo Park Deep Renovation	1		\$ 6,800,000		Major renovation on indoor pool
Downey Pool	1		\$ 4,200,000		Pool replacement with minor bathhouse renovation
Northridge Pool Reconstruction	12		\$ 5,600,000		Full replacement
Jackie Tatum Harvard Reconstruction	8		\$ 6,700,000		Full replacement
Lanark Park Pool Renovation	3		\$ 4,100,000		Pool replacement with minor bathhouse renovation
Roosevelt High School Pool	14		\$ 2,400,000		Pool deck and bathhouse renovation
Westchester Park Pool Renovation	11		\$ 3,000,000		Pool re-pipe and bathhouse renovation
Pan Pacific Park Pool Renovation	4		\$ 2,500,000		Pool re-pipe and bathhouse renovation
E.G. Roberts Pool Renovation	10		\$ 2,000,000		Pool re-pipe and bathhouse renovation
Reseda Park Pool Renovation	3		\$ 4,300,000		Pool replacement with minor bathhouse renovation
Freemont Pool Renovation	9		\$ 1,600,000		Indoor pool re-pipe and bathhouse renovation
	Total		\$ 43,200,000		

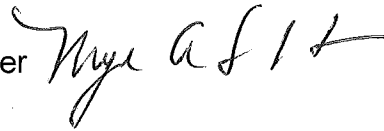
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 20

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Reference: Request from the Budget and Finance Committee dated May 1, 2013 to report back on Chatsworth Park South and whether the park could be opened with half programming.

Subject: **RECREATION AND PARKS – REPORT BACK ON CHATSWORTH PARK SOUTH.**

During its consideration of the Department of Recreation and Parks' (RAP) 2013-14 Proposed Budget, the Committee asked RAP to report back on whether Chatsworth Park South could be opened with half programming. Attached is the Department's response.

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

MAS:CEA:08130140

Question No. 63

Attachment

**BOARD OF RECREATION AND
PARK COMMISSIONERS**

BARRY A. SANDERS
PRESIDENT

LYNN ALVAREZ
VICE PRESIDENT

W. JEROME STANLEY
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JOHNATHAN WILLIAMS

LATONYA D. DEAN
COMMISSION EXECUTIVE ASSISTANT II

CITY OF LOS ANGELES
CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

**DEPARTMENT OF
RECREATION AND PARKS**

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(213) 202-2633

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JON KIRK MUKRI
GENERAL MANAGER

May 3, 2013

Honorable Paul Krekorian, Chair
Budget and Finance Committee
City Clerk, City Hall Room 395
Los Angeles, CA 90012

ATTN: Erica Pulst, Legislative Assistant

Dear Councilmember Krekorian:

**FISCAL YEAR 2013-14 QUESTION NO. 63-RESTORATION OF
PROGRAMMING AT CHATSWORTH PARK SOUTH**

The Department of Recreation and Parks (RAP) is responding to your Committee's request for information on restoration of programming at Chatsworth Park South.

Chatsworth Park and Recreation Center is located at 22360 Devonshire Street, Chatsworth, CA 91311 in Council District Twelve. Chatsworth Park South was closed in February 2008 due to environmental concerns. The Recreation Center (Center) was reopened in February 2013 for limited use by permit groups.

At this time, RAP plans to restore some programming at the Center, by utilizing staff (that will be made available by October 1, 2013) when RAP returns operational responsibility of the recreational centers located on Housing Authority City of Los Angeles (HACLA) property to HACLA. RAP is currently in the process of transitioning from these HACLA sites.



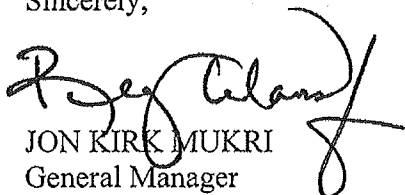
Honorable Paul Krekorian

May 3, 2013

Page 2

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

Sincerely,



JON KIRK MUKRI
General Manager

JKM:RA:ndw

cc: Romel Pascual, Office of the Mayor
Jennie Carreon De Lacey, Office of the Mayor
Terry Sauer, Office of City Administrative Officer
Claudia Aguilar, Office of City Administrative Officer
Regina Adams, Executive Officer, Recreation and Parks
Kevin Regan, Assistant General Manager, Recreation and Parks
Vicki Israel, Assistant General Manager, Recreation and Parks
Michael Shull, Assistant General Manager, Recreation and Parks
Noel Williams, Chief Management Analyst, Recreation and Parks

WA # 13045

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 21

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Reference: Request from the Budget and Finance Committee dated May 1, 2013 to report back on the use of Quimby funds to prioritize a caretaker position at Oakridge Estate.

Subject: **RECREATION AND PARKS – REPORT BACK ON FUNDING A CARETAKER POSITION AT OAKRIDGE ESTATE**

During its consideration of the Department of Recreation and Parks' (RAP) 2013-14 Proposed Budget, the Committee asked RAP to report back on the use of Quimby funds to prioritize a caretaker position at Oakridge Estate. Attached is the Department's response.

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

MAS:CEA:08130141

Question No. 69

Attachment

BOARD OF RECREATION AND
PARK COMMISSIONERS

BARRY A. SANDERS
PRESIDENT

LYNN ALVAREZ
VICE PRESIDENT

W. JEROME STANLEY
JILL T. WERNER
JOHNATHAN WILLIAMS

LATONYA D. DEAN
COMMISSION EXECUTIVE ASSISTANT II

CITY OF LOS ANGELES

CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

DEPARTMENT OF
RECREATION AND PARKS

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JON KIRK MUKRI
GENERAL MANAGER

May 3, 2013

Honorable Paul Krekorian, Chair
Budget and Finance Committee
City Clerk, City Hall Room 395
Los Angeles, CA 90012

ATTN: Erica Pulst, Legislative Assistant

Dear Councilmember Krekorian:

**FISCAL YEAR 2013-14 QUESTION NO. 69-CARETAKER POSITION AT
OAKRIDGE ESTATE**

The Department of Recreation and Parks (RAP) is responding to your Committee's request for information on establishing a Caretaker position at Oakridge Estate.

Oakridge Estate is located at 18650 Devonshire Street, Northridge, CA 91324 in Council District Twelve. The property is a City of Los Angeles Cultural Monument (No. 484) and was acquired by RAP in 2009. The property is currently not able to be occupied by a live-in caretaker due to various repairs needed including electrical infrastructure. The repairs are projected to be completed in Fiscal Year 2013-14.

Once repairs are complete and the building is certified for residency, the process to secure a RAP caretaker can be initiated.



Honorable Paul Krekorian
May 3, 2013
Page 2

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

Sincerely,



JON KIRK MUKRI
General Manager

JKM:RA:ndw

cc: Romel Pascual, Office of the Mayor
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WA # 13045

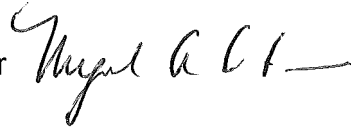
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 22

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Reference: Request from the Budget and Finance Committee dated May 1, 2013 to report back on the cost to restore a sixth day of operations at Griffith Observatory.

Subject: **RECREATION AND PARKS – REPORT BACK ON THE COST TO RESTORE A SIXTH DAY OF OPERATIONS AT GRIFFITH OBSERVATORY**

During its consideration of the Department of Recreation and Parks' (RAP) 2013-14 Proposed Budget, the Committee asked RAP to report back on the cost to restore a sixth day of operations at Griffith Observation. Attached is the Department's response.

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

MAS:CEA:08130135

Question No. 84

Attachment

**BOARD OF RECREATION AND
PARK COMMISSIONERS**

BARRY A. SANDERS
PRESIDENT

LYNN ALVAREZ
VICE PRESIDENT

W. JEROME STANLEY
JILL T. WERNER
JOHNATHAN WILLIAMS

LATONYA D. DEAN
COMMISSION EXECUTIVE ASSISTANT II

CITY OF LOS ANGELES

CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

**DEPARTMENT OF
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JON KIRK MUKRI
GENERAL MANAGER

May 3, 2013

Honorable Paul Krekorian, Chair
Budget and Finance Committee
City Clerk, City Hall Room 395
Los Angeles, CA 90012

ATTN: Erica Pulst, Legislative Assistant

Dear Councilmember Krekorian:

**FISCAL YEAR 2013-14 QUESTION NO. 84—RESTORATION OF A SIXTH DAY
OF OPERATION AT THE GRIFFITH OBSERVATORY**

The Department of Recreation and Parks (RAP) is responding to your Committee's request for information on restoring a sixth day of operation at the Griffith Observatory.

The Griffith Observatory located in Griffith Park currently is open five days per week (Wednesday through Sunday) year round and six days per week (Tuesday through Sunday) during the summer, Thanksgiving, Christmas and spring school breaks. To restore the Observatory to a six day operation to be open on thirty-four (34) Tuesdays will require \$189,674 in additional funding:

Fund 302, Department 88, Account No. 1070-Salaries As Needed	\$123,486
Fund 302, Department 88, Account No. 9120-General Fund Reimbursement	\$ 66,188

Councilmember Tom LaBonge, Fourth Council District, has stated that funding may be available from AB 1290 funds for this operational restoration.



Honorable Paul Krekorian
May 3, 2013
Page 2

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

Sincerely,



JON KIRK MUKRI
General Manager

JKM:RA:ndw

cc: Romel Pascual, Office of the Mayor
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Terry Sauer, Office of City Administrative Officer
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Michael Shull, Assistant General Manager, Recreation and Parks
Noel Williams, Chief Management Analyst, Recreation and Parks

WA # 13045

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 23

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **FIRE DEPARTMENT – REPORT ON THE LAFD BRUSH CLEARANCE PROGRAM FOR VACANT LOTS AND THE IMPACT ON REGULAR FIRE SERVICE**

During its consideration of the Fire Department's 2013-14 Proposed Budget, the Committee requested the Department to report back on the Brush Clearance Program for vacant lots and its impact on regular fire services. The Department's response is attached.

Additionally, it is important to note that since 2009-10, staffing for the Bureau of Street Services' Weed Abatement, Brush, and Debris Removal program has been reduced from 104 to 24 regular authority positions. The transfer of approximately 4,100 parcels to the Fire Department will provide some workload relief to the Bureau as they manage the remaining workload associated with approximately 6,900 parcels that will remain with the Bureau.

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

MAS:MCD:04130111

Question No.115

Attachment

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

May 6, 2013

TO: Miguel A. Santana, City Administrative Officer
City Administrative Office

Attn: Mark Davis, Senior Administrative Analyst II

FROM: Brian L. Cummings, Fire Chief
Fire Department

SUBJECT: FIRE DEPARTMENT – QUESTION #115: REPORT OF THE LAFD
BRUSH CLEARANCE PROGRAM FOR VACANT LOTS AND THE
IMPACT ON REGULAR FIRE SERVICES

The Mayor's FY 2013-14 Proposed Budget appropriated \$75,000 in contract services for the LAFD to assume brush clearance of lots previously under the responsibility of the Bureau of Street Services. This amount will be sufficient and will not impact regular Fire services.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 24

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **MAYOR – POTENTIAL FOR REPROGRAMMING EXCESS GRYD FUNDS**

Your Committee requested this Office to report back on the possibility of using excess Gang Reduction and Youth Development (GRYD) funds for reprogramming.

Any excess GRYD funds for the FY12-13 Program Year is likely to occur in contractual services but due to contracting requirements pertaining to reconciliation and closeout will not be available for reprogramming until the end of August. Should there be any early funds realized they must be utilized to offset start-up expenditures for the June 26th launch of the 2013 Summer Night Lights (SNL) Program. The Los Angeles Unified School District (LAUSD) shifted the 2012-13 academic calendar to end in early June with the new school year resuming in August. This shift prompted the Mayor's Office to adjust the Summer Night Lights Program dates to align with the LAUSD school recess.

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

MAS:CLF:02130121

Question No.297

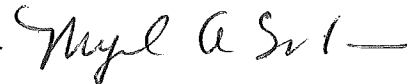
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 25

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **UNAPPROPRIATED BALANCE – CITY DISASTER PLANNING STUDY**

Your Committee requested this Office add language to clarify that funding in the amount of \$500,000 for the City Disaster Planning Study in the Unappropriated Balance (UB) is to address compliance issues with the Americans with Disabilities Act (ADA).

Should the City Council approve this funding proposal, this Office will revise the UB line item title from "City Disaster Planning Study" to "City Disaster Planning Study – ADA Compliance Issues" in the 2013-14 Adopted Budget.

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

MAS:MBC:04130120

Question No. 268

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 26

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **INFORMATION TECHNOLOGY AGENCY – STRATEGIC ADVISOR FOR TECHNOLOGY SERVICES (SATS)**

Your Committee requested this Office to report back regarding the SATS project, including information as to how the \$300,000 in the 2013-14 Proposed Budget Unappropriated Balance will be allocated.

At the direction of the Information Technology Oversight Committee (ITOC), the Information Technology Agency (ITA) released a Request for Proposals (RFP) seeking the services of a Strategic Advisor for Technology Services (SATS). The SATS RFP sought proposals to provide a comprehensive Citywide Technology Services Plan, addressing each of the following four Technology Subject Areas (TSAs): Infrastructure, Enterprise Applications, Business Applications, and Support Services. In each of these four TSAs, eight Services were identified with various deliverables, including 1) Project Management, 2) Data Collection, 3) Data Analysis, 4) Solution Recommendations, 5) Plan Delivery, 6) Procurement Process, 7) Contract Negotiation, and 8) Implementation Support. After the completion of Services 1-5, referred to as Phase I, the contractor will provide to the City the Citywide Technology Services Plan. Services 6-8, referred to as Phase II, focus on the implementation of the Citywide Technology Services Plan.

The selected SATS contractor, Avasant LLC, has begun work on Phase I, and it is anticipated that this Phase of the project will be completed in the fall of 2013. Full funding of \$479,184 for Phase I of the project was previously approved by the Mayor and Council in the 2012-13 Adopted Budget. The \$300,000 included in the 2013-14 Proposed Budget is based on the pricing provided by Avasant in response to the RFP. The total proposed Phase II price was \$980,000, with prices for each of the four TSAs varying from \$147,000 to \$294,000. Consequently, the \$300,000 provided in the Mayor's Proposed Budget is sufficient to fully fund, at minimum, implementation support in one TSA. The specific TSA to be funded will be selected after the review of the Citywide Technology Services Plan, which will be provided at the completion of Phase I of the SATS project.

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

MAS:MAF:11130040h

Question No. 270

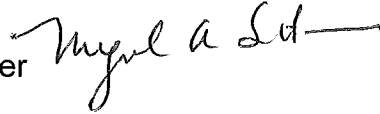
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 27

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **POLICE - TECHNOLOGY**

Your Committee requested this Office to report back with details of the \$4 million allocated to the Police Department for technology. Attached is a summary from the Police Department, which provides the requested details by account.

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

MAS:AS:04130121c

Question No. 129

Attachment

Police Department – Funding for Technology

Contractual Services (Account 3040): \$1,869,000

Additional minimum amount required to meet the Department's contractual commitments to maintain and support information technology systems and equipment, including hand held radios, wireless cameras, TEAMS II, and underfunded costs related to the recent merger of the Department of General Services Office of Public Safety (OPS).

- * Repair and Maintenance of Video Camera Systems; From Department of General Services OPS (\$325,000)
- * Repair and Maintenance of Wireless Camera Systems; From Initial Council Funded Projects (\$400,000)
- * Handheld Radios Repair and Maintenance; (\$716,000)
- * TEAMS II Systems Maintenance (\$98,000)
- * Information Technology Consultant Support (\$330,000)

Office and Administrative (Account 6010): \$1,673,000

Additional minimum amount required to meet the Department's commitment to maintain and support information technology equipment and software, including the Automated License Plate Recognition Program, life cycle replacement of workstations and LAN software.

- * Automatic License Plate Recognition System; Repair and Maintenance (\$295,000)
- * Life Cycle Hardware Replacement; Workstations (300); Laptops (105); Scanners (25) (\$422,000)
- * Firewall; LAPD Network Security (\$106,000)
- * Palantir Software Maintenance; Case Management/Investigative Analysis (\$235,000)
- * Voice Radio Switch Maintenance; 9-1-1 Audio Communications (\$43,000)
- * Audio Visual / Video Conferencing Systems Maintenance (\$220,000)
- * Information Technology Software Support (Microsoft, Groupwise, Novell) (\$352,000)

Furniture, Office and Technology (Account 7300): \$ 458,000

Additional minimum amount required to support the Department's information technology infrastructure, including life cycle replacement of servers

- * Life Cycle Hardware Replacement; Servers (28) for LAPD Remote Locations (\$458,000)

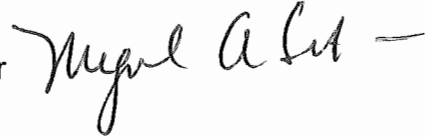
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 28

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **LOS ANGELES CONVENTION CENTER**

The Budget and Finance Committee requested a more detailed explanation for the miscellaneous revenue category. The miscellaneous General Fund revenue in the amount of \$2,048,660 is the reimbursement made from the Convention Center Special Revenue Fund to the General Fund for costs associated with operating the Convention Center.

The above is in compliance with the City's Financial Policies and has no additional fiscal impact on the General Fund.

09130250: MAS:NRB:DM

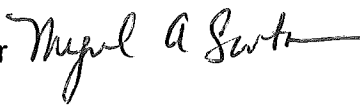
Question No. 199

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 29

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **FIRE DEPARTMENT – ADD A CIVILIAN POSITION TO ACT AS A LIAISON BETWEEN THE COUNCIL, FIRE COMMISSION AND THE DEPARTMENT**

During its consideration of the Fire Department's 2013-14 Proposed Budget, the Committee requested this Office to report back on adding a civilian LAFD position to act as a liaison between the Council, Fire Commission and the Department.

While other City departments (e.g., LAPD, Building & Safety, LADOT) have utilized existing civilian staff to provide liaison services between the departments and elected and appointed officials, an appropriate civilian position classification would need to be identified in order to serve the Department in this capacity. We recommend this Office work with the Fire Department to determine the necessary skill set that would be required of this position and report back for future consideration.

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

MAS:MCD:04130119

Question No. 38

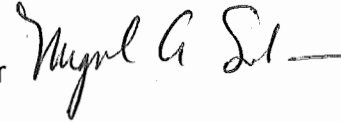
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 30

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **CITY ADMINISTRATIVE OFFICER – FULL-FUNDING FOR PERFORMANCE BUDGET IMPLEMENTATION**

Your Committee requested this Office to report on (1) the cost of full funding for the Senior Administrative Analyst II position included in the Proposed Budget for performance budget implementation, and (2) the work that has been done on performance budgeting to date and the work that has been done to prepare and lay the foundation for performance budgeting for next year.

Currently, the Proposed Budget provides nine-months salary funding of \$95,076. Additional funding of \$31,692 would be needed to provide a full 12-months funding. Should this position be filled earlier in the fiscal year (before September 30), the salary costs will be absorbed by this Office.

In 2011-12, the Planning Department and Bureau of Street Lighting participated in a pilot program for the development of citywide strategic planning elements. In 2012-13, those departments updated their strategic plans and the Bureau of Street Services joined the pilot program. In addition to the pilot program, non-General Administration departments reviewed and updated their metrics to reflect the 2012-13 Adopted Budget and later updated their metrics to reflect their 2013-14 budget requests.

Several lessons have been learned through the pilot program. Those lessons have informed several next steps in moving forward with a full transition to a Performance Based Budgeting process. An important step will be reviewing case studies from other municipalities that have successfully implemented full service category frameworks. Using that information, a staff-level working group will expand elements of the pilot program to develop outcomes, objectives, and performance measures for broad city functions that cross departmental lines. Finally, it will be critical to receive strategic direction from the Mayor and City Council to reflect a broader long-term vision for the City.

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

MAS:JAY:EM:11130041

Question No. 258

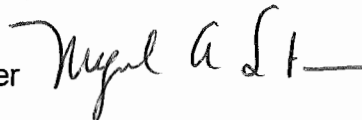
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 31

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **BUREAU OF SANITATION – SOLID RESOURCES LIFELINE PROGRAM**

Attached is a memorandum from the Bureau of Sanitation dated May 7, 2013, addressing the Committee's request for additional information on the Solid Resources Lifeline Program, which includes the status of the audit of current participants, the number of participants currently enrolled, and when the Bureau is planning to add new participants from the waitlist. The Bureau advises that an additional \$310,000 is required to enroll 51,400 participants in the Lifeline Program for 2013-14.

This report is informational and no action is required.

MAS:WKP:06130080

Question No.99

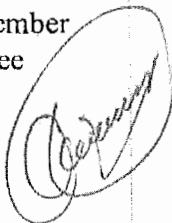
Attachment

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 7, 2013

TO: Honorable Paul Krekorian, Chair
Honorable Mitchell Englander, Vice Chair
Honorable Bill Rosendahl, Member
Honorable Paul Korctz, Member
Honorable Tom LaBonge, Member
Budget and Finance Committee

FROM: Enrique C. Zaldivar, Director
Bureau of Sanitation



SUBJECT: BUREAU OF SANITATION – REPORT BACK ON BUDGET & FINANCE QUESTION NO. 99: SOLID RESOURCES LIFELINE PROGRAM

During the Fiscal Year 2013-14 Proposed Budget Deliberations held on May 2, 2013, Sanitation was asked to report back on the Solid Resources Lifeline Program.

The Lifeline Program provides a 30% discount to the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee (SWRRF). Eligible participants have a household income less than \$33,750 and are either disabled or at least 62 years of age. The Los Angeles Municipal Code contains a cap on the program at a maximum of 51,400 participants. Due to the restrictions of Proposition 218, this subsidy cannot be borne by the other ratepayers, so funding is provided by the General Fund.

Currently there are 35,484 participants in the Solid Resources Lifeline Program. At this time, 86% of the participants are single-family residential and 14% are multi-family residential. There are 19,265 applicants on the waiting list who have not been added to the program. Approximately \$1.1 million of the Fiscal Year 12-13 funding was needed to cover subsidies from Fiscal Year 11-12 that had not been accounted for previously. Without that obligation, the proposed funding level for Fiscal Year 13-14, which is unchanged from Fiscal Year 12-13, will support the program at a level near the 51,400 participant cap set by the City Council during last year's budget deliberations.

The Fiscal Year 2013-14 Mayor's Proposed Budget contains a funding level of \$6.1 million, which would fund the addition of approximately 13,500 customers currently on the waiting list, depending on the ratio of single-family to multi-family customers. This would result in a total of 48,984 customers receiving the lifeline subsidy, 2,416 less than the cap of 51,400. In order to fund all 51,400 customers, an additional \$310,000 would be required in the Fiscal Year 13-14 budget. If Sanitation could stagger the addition of lifeline customers, it would be possible to reach the 51,400 cap with the proposed budget before the end of Calendar Year 2013, but that is not an option.

The timing for mass additions or deletions to the lifeline customers is dependent on the schedule of the Los Angeles Department of Water and Power's Customer Care and Billing project. Any mass changes need to occur before this system goes live, or will have to wait until after the stabilization period.

Bureau of Sanitation
FY 2013-14 Proposed Budget
2 of 2

Sanitation proposes to add the 13,500 customers in July 2013, before the go-live date of July 29, 2013. Sanitation will begin the next lifeline recertification effort in Fiscal Year 13-14, but the removal of customers from the program is not likely to occur until late in the fiscal year, after the new billing system has been stabilized.

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

LBM/ECZ:lbm

c: Members of the City Council
Gaye Williams, Chief of Staff, Mayor's Office
Monique F. Earl, Deputy Mayor, Mayor's Office
Romel L. Pascual, Deputy Mayor, Mayor's Office
Capri W. Maddox, President, BPW
Gerry F. Miller, CLA
Miguel A. Santana, CAO
Erika Pulst, Office of the City Clerk
BOS Executive Team

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 32

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **PERSONNEL DEPARTMENT – POLICE HIRING**

During its consideration of the Personnel Department's 2013-14 Proposed Budget, the Committee requested the Department to reconcile the LAPD and Personnel Department's numbers for police hiring. The Department's response is attached.

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

MAS:JAY:11130044


Question No. 79

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 6, 2013

To: Honorable Members of the Budget & Finance Committee

Attention: Office of the City Administrative Officer

From: 
Margaret Whelan, General Manager
Personnel Department

Subject: **PERSONNEL DEPARTMENT BUDGET MEMO No. 79 – Police Hiring**

Question No. 79

Reconcile LAPD and Personnel numbers – Police Hiring

Response

For Fiscal Year 2012-13, the Police hiring numbers are detailed below. These figures represent the number of new officers that entered the Academy on each class date, which are the same as the numbers from LAPD. The difference in the reconciliation of the total hires may be the 92 officers transferred from the Office of Public Safety in January 2013.

Fiscal Year 2012-13		Hires
8/25/2012 class		47
10/20/2012 class		50
12/15/2012 class		48
3/9/2013 class		39
4/6/2013 class		21
6/1/2013 class	*	45
6/30/2013 class	*	50
Total Hired FY 12-13		300
Add: Transfer of OPS		92
		392

**Estimated class size to be hired*

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 33

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **PERSONNEL DEPARTMENT – AFFORDABLE CARE ACT**

During its consideration of the 2013-14 Proposed Budget for the Personnel Department and the Human Resources Benefits Trust Fund, the Committee requested the Department to report on the federal Patient Protection and Affordable Care Act and the \$2 million set aside in the Unappropriated Balance (UB) for health care benefits associated with this Act. The Department's response, which is attached, provides information about the costs to be covered and efforts to reduce costs in future years.

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

MAS:JAY:11130043


Question No. 82

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 6, 2013

To: Honorable Members of the Budget and Finance Committee
Attention: Office of the City Administrative Officer

From: 
Margaret Whelan, General Manager
Personnel Department

SUBJECT: PERSONNEL DEPARTMENT BUDGET MEMO No. 82 - Affordable Care Act

Question No. 82

2014 Affordable Care Act - \$2 million set aside in UB for healthcare benefits - provide a detailed report on what costs might need to be covered and efforts to reduce costs in future years

Response

As an employer, the City will be required to comply with the Employer Shared Responsibility provisions of the Affordable Care Act (ACA) starting in January 2014, which mandates the following:

- Must offer full-time employees (and their dependents) "affordable" health care coverage with a "minimum value", or face penalties;
- Full-time employee is defined as any employee working on average 30 hours a week;
- Financial penalties range from \$2,000 to \$3,000 for each employee that obtains coverage through the State exchange that is eligible for financial assistance and the City has not offered health coverage compliant with the law; and,
- Compliance with various administrative requirements such as notifying all employees about the State healthcare exchange and tracking employees that obtain coverage through the State exchange.

The Personnel Department is conducting a preliminary analysis of the City's workforce to comply with new employer obligations related to health benefits created by the Affordable Care Act (ACA). The City is already in substantial compliance with the ACA. The current health care coverage offered to full-time and Civil Service half-time employees exceed the minimum requirements mandated by the ACA. However, there are gaps that will need to be addressed and may result in increased costs to the City, including:

1. A preliminary analysis showed that there are approximately 500 employees that work, on average, over 30 hours per week, and that do not currently have benefits. Under the ACA, the City must offer benefits to this category of employees effective January 1, 2014. The official "look-back" period and analysis that will eventually determine who must receive benefits will be conducted in July 2013. The CAO has already obtained bargaining instructions from the EERC and is currently in the process of meeting with unions to determine what level of benefits will be provided.

2. The City utilizes "hiring hall" employees to supplement its workforce. Although part of the hourly charge for employees that the City pays union hiring halls includes an amount for health benefits, it appears that the ACA will require the City to ensure that each eligible hiring hall employee is being offered benefits at the minimum required level.
3. Sworn employees do not currently have a default health plan. There are a small number of sworn employees that currently do not receive City health benefits or cash in-lieu. Under ACA, the City will be required to demonstrate that these employees were offered an ACA health care complaint plan. The Personnel Department will be working with the CAO to implement best practices such as default health plan to ensure the City will be able to demonstrate compliance with the law.
4. The City may be required to provide ACA compliant coverage to eligible employees for an additional time period (stability period) beyond the City requirements. For example, the City may be required to provide health coverage to employees while they are on unpaid leaves of absence or on disability. If the eligibility period for health care subsidies is longer than current City requirements, the City's costs will increase. The Personnel Department is seeking expert guidance on this and other related issues.
5. Compliance with various administrative requirements will also increase the City's costs for Third Party Administrative (TPA) services, consulting services, payroll system enhancements, and communication outreach to City employees and dependents.

The Proposed Budget includes \$2 million in the Unappropriated Balance to cover estimated increased costs associated with complying with the new federal healthcare laws. At this time, because federal rules and guidance are still being written, and the City health subsidy for this new group of employees is being negotiated with unions, it is too early to tell if the \$2 million will be sufficient to cover all costs.

Part-time employment in the City of Los Angeles is governed by the City Charter, Civil Service Rules, Administrative Code, and several Memoranda of Understanding. In the process of reviewing payroll records, it became evident that departments have been administering their part-time employment programs inconsistently and in some cases, outside of the various controlling authorities as cited above.

To ensure cost effective and consistent employment of half-time and intermittent exempt employees, the Personnel Department will consult with each Department on options that may be available to align the employment of part-time employees with the requirements of the City Charter, Civil Service Rules, Administrative Code and the MOUs.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **OFFICE OF THE CITY CLEK – REPORT BACK ON LESSONS LEARNED ON
THE ADMINISTRATION OF NEIGHBORHOOD COUNCIL ELECTIONS**

During its consideration of the Office of the City Clerk's 2013-14 Proposed Budget, the Committee requested a report back regarding lessons learned from previous administration of the Neighborhood Council Elections. The Department's response is attached.

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

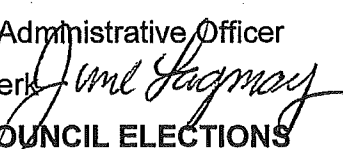
MAS:LGC:08130145

Question No.238

Attachment

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 6, 2013
To: Miguel Santana, City Administrative Officer
From: June Lagmay, City Clerk 
Subject: **NEIGHBORHOOD COUNCIL ELECTIONS**

Budget Report Request No. 238

The Budget and Finance Committee requested a report back on lessons learned from having the City Clerk administer the previous Neighborhood Council elections. The administration of Neighborhood Council (NC) Elections, like the Neighborhood Councils themselves, has been and still is an evolving work in progress.

Historically, the first NC Elections were conducted in 2002 by the Department of Neighborhood Empowerment (DONE) using Independent Election Administrators. Then in 2008, pursuant to an ordinance change transferring the election administration authority to the City Clerk, the Clerk conducted a pilot program to conduct NC Elections for 22 neighborhood councils. In 2010, the City Clerk expanded the elections to all NCs who requested them; a total of 89. For 2012, the City's budget did not include funds to conduct NC Elections due to the fiscal crisis but subsequently, late in that fiscal year, a modest amount of funding was allocated to DONE to conduct them on an expedited, and temporary, basis. DONE completed 75 NC elections in 2012.

Both DONE and the City Clerk have learned after each election cycle what works and what does not. Improvements over the past several years include:

- Providing more flexibility for neighborhood councils for polling place and voting hours options;
- Providing more opportunities for candidates to file their paperwork in their own neighborhoods;
- Permitting neighborhood councils to create their own regions that share similar voting dates; and
- Funding outreach in order to attract both candidates and voters.

Both DONE and the City Clerk have confidence in our proposed joint administration of the NC Elections for approximately 95 Neighborhood Councils in the 2014 election cycle because each of us will contribute respectively what we do best. DONE will handle outreach Neighborhood Council interface functions such as outreach, volunteer recruitment, bylaw development, and board selections and affirmations. The City Clerk will handle processing of paperwork such as candidate filing, developing ballot voting models, conducting Vote By Mail, polling place supplies, assisting with manual tally process, and election data collection.

Miguel Santana, City Administrative Officer
May 6, 2013
Page 2

We also believe the best testament to this belief is the fact that the Board of Neighborhood Commissioners (BONC) and the NCs themselves appear to be fine with the joint administration proposal.

As a final reminder, the proposal is premised on revising the current ordinance regarding the administration of NC elections, to reflect this joint effort

JL/HW
EXE-025-13

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **LOS ANGELES HOMELESS SERVICES AUTHORITY – REQUEST FOR \$8,575 FOR THE HOMELESS MANAGEMENT INFORMATION SYSTEM**

Your Committee requested the Los Angeles Homeless Services Authority (LAHSA) to report on their request for an additional \$875,000 from the General City Purposes (GCP) fund. The amount requested is actually \$8,575. The report from LAHSA is attached.

Subsequent to the release of the Mayor's 2013-14 Proposed Budget, the U.S. Department of Housing and Urban Development (HUD) increased the City's cash match for the Homeless Management Information System (HMIS) from 20 percent to 25 percent. As a result, LAHSA would need a total of \$131,158 for the City's cash match. Currently, the 2013-14 Proposed Budget includes \$122,583 for HMIS. Therefore, an additional General Fund appropriation of \$8,575 is required to meet the 25 percent HUD match requirement. This match will enable LAHSA to continue leveraging more than \$1 million in Federal funds.

RECOMMENDATION

To comply with the 25 percent cash match requirement from HUD and guarantee Federal funding more than \$1 million in 2013-14, this Office recommends providing \$8,575 to the General City Purposes, Homeless Shelter Program line item for the City's cash match for the Homeless Management Information System to be offset from ongoing revenues or a reduction elsewhere in the budget.

FISCAL IMPACT STATEMENT

If on-going revenues or a reduction in the Mayor's Proposed Budget is identified, there will be no impact to the General Fund.

Attachment

MAS:JL:MMR:02130109C

Question No. 231 and 262



FORM GEN. 160

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 6, 2013

To: Budget and Finance Committee

From: Chester Bieganski, Chief Financial Officer

Subject: **LOS ANGELES HOMELESS SERVICES AUTHORITY (LAHSA)**

G. Michael Arnold
Executive Director

Board of Commissioners

- Elise Buik
Chair
- Larry Adamson
Vice-Chair
- Flora Gil Krisjloff
- Kerry Morrison
- Michael Neely
- Owen Newcomer
- Louisa Ollague
- Booker Pearson
- Ramona Ripston
- Kelvin Sauls

Your Committee requested the Los Angeles Homeless Services Authority (LAHSA) to report back on our request for an additional **\$8,575** cash match for HUD funding for Homeless Management Information System (HMIS).

The Homeless Management Information System (HMIS) is a HUD mandated program that captures the demographics, services provided and outcomes for people who are homeless from agencies across the City and County of Los Angeles. The Total HMIS Program costs of **\$1,399,013** (\$1,049,260 Federal + \$245,166 Cash Match) had been leveraged last year by **\$122,583** provided from both the City and County each, in order to meet HMIS cash match of **20%** or **\$245,166** in total under the SHP requirements.

The Hearth Act (Reauthorization of the McKinney-Vento Homeless Assistance Act) has recently modified the cash match calculation to **25%** or **\$262,315** of the HMIS Program Federal requests of **\$1,049,260** (flat year over year) . The change in cash match methodology increases the total cash match by **\$17,149** or **\$8,575** for both the City and County of Los Angeles.

The request is to increase the LAHSA HMIS current cash match budget from **\$122,583** to **\$131,158** a variance of **\$8,575** this request is due to the change in the HUD cash match calculation methodology.

Summary of Impact

- HMIS is a HUD mandated Homeless Management Information System for tracking outcomes from homeless services
- Hearth Act implementation has changed the cash match requirements from **20%** of Total costs (HUD requests + cash match) to **25%** of HUD requests only
- A shortfall of **\$8,575** has been identified, and is being requested to be added to the LAHSA Budget
- The total cash match dollars leverage over **\$1.0M** in HUD funded HMIS support
- Request that these additional cash match funds of **\$8,575** be added to LAHSA's annual budget.

Administrative Office
811 Wilshire Blvd.
6th Floor
Los Angeles, CA 90017

213 683.3333 - PH
213 892.0093 - FX
213 553.8488 - TY

www.lahsa.org

This memorandum is a request for \$8,575 increase in cash match funding.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **OPERATION HEALTHY STREETS**

Your Committee requested to know if any of the funds in line item 18, Operation Healthy Streets, can be used to fund cleaning of homeless encampments.

The funding in line item 18, for Operation Healthy Streets, is budgeted for the clean-up of the Skid-Row area in Downtown Los Angeles. This includes, clearing the streets of all property and debris, pressure washing the sidewalks, and the removal of all hazardous waste and trash. Funding in the amount of \$1.2 million is provided.

Question #106, regarding weed abatement in the Bureau of Street Services, does not pertain to Operation Healthy Streets and will be answered separately.

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

MAS:BPS:06130082

Question No.266

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **EXHIBIT H – ASSIGNMENT OF THE REVIEW OF REVENUE GENERATING,
COST SAVINGS AND/OR COST RECOVERY INITIATIVES**

Exhibit H lists actions required to implement the budget. Included in Exhibit H was an instruction authorizing this Office to review revenue generating, cost savings, and/or cost recovery initiatives identified by the Commission of Revenue Efficiency (CORE), the Controller, and the Inspector General for City-wide Collections and Revenue Efficiency. This Office was asked to report back regarding assigning this instruction to the Office of Finance (Finance). The Exhibit H instruction was included in the 2013-14 Proposed Budget to memorialize the work currently performed by this Office, the Inspector General and Finance. As this work is already being performed and will continue in 2013-14, the instruction is not necessary.

RECOMMENDATION

That the second bullet under City Administrative Officer on page 56 of the 2013-14 Proposed Budget be removed.

FISCAL IMPACT

The recommendation does not impact revenue or expenditures. There is no impact to the General Fund.

MAS:ECM:01130077


Question No.286

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 38

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **AGING – REPORT BACK ON THE RESTORATION OF THE MANAGEMENT ANALYST POSITION**

During consideration of the Department of Aging (Aging) 2013-14 Proposed Budget, the Committee asked Aging to report back on the restoration of the Management Analyst position and the impacts of the elimination of the position. Attached is the Department's response.

RECOMMENDATION

It is recommended that one Management Analyst I position and salary funding of \$74,000 be restored to the Department of Aging. Funding will be part of the funding match required for receipt of Older Americans Act grant funds.

FISCAL IMPACT STATEMENT

Restoring one Management Analyst I position to the Department of Aging would result in increased funding of \$74,000 to the Department's 2013-14 Budget from the General Fund.

MAS:EOS:08130154

Question No. 209

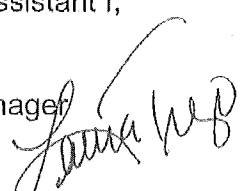
Attachment

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Honorable Paul Krekorian, Chair
Budget and Finance Committee

Attention: Erika Pulst, Legislative Assistant I,
Office of the City Clerk

From: Laura Trejo, General Manager
Department of Aging 

Subject: **REQUEST TO RESTORE ONE (1) MANAGEMENT ANALYST I
POSITION FOR FY 13-14 AT THE DEPARTMENT OF AGING**

Summary

The Los Angeles Department of Aging (LADOA) respectfully requests to restore the proposed FY 13-14 elimination of one (1) Management Analyst I (Class Code 9184-1) position. As a direct result of the federally mandated sequestration reduction, on Friday, May 3, 2013, LADOA was notified that its FY 13-14 budget will be reduced by \$1.6 million for its older adult and family caregiver services most specifically its nutritional services. This reduction seriously jeopardizes LADOA's ability to operate and provide minimum service levels of basic nutritional services to the City's older population. Consequently, the aforementioned reduction has created a situation, requiring immediate attention.

Background

LADOA mission is to provide basic social services in the areas of nutrition, transportation, training among others in support of the City's older population. In order to achieve and optimize maximum services, LADOA contracts its services to twenty (20) non-profit services providers throughout the City. These programs are currently administered by four (4) Management Analysts and one (1) Nutritionist. Due to recent attrition, LADOA is currently operating at a 50% vacancy rate within the Management Analyst series. Staff is currently responsible for managing and administering 20 contracts for the Older Americans Act (OAA); ten (10) contracts for CDBG, resulting in juggling 80 budgets under OAA and eighteen (18) budgets under CDBG. Budgets require to be amended at a minimum twice per year and require special closing procedures. Additionally, staff is required to conduct performance site visits, address consumer complaints, and ensure that contracts are consistent with mandated State and Federal guidelines. Given the dismal staffing levels, LADOA has been focusing in basic compliance monitoring, negatively impacting our operation. The Federal sequestration reduction will further hinder our operation by the increased work load resulting from the dramatically reduced basic nutritional services to the City's senior population.

Page 2
Honorable Paul Krekorian
May 7, 2013

As such, LADOA respectfully requests to restore the proposed deletion of one (1) Management Analyst for FY 13-14. Delays in services and deferred monitoring can potentially result in disallowed costs.

The State requires specific monitoring that can result in audit findings jeopardizing LADOA's performance and goal attainment to ensure program continuity.

The Management Analyst position is critical to monitor, analyze and report on the following:

- Contracts and respective amendments
- Contract budgets
- Payment Requests

Administering of the abovementioned tasks are State-mandated requirements under the Older Americans Act, and compliance is imperative to secure on-going grants specific to departmental mission, goals, and objectives. Additionally, the mandated sequestration requires additional amendments and closeouts that cannot be supported by the current staffing levels.

The Department believes that this Management Analyst position can ensure that LADOA can meet its contracting responsibilities and continue to provide appropriate technical assistance.

Please find attached position description and a copy of LADOA's organizational chart. If you have any questions regarding this matter, please contact me at (213) 202-5645.

LT:mfr:n/13-14/Pers/ReqtoRestoreMAI

cc: Miguel A. Santana, City Administrative Office
Monique Earl, Deputy Mayor of Finance

Attachments:
Position Description
Organizational Chart

**DEPARTMENT OF AGING
MANAGEMENT ANALYST I
PROGRAM MANAGEMENT DIVISION**

SUMMARY OF DUTIES:

Performs professional staff work by assembling, analyzing, and interpreting data and by preparing correspondence and reports with recommendations to management on a wide variety of administrative, fiscal, budgetary, personnel, and managerial problems; and performs related work.

DISTINGUISHING FEATURES:

A Management Analyst I exercises a degree of independent judgment in handling details and specific assignments within relatively well-defined standards and policies, and prepares comprehensive narrative and statistical reports to management regarding assigned tasks.

EXAMPLE OF DUTIES:

A Management Analyst I in the Program Management Division will perform all of the duties listed below:

- Monitors the programmatic administration and fiscal expenditures of assigned operating agencies.
- Reviews cash requests to assure proper expenditure of funds.
- Responsible for reviewing and analyzing legal documents pertaining to contracts, including third-party agreements, leases, and personal service contracts.
- Utilizes the performance of site visits as a tool to monitor operating agencies for contract compliance.
- Develops contracts and amendments that define the scope and services to be rendered.
- Provides technical assistance to service providers relative to contract compliance, third-party agreements, fund-raising, etc.
- Reviews, analyzes, and responds to all correspondence from service providers.

SKILLS:

- Interpersonal skills necessary to effectively and positively interface with assigned contract agencies, Department employees, and representatives from other City departments.
- Organizational and time management skills necessary to plan coordinate and complete multiple tasks within prescribed time constraints.
- Oral communication skills necessary to present information to individuals or groups, in a clear and understandable manner.
- Written communication skills necessary to prepare clear, concise, and comprehensive narrative reports.
- Computer skills necessary to prepare narrative reports and spreadsheets.

REQUIREMENTS:

- Must possess a valid California driver's license.



JAKE WOOD
 Program Management Division
SR MGMT ANALYST I
CC: 9171 PG: 1
 Reg Full SVC:

MANAGEMENT ANALYST I
CC: 9184 PG: 1
 Reg Full SVC:

MANAGEMENT ANALYST I
CC: 9184 PG: 1
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MANAGEMENT ANALYST I
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MANAGEMENT ANALYST II
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MANAGEMENT ANALYST II
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MANAGEMENT ANALYST II
CC: 9184 PG: 2
 Reg Full SVC:

NUTRITIONIST
CC: 2323 PG: 0
 Reg Full SVC:

Legends

Supervisor

Assistant

Staff

Sky Blue = VACANT
 Light Orange = MULTIPLE Positions
 Yellow = SUBSTITUTE Position

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 39

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **AGING – REPORT BACK ON THE SERVICE IMPACT OF THE 1.6 MILLION IN CUTS AS THE RESULT OF THE SEQUESTRATION AND ALTERNATIVE SOURCES OF FUNDS**

During consideration of the Department of Aging (Aging) 2013-14 Proposed Budget, the Committee asked Aging to report back on the service impact of the \$1.6 million in cuts as the result of sequestration and to determine if there are alternative sources of funds which can be used to offset the cuts. Attached is the Department's response.

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

MAS:EOS:08130155

Question No. 210

Attachment

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Honorable Paul Krekorian, Chair
Budget and Finance Committee

Attention: Erika Pulst, Legislative Assistant I
Office of the City Clerk

From: Laura Trejo, General Manager
Department of Aging *Laura Trejo*

Subject: RESPONSE TO BUDGET AND FINANCE COMMITTEE QUESTION
210-SERVICE IMPACTS OF SEQUESTRATION CUTS IN FISCAL YEAR
2013-14

Per your request, the Department of Aging has conducted a preliminary analysis of the service impacts of the federal sequestration cuts to the Older Americans Act (OAA) for Fiscal Year 2013-14. The total sequestration cuts of \$1,579,714 begins in May of the current Fiscal Year 2012-13 and continues into FY2013-14.

CALANDER	2012			2013												2014								
FEDERAL FY	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S
STATE/LA FY	FY2012-13								FY2013-14								FY2014-15							
PLANNED BUDGET CUTS								\$304,531 ¹	\$1,275,183 ²														TBD	
¹ unable to retroactively implement cuts. Implementation plan accounts for existing contracting cycles. ² Covers last three months of FFY 12-13 and first nine months of FFY13-14																								

The initial \$304,531 will be offset with a combination of one-time-only grant funds and savings for FY2012-13, but there are no funds to offset the \$1,275,183 for FY2013-14. These cuts are reflected as follows:

TABLE 1: Funding Reductions

Funding Source	FY12-13	FY13-14	Reduction	Percentage Reduction
Title IIIB	\$2,941,244	\$2,849,245	-\$91,999	-3.1%
Ombudsman (Nursing Home Complaints)	\$442,964	\$425,610	-\$17,354	-3.9%
Congregate Nutrition	\$4,920,832	\$4,483,023	-\$437,809	-8.9%
Home Delivered Meals	\$3,372,360	\$2,728,221	-\$644,139	-19.1%

Title IIID Health Promotion/Disease Prevention	\$227,228	\$216,662	-\$10,566	-4.6%
Title IIIE Family Caregiver Program	\$1,360,805	\$1,331,940	-\$28,865	-2.1%
Title VII B - Elder Abuse Prevention Program	\$50,942	\$48,770	-\$2,172	-4.3%
Admin.	\$942,430	\$900,151	-\$42,279	-4.5%
Total OAA	\$14,258,805	\$12,983,622	-\$1,275,183	-8.9%

TABLE 2: Service Impacts

Funding Source	Cuts for FFY12-13	Units Cut	client impact	Cuts for FFY12-13 & 13-14	Units Cut	client Impact
Title IIIB Social Supports	(62,661)	1,835	229	(\$91,999)	2,696	337
Ombudsman (Nursing Home Complaints)	(4,260)	123	N/A	(\$17,354)	433	N/A
Congregate Nutrition C-1	(136,495)	40,788	1,102	(\$437,809)	88,090	2,381
Home Delivered Meals C-2	(44,158)	20,652	113	(\$644,139)	111,250	985
Title IIID Health Promotion/Disease Prevention	(4,885)	6	N/A	(\$10,566)	12	N/A
Title IIIE Family Caregiver Support	(23,569)	127	N/A	(\$28,865)	155	N/A
Title VI A/B Elder Abuse Prevention	(1,346)	28	140	(\$2,172)	45	225
Admin.	(27,157)	N/A	N/A	(\$42,279)	N/A	N/A

Alternative Funding Sources

The Department of Aging does not have the means to replace the federal grant funding reductions. The only immediate and near future replacement source of funding would

Honorable Paul Krekorian
May 7, 2013
Page 3

be increased use of City funding rolled over from Fiscal Year 2012-13 as well as re-programming of Fiscal Year 2013-14 City fund sources. Grants are not an option, as they would be considered as supplanting federal cuts.

LT:JD:mn:z/Aging Question 210-b-1

cc: Monique Earl, Deputy Mayor of Budget and Financial Policy, Office of the Mayor
Elaine Owens-Sanchez, CAO

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 40

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **OFFICE OF THE CITY CLERK – REPORT BACK ON BUSINESS IMPROVEMENT DISTRICT SUPPORT SERVICES MAINTAINED AT THE OFFICE OF THE CITY CLERK**

During its consideration of the Office of the City Clerk's 2013-14 Proposed Budget, the Committee requested a report back regarding support services provided to the Business Improvement District (BID) Section which will not be transferred to the newly established Economic Development Department (EDD).

In addition to the BID staff that will be transferred effective January 1, 2014, the BID section requires both technical direction from management and support services from systems staff. Both management and systems staff provide administrative and systems support to all divisions in the Office of the City Clerk, including the BID Section. Management staff is also responsible for the Administrative Section staff which also provides fiscal services for both the Mayor's Office and City Council. Systems staff providing support to the BID section also supports the Council File Management System.

These positions and their other functions cannot be eliminated nor transferred to EDD. Additionally, the establishment of the EDD provides for administrative and systems needs in the new Department. The Office of the City Clerk can provide training for EDD staff members to ensure a seamless transition of duties. As indicated in their memo, we recommend that the City Clerk be instructed to work with the new EDD to develop a transition plan for this functional transfer.

There is no fiscal impact. The Department's response is attached.

RECOMMENDATION:

Direct the City Clerk to work with the General Manager of the EDD to develop a transitional plan for this functional transfer.


MAS:LGC:08130146

Question No.239

Attachment

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 6, 2013
To: Miguel Santana, City Administrative Officer
From: June Lagmay, City Clerk 
Subject: **BUSINESS IMPROVEMENT DISTRICT (BID) PROGRAM**

Budget Report Request No. 239

The Budget and Finance Committee requested a report back on the transfer of the BID Program to the new Economic Development Department (EDD). The Mayor's Proposed 2013-14 Budget functionally transfers the BID program to EDD in January of 2014 and ten staff from the City Clerk's BID Program to allow a smooth transition of responsibilities to the new Department. Inasmuch as EDD should be involved in any dialogue relative to the request for resources, the City Clerk is hesitant to identify specific needs that the new Department may have. Any resources required will depend on how the new Department decides to structure the BID unit within its overall design. The City Clerk is committed to working with EDD on the transition and reports that there may be funds in the Business Improvement District Trust Fund to fund one or two additional required positions that the new Department may identify. The City Clerk recommends that the City Council instruct the City Clerk to work in tandem with EDD on a transition plan and for EDD to report back to the Budget and Finance Committee prior to the January 1, 2014 transition date with any personnel or operational needs that may be funded from the BID Trust Fund.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 41

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **OFFICE OF THE CITY CLERK – BUDGET INSTRUCTION TO TRANSFER RESPONSIBILITY FOR CONSTRUCTION RELATED AB1290 CONTRACTS TO PUBLIC WORKS AND TO INCREASE THE CONTRACTING THRESHOLD FOR AB1290 FUNDS**

During its consideration of the Office of the City Clerk's 2013-14 Proposed Budget, the Committee requested a report back regarding the transfer of construction related AB1290 contracts to the Department of Public Works and increasing the minimum threshold for a contract to be made in writing for AB1290 funds. The Department's response is attached.

Should the Council support increasing the minimum threshold for a contract to be made in writing, the following is the recommended for inclusion in Exhibit H:

Request the City Attorney to prepare and present an ordinance to amend Section 10.2.1 (a) of the Los Angeles Administrative Code to include an exemption for AB1290 allocations from a written contract if the amount is \$5,000 or less.

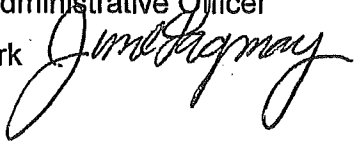
MAS:LGC:08130147

Question No.240 241

Attachment

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 6, 2013
To: Miguel Santana, City Administrative Officer
From: June Lagmay, City Clerk 
Subject: AB 1290 FUNDS

Budget Report Request No. 240

The Budget and Finance Committee requested a report back on the AB 1290 funds relative to increasing the contracting threshold to \$5,000. Currently the Administrative Code requires contracts for all funding allocations in excess of \$1,000. There is an exception for General City Purposes allocations, which have a \$5,000 threshold for contracts. Administrative Code Section 10.2.1 reads as follows:

Sec.10.2.1 Contracts Not Required to Be in Writing.

- (a) Contracts or agreements for the awarding of funds from the Council District Community Service account and from the Neighborhood and Community Improvement Services account of the General City Purposes fund to nonprofit agencies and community service groups in amounts up to and including \$5,000.00 are not required to be in writing.

In order for the threshold for AB 1290 allocations to be raised to \$5,000, an ordinance would be required. If the City Council wishes to adopt this policy, the City Attorney can be requested to draft an ordinance amending the Administrative Code to include AB 1290 allocations under the higher contract threshold.

Budget Report Request No. 241

The Budget and Finance Committee requested a report back on the use of AB 1290 Funds for capital construction projects. The City Clerk does not have construction expertise in order to provide proper fiduciary oversight to any construction projects. Additionally, we have been advised construction projects require a competitive bid process which are in many cases handled by the various Public Works bureaus. Therefore, the City Clerk is requesting that construction allocations and any grant allocations be routed to the appropriate department/bureau and that the City Clerk be authorized to transfer the AB 1290 funds directly to the appropriate department/bureau in order for the intent of the funding allocation to be fulfilled.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 42

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **DEPARTMENT OF GENERAL SERVICES (GSD) – INCREASING LIGHT, MEDIUM, AND HEAVY DUTY TRUCK AVAILABILITY RATE**

During its consideration of the Department of General Services' 2013-14 Proposed Budget, the Committee requested a report back regarding the necessary resources to increase GSD's fleet equipment availability rate for equipment categorized under Light, Medium and Heavy Duty Trucks. The Department has indicated in the attached report that \$1.6M in overtime funding would be required to raise the equipment availability rate to the 85% level. Funding of this request would require a reduction elsewhere in the proposed budget to offset the cost.

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

MAS:JSS:LGC:08130153

Question No 77

Attachment

CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



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

ANTONIO R. VILLARAIGOSA
MAYOR

May 6, 2013

Budget & Finance Committee
Honorable Paul Krekorian
Chair
Room 395, City Hall
Los Angeles, CA 90012

Attention: Erika Pulst, Legislative Assistant


BUDGET & FINANCE COMMITTEE QUESTION NO. 77
FOR THE 2013-14 PROPOSED BUDGET

During the budget deliberations, your Committee requested the Department of General Services report back on what resources are needed to increase availability rates for light, medium and heavy duty equipment.

GSD Fleet Services will require an additional \$1.6 million in Overtime (Account 1090) or a total of 28,720 labor hours to bring equipment availability up to 85% availability as per existing agreements with the following City departments:

DEPARTMENT	ADDITIONAL OVERTIME HOURS TO REACH AVAILABILITY GOAL OF 85%	TOTAL OVERTIME COSTS
Bureau of Street Services	13,465	\$754,067
Recreation and Parks	9,311	\$521,439
General Services	5,292	\$296,367
ITA	372	\$20,750
Animal Services	280	\$15,688
Total	28,720	\$1,608,311

Should you have any questions or concerns, please contact Angela Sherick-Bright at (213) 928-9575.



Tony M. Royster
General Manager

Attachment

cc: Monique Earl, Deputy Mayor
Miguel Santana, City Administrative Officer

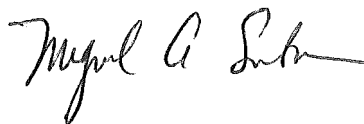
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 43

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **DEPARTMENT OF GENERAL SERVICES (GSD) – BLUE BOOK ITEM NOS. 23 (ASSET MANAGEMENT TRANSFER) AND 41 (PROCUREMENT SECTION SUPPORT)**

During its consideration of the Department of General Services' 2013-14 Proposed Budget, the Committee requested a report back regarding the Contractual Services funds that are being transferred to the newly established Asset Management Strategic Planning Unit (AMSP) at the Office of the City Administrative Officer (CAO). In addition, the Committee also requested a report back on the impact of adding a Procurement Analyst II to GSD's Supply Services Division.

AMSP UNIT TRANSFER (BLUE BOOK ITEM NO. 23)

The CAO's AMSP Unit was established pursuant to CF 12-1549 in December 2012. The goal of the Unit will be to identify opportunities, provide the framework and perform preliminary analysis on various asset management planning needs in the City. Blue Book item no. 23 permanently decreases GSD's Contractual Services account by \$193,000 and increases the CAO's Contractual Services account by an equal amount to effectuate Council's instructions regarding the establishment of the Unit. The Department's response is attached.

PROCUREMENT SECTION SUPPORT (BLUE BOOK ITEM NO. 41)

The Department's response is attached.

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

MAS:JSS:LGC:08130150

Question No 71

Attachment

CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ANTONIO R. VILLARAIGOSA
MAYOR

DEPARTMENT OF
GENERAL SERVICES
ROOM 701
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(213) 928-9555
FAX No. (213) 928-9515

May 6, 2013

Budget & Finance Committee
Honorable Paul Krekorian
Chair
Room 395, City Hall
Los Angeles, CA 90012

Attention: Erika Pulst, Legislative Assistant

BUDGET & FINANCE COMMITTEE QUESTION NO. 71
FOR THE 2013-14 PROPOSED BUDGET

During the budget deliberations, your Committee requested the Department of General Services (GSD) report back on what comprises the contractual services funds included in Blue Book Item 23 and why those funds are being transferred to the CAO. Also, as a part of the report back, your Committee requested information on the impact of GSD Blue Book Item 41.

GSD Blue Book Item 23:

Blue Book Item 23, transfers \$193,000 from GSD's Contractual Services Account to the Office of the City Administrative Officer to support the newly created Asset Management Strategic Planning Unit. These funds will be used for specialized consulting services and to assist the City to identify areas of opportunity where the City can leverage its real estate assets for economic development. GSD will continue to manage real estate transactions and provide operational support for acquisitions, sales and leases.

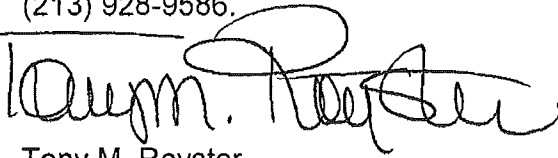
GSD Blue Book Item 41:

Blue Book Item 41 adds funding and regular authority for one Procurement Analyst II position for GSD's Supply Services Division. This position will ensure that contract compliance documentation for City ordinances such as the Business Inclusion Program, Small Local Business Preference, Sweat Free Procurement Ordinance, Contractor Responsibility Ordinance and others are expedited by working directly with the Department of Public Works, Contract

Administration and the Mayor's Office. The position will also allow the section to address concerns raised by the recent Controller's audit by conducting cost saving procurement research and strategic sourcing activities to obtain supplies and materials for City departments in a more efficient and timely manner.

The Supply Services Procurement Section has lost 25% of its staffing over the past four years. Because of these staff reductions, the Procurement Section is no longer able to absorb the workload of this position. This position is necessary to ensure GSD is able to implement procurement related policies and ordinances approved by the City Council.

Should you have any questions or concerns, please contact Valerie Melloff at (213) 928-9586.

A handwritten signature in black ink, appearing to read "Tony M. Royster". The signature is written in a cursive style with a horizontal line above it.

Tony M. Royster
General Manager

Attachment

cc: Monique Earl, Deputy Mayor
Miguel Santana, City Administrative Officer

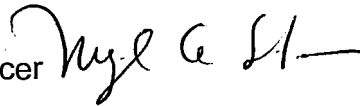
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 44

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **INFORMATION TECHNOLOGY AGENCY – PROVIDING 311 CAPABILITY TO COUNCIL OFFICES**

During consideration of the Information Technology Agency's (ITA's) 2013-14 Proposed Budget, your Committee requested ITA to report back regarding providing 311 capability to Council Offices. The Department's response is attached. ITA indicates that providing this capability to the Council Offices is already incorporated into the existing scope of work of the Customer Relationship Management project.

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

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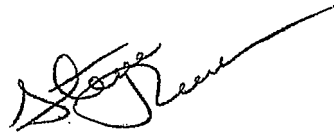
Question No. 190

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

REF: ASB-101-13

To: Budget and Finance Committee

From: Steve Reneker, General Manager
Information Technology AgencySubject: **BUDGET AND FINANCE REPORTBACK #190**
PROVIDING 311 CAPABILITY TO COUNCIL OFFICES

At the Budget and Finance Committee meeting of May 2, 2013, the Information Technology Agency was asked to report back on providing 311 capabilities to council offices.

The new 311 Constituent Relationship Management (CRM) System will modernize constituent service requests intake through fulfillment streamlining City operations and enhancing customer service. With the Mayor and City Council's leadership funding was allocated in January 2013 to implement a new 311 CRM system. The system will be available to City staff, elected offices and the public simplifying intake, resolution, tracking and reporting of 311 requests.

The first deliverable was to implement a 311 mobile app for Android and Apple smart phone users. The MyLA 311 mobile app was launched by the Mayor on March 18, 2013 and now has over 10,000 downloads and over 2,500 service requests submitted.

The next step was to implement a MyLA 311 web portal for desktop users that mirrors the same online service requests as the mobile app. The soft launch of the website was completed late April and is now available from lacity.org. The new site enables constituents to access one consolidated online form with top 11 most requested 311 services that are also available on the mobile platform. Email requests are automatically routed to the departments for processing by both the MyLA 311 mobile app and the web portal.

The next major milestone that will be implemented over the next 8 to 12 months is integration of a back-end 311 Constituent Relationship Management (CRM) system that will centrally collect service requests in one common database simplifying access to City services and streamlining departmental operations. The departments included in the year one scope of the CRM project include the Bureau of Sanitation, the Bureau of Street Services, the Bureau of Street Lighting and the Public Works Office of Community Beautification.

Once the CRM system is operational with the above department's service types (e.g. bulky item pick ups, pot hole repairs, graffiti abatement, etc.), requests for these departments can be inputted into the CRM system by City staff, elected offices and the public.

The system functionality includes:

- intake of new requests;
- tracking of open requests;
- processing/closure by departments;
- completion notification via email; and
- performance management and operational reporting.

The MyLA 311 CRM system will also feature a single registration/log-in process enabling constituents to view their City transactions or requests including DWP billing information and 311 services that they have requested.

The new system will revolutionize the way the City delivers 311 services to constituents leveraging state of the art technologies. The 311 CRM technology being implemented is based on Oracle software; Oracle is a leading provider of CRM software.

Year two funding of \$1M in TDA funds is proposed in the FY2013-14 budget for the 311 CRM System to add additional City services to the system enabling more efficient intake and processing of constituent services. Specific services to be implemented for Year two will be proposed by ITA with ITOC approval.

If you have any questions, please contact Laura Ito at (213) 978-3322.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 45

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **INFORMATION TECHNOLOGY AGENCY – MICROSOFT OFFICE UPDATES**

During consideration of the Information Technology Agency's (ITA's) 2013-14 Proposed Budget, your Committee requested ITA to report back regarding the installation of Microsoft Office updates for Council Offices. The Department's response is attached. ITA indicates that the cost would be \$421,993.35 to a) update all Council computers to the most current version of Microsoft Office and b) replace 325 computers and 90 laptops that cannot support the current version of the Windows operating system.

RECOMMENDATION

In light of the City's current fiscal constraints, no change to the Mayor's Proposed Budget is recommended. Should the Committee desire to add funding to update Microsoft Office and the Windows operating system, this Office recommends that the cost be offset by a reduction elsewhere in the budget. As this technology upgrade would be a one-time expenditure of City funds, this project would be an appropriate expenditure of any one-time revenues that are identified.

FISCAL IMPACT STATEMENT

As no change to the Mayor's Proposed Budget is recommended, there is no impact to the General Fund.

MAS:MAF:11130045h

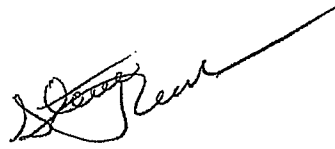
Question No. 191

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

REF: ASB-102-13

To: Budget and Finance Committee

From: Steve Reneker, General Manager
Information Technology Agency


Subject: **BUDGET AND FINANCE REPORTBACK #191**
INSTALLATION OF MICROSOFT OFFICE UPDATES FOR COUNCIL OFFICES

At the Budget and Finance Committee meeting of May 2, 2013, the Information Technology Agency was asked to report back on the installation of Microsoft Office updates for Council Offices.

The following is required to standardize all Council Office computers with current versions of Microsoft Office software and new operating system software. A total cost of \$421,993.35 is required to:

- upgrade all Council PC's and laptops to the current version of Microsoft Office (Office 2013 Standard); and
- replace 325 legacy desktops and 90 laptops that are unable to support the current version of the Windows operating system (Windows 7).

The replacement of the legacy computers are required to change out of the Windows XP operating system upgrading it to Windows 7. Windows XP is reaching an end of life for support after April 2014.

Total Cost: \$421,993.35

Purchase 325 new PCs for Council to replace legacy Win XP PC's:
325 X \$579.00 X 1.09 = \$205,110.75 (New PC with Windows 7)

Purchase 90 laptops for Council to replace legacy Win XP PC's:
90 X \$900 X 1.09 = \$88,290.00 (New Laptops with Windows 7)

Refresh MS Office Software to Office 2013 Standard for 445 PC's and 90 laptops in Council (upgrade all Council computers with Office 2013 Standard):
535 X \$240.36 = \$128,592.60

If you have any questions, please contact Laura Ito at (213) 978-3322.

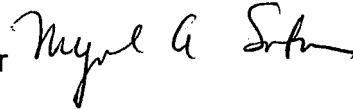
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 46

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **EL PUEBLO DE LOS ANGELES – REPORT BACK ON REVENUE VARIANCE BETWEEN FISCAL YEAR 2013-14 AND 2011-12 AND 2012-13.**

During its consideration of the El Pueblo de Los Angeles 2013-14 Proposed Budget, the Committee requested a report back regarding El Pueblo's decrease in projected revenue between the 2011-12 and 2012-13 revenues.

The following provides a summary of El Pueblo's budgeted, actual, and estimated receipts for the following fiscal years.

	Adopted Budget	Receipts
FY 2011-12	\$4,507,398	\$4,489,753 (actual)
FY 2012-13	\$4,831,960	\$4,406,000 (estimated)
	Proposed Budget	
FY 2013-14	\$4,623,667	

The 2012-13 adopted budget includes a revenue target of \$4.83M. However, more recent estimates indicate that actual receipts for the fiscal year may only generate \$4.41M. Both parking and filming receipts have fallen below expectations. Parking receipts were affected by the Federal Building renovations during which appointments at the federal building were assigned to various satellite offices. These appointments affect a portion of the customer base at El Pueblo's parking lot.

Filming receipts are volatile by nature, and the Department was not able to secure as many long term commitments for filming purposes. El Pueblo's peak in filming revenues in 2011-12 was a direct result of the use of the facilities by a network television series.

The reduced 2013-14 revenue has been adjusted to provide for more modest parking and filming revenue estimates and an increase in lease revenue.

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

MAS:LGC:08130143

Question No.200

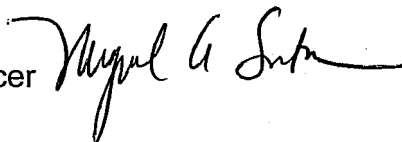
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 47

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **ECONOMIC DEVELOPMENT DEPARTMENT – Economic Development Initiative Funding**

This Office was asked to report on the amount of funding that will be allocated for the Economic Development Initiative (EDI) both in current year and proposed funds, the anticipated expenditure in FY 2013-14 and the specific purposes associated with these, and the performance metrics by which the EDI will be measured.

FY 2012-13 – The Mayor proposed setting aside \$2.5 million in the General City Purposes (GCP) to initially fund the establishment of the EDI. The Council's adopted budget for 2012-13, however, reduced that amount to \$500,000 to conduct the review of EDI models for the City. Funds from that line item (Economic Development Initiative) were used in FY 2012-13 to pay HR&A Advisors, Inc. for their study of the City's current economic development practices and proposed EDI.

An additional \$2 million was identified within the budget for FY 2012-13 as a dollar-for-dollar match to privately raised economic development funds. The source of funds for this \$2 million was the Reserve Fund. Pursuant to Council and Mayor action, these funds were transferred from the Reserve Fund as a loan to a new account within the Unappropriated Balance (UB) titled "New Economic Development Model." This Reserve Fund loan was to be repaid from Transit Occupancy Tax or sales tax revenue above the 2012-13 budget amounts. It is anticipated that this loan will be recommended for repayment as part of the Reserve Fund loan review currently being conducted. The \$2 million in the UB remains available to be used for economic development purposes.

FY 2013-14 – The Proposed Budget provides \$5 million in GCP funds to cover the FY 2013-14 anticipated costs of a contracted, independent Citywide Economic Development Nonprofit (CEDN). The \$5 million cost is based on an estimate for the CEDN Year 1 provided by the City's consultant and presented in the Ad Hoc Committee on Economic Development and in full Council. This \$5 million does not include private contributions to supplement the City contract. The specific purposes associated with the CEDN include strategic planning, business and industry development, asset management, real estate and infrastructure development and transaction services and financing.

The CLA and CAO have been instructed to report to the Ad Hoc Committee on Economic Development Implementation with a term sheet specifying the major terms of a contract to be entered into with a CEDN that includes the scope of services and deliverables

and performance evaluation criteria. Performance metrics can be drawn from the performance evaluation criteria. It is anticipated that the General Manager of EDD, with assistance from staff, will develop the workload indicators for these and other EDD positions as the new department is implemented.

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

MAS:KDU:021300113

Question No.187

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 48

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **NEIGHBORHOOD EMPOWERMENT – ABILITY TO RESTORE FUNDS FOR BUDGET DAY AND CONGRESS OF NEIGHBORHOODS**

Your Committee requested this Office to report back on the ability to restore funds in the amount of \$20,000 for Budget Day and Congress of Neighborhoods. As part of the Department's 2013-14 Proposed Budget, funding in the amount of \$20,000 was requested to support two events. This request is for new funding. There was no reduction to the Department's budget.

The Department proposed to use these funds for the staff, printing of materials, facility rental fees and support services for audio, custodial, and set-up. Details of the two events are as follows:

1. **The Congress of Neighborhoods:** This is an annual event hosted by the Department that focuses on civic engagement and community participation from local government. This event provides an opportunity for each Neighborhood Council (NC) to meet with the City Councilmembers, City department managers and NC leaders and volunteers. The Department reports that over 600 participants attended the 2012 Congress of Neighborhoods held on September 22, 2012.
2. **The Neighborhood Council Budget Advocate Program:** This is the process by which NCs can participate and submit annual priorities for the City's budget. The Department organizes an event at City Hall for budget representatives of each NC and City staff to discuss the budget priorities and provide information on budget development. The NC representatives then select budget advocates who work with the Department to develop, promote, process and publish the annual budget survey. The results of this survey are then released in a subsequent meeting at City Hall.

This memorandum is for informational purposes only. Approval of this request would result in a General Fund impact. Alternatively, the Committee can find an offsetting reduction elsewhere in the budget.

MAS:DP:08130166c

Question No.213

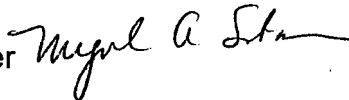
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 49

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: BUREAU OF ENGINEERING – RESTORATION OF ONE CIVIL ENGINEERING ASSOCIATE III CURRENTLY INCLUDED AS ONE OF THE FIVE POSITIONS THAT WILL BE TRANSFERRED OUT OF THE BUREAU'S LAND DEVELOPMENT GROUP

Your Committee requested this Office to report back on restoring one Civil Engineering Associate III (CEA III) that is currently included as one of the five positions that will be transferred out of the Bureau's Land Development Group into the new Department of Planning and Development.

The Proposed Budget recommends transferring five positions within the Land Development Group to the new Department of Planning and Development to augment the department's planning services. However, after a more detailed review of responsibilities, the Bureau has indicated that the position should remain within the Land Development Group. The CEA III position currently serves as the Bureau's lead technical professional on processing Final and Subdivision Maps as required by Section 17.07 A of the Los Angeles Municipal Code (LAMC). In addition, the Bureau is the lead City agency for certifying the Final Maps as required by the California Government Code Section 66442. This function needs to remain with the Bureau to be in compliance with the LAMC and the State Code.

Restoring this position will decrease the total amount transferred to the new Department of City Planning and Development by \$102,969 and increase the Bureau's budget by the same amount. Please see attached response from the Bureau for more details regarding this request.

RECOMMENDATION

Approve the Bureau's request to restore the CEA III position to the Land Development Group.

FISCAL IMPACT STATEMENT

There is no additional impact to the General Fund for restoring the CEA III position to the Bureau's Land Development Group.

MAS:DHH:AMG:06130076

Question No.132

Attachment

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: May 6, 2013

To: Miguel A. Santana, City Administrative Officer
Office of the City Administrative Officer

From: Gary Lee Moore, P.E. City Engineer *Gary Lee Moore*
Bureau of Engineering

Subject: Budget and Finance Committee Question No. 132

The Budget and Finance Committee (Committee) during its hearing on the Mayor's 2013-14 Proposed Budget held on May 2, 2013, requested the Bureau of Engineering (BOE) to report back with information on the restoration of one Civil Engineering Associate (CEA) III position from the functional transfer of Land Development Planning Services to the new Department of City Planning and Development (Blue Book Item No. 18). The restoration of the CEA III position to the BOE would require the following funding updates to the 2013-14 Proposed Budget:

<u>Acct. No.</u>	<u>Title</u>	<u>From</u>	<u>To</u>	<u>BOE Funding to Restore CEA III</u>
1010	Salaries, General	(\$ 485,904)	(\$ 383,553)	\$ 102,351
1090	Salaries, Overtime	(\$ 1,441)	(\$ 1,153)	\$ 288
6010	Office Expense	(\$ 1,651)	(\$ 1,321)	\$ 330
Total:		(\$488,996)	(\$ 386,027)	\$ 102,969

The restoration of the CEA III position and funding totaling \$102,969 will ensure the BOE maintains its lead technical professional on processing Final and Subdivision Maps as required by Section 17.07 A of the Los Angeles Municipal Code and Section 66442 of the California Government Code.

If there is any additional information required, please contact Robert Kadomatsu of my staff at (213) 485-4944.

cc: Monique Earl, Office of the Mayor
Romel L. Pascual, Office of the Mayor
Capri W. Maddox, Board of Public Works
Valerie Lynne Shaw, Board of Public Works

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CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 50

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **BUREAU OF ENGINEERING – PROPOSED COMMUNITY AFFAIRS
ADVOCATE TO IMPLEMENT THE BUREAU'S STRATEGIC PLAN**

Your Committee requested this Office to report back on providing justification for the proposed Community Affairs Advocate position and for details on the Bureau's Strategic Plan. The Bureau has provided detail's to the Committee's specific questions in the attached.

The Bureau's main argument for this position is that their department requires the expertise in areas such as communications, grant writing and advocacy which is critical for implementing their recently adopted Strategic Plan.

RECOMMENDATION

Approve the Bureau's request to add funding and regular authority for one Community Affairs Advocate to coordinate the implementation of the Bureau of Engineering's Strategic Plan.

FISCAL IMPACT STATEMENT

The total direct salary costs for this position is \$125,511. However, for Fiscal Year 2013-14, the Bureau has requested to delete funding for one vacant Clerk position which will offset the salary costs by \$44,275 for a total net direct cost impact of \$81,236. In addition, 55 percent of the total cost for this position will be funded by the Sewer Construction Maintenance Fund which totals \$44,680. The balance of \$36,556 will be absorbed by the salary cost of the Senior Civil Engineer position the Bureau plans to hold vacant until the end of the fiscal year. As a result, the total General Fund Impact will be a savings of \$99,009 (\$135,565 - \$36,556).

MAS:DHH:AMG:06130081

Question No. 156

Attachment

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: May 6, 2013

To: Miguel A. Santana, City Administrative Officer
Office of the City Administrative Officer

From: Gary Lee Moore, P.E. City Engineer *Gary Lee Moore*
Bureau of Engineering

Subject: Budget and Finance Committee Question No. 156

The Budget and Finance Committee during its hearing on the Mayor's 2013-14 Proposed Budget held on May 2, 2013, requested the Bureau of Engineering (BOE) to report back regarding the proposed Community Affairs Advocate position (Blue Book Item No. 11) and the BOE Strategic Plan, which is provided herein.

Provide More Details Regarding the BOE Strategic Plan

Subsequent to the downturn in the economy, and the resulting significant changes in BOE staffing following the Early Retirement Incentive Program, the BOE initiated a forward looking Strategic Plan to adapt to the changing work environment and changing communication environment. The Strategic Plan was created with heavy involvement from BOE employees, and was adopted on April 27, 2012. The BOE Strategic Plan contains four Goals, each of which has three to five strategies and six to nine specific near-term objectives. The Strategic Plan is available on the BOE website for City employees and the public to view at <http://eng.lacity.org/sp/strategicplan.pdf>.

The Strategic Plan includes the following items which closely align with the attached Community Affairs Advocate Class Specifications:

Goal I – Sustainable Infrastructure

- Advocacy at the local, state and national levels
- Coordination of advocacy efforts
- Publish a policy for the advancement of sustainable infrastructure

Goal II – Outreach and Partnerships

- Develop and implement educational and communication programs
- Expand the BOE web site and develop a social networking presence
- Implement procedures for publishing in social and traditional media
- Promote projects through Neighborhood Councils and other civic organizations
- Actively work with all stakeholders to initiate new projects
- Seek additional funded work

Goal III – Employee Development

- Develop and implement a communication plan to improve the flow and quality of information throughout the organization
- Implement an electronic digital communication platform throughout BOE, including streaming video, blogs and interactive discussion capabilities
- Training and career development for BOE Employees

Does the Anticipated Workload Support the Addition of One New Position?

Yes. The Community Affairs Advocate position would fill a critical void that was identified by the Strategic Plan. BOE has an ongoing need for expertise in areas such as communications, grant writing and advocacy that we do not possess in our existing classifications. Existing classifications in BOE are technical in nature with none having core functions focusing on communications and external relations. In looking at existing City classifications, the Community Affairs Advocate position is the most appropriate position for the BOE's needs.

With 424 active projects having a total construction cost of \$2.4 billion, the immediate and future value of the position's communications and advocacy expertise to the BOE would be immeasurable. Additionally, with the City's annual challenge of dedicating its limited resources to finance proposed capital projects, the invaluable skill and ability in crafting interesting and competitive grant proposals would also be a benefit to the BOE and the City. The Community Affairs Advocate position could also provide customer service/public relations training to BOE staff, including Development Services Program staff at the BOE public counters.

What Will Be the Measure of Success?

The following would be measures of success for this position in FY2013-14:

- 1) Complete related Strategic Plan goal objectives by the scheduled date
- 2) Visit at least 1/3 of the City's Certified Neighborhood Councils
- 3) Submit at least 2 grant proposals
- 4) Respond to all constituent questions within 48 hours
- 5) Provide customer service/public relations training to BOE public counter staff

Subsequent to FY2013-14, the position would likely take on additional tasks such as additional training sessions, public outreach, grant research and other grant application preparation.

Can Some of This Work be Handled, Instead, by the BOE's Two Existing Council/Board Liaisons?

No. The Civil Engineer and Civil Engineering Associate positions that serve as the BOE City Council and Board of Public Works (Board) Liaisons are responsible for tracking technical, contracting and project related items that will be considered by the Board and/or the City Council. The Liaisons also coordinate with BOE staff for any additional information or necessary responses to the Board/City Council, as well as notify BOE staff regarding the status of the item(s) considered by the Board/City Council.

Miguel A. Santana, City Administrative Officer

May 6, 2013

Page 3 of 3

The responsibilities and engineering-related education and training of the Liaisons, primarily technical in nature, are required to be successful in the two positions. Accordingly, the BOE fills its Liaison positions with engineers who are knowledgeable on various engineering disciplines, practices, procedures and the delivery of capital projects, not staff with communications, advocacy and competitive grant proposals expertise. The existing heavy workload for each Liaison prevents them from working on these non-engineering related activities without sacrificing BOE's ability to immediately respond to technical, contracting and project actions necessary to deliver our capital program.

Is There a Civil Service Classification for This Position, or Is It Envisioned to be Exempt from Civil Service?

Yes, there is a Civil Service Classification for this position. No, the position is not proposed to be exempt from Civil Service. The Community Affairs Advocate, Class Code 2496, is proposed to be a Regular Authority position and the class specification has been attached. As such, the position would be filled from a list of eligible candidates developed through the Civil Service examination process. The deletion of an existing Regular Authority position is included in the Proposed Budget to offset the addition of this position.

Summary

With a workforce that has been reduced by 31% since FY2008-09, the BOE Strategic Plan serves as a roadmap to continue to provide quality service with less staff in an ever-changing environment. It clearly identifies that communication and coordination, both internally and externally, are key to the BOE's efforts. BOE strongly believes that the Community Affairs Advocate position would be a benefit to both the City and BOE.

If there is any additional information required, please contact Robert Kadomatsu of my staff at (213) 485-4944.

Attachment

cc: Monique Earl, Office of the Mayor
Romel L. Pascual, Office of the Mayor
Capri W. Maddox, Board of Public Works
Valerie Lynne Shaw, Board of Public Works

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THE CITY OF LOS ANGELES



CIVIL SERVICE COMMISSION

CLASS SPECIFICATION

1/12/06

COMMUNITY AFFAIRS ADVOCATE, 2496

Summary of Duties: Under the direction of the General Manager or designee, serves as liaison to community groups, local civic officers, and elected officials; develops and manages programs to enhance the effectiveness of the Department's relationship with community, industry, political, and business stakeholders, as well as potential private donors to Department projects; and performs related work.

Distinguishing Features: Acts as community relations advocate to foster partnerships with a diverse range of community interest groups to resolve problems and provide equitable services; strengthens dialogue and relations between the Department and community; identifies opportunities for the Department to provide meaningful and appropriate levels of support to community endeavors; and identifies and cultivates potential fund raising sources among individuals and corporations to subsidize Department program efforts.

Examples of Duties:

- Establishes relationships with community leaders, elected officials, the public and representatives of other public agencies to develop support for and to augment Departmental programs;
- Assesses and strengthens the effectiveness of Department community outreach programs so these programs are responsive to community needs and recognized as beneficial by local stakeholders and the public at large;
- Identifies and fosters relationships throughout the community for the purpose of identifying sources, such as grants and corporate gifts, to enhance these programs;
- Develops multi-media presentations for corporate audiences and other groups to promote Department initiatives and solicit donations;
- Creates and manages a data base to track fund raising efforts;
- Obtains and reviews relevant materials to keep abreast of new or changing concepts in the fields of community advocacy, developing new financial resources for public projects, and technology;
- Represents the Department at civic and non-civic functions, meetings of local homeowner groups, and other community and civic organizations, and meetings with businesses and prospective private sector donors;
- Prepares grant proposals;
- Responds to citizen inquiries, complaints and suggestions related to Department activities to build consensus between the Department and community stakeholders and ensure the effectiveness of Departmental communications to key constituent groups; and
- May occasionally be assigned to other duties for training purposes or to meet technological changes or emergencies.

Qualifications: A Community Affairs Advocate must have the following knowledges and abilities:

A good knowledge of:

- Methods and practices used in developing, sustaining, and expanding community relations programs;
- Fund raising sources and techniques for community outreach programs;
- Federal, State and other potential funding resources;
- Data base management as it relates to record keeping for fund raising activities;
- Powers, duties and directives of the Mayor, City Council, and other State and Federal entities as they affect management of the Department;
- Materials and equipment used to develop effective oral presentations;
- Interests and motivations of public and private stakeholders in Departmental activities; and
- Current trends and concepts in community advocacy, developing new financial resources for public projects, and technology.

The ability to:

- Develop effective oral presentations and persuasively communicate ideas before groups;
- Use tact and sensitivity in dealing with elected officials, the public, and other stakeholders;
- Interact effectively with diverse groups of people;
- Gain the support and cooperation of other City employees and other public and private stakeholders;
- Work effectively with others to achieve problem resolution;
- Write clear and concise reports and correspondence; and
- Work independently.

Minimum Requirements:

Graduation from a recognized four year college or university and two years of full-time paid professional experience in performing a wide variety of advocate duties in support of community programs.

License: A valid California driver's license may be required.

Persons with disabilities may be able to perform the essential duties of this class with reasonable accommodation. Reasonable accommodation will be evaluated on an individual basis and depend, in part, on the specific requirements for the job, the limitations related to the disability, and the ability of hiring department to reasonable accommodate the limitation.

As provided in Civil Service Commission Rule 2.5 and Section 4.55 of the Administrative Code, this specification is descriptive, explanatory, and not restrictive. It is not intended to declare what the duties and responsibilities of any position shall be.

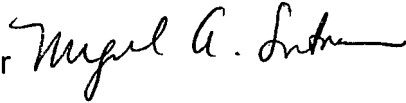
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 51

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer


Subject: **EMERGENCY MANAGEMENT DEPARTMENT – CONSOLIDATION WITH THE LOS ANGELES FIRE DEPARTMENT**

Your Committee requested this Office to report back on consolidating the Emergency Management Department (EMD) with the Los Angeles Fire Department (LAFD).

The EMD was created to provide coordination, management, and direction of all City emergency preparedness activities. The EMD is responsible for comprehensive emergency management including planning, mitigation, preparedness, response to and recovery from natural and man-made emergencies.

The 2013-14 Proposed Budget allocates \$1.7 million for the EMD and provides a total of 22 position authorities (15 funded regular authority positions and seven unfunded resolution authority positions). The seven unfunded resolution authority positions are supported by off-budget grant funds, including the Urban Areas Security Initiative (UASI) grant and the Regional Catastrophic Preparedness Grant Program (RCPGP). In addition, the EMD has one off-budget Senior Project Coordinator resolution authority, which is also supported by off-budget grant funds. The following summarizes the position authorities in the department:

Code	Classification	Regular	Resolution		Total
			On	Off	
1117	Executive Administrative Assistant III	1			1
1223	Accounting Clerk II	1			1
1538	Senor Project Coordinator			1	1
1702	Emergency Management Coordinator I	4	7		11
1702	Emergency Management Coordinator II	4			4
9171	Senior Management Analyst I	1			1
9184	Management Analyst II	2			2
9272	General Manager	1			1
9273	Assistant General Manager	1			1
TOTAL		15	7	1	23

To determine any budgetary savings as part of the consolidation, an in-depth review would need to be conducted on how the EMD positions would be integrated into the LAFD organizational structure and determine if any position eliminations or adjustments are warranted. Based on a cursory review, there may be potential to generate savings from the consolidation of the administrative support functions of the two departments. However, further analysis is required to determine the efficiencies that would be achieved through this consolidation.

The EMD has expressed concerns regarding the need to maintain an independent agency overseeing the emergency preparedness functionality in the City, separate from law enforcement, fire and emergency medical services. The EMD notes that the mission of the EMD differs from the mission of the LAFD. As such, consolidating EMD into the LAFD may undermine the goals of the EMD within the larger LAFD. Our Office will work with the EMD and LAFD, as well as the Chief Legislative Analyst (CLA), Los Angeles Police Department (LAPD) and other affected City agencies, to report back on consolidating EMD with the LAFD and determine the potential impact on the City's emergency preparedness programs.

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

MAS:MBC:04130112

Question No. 176

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 52

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

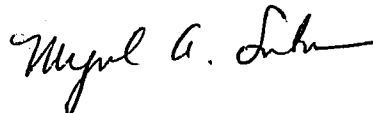
Subject: **LOS ANGELES CONVENTION CENTER**

Exhibit H includes language instructing the Personnel Department to identify transfer opportunities upon the elimination of civil service positions. The Budget and Finance Committee instructed that the language be revised to include exempt positions:

In the event civil service and exempt positions are eliminated from the Convention Center, instruct the General Manager of the Personnel Department to identify transfer opportunities to other City departments for impacted employees; instruct the City Administrative Officer to create and release substitute positions for employees who elect to transfer from the Convention Center as a result of position eliminations; and, authorize a blanket unfreeze from the City's Managed Hiring process for any position associated with mitigating the layoff of Convention Center employees.

The Request for Proposals notes that the successful bidder is required to provide all Convention Center employees with the option to participate in a 90-day transition period for the opportunity to be placed with the private operator. Otherwise, the employee will be transitioned to another City position. We will provide status updates through the City's financial status reports and monitor impacts to the General Fund if any.

09130252: MAS:NRB:DM

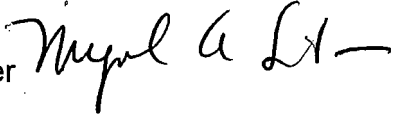
Question No.283

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 53

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **OFFICE OF THE CITY CLERK – DELETION OF FILLED SENIOR CLERK
TYPIST POSITION**

During its consideration of the Office of the City Clerk's 2013-14 Proposed Budget, the Committee requested a report back on options regarding the deletion of the filled Senior Clerk Typist position. The current incumbent does not possess any reversion rights to a different department. The deletion of this position will result in a layoff.

Approval of an unfunded resolution authority is recommended as a layoff avoidance measure. The City Clerk has identified a total of \$640,000 in one-time funding. Additional revenue in the amount of \$200,000, which was inadvertently omitted in the FY 2013-14 Revenue Outlook, for the consolidation of Los Angeles Community College District (LACCD) and City of Burbank elections is available. The Department is also reporting savings in the amount of \$440,000 from elections for FY 2012-13. However, use of either funding sources would not comply with the City's Financial Policy of using on-going revenue to meet on-going expenditures.

MAS:LGC:08130149

Question No.290

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 54

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **DEPARTMENT OF GENERAL SERVICES (GSD) – RECOMMENDATION FOR EXHIBIT H LANGUAGE REGARDING REIMBURSEMENT FOR GSD PARKING SERVICES**

During its consideration of the Department of General Services' 2013-14 Proposed Budget, the Committee requested a report back regarding the necessity of reinstating Exhibit H language to facilitate the transfer of funds between the Department of Transportation (DOT) and GSD for services rendered during the fiscal year. In addition, the Motion Picture Coordination Fund should also be reinstated in Exhibit H. This language would allow the Department to receive reimbursement for custodial and building maintenance services rendered in conjunction with filming activities conducted at the Civic Center. The following changes to the Exhibit H are recommended:

Special Parking Revenue Fund. Authorize the Controller to appropriate and transfer funds pursuant to the terms of any approved Memoranda of Understanding between the Department of Transportation (DOT) and General Services Department (GSD) for the maintenance and operation of parking facilities. The appropriation and transfer of funds, if applicable, will be from the Contractual Services Special Purpose Fund Appropriation of the Special Parking Revenue Fund 363/94. Specific instructions for the transfer of funds will be provided by DOT and GSD to the Controller's Office by July 31, 2014.

General Services. Authorize the Controller and the General Services Department (GSD) to transfer funds from the Motion Picture Coordination Fund No. 417 to GSD fund 100/40, Salaries General Account No. 1010, Salaries Overtime Account No. 1090, As-Needed Account No. 1070, Hiring Hall Account No. 1100, Construction Projects Account No. 1014, Hiring Hall Construction Account No. 1101, Hiring Hall Fringe Benefits Account No. 1120, Construction Hiring Hall Fringe Benefits Account No. 1121, Construction Overtime Hiring Hall Account No. 1191, Maintenance Materials Account No. 3160, Construction Materials Account No. 3180, Office and Administrative Account No. 6010, and Operating Supplies Account No. 6020.

MAS:JSS:LGC:08130152

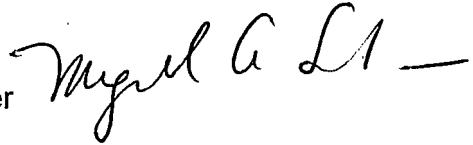
Question No 73

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: TRANSPORTATION - HISTORY OF \$42.6 MILLION GENERAL FUND REIMBURSEMENT AND INTERNAL MEASURES TAKEN TO ENSURE TIMELY REIMBURSEMENT IN FUTURE YEARS

Your Committee requested a report back on the history of the General Fund reimbursement of \$42.6 million as proposed in the 2013-14 Proposed Budget. Specifically, the Committee requested information as to why this funding was not previously transferred in prior years and what new policies will be implemented to ensure future payments will be timely. Attached is the Department's response to this report back.

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

MAS:IR:06130084

Question No. 166

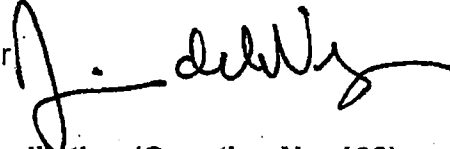
CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: May 6, 2013

To: Honorable Paul Krekorian, Chair
Budget & Finance Committee

c/o Ida Rubio, Office of the City Administrative Officer

From: Jaime de la Véga, General Manager
LADOT



Subject: **Transportation Grant Fund Reconciliation (Question No. 166)**

SUMMARY

This memo explains the background for the Transportation Grant (TG) fund reconciliation in the proposed fiscal year 2013-2014 budget, new management direction to LADOT accounting staff, additional near-term revenue, on-going recognition of grant reimbursements, and future reconciliation work.

TRANSPORTATION GRANT FUND RECONCILIATION

TG Fund

The TG-fund was established as a revolving fund in fiscal year 1995-1996 to assist the City of Los Angeles in delivering transportation capital projects. At the time and to this day, federal, state, and regional grants are paid to grantees like the city on a reimbursement basis only. That means that the city must have sufficient money on hand to meet cash flow demands as construction proceeds and funds are expended, then invoiced to the grantor.

To meet these cash flow needs, Proposition C (a special fund with uses restricted to certain transportation purposes) revenue has been appropriated and transferred to the TG fund by the Mayor and City Council.

Accounting Errors

From fiscal year 1995-1996 to the end of fiscal year 2010-2011, LADOT failed to reconcile indirect costs for the TG fund each year. This occurred under all prior management teams, supervisors, and staff. As a result, millions of dollars that should have been reimbursed to the general fund and Proposition C each fiscal year did not occur.

Initiation of Reconciliation Efforts

In June 2011, Mayor Villaraigosa appointed and the City Council confirmed a new general manager (GM) for LADOT. Based on the on-going projected structural deficits, the Mayor directed the general manager to identify both one-time and structural revenue solutions that could address these deficits.

The new general manager and assistant general manager (AGM) for administration committed to undertake this review. Concurrently, the AGM directed LADOT information technology staff to create an application to pull and aggregate data from the city's financial management system (FMS) so that fund balances could be identified. The new application revealed a very high fund balance of approximately \$193 million in the TG fund. Based on this information, the GM and AGM directed accounting staff to reconcile the TG fund for fiscal year 2010-2011 to determine if the fund balance was accurate as well as why the fund balance was at that level. This approach was used to test the issue so as not to commit heavy staff resources if there was not any issues.

Preliminary Investigation

LADOT staff identified \$9 million in indirect costs front-funded by the general fund that should have been reimbursed related to various grants received in fiscal year 2010-2011. These funds were transferred to the general fund in October 2011. The \$9 million was not recognized as one-time revenue in the fiscal year 2011-2012 budget.

LADOT further advised that additional reconciliation of prior fiscal years may yield additional one-time revenue and that specific accounting help was needed.

New Accounting Staff

In 2012, LADOT executed a re-organization of the senior management team following a management review requested by the Mayor and performed by a management consultant team hired by the Controller. A new executive officer of administration was appointed who continued and expanded the initial work started by the AGM in fiscal year 2010-2011. LADOT management identified the need for specific senior level accounting talent to review and reconcile all LADOT managed funds.

On July 10, 2012, LADOT requested authority from the Managed Hiring Committee (MHC) to hire through intra-departmental transfer a new Principal Accountant II to lead the reconciliation. MHC approved the request on August 3, 2012 and the new Principal Accountant II started working for LADOT on October 22, 2012.

Comprehensive Reconciliation

Under the leadership of the new Principal Accountant II and executive officer of administration, approximately 11,000 transaction records for the TG fund were downloaded from FMS and analyzed. LADOT staff determined that indirect costs had not been reimbursed to the general fund for a period of 17 fiscal years. Most years, none of costs were reimbursed, however some costs were reimbursed during fiscal years 2002-2003 and 2003-2004. It is not known why this is so.

LADOT staff calculated the number of regular time (as opposed to overtime) hours paid from the TG fund each fiscal year and applied the cost allocation plan (CAP) rate for each fiscal year to determine the amount of funds that should be transferred to the general fund and Proposition C. This was very labor intensive work and by April 2013 LADOT had reconciled the records through fiscal year 2009-2010 (with fiscal year 2010-2011 previously reconciled).

At this point, LADOT advised the Office of the Mayor and City Administrative Officer that LADOT would be transferring from the TG fund \$42.6 million (\$42,557,206) to the general fund for indirect costs and an estimated \$40 million to Proposition C to reimburse front funding. The \$42.6 million is recognized in the proposed fiscal year 2013-2014 budget by the Mayor. The final Proposition C figure is \$43,390,809 (as opposed to \$40 million), which also is recognized in the proposed budget.

Also recognized in the proposed budget is \$8,644,280 in interest that will be transferred from the TG fund to Proposition C in the fiscal year 2012-2013 year-end Financial Status Report.

NEW MANAGEMENT DIRECTION TO LADOT ACCOUNTING STAFF

The general manager and executive officer of administration have directed LADOT accounting and finance staff to reconcile all funds and accounts each fiscal year. The importance of this work to the city's overall budget was emphasized with staff. LADOT senior management is committed to correcting the long-running accounting errors and ensuring that all indirect costs are reimbursed to the general fund, Proposition C, and other funds/accounts in a timely manner and that these activities are transparently reported on a regular basis to the Mayor, City Council, Controller, and City Administrative Officer.

ADDITIONAL NEAR-TERM REVENUE

Reconciliation Update: Fiscal Year 2011-2012

After the proposed fiscal year 2013-2014 budget was finalized by the Mayor, LADOT continued its reconciliation work and in May 2013 completed an estimated reconciliation to the general fund for fiscal year 2011-2012 of \$2,263,875. The figure is estimated because it uses the most recent CAP rate, CAP 33, published by the Controller for fiscal year 2010-2011 on September 17, 2012. CAP 34 for fiscal year 2011-2012 has not been published yet. The \$2.3 million figure may be higher or lower, depending on the CAP 34 rate.

A review of CAP rates from fiscal year 1990-1991 through 2010-2011 shows that rates fluctuated both up and down from year to year, with decreases as low as -26.4% and increases as high as 23.8%, and virtually no change in some years (e.g. -0.2% from fiscal year 1996-1997 to fiscal year 1997-1998).

LADOT advises that the Mayor and City Council can recognize revenue from the fiscal year 2011-2012 reconciliation. Conservatively, LADOT recommends recognizing only 75% of the revenue (i.e. \$1.7 million) in the fiscal year 2013-2014 budget with the caveat that the final reconciliation amount cannot be calculated until CAP 34 is established. The Mayor and City Council may recognize a higher amount if it is willing to bear risk and with the caveat that if the final calculation is less than this higher amount then a negative revenue adjustment could occur during the fiscal year.

Another \$7,028,080 remains to be reconciled.

Fiscal Year 2012-2013

LADOT staff will begin reconciliation for fiscal year 2012-2013 in July and expects to complete the work by September 1, 2013. An exact reconciliation cannot be achieved until the CAP rate for 2012-2013 (CAP 34) has been established. The Mayor and City Council have three options for how to treat this reconciliation amount:

1. LADOT calculates the reconciliation amount based on actual fiscal year end grant receipts and using the newly published CAP 35 rate for fiscal year 2012-2013. This could be achieved by October 1, 2014 assuming the Controller publishes CAP 35 by mid-September 2014. The Mayor and City Council may recognize this revenue as an adjustment to the adopted fiscal year 2013-2014 budget as part of a Financial Status Report (FSR).

2. LADOT estimates the reconciliation amount based on actual fiscal year end grant receipts and using the CAP 33 rate. This could be achieved by September 1, 2013. The Mayor and City Council may recognize this revenue as an adjustment to the adopted fiscal year 2013-2014 budget as part of a FSR. Once the actual grant receipts and CAP 35 rate are known, LADOT will recalculate the actual reconciliation amount, report it to the CAO, and any adjustments can be made part of a FSR.
3. LADOT estimates the reconciliation amount based on estimated fiscal year end grant receipts and using the CAP 33 rate. The Mayor and City Council may recognize this revenue as part of the fiscal year 2013-2014 budget. Once the actual grant receipts and CAP 35 rate are known, LADOT will recalculate the actual reconciliation amount, report it to the CAO, and any adjustments can be made part of a FSR.

ON-GOING RECOGNITION OF GRANT REIMBURSEMENTS

Based on current grant levels and historical data, LADOT believes that the Mayor and City Council can recognize \$1.5 million per year in future city budgets starting in fiscal year 2014-2015. This is a conservative figure and obviously the exact reconciliation amount will depend on actual grant receipts as well as the final CAP rate for each fiscal year, which may not be known for 1-2 years after the close of a fiscal year.

The Mayor and City Council could recognize a higher amount based on a projected grant reimbursement level and an assumption that the CAP rate will increase. This is a more risky and less conservative approach because the historical CAP rate has both increased and decreased between fiscal years.

FUTURE RECONCILIATION WORK

In addition to the TG fund, LADOT has begun reconciling all funds managed by the department, i.e. Proposition A, Proposition C, Measure R, the Special Parking Revenue Fund (SPRF), and the Local Transportation Fund (LTF).

While it is outside the purview of LADOT to direct reconciliations for other funds, LADOT management recommends that all city funds should be reviewed to ensure that allowable indirect costs are transferred to the general fund or other special funds as appropriate.

LIMITATIONS OF THIS REPORT

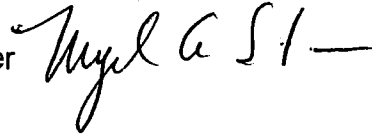
The chronology in this report, especially past practices dating back to fiscal year 1995-1996, is incomplete as most of the managers and staff that oversaw the TG fund or were in senior management positions during the period in question have retired or resigned from LADOT. As such, the precise reasons for *why* reconciliation work did not occur are unknown to the current management team. LADOT recognizes that this explanation may be unsatisfactory to the City Council and Mayor, but management has presented as much information as is available. That said, LADOT management felt it was important to reconcile the TG fund as quickly as possible and disclose this information to the city's leadership. LADOT is committed to addressing these issues in a timely manner on a go-forward basis.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUREAU OF SANITATION – HYPERION TREATMENT PLANT MANAGER**

Attached is a memorandum from the Bureau of Sanitation dated May 7, 2013, addressing the Committee's request for additional information on the funding required to add the Hyperion Treatment Plant Manager position and the impacts to service levels if the position is not added. The Bureau is requesting to add resolution authority for one Hyperion Treatment Plant Manager position to the Proposed Budget and this Office supports the Bureau's request. Sufficient funding is available from the Sewer Construction and Maintenance Fund to support the full costs of this position and there is no General Fund impact.

The Hyperion Treatment Plant is currently managed by a Sanitation Wastewater Manager III, who is about to retire, and the Bureau's memorandum does not address whether this position will still be required if the Council adds the Hyperion Treatment Plant Manager position to oversee the plant. The Sanitation Wastewater Manager III position is still subject to Managed Hiring approval and this Office will work with the Bureau to conduct a review of the management needs of the plant in the near future.

To avoid salary compaction, the Hyperion Treatment Plant Manager must report directly to the Bureau Director as it earns an equivalent salary to an Assistant Director.

RECOMMENDATION

Add funding and resolution authority for one Hyperion Treatment Plant Manager, subject to allocation by the Civil Service Commission.

FISCAL IMPACT STATEMENT

Funding will be provided from the Sewer Construction and Maintenance Fund and there is no General Fund impact. The recommendation in this report complies with the City's Financial Policies as ongoing revenues will support one-time costs.

MAS:WKP:06130079

Question No.98

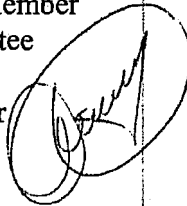
Attachment

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 7, 2013

TO: Honorable Paul Krekorian, Chair
Honorable Mitchell Englander, Vice Chair
Honorable Bill Rosendahl, Member
Honorable Paul Koretz, Member
Honorable Tom LaBonge, Member
Budget and Finance Committee

FROM: Enrique C. Zaldivar, Director
Bureau of Sanitation



SUBJECT: BUREAU OF SANITATION – REPORT BACK ON BUDGET & FINANCE QUESTION NO. 98: HYPERION TREATMENT PLANT MANAGER

During the Fiscal Year 2013-14 Proposed Budget Deliberations held on May 2, 2013, Sanitation was asked to report back on the addition of the Hyperion Plant Manager position as a resolution authority.

This authority is necessary to manage Sanitation's Hyperion Treatment Plant, one of the largest treatment plants in the world. The Hyperion Plant Manager will provide direct oversight for the day-to-day activities of approximately 370 employees assigned to this 24-hour facility and overall responsibility for the safety of 600 total employees onsite. The Hyperion Treatment Plant consists of many highly technical and interrelated operations including pure oxygen activated sludge, class A anaerobic digestion, cryogenic oxygen generation, nitrogen/ammonia removal, biogas power generation, and a variety of offsite biosolids reuse alternatives. The plant's size and complexity are unique among the City's facilities.

The Hyperion Treatment Plant Manager will be responsible for compliance with all permit requirements through management of operations, process engineering, and maintenance/repair activities at the plant and will direct these activities through two Sanitation Wastewater Manager IIIs. He/she will also maintain overall responsibility for coordinating construction of capital improvement projects and will carry out management duties, including developing and administering the Plant's operating budget, leading a labor-management relations program, handling personnel issues, and participating in public meetings related to Plant operations.

If the Hyperion Treatment Plant Manager position is not restored to Sanitation as a resolution authority in the Fiscal Year 13-14 budget, it will impact Sanitation's ability to recruit the best candidates to fill the Plant Manager's position, which was recently vacated through retirement. While this position has been filled in recent years with a Sanitation Wastewater Manager III, that classification does not provide the level of skills, knowledge, abilities and overall experience commensurate with what is necessary to appropriately perform duties at the level of responsibility associated with managing one of the world's largest wastewater treatment facilities. The restoration of the Hyperion Treatment Plant Manager position will address that issue.

Bureau of Sanitation
FY 2013-14 Proposed Budget
2 of 2

The Hyperion Treatment Plant Manager position will be funded from the Sewer Construction and Maintenance Fund, which has sufficient funding for Fiscal Year 13-14 and beyond.

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

LBM/ECZ:lbn

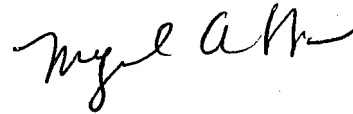
c: Members of the City Council
Gayc Williams, Chief of Staff, Mayor's Office
Monique F. Earl, Deputy Mayor, Mayor's Office
Romel L. Pascual, Deputy Mayor, Mayor's Office
Capri W. Maddox, President, BPW
Gerry F. Miller, CLA
Miguel A. Santana, CAO
Erika Pulst, Office of the City Clerk
BOS Executive Team

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **CITY PLANNING AND DEVELOPMENT DEPARTMENT – DEVELOPMENT SERVICES CONSOLIDATION**

Your Committee requested this Office to report back on changing the effective functional transfer dates for the Department of Transportation (DOT), Bureau of Engineering (BOE), and Fire Department (LAFD) units from July 1, 2013 to January 1, 2014.

To change the functional transfer date for the DOT unit from July 1, 2013 to January 1, 2014, the DOT budget under Blue Book (BB) #15 should be amended to add six-months funding and resolution authority for the 20 regular positions identified for transfer to the City Planning and Development Department (CPDD). Additionally, DOT BB #15 should be amended to add six-months funding and resolution authority for the three resolution positions identified for transfer to the CPDD. Six-months funding should be deleted from CPDD BB #36 for the regular positions and six-months funding should be deleted from CPDD BB #33 for the resolution positions.

To change the functional transfer date for the BOE unit from July 1, 2013 to January 1, 2014, the BOE budget under Blue Book (BB) #18 should be amended to add six-months funding and resolution authority for the five regular positions identified for transfer to the City Planning and Development Department (CPDD). Six-months funding should be deleted for these positions from CPDD BB #35. BOE did not transfer resolution authorities to CPDD.

To change the functional transfer date for the LAFD unit from July 1, 2013 to January 1, 2014, the LAFD budget under Blue Book (BB) #23 should be amended to add six-months funding and resolution authority for the five regular positions identified for transfer to the Department of Building and Safety (LADBS). Six-months funding for these positions should be deleted from LADBS BB #18. LAFD did not transfer resolution authorities to LADBS.

Resolution authority for a Clerk Typist (Class Code 1358) should be added to the CPDD budget under BB #41 to reflect the resolution authority for a Clerk Typist (Class Code 1358) originally added to the LADBS budget under BB #10.

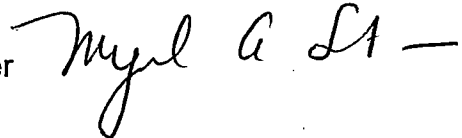
This memorandum is for information only. However, if the steps outlined above were adopted, there would not be a fiscal impact since the funding sources utilized for all of the positions remains the same irregardless of which department the positions are assigned to.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **GCP – YOUTH DEVELOPMENT PROGRAM (ITEM NO. 24) AND LEARN AND EARN (ITEM NO. 25)**

The Budget and Finance Committee requested a report back on the reason for doubling the Youth Employment Program and Learn and Earn Program in the General City Purposes (GCP) Budget. The Learn and Earn item maintains the 2012-13 funding level, which provides 100 jobs. There is no proposed increase for this item. The increase for the Youth Employment Program reflects the Mayor's priority to provide additional employment opportunities for youth. The additional \$1 million will provide 500 more job opportunities for youth in 2013-14, for a total of 1,000 jobs. The funding provided in previous years for the Youth Employment Program is as follows:

2011-12 Adopted	2012-13 Adopted	2013-14 Proposed
\$1,825,000	\$1,450,000*	\$2,000,000

*The City Council provided an additional \$450,000 directly to the Community Development Department for the Youth Employment Program to supplement the General City Purposes funding.

This memo is for informational purposes only. There is no fiscal impact.

MAS: MF:jl

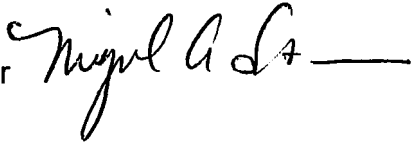
Question No. 261

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CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **BOARD OF PUBLIC WORKS – ALTERNATIVES TO ALLEVIATE ACCOUNTING WORKLOAD**

Your Committee requested this Office to report back on the alternatives to adding new positions to meet accounting workload.

The Mayor's 2013-14 Proposed Budget adds two Accountant II resolution authority positions to address special fund workload, which increases the Office of Accounting Program budget from \$4.1 million in Fiscal year 2012-13 to \$4.4 million in Fiscal Year 2013-14. The Office of Accounting and the Bureau of Sanitation requested these positions in order to address increased workload in the Solid Waste Resource and Revenue Fund (SWRRF) accounting group.

The alternative to adding full-time positions is to utilize the Controller's accounting resource pool, which hires either student workers or retired City Accounting staff on limited appointments. Recently, the Office of Accounting has hired three student workers from this pool to assist in alleviating backlog. Retirees may work up to a maximum of 120 days per year and student workers may work up to 1,039 hours. This option is useful to reduce backlogs but cannot replace a full time position, given the limited available hours per employee. New accountants from the pool would have to be brought in every four months.

As the Solid Waste Resource and Revenue Fund (SWRRF) is an ongoing program with significant workload, full-time positions are warranted. Should the Committee choose to explore this option, the budget impact would be a reduction equivalent to the absence of benefits, for a total savings of \$22,882.

Board of Public Works has provided additional information regarding this question. Their response is attached to this memorandum.

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

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Miguel A. Santana
City Administrative Officer
Attention: Elyse Matson

From: Arleen P. Taylor, Executive Officer
Board of Public Works

SUBJECT: **BOARD OF PUBLIC WORKS - RESPONSE TO BUDGET & FINANCE
COMMITTEE QUESTION 92**

Attached is the Board of Public Works' report to the Budget and Finance Committee in response to the question 92 from the Board's budget hearing on May 2, 2013.

If you have any questions, feel free to contact me at 213-978-0250 or Teri Schmidt of my staff at (213) 978-0256.

Attached: Board of Public Works' Report Back to the Budget and Finance Committee's Budget Hearing Question 92

**BOARD OF PUBLIC WORKS
RESPONSES TO BUDGET AND FINANCE COMMITTEE
BUDGET HEARING QUESTION 92**

QUESTION NO. 92 (Pages 3 – 9)

What are the alternatives to adding new positions to meet the accounting workload?

Three alternatives are generally considered prior to adding new positions: 1) use of the Controller's Accounting Pool, 2) use of Interns, and 3) use of Overtime. These alternatives are temporary solutions that are not viable for the long run as explained in detail below. Public Works Office of Accounting (OOA) has endured a 30% reduction without a decrease in workload, plus the implementation of the new Financial Management System (FMS). With the turmoil of the economic crisis, there has been significant turnover, and currently, in addition to vacancies, five employees are on leave. OOA needs the City's support in helping to stabilize its workforce with knowledgeable, experienced employees.

Temporary employees, whether retirees or interns, require extensive training from the skeleton crew of permanent employees. When their temporary assignments are over, another set of temporary employees must then be trained. Training utilizes time that could have been spent on critical accounting activities. Additionally, once a temporary employee leaves, there is no existing staff to immediately pick up the work left undone.

Over reliance on overtime results in employees becoming burned out, calling in sick, and becoming frustrated to the extent that they seek less complicated and stressful jobs in other departments, with the same salary, class and rank.

None of the commonly used alternatives are suitable to meet the needs of the ongoing, critical and complex accounting work that OOA faces.

BACKGROUND

During the economic crisis, the Board of Public Works (BPW) has been periodically asked why the Office of Accounting (OOA) does not use the Controller's pool of retirees on a 120-day contract to address its staffing shortage. As the primary Accounting support for the various Bureaus within the Department of Public Works (DPW), the OOA strives faithfully and diligently to carry out its function. In the spirit of service to the City's stakeholders including but not limited to Public Works decision makers including the Board of Public Works, the Bureau Directors, Financial Managers, Engineers, the City's policymakers, the City Controller, the CAO, other City departments and the general public as a whole, OOA dutifully stretches its available and limited

resources to deliver its services on time. Since 2008, OOA positions have been reduced 30 percent. However, the workload has not decreased.

Public works projects, worth billions of dollars, are multi-year in nature. With over 240 special funds, accounting for these public works transactions is very complicated. It involves monitoring projects from their inception to their full completion and implementation, usually over more than a 5 year time span. The Governmental Accounting Standards Board (GASB) requires more stringent requirements for the accounting and yearly reporting of the various infrastructures and capital projects as they involve a significant amount of resources in terms of public dollars, time, manpower, capital supplies, etc.

To entrust this critical and complicated task to temporary employees would expose the DPW to cumulative errors that can become quite costly to the City. Serious inconsistencies in the costing and billing of projects may lead to audit findings and sanctions from the funding source, as well as non-compliance and observance of bond covenants.

Most Public Works projects are capital and infrastructure projects funded by general obligation bonds mandated by a vote of the citizens of the City of Los Angeles. The City is accountable to the people for the completion of these projects on time and on budget. General obligation bond covenants provide, as one of the conditions, the proper accounting and monitoring of bond projects. Entrusting the accounting to temporary employees can expose the City to serious financial risk.

In the same manner, many of the projects of Public Works are grant funded either directly by the Federal government or as a pass through from the State government. The City is accountable to both the Federal and State governments for these projects. Entrusting accounting for these costly projects to temporary employees may become an obstruction for the continuous funding from the Federal and State governments who constantly audit the projects.

Controller's Accounting Pool

The use of the Controller's accounting pool is only a short term fix. They can only work for 120-days in a 12 month period and the retirees left the City before the implementation of the City's new Financial Management System (FMS). The City's current accounting staff underwent hours and days of FMS training prior to its implementation. Even after post implementation, problems still arise that need to be addressed. The retired employees do not have the FMS knowledge and experience. As they are short term, the time spent on training is wasted. Instead of doing the regular work, the permanent employee will spend time to teach and train the temporary employees. Worst, the knowledge gained by temporary employees will not be transferred and shared. They can leave anytime if they find the job too complicated and stressful.

Moreover, once a temporary employee leaves, there is no staff to pick up the work left immediately. Time delays can be very costly. For example, if contractors are not paid within 30 days, they can sue the City or stop working on a project, potentially delaying its completion.

Controller's Internship Program

As discussed in our budget hearing, the Controller's Office recently introduced an internship program which OOA tapped into as a short term solution to assist with the peak workload at fiscal year-end. The Controller's Office set strict deadlines in order to generate the City's comprehensive accounting and financial reports (CAFR) for fiscal year end 2013. OOA is employing three interns to run errands, assist in data entry, make follow up calls, perform copying, scanning, searching for files, etc. so that the accounting staff can concentrate on reviewing, analyzing, properly recording and reconciling accounting transactions, and generating reports required for FYE processing. For the same reasons discussed above, the interns are not the answer to addressing OOA staff shortage.

More importantly, using temporary employees to do accounting work poses a great danger in monitoring, recording and reporting the financial status of the City. Stakes are high because the City's decision makers rely heavily on accounting information to inform their decisions. Permanent accounting employees ensure that accounting information is reliable, relevant, and consistent, year by year.

Use of Overtime

The other temporary fix that OOA has utilized is the use of overtime. However, in the long term, this, too, is not a viable option. In the end, the employees get burned out, sick, and frustrated to the extent that they seek less complicated and stressful jobs in other departments, with the same salary, class and rank.

Alternatives to adding new positions to meet the accounting workload

1. Expedite Managed Hiring Committee (MHC) response to backfilling current vacant positions.

OOA is experiencing significant delays in backfilling its vacant positions. It is taking almost one year before the MHC approves a Board request for the unfreeze and backfilling of vacant positions, even for special funded positions. The delay adds to the buildup of backlogs and increases stress on remaining staff.

Additionally, OOA has 5 permanent employees on long term family or disability leave in addition to its vacant positions. The vacuum left by these 5 employees cannot be filled as these positions are not deemed vacant as far as the City policy is concerned. OOA management distributes the workload left by the all vacancies to available active staff as fairly as possible, with a

promise that the additional tasks are only temporary and will be taken back as soon as a replacement is hired or the staff member returns. However, staff, while not complaining openly to accounting management, have begun looking for transfer opportunities, thus exacerbating stress and increasing the potential for additional vacancies.

2. Revisit the Levels of Approvals/Workflow process of the newly implemented FMS (Financial Management System).

There are certain approval levels currently in FMS that OOA believes do not add significant value to the accounting process. For example, the Controller's Office may reduce the required department approval level from 2 to 1 for certain types of FMS documents such as Vendor Creation, Vendor Modification, Authority Set-up and Appropriation Transfer. What is more important is that the original documents used to enter the transaction in FMS are authorized and properly signed by the approving City officer.

The CAO's approval of certain FMS documents must also be revisited and reviewed as to its necessity and added value to the accounting process. The required CAO approval, thus far, is causing processing delays. Additional explanations required from the Accountants add more burden to the staff. Again, what is most important is that before the entry of the transaction in FMS, the original document has already been approved by the CAO. For example, funds and appropriations cannot be transferred without the prior approval of CAO on the transfer documents. Yet, once entered in FMS, another CAO level of approval is required in FMS. The additional approval level does not add value to the transactions. More importantly, the approval level is a violation of GAAP principle of separation of duties and responsibilities. Internal control procedures require that an approver of the original document arising to the financial transaction should not be an approver of the accounting document to record said transaction as this can give rise to conflict of interest and improper accountability.

3. Revisit the internal/departmental billing and payments process of the FMS (termed as ITI/ITA).

The rule set for this FMS process is inflexible, prohibitive and adds more unnecessary tasks to the staff. For example, one invoice/one payment rule does not work in the real world. Many departments, specially, the Proprietaries, would rather pay a group of invoices at one time, rather than paying one at a time. However, this is not allowed in this type of process in FMS. If not followed by paying departments (because it entails more tasks for them), the billing department staff (Public Works thru OOA) ends up doing more manual tasks of researching and modifying accounting documents.

4. Review other special funds being accounted for by OOA.

There are certain special funds which OOA accounts for but do not provide funding to OOA staffing, thus, the accounting for these funds are subsidized by the general fund.

5. Support OOA in retaining its valuable and exemplary staff.

Currently, OOA has excellent staff on several promotional lists. OOA should be given the opportunity to offer the same promotion opportunities to staff to prevent their loss to other departments. However, many of these positions have been downgraded during the fiscal crisis. The loss of an exceptional employee who is both knowledgeable and dedicated is comparable to losing 2 or 3 employees.

6. Support OOA in its initiative to automate its applicable repetitive and manual processes by:

- a. Approve the pending request for a sub-authority position for a Fiscal Systems Specialist I (FSS I).

OOA has a critical vacancy for a Principal Accountant II (PA II), a Division Manager position over the complex Special Funds and Projects Division. This vacancy is nearly one and a half years old. OOA has had difficulty hiring transfers for the position, because it is known that public works accounting is more complicated and demanding than the accounting requirements of other City departments. OOA is also having difficulty hiring from the PA eligibility list at the PA I level as authorized by the MHC, as candidates are looking for PAII level promotional opportunities.

Due to the complexity and diversity of the business requirements of the different public works activities, the high demands from the Bureaus and other public works customers, the high volume of workload, and the plan to address staff shortages by improving and automating processes, the BPW recognizes the realistic challenges of attracting and retaining a qualified and experienced PA II. In March of this year, as a strategy to address the issue, the BPW, requested the MHC to approve a sub-authority position for a Fiscal Systems Specialist I (FSS I) to fill this role. The PA II position would be kept vacant to help fund the FSS I. In addition to performing the regular duties of the PA II, the FSSI would apply its specialty by working closely with the Director of Accounting to initiate accounting process improvements and productivity enhancements to better manage OOA's workload with limited resources.

This task will involve reviewing current processes and practices to identify room for improvement; researching and developing improvements to create efficiencies; implementing accounting and reporting systems that will reduce if not totally eliminate manual processes, data entries, and repetitive tasks; and developing a public works accounting manual to assist in training future accounting staff and to maintain/improve new systems. This effort would benefit not only the Special Funds and Projects Division, but the entire OOA.

There are many opportunities for improvement, however, due to lack of positions qualified to do the task, the plan for improvements has always been relegated as the last priority. This task needs a position that is both knowledgeable about and experienced in governmental accounting and in developing systems. The position must also know and understand the City's FMS and other citywide financial systems. The FSS I position is the answer to this.

The FSS position will also work closely with the five Bureaus and the Controller's office for feasible interfacing of systems to eliminate repetitive and duplicative tasks. With more than 30 positions deleted since 2008, and current vacancies to deal with, the lack of such improvements in public works accounting processes is an added burden to the remaining pool of staff. Further automating accounting processes will address and minimize the concerns of overloading the remaining staff in OOA. The freed up staff will be able to fill in the gaps to manage OOA's workload. Given its limited resources, OOA hopes to achieve efficiency and effectiveness through improvements in its processes, which, added to the complex duties and responsibilities of the position of PA II, BPW believes a FSS I position can deliver the task requirements.

- b. Invest in a Director of Systems (DOS) authority position to re-engineer Public Works accounting processes without hiring a consultant.

For many years up to FY 2008-09, the Board of Public Works and PW Office of Accounting had a thriving, creative Systems Group (nine positions) that provided not only systems support (three positions) for the BPW, but Financial Systems support (six positions) for the entire Department of Public Works (DPW) that benefited DPW and various City departments. This group designed and implemented many useful, user-friendly and cost-effective systems all in-house, saving the City millions of dollars, that dramatically improved the processing of financial billings, transactions and reporting and management decision-making.

Under the direction of Rashad Mfume, the PW Financial Systems created user-friendly systems that empowered users and allowed for efficient, cost saving processes:

Business Intelligence and Information Delivery System (BIIDS) and subsystems:

- MERLIN – Ad Hoc Reporting
- Financial Information Data Distribution System (FIIDS)
- Deposit Distribution
- Petty Cash
- Wastewater Billing and Rate Calculations

- Project Management
- Billings and Reimbursements

The Public Works' Business Intelligence and Information Delivery System (BIIDS) is the Department of Public Works' most important financial information system. It was designed, built and maintained by the Board of Public Works Financial Systems Division without any consultant support. Its foundation includes an Oracle database and data warehouse that contains complete summary and detailed information from City financial systems, including the old FMIS and CCAS, Paysr, and currently, the new FMS.

While ITA is providing the systems support currently, the original group of 9 staff has been reduced to 4, with the Director of Financial Systems transferred as full time employee of the Controller's Office supporting Infoadvantage of FMS. BPW is developing a future budget proposal to hire the former Director as a Director of Systems, our original position, to provide the technical support for developing an improved public works accounting and reporting systems without hiring a consultant. The team of this person, the FSS I, the Director of the OOA, and the financial/systems group of the PW Bureaus can plan and develop a more efficient and relevant accounting and reporting systems for Public Works that cannot be provided by FMS. Going forward, the investment in the DOS position can be recovered through attrition that may become affordable because of the improved and automated public works accounting process.

Summary

General qualities of proper accounting are consistency, reliability, relevance, comparability and cost/benefit. These qualities emanates from following and observing the Generally Accepted Accounting Principles (GAAP). Consistency, for example, requires Accountants to be consistent from one accounting period to another in applying accounting principles, methods, practices, and procedures. Both the GASB and the Financial Accounting Standards Board (FASB) consider consistency as an insurance that accounting information is measurable, useful, and relevant to the decision makers.

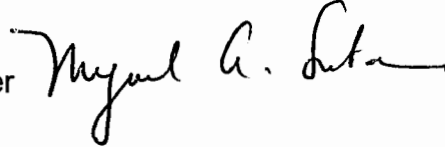
Accounting positions should be filled by personnel on a permanent basis because accounting requires continuity. The intent and the objective of transparency and accountability cannot be accomplished intermittently. Through time, the accountants who have filled the positions will gain the institutional knowledge and experience in performing the work and become familiar with the City's policies, procedures and business practices and rules. This benefits the City in a going concern principle as the knowledge and experience are shared and expanded between City departments.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **DEPARTMENT OF GENERAL SERVICES (GSD) – DEFERRED
MAINTENANCE AT CITY HALL AND OTHER CITY FACILITIES THAT POSE
FIRE LIFE SAFETY CONCERNS**

During its consideration of the Department of General Services' 2013-14 Proposed Budget, the Committee requested for a report back regarding the status and the cost of deferred maintenance at City Hall and other City facilities. The Committee further requested that the projects be prioritized based on risk to public safety and that potential sources of funding be identified. The total estimated cost to address these issues is \$6.82M. GSD would require an appropriation to fully fund these items. To the extent that the Committee wishes to fund some or all of this item, an offsetting reduction will need to be identified.

The Department's response is attached.

MAS:JSS:LGC:08130151

Question No 72

Attachment

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ANTONIO R. VILLARAIGOSA
MAYOR

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

May 7, 2013

Budget & Finance Committee
Honorable Paul Krekorian
Chair
Room 395, City Hall
Los Angeles, CA 90012

Attention: Erika Pulst, Legislative Assistant

BUDGET & FINANCE COMMITTEE QUESTION NO. 72 **FOR THE 2013-14 PROPOSED BUDGET**

During the budget deliberations, your Committee requested the Department of General Services (GSD) report back on the status and costs of deferred building maintenance at City Hall and other City facilities, including a list of prioritized facilities maintained by the department, public safety issues and the availability of one-time funding.

City Hall One-Time Minor Maintenance (\$0.5 million)

Major reductions to building maintenance staff and contractual services have resulted in reduced or eliminated services to all City facilities including City Hall. Additional funding of \$0.5 million would allow GSD to provide one-time minor repairs and maintenance to City Hall common areas including patching and painting damaged and chipped walls, repairing or replacing floor moldings and tiles, pest control and exterior window washing.

City Hall Custodial Services (\$125,400)

Major reductions to custodial services have eliminated utility cleaning work like floor and carpet cleaning, and daytime restroom cleaning. Additional contractual services funding will provide annual carpet cleaning and cleaning of marble and granite flooring. The intense use of restrooms during the day leaves them dirty and in an unkempt manner. These funds will also provide for more frequent cleaning of restrooms.

Civic Center Deferred Maintenance (\$2.1 million)

GSD requires additional resources to complete deferred maintenance at the following facilities: City Hall (\$1.3 million), City Hall East (\$348,000), and City Hall South (\$414,000). Major projects at these facilities include maintenance of building equipment such as power supplies, switchgear, cooling towers, boilers and chillers, water pumps,



carpet, tile and concrete work in public areas to ensure safety, and other repairs necessary to prevent further deterioration of the buildings.

Deferred Maintenance at Other City Facilities (\$3.1 million)

GSD maintains over 850 facilities Citywide, including police and fire stations, and animal shelters. Maintenance at these facilities has been delayed due to budget reductions. For facilities not mentioned above, additional resources of \$3.1 million would ensure funding for one-time projects involving safety related graffiti removal, flooring repair or replacement, welding, sheet metal work, pest control, and nuisance abatement. GSD will prioritize the work to resolve safety and liability risks and prevent further deterioration of these facilities.

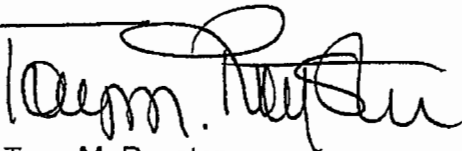
Figueroa Plaza Capital Repairs (\$1 million)

The continuation of funding of capital repairs and improvements at Figueroa Plaza will preserve and protect the City's investment and provide for the health, safety, and well-being of the building's occupants (including private tenants) and visiting members of the public. Funding of \$1 million was provided in the 2012-13 budget, but discontinued in the proposed 2013-14 budget.

Funding of \$1 million will be used to complete projects such as injecting cracks with epoxy on the P1 to P4 levels of the garage to prevent concrete deterioration, repairing duct leaks which could save 30% on electricity consumption, repairing and renovating elevators, replacing rusted bathroom partitions, replacing ceiling tile and rebuilding the Figueroa Street driveway entrance to the garage. It is imperative that the City continue to maintain the Figueroa Plaza buildings in a "Class A" condition, in accordance with contractual obligations to its private tenants, and continue to fund capital improvements at this facility.

GSD does not have one-time funding available to address these deferred maintenance and custodial needs.

Should you have any questions or concerns, please contact Valerie Melloff at (213) 928-9586.



Tony M. Royster
General Manager

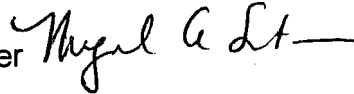
cc: Monique Earl, Deputy Mayor
Miguel Santana, City Administrative Officer

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUREAU OF SANITATION – AS-NEEDED PROJECT COORDINATORS AND PROJECT ASSISTANTS**

Attached is a memorandum from the Bureau of Sanitation dated May 7, 2013, addressing the Committee's request for additional information on the Bureau's use of as-needed Project Assistants, the duties and qualifications of the classification, the number currently employed by the Bureau, and the possibility of eliminating or capping the number employed.

Your Committee also requested this Office to report back on as-needed Project Coordinators and Project Assistants and the possibility of capping or reducing the number included in the budget. The Council's annual adoption of the Departmental Personnel Ordinances (DPO) provides City departments with the authority to hire as-needed employees in various classifications to address unanticipated and anticipated peaks in workloads to prevent disruption to critical City services. The Detail of Positions and Salaries (DPS), found on pages 531 to 536 of the Blue Book Volume II, continues that employment authority from July 1, 2013 to the adoption of the subsequent year's DPO. The DPO and DPS do not set limits on the number of as-needed positions the Bureau can employ, but the Bureau's hiring is rather limited by available funding. The Council has the authority to eliminate or cap the use of as-needed positions through its annual review of the City's DPOs. However, the elimination of this authority will hamper a City department's ability to manage peak workloads and address staffing issues.

This report is informational and no action is required.

MAS:WKP:06130078

Question Nos.97 and 175

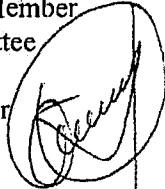
Attachment

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 7, 2013

TO: Honorable Paul Krekorian, Chair
Honorable Mitchell Englander, Vice Chair
Honorable Bill Rosendahl, Member
Honorable Paul Koretz, Member
Honorable Tom LaBonge, Member
Budget and Finance Committee

FROM: Enrique C. Zaldivar, Director
Bureau of Sanitation



**SUBJECT: BUREAU OF SANITATION – REPORT BACK ON BUDGET & FINANCE
QUESTION NO. 97: AS-NEEDED PROJECT ASSISTANTS**

During the Fiscal Year 2013-14 Proposed Budget Deliberations held on May 2, 2013, Sanitation was asked to report back on the use of as-needed Project Assistants.

Sanitation currently has 1 as-needed Project Assistant and is in the process of filling another 15 positions. In Fiscal Year 12-13 to date, salaries for as-needed Project Assistants consist of less than one percent of Sanitation's total as-needed salary expenditures. These positions are used to work on grants, support programs and projects in many areas including recycling and reuse, as well as to perform administrative work throughout Sanitation. While they constitute a very small portion of Sanitation's as-needed positions, these positions have become valuable since most of Sanitation's support positions are not part of the partial blanket unfreeze that was granted to operations positions. To the extent that full-time administrative support positions are unfrozen, Sanitation would be able to reduce the number and use of as-needed Project Assistants. While the number of positions is not limited in Sanitation's position count in the Fiscal Year 13-14 Mayor's Proposed Budget, the number of positions is limited by Sanitation's salary budget.

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

LBM/ECZ:lbn

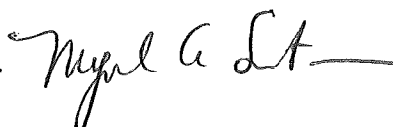
c: Members of the City Council
Gaye Williams, Chief of Staff, Mayor's Office
Monique F. Earl, Deputy Mayor, Mayor's Office
Romel L. Pascual, Deputy Mayor, Mayor's Office
Capri W. Maddox, President, BPW

Gerry F. Miller, CLA
Miguel A. Santana, CAO
Erika Pulst, Office of the City Clerk
BOS Executive Team

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **ZOO DEPARTMENT – EFFICIENCIES AND WORKING GROUP RESULTS**

Your Committee requested the Zoo Department to report back on the steps that have been taken to implement efficiencies at the Los Angeles Zoo (LA Zoo) and the budgetary impacts that have been realized. Further, the Department was to report on the status of the joint report from the Working Group, and ideas/ efficiencies from the Working Group. The Committee also requested a copy of the latest draft of the Two-Track Working Group report. Please find attached the Department's response on those efforts that have been implemented to improve the overall operation of the LA Zoo.

During the course of the Two-Track Working Group meetings, the following proposals were discussed:

- Concessions
- Debt Financing
- Revolving Fund / Enterprise Fund
- LA Zoo Hours of Operation
- Grants for Projects
- Untapped Potential
- Parking
- Collaborative Purchasing
- Lease Options
- Marketing and Signage
- Ballot Measure

It should be noted, as a result of Working Group discussions, the Department has looked at options for in-kind advertising using City vehicles. The Department has worked with the Department of Transportation for LA Zoo advertising from October through December of 2012 on City buses. The value of this free media was approximately \$40,000. Further, this Office is currently reviewing any potential private use issues so that the Department may utilize sanitation vehicles for advertising services.

The Working Group last met on February 4, 2013, at that time a draft of the two-track report was finalized, with all sections agreed upon with the exception of language relating to the municipal marketing proposals. A copy of the final draft is attached.

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


MAS:DP:08130162c

Question No.206
Question No 233

CITY OF LOS ANGELES
LOS ANGELES ZOO
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 6, 2013

TO: MIGUEL A. SANTANA, City Administrative Officer
Office of the City Administrative Officer

FROM: JOHN R. LEWIS, General Manager 
Zoo Department

SUBJECT: **2013-14 BUDGET MEMO RESPONSE – QUESTION NO. 206**

The Zoo has pursued and implemented various efficiencies as well as implemented and proposed new revenue initiatives in an effort to continue to reduce its reliance on the General Fund. Some examples include the following:

- In January 2013, the Planning and Land Use Management Committee approved the proposed revisions to sign ordinance which will allow the Zoo Department to submit an application to become its own sign district (C.F. 11-1705). If the Council approves the revised Ordinance, the Zoo will be able to expand its revenue generating opportunities through advertising and sponsorship programs.
- In December 2012, the Zoo executed a Memorandum of Understanding with the Bureau of Sanitation for the provision of hay which was previously procured under City contract. The Bureau of Sanitation operates Green Acre Farms located in Bakersfield, CA and the rates for hay are nearly 30%-50% less than the City contract depending on the season and time of year. This MOU is anticipated to yield savings of approximately \$20,000 on an annual basis. These savings will remain in the Zoo's animal feed and grain account to further support increased costs from new exhibit openings and basic price increases without having to increase the overall budget.
- In December 2012, the Zoo launched the pilot preferred parking program which established a \$5 parking charge in the preferred area of the parking lot encompassing 373 spaces (or 18%), out of a total of 2,080 spaces. The program does not include any of the disabled access parking spaces. The program is implemented on peak attendance days, special events and holidays. In the 30 days that the program has been piloted, the Zoo has generated a net revenue of \$36,000.
- In July 2010, the Zoo consolidated the custodial and grounds maintenance function with the Construction Division. This has allowed for improved operations with facility and grounds maintenance, such as cleaner grounds and more frequent maintenance activities, as well as improved coverage with staffing shortages.

The Zoo is continually reviewing its operations and considering revenue opportunities that enhance the Zoo and the visitor experience.

JRL:DMV/lg

City of Los Angeles
Los Angeles Zoo and Botanical Gardens

REPORT OF THE ZOO WORKING GROUP
ON THE TWO-TRACK APPROACH TO THE
DEVELOPMENT OF AN ALTERNATIVE
MANAGEMENT SYSTEM FOR THE
LOS ANGELES ZOO

March 2013

BACKGROUND

On August 12, 2011, the Council authorized the City Administrative Officer (CAO) to release a Request for Proposal (RFP) for the operation and management of the Los Angeles Zoo and Botanical Gardens. Further, the Council also instructed the CAO, as part of a two-track approach to the development of an alternative management system for the Los Angeles Zoo, to undertake a study that would provide an overall concept of how the Los Angeles Zoo might be financed in a way that would allow the City to realize substantial savings to the General Fund through increased operational efficiencies over the next five years. The study would serve as an alternative to the proposed RFP process that would enable the Council to determine which alternative management system, the one generated by the RFP, or one developed independent of the RFP, would best serve the City's interests.

The report was to be developed with the Chief Legislative Analyst (CLA), the Mayor's Office, Los Angeles Zoo management (Zoo Department), and Labor representatives.

The following issues were to be considered:

1. All concession agreements and all subcontracting involving retail, marketing, advertising, food services, concession machines, stroller rentals, etc. to determine how these terms might be favorable to the City, and the cost effectiveness of the City directly contracting for these concessions.
2. An analysis of bond indebtedness and the long-term plan for covering those costs.
3. Evaluation of a revolving fund or enterprise fund benefiting the Zoo in keeping revenue generated by the LA Zoo for operations within the Zoo.
4. The LA Zoo's hours of operation, including an analysis of the potential to increase revenue by extending the hours of operation into the evenings during peak seasons and the result on revenue from tickets, memberships, and concessions.
5. Obtaining grants for projects in keeping with the mission and greening of the LA Zoo, for example, converting bio waste to energy as other zoos have undertaken.
6. Examining untapped potential within the Zoo grounds, for example, using unused grounds to grow specialized feed and potentially minimize its purchase.
7. Potential revenue from parking, and exploring valet parking as a parking option.

8. Analysis of a purchasing collaborative with other zoos to take advantage of economies of scale.
9. Examining potential lease options of select Zoo assets, including the grounds that do not require an alternative management structure.

On November 9, 2011, the first meeting of the working group was held at the Office of the CAO. The working group consisted of City staff from the CAO, CLA, Mayor's Office, Council District 4, Office of the City Attorney, Zoo Department and labor representatives from the Engineers and Architects Association, Los Angeles and Orange County Building and Construction Trades Council, IUOE Local 501, SEIU Local 721, LIUNA Local 777 and AFSCME (collectively, the Working Group). The Working Group met weekly and was chaired by John Lewis, General Manager of the Zoo Department. In addition to the core members of the Working Group, the meetings involved participation from the General Services Department (GSD), the Bureau of Engineering, the Bureau of Contract Administration, and City Planning Department. Further, outside experts were brought in to present on specific areas including municipal marketing, business intelligence and LA Inc representatives.

The Working Group provided an opportunity for an exchange of information, in-depth discussions, formal presentations and an education on the Zoo Department's operations, including its challenges and potential improvement opportunities and development of a series of proposals or recommendations provided at the end of the report.

Zoo Historical Costs

The Zoo Department (Department) has an operating budget that includes an annual direct appropriation from the General Fund. The Department has received a General Fund appropriation since 1997-98, when it became a Council controlled City department. That year, the Department's budget was \$9.9 million in direct costs and \$2.6 million of indirect cost for a total of \$12.5 million. The Department was authorized 189 positions.

Historically, the Zoo's direct budget has been 80 percent salaries with the balance funding supplies and expenses for daily operations. The highest level of funding for the Zoo was in Fiscal Year 2007-08 with an operating budget of \$19.2 million in direct costs, \$9.1 million of indirect costs and 268 authorized positions. The 2012-13 Budget provides \$17.6 million for the operating budget, \$16.9 million of indirect costs and 218 authorized positions. The following table reflects the Department's Adopted Budget and position authorities since 1997-98.

Table 1: ZOO DEPARTMENT HISTORICAL BUDGET:

Fiscal Year	Adopted Budget Direct Costs	Authorized Positions
1997-98	\$9,971,906	189
1998-99	\$12,584,886	209
1999-00	\$13,921,693	221
2000-01	\$15,379,993	227
2001-02	\$15,869,094	236
2002-03	\$15,380,798	240
2003-04	\$17,026,495	272
2004-05	\$17,230,291	256
2005-06	\$17,909,666	256
2006-07	\$19,319,276	263
2007-08	\$19,181,852	268
2008-09	\$19,329,046	257
2009-10	\$18,261,512	245
2010-11	\$17,483,062	229
2011-12	\$18,283,477	228
2012-13	\$17,561,531	218

As the General Fund appropriation has been reduced, the Zoo has offset the reduction either through admission fee increases, reduction of services or the use of surplus funds from the Zoo Enterprise Trust Fund. The direct General Fund appropriation has been reduced significantly since the \$10.6 million in FY 2006-07 to the current level of \$1.3 million in the 2012-13 Adopted Budget. The following table provides a historical comparison chart of the source of funds for the Department's direct budget.

Table 2: SOURCE OF FUNDS:

Fiscal Year	ZETF	Receipts**	General Fund	GLAZA	Other*	TOTAL
1997-98	-	\$4,375,000	\$5,596,906	-		\$9,971,906
1998-99	\$118,706	\$5,590,320	\$6,850,860	-	\$25,000	\$12,584,886
1999-00	\$599,996	\$6,766,332	\$6,535,365	-	\$20,000	\$13,921,693
2000-01	\$585,084	\$6,766,332	\$8,008,577	-	\$20,000	\$15,379,993
2001-02	-	\$6,100,000	\$9,749,094	-	\$20,000	\$15,869,094
2002-03	\$387,135	\$5,455,500	\$9,518,163	-	\$20,000	\$15,380,798
2003-04	-	\$6,329,021	\$9,901,920	\$25,800	\$769,754	\$17,026,495
2004-05	-	\$7,157,237	\$10,027,254	\$25,800	\$20,000	\$17,230,291
2005-06	\$317,600	\$7,149,200	\$10,397,066	\$25,800	\$20,000	\$17,909,666

2006-07	\$862,600	\$7,750,000	\$10,611,994	\$25,800	\$68,882	\$19,319,276
2007-08	\$806,634	\$8,400,000	\$9,880,000	\$25,800	\$69,418	\$19,181,852
2008-09	\$3,192,670	\$10,162,000	\$5,279,718	\$112,829	\$581,829	\$19,329,046
2009-10	\$400,000	\$10,902,000	\$6,416,627	\$125,216	\$417,669	\$18,261,512
2010-11	\$78,016	\$10,902,000	\$6,000,000	\$127,928	\$375,118	\$17,483,062
2011-12	-	\$12,880,000	\$4,831,129	\$200,140	\$372,208	\$18,283,477
2012-13	\$1,716,430	\$13,800,000	\$1,294,894	\$202,691	\$547,516	\$17,561,531

* Includes funding from the Household Hazardous and Waste Fund, education receipts, interest, parking lot rental and other reimbursements.

** The receipts include revenue from admissions, membership and concessions.

Revenue and Attendance

The Department's revenue largely consists of receipts from concessions, admissions, and membership. In 2012-13, the budgeted receipts from admissions represent 80 percent of the total revenues for the Zoo.

Table 3: REVENUE HISTORY BY TYPE:

Fiscal Year	Admissions	Concessions	Membership	Other	Total
1997-98	\$3,775,000	\$400,000	\$200,000	--	\$4,375,000
1998-99	\$4,790,320	\$500,000	\$300,000	\$25,000	\$5,615,320
1999-00	\$5,766,332	\$600,000	\$400,000	\$20,000	\$6,786,332
2000-01	\$5,766,322	\$600,000	\$400,000	\$20,000	\$6,786,332
2001-02	\$5,080,000	\$620,000	\$400,000	\$20,000	\$6,120,000
2002-03	\$4,452,500	\$600,000	\$403,000	\$20,000	\$5,475,500
2003-04	\$4,900,000	\$721,511	\$707,510	\$795,554	\$7,124,575
2004-05	\$5,757,237	\$700,000	\$700,000	\$45,800	\$7,203,037
2005-06	\$5,749,200	\$700,000	\$700,000	\$45,800	\$7,195,000
2006-07	\$6,000,000	\$900,000	\$850,000	\$94,682	\$7,844,682
2007-08	\$6,400,000	\$1,000,000	\$1,000,000	\$95,218	\$8,495,218
2008-09	\$8,162,000	\$1,000,000	\$1,000,000	\$694,658	\$10,856,658
2009-10	\$8,902,000	\$1,000,000	\$1,000,000	\$542,885	\$11,444,885
2010-11	\$8,902,000	\$1,000,000	\$1,000,000	\$503,046	\$11,405,046
2011-12	\$10,880,000	\$1,000,000	\$1,000,000	\$572,348	\$13,452,348
2012-13	\$11,600,000	\$1,000,000	\$1,200,000	\$750,207	\$14,550,207

Since 1997-98, the following new projects and major renovations have been completed:

- Chimpanzees of Mahale Mountain
- Snow Leopard Exhibit
- Red Ape Rainforest
- Winnick Family Children's Zoo
- Gottlieb Animal Health Center
- Children's Discovery Center & New Front Entrance
- Sea Life Cliff's Exhibit
- Campo Gorilla Reserve
- Elephants of Asia
- The Living Amphibians, Invertebrate and Reptile (LAIR) exhibit
- Rainforest of the Americas exhibit (Summer 2013)

During this time, attendance went from 1.2 million visitors in FY 1997-98, to a peak of 1.6 million visitors in FY 2007-08 when the advertising budget was increased from \$800,000 to \$1.25 million and the Zoo successfully launched the opening of Campo Gorilla Reserve exhibit. As a result of significant budgetary constraints, the Zoo's advertising budget was reduced to \$800,000 in FY 2009-10 and has remained at this funding level. The average annual attendance is 1.5 million visitors. The following table reflects the attendance and admissions revenue history at the Los Angeles Zoo.

Table 4: ATTENDANCE AND ADMISSIONS REVENUE HISTORY:

Fiscal Year	Attendance	Admissions Revenue	Adult Admission
1997-98	1.25 M	\$4.0 M	\$8.25
1998-99	1.37 M	\$4.4 M	\$8.25
1999-00	1.37 M	\$4.5 M	\$8.25
2000-01	1.54 M	\$5.0 M	\$8.25
2001-02	1.52 M	\$5.3 M	\$8.25
2002-03	1.52 M	\$5.0 M	\$8.25
2003-04	1.39 M	\$5.2 M	\$9.00
2004-05	1.4 M	\$5.5 M	\$10.00
2005-06	1.52 M	\$5.9 M	\$10.00
2006-07	1.56 M	\$6.3 M	\$10.00
2007-08	1.6 M	\$6.7 M	\$10.00
2008-09	1.56 M	\$7.6 M	\$12.00
2009-10	1.46 M	\$7.7 M	\$13.00
2010-11	1.54 M	\$8.9 M	\$14.00
2011-12	1.66 M	\$10.9M	\$16.00

The final phase of the Zoo's Capital Program will be completed in December 2013 with the completion of the jaguar exhibit. Any additional resources and expenses would be subject to additional funding in the FY2012-13 budget. Construction on the Elephants of Asia exhibit was completed in December 2010 and the Reptile House (LAIR) was completed in March 2012.

The following table provides an estimated number of visitors and revenue projections for admissions at the Zoo for the next five fiscal years. The attendance represents increases from the opening of the Elephants of Asia exhibit and LAIR and projections from the opening of the Rainforest exhibit. The revenue increases are attributed to an increase in attendance and a proposed \$1.00 general admission fee increase in FY2013-14. The projected revenue increase would remain unchanged if the fee increase to the general admission price is not implemented.

Table 5: ATTENDANCE AND REVENUE FORECAST:

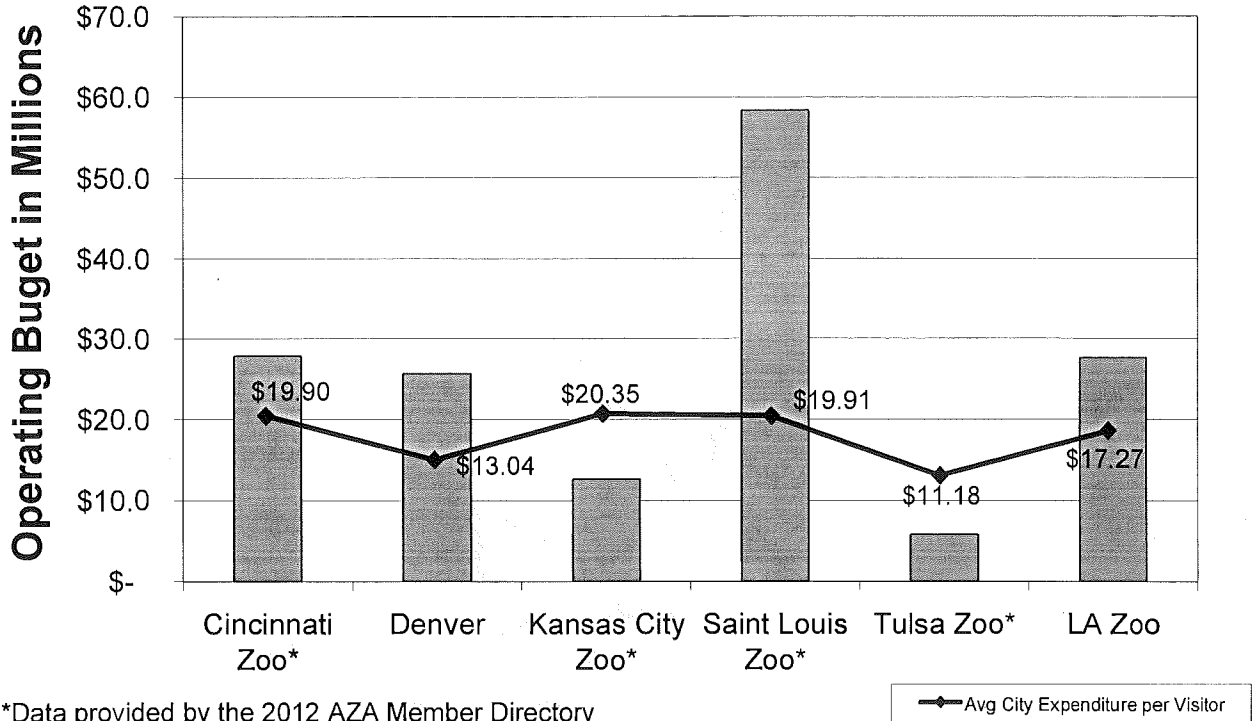
Fiscal Year	2011-12	2012-13	2013-14	2014-15	2015-16
Attendance	1.6 M	1.6 M	1.65 M	1.65 M	1.65 M
Revenue	\$10.9	\$11.6 M	\$12.4 M	\$12.4M	\$12.4 M
*Attendance reflects school groups, membership, regular admission, etc.					

The 2012-13 Adopted Budget included a recommendation to increase the general admission prices at the Los Angeles Zoo by \$1.00. This increase will potentially generate \$.7 million in additional Zoo receipts. Any additional increase to the Zoo's general admission price will generate revenue to reduce the General Fund subsidy. A proposed \$1.00 increase may generate \$800,000 in future fiscal years. However, an increase to ticket prices may be contrary to the City's goal to maintain the Zoo as an affordable educational institution and may negatively impact attendance. The following chart illustrates comparisons of the average investment per visitor.

Chart 1: AVERAGE CITY SUPPORT COST PER VISITOR

Average City Expenditure per Visitor

The investment cost per visitor is determined by dividing each zoo's total operating budget by the total annual visitors.



*Data provided by the 2012 AZA Member Directory

Current Zoo Costs

In FY 2011-12 the total annual operating cost for the LA Zoo was approximately \$27.8 million consisting of \$18.3 million in direct appropriations and \$9.5 million in allocations within the overall City budget as follows:

\$18.3 million	LA Zoo 2011-12 Adopted Budget
\$3.8 million	Retirement and Pension
\$2.4 million	Health Care Benefits
<u>\$3.3 million</u>	Utilities, Technology Support, Bank Fees, and Capital Financing
<u>\$27.8 million</u>	TOTAL

The 2011-12 Adopted Budget for the LA Zoo was \$18.3 million, which included a direct General Fund appropriation in the amount of \$4.8 million. The remaining \$13.5 million in direct appropriation was offset by admissions, concessions and membership and other revenue sources. In addition to the \$4.8 million General Fund appropriation (contained in Table 2), the LA Zoo received an additional General Fund subsidy in the amount of \$9.5 million through allocations within the overall City budget as described above for a total of \$14.3 million.

In 2012-13, the Department's Adopted Budget is \$17.5 million, which includes a General Fund direct appropriation in the amount of \$1.3 million. The remaining \$16.2 million will be offset by Department revenue, receipts and other special sources of funds. In addition to the \$1.3 million General Fund appropriation, the Department is projected to receive a General Fund subsidy for indirect costs of approximately \$9.3 million for a total of \$10.6 million. In 2012-13, the total operating cost for the Zoo is projected to be \$26.8 million.

Zoo Future Costs

When discussing the opportunities to achieve efficiencies and savings and increase revenues, with the ultimate goal of reducing and/or eliminating the General Fund contribution, it is important to understand all of the costs associated with the Zoo and recognize that the indirect costs are not wholly within the control of the Zoo. The following table projects the Zoo expenditure growth for the next five fiscal years.

Table 6: ZOO DEPARTMENT EXPENDITURE FORECAST

Fiscal Year	2011-12	2012-13	2013-14	2014-15	2015-16
Salaries	\$14,858,000	\$14,367,000	\$14,985,000	\$15,772,000	\$16,193,000
Expenses	\$3,425,000	\$3,194,000	\$3,337,000	\$3,429,000	\$3,523,000
Other Support Costs*	\$3,330,000	\$3,422,000	\$3,516,000	\$3,613,000	\$3,712,000
Retirement	\$3,848,000	\$3,434,000	\$3,875,000	\$4,466,000	\$5,013,000
Health Care	\$2,429,000	\$2,427,000	\$2,592,000	\$2,802,000	\$3,015,000
Total	\$27,890,000	\$26,844,000	\$28,305,000	\$30,082,000	\$31,456,000

* Other support costs such as bank fees, IT services, security, fuel, utilities, GSD costs and Capital Financing

These projections do not include staffing associated with the completion and opening of the last major capital project in the Zoo Bond Capital Program, the Rainforest of the Americas exhibit (Summer 2013) and assume that staffing levels remain the same.

The current and projected operating revenues cover less than half of the total cost of operating the Zoo. The following table projects the City costs for the next five years side-by-side with projected operating revenues.

Table 7: PROJECTED ZOO EXPENDITURES AND OPERATING REVENUES:

In Millions	2011-12	2012-13	2013-14	2014-15	2015-16
Operating Costs	\$ 27.9	\$ 26.8	\$ 28.3	\$ 30.0	\$ 31.4
Operating Revenues**	\$ 13.6	\$ 16.3	\$ 15.0	\$ 15.4	\$ 15.8
City Subsidy	\$ 14.3*	\$10.5	\$13.3	\$14.6	\$15.6

* The 2011-12 General Fund Subsidy included a \$4.8 M direct appropriation and \$9.6 M in indirect costs.

**2012-13 Operating revenues are based on exhibit openings and projected attendance increases from new exhibits. Each subsequent fiscal year is adjusted by 2.75% CPI; However, please note that the 2013-14 revenue is adjusted downward by \$1.7 million to reflect the elimination of a one-time budget offset from the Zoo Enterprise Trust Fund.

Based on projected revenue and expenditure growth for the next five years, the City must find other sources of funds to offset over 50 percent of the total cost of operating the Zoo. The Working Group examined various opportunities to close the gap between the total operational and support costs and projected revenues.

OBJECTIVES

The following White Papers considered by the Working Group explored a variety of areas and issues to determine if there are opportunities to realize substantial savings to the General Fund through increased efficiencies in operations and additional revenue to the Zoo.

1. Concessions

The Working Group discussed the existing Operating Agreement between the City and the Greater Los Angeles Zoo Association (GLAZA) and concession operations at the Los Angeles Zoo. Under the existing concessions agreement, the Zoo receives ten percent of the gross revenue from the concessionaire. In addition, the concessions agreement requires that the concessionaire commit to a capital investment, which assists with the upgrading of facilities, at the Zoo. At the time that GLAZA contracted out for concession services, the Zoo Department agreed to allow a portion of the gross revenue at three percent to be retained by GLAZA for administration costs.

In 2011-12, the Los Angeles Zoo achieved 1.66 million in attendance and received over \$1 million in concessions revenue. The following table reflects the past three years of visitor attendance and concessions revenue.

Table 8: THREE-YEAR HISTORICAL CONCESSIONS REVENUE AT THE ZOO

Concessions Revenue	2009-10	2010-11	2011-12
Number of Visitors	1.46 M	1.54 M	1.66 M
Gross Commissionable Revenue	\$8,403,629	\$8,959,233	\$10,168,091
City portion	\$840,362	\$895,923	\$1,016,809
GLAZA Admin Fee	\$252,108	\$268,777	\$305,042
Zoo Surplus Dev Fund	\$489,633	\$551,821	\$673,831
Total Commission Revenue	\$1,582,103	\$1,716,521	\$1,995,682

The Working Group also discussed potential impacts to the City if the Zoo were to issue an RFP and contract directly for these services. The Zoo would require additional staffing and expense funding for the operation and management of a

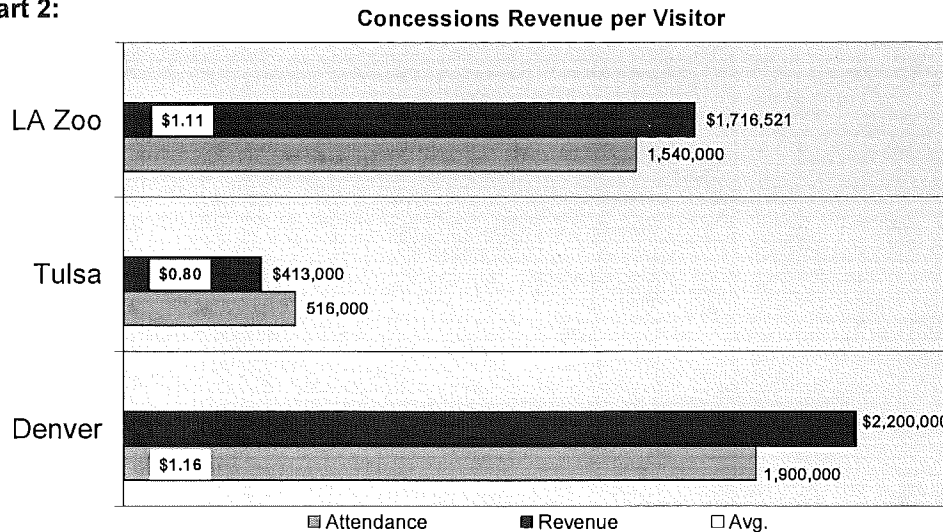
Concessions Division. A portion of which may be offset by the admission fee currently retained by GLAZA. Staff would be required for contract administration, audit duties and liaison duties. This includes the development of RFPs and amendments, the monitoring of terms and conditions and responses to City or public requests for information. Additionally, the bidding process with another concessionaire does not guarantee that the potential revenues will be more than the ten percent gross provided under the current agreement, in addition to the capital investments. Therefore, without an analysis of the City's existing concession contracts it is unclear if the City would benefit or if the current revenue stream would increase if the concessions operation were contracted out directly by the City.

The Working Group discussed the concessions operations of other comparable zoos or venues. Many zoos, such as the Denver Zoo and Tulsa Zoo use concessionaires. It is important to note that no concession contracts were actually reviewed due to proprietary conflicts.

- The Denver Zoo directly manages its concessions contract. The Denver Zoo has considered the benefits of bringing the concessions operation in-house and reports that the existing structure with an outside concessionaire is the most feasible. The concessionaire also provides custodial services and capital investments, which help to upgrade facilities. The Denver Zoo retains control of design and construction of these facilities. As with the Los Angeles Zoo, the concessionaire provides the Denver Zoo with a percent of income based on various rates for food, gift, and catering. In 2010, the Denver Zoo received \$2.2 million from concessions revenue and had approximately 1.9 million in attendance.
- The Tulsa Zoo was also contacted regarding the concessions operations. The Tulsa Zoo contracts with a concessionaire to manage its food and gift shop operations. The concessionaire also provides the Tulsa Zoo with a percent of revenues. The Tulsa Zoo reports that there may be potential to earn more income rather than receiving a percent, however, the zoo would have to evaluate the staff and resources required to run a profitable operation, or if those resources could be utilized more effectively on the zoo's core mission. Further, the Tulsa Zoo reports that more revenue is generated by contracting out concessions services because of the company's buying power. In 2011, the Tulsa Zoo had approximately 516,000 visitors and received \$413,000 in concessions revenue.

The following chart compares concessions revenue per visitor:

Chart 2:



A. Business Intelligence: Also as part of the concessions review, the Working Group considered if the use of business intelligence systems could increase the concessions revenue at the Los Angeles Zoo. This also included discussion on Business Intelligence Systems. Consultants from IBM made a presentation to the Working Group regarding Business Intelligence Systems. The Business Intelligence System consists of software that consolidates revenue, sales and product information, which include food service, retail sales, membership, ticketing and admissions. The software has the ability to track and provide data on visitors for potential target advertising programs.

IBM specifically made a presentation regarding the Cognos Case study on a business intelligence system at the Cincinnati Zoo. The presentation also included information on the software and technology opportunities for a concessions operation. The case study focused on the use of technology to capture additional visitor data to enhance revenue in concessions and admissions. It was suggested that the Zoo explore the feasibility of utilizing a Business Intelligence System and report back on this issue (Recommendation 1A).

2. Debt Financing Issues

The Working Group discussed the impacts of bond indebtedness, future bond capacity and restructuring opportunities of existing debt. The CAO's Debt Management Group discussed the current financing instruments in use at the Zoo, which include general obligation bonds and Municipal Improvement Corporation of Los Angeles (MICLA) funding. The Working Group discussed Proposition CC (Prop CC), the 1998 voter approved City bond measure which provides funds for renovation and expansion of Zoo exhibits from assessments collected by the City. Prop CC bonds are paid by funds collected from City

assessments. Should there be a private operator, any operating agreement would be structured to protect the tax exempt status of the bonds.

The Working Group was presented with an overview of the LA Zoo Capital Program. The total funding for the LA Zoo Capital Program is \$172 million, of which \$70 million is from Prop CC, \$30 million is from MICLA, \$15 million is from GLAZA, and \$57 million is from various other sources. GLAZA is responsible for \$14.0 million of the \$30 million MICLA debt for the Elephants of Asia exhibit.

The CAO's Debt Management Group routinely reviews the Zoo debt to determine if there are opportunities for refinancing or to improve the interest rates.

3. Zoo Enterprise Trust Fund

The Zoo Enterprise Trust Fund (ZETF) was established by Ordinance in 1997 for the purpose of receiving all revenues resulting from the operation of the Zoo, along with appropriations made to the Department. The Working Group reviewed the impacts of reduction in the General Fund subsidy which has been offset by the ZETF. Typically these funds have been used to address unbudgeted deferred maintenance and minor construction projects and one-time expenses for equipment. The ZETF allows the Zoo to benefit from any surplus within the Fund and use these monies for Zoo purposes as stated in the Ordinance. All direct costs and expenses incurred in the operation, management and control of the Zoo are to be paid solely from this Fund. Any monies deposited into the ZETF can be expended solely for Zoo purposes and shall not revert to the General Fund. However, in recent years the City has faced fiscal challenges which resulted in a reduced General Fund appropriation and an increase in the use of the ZETF monies to offset the impact of these reductions. The Department has used the ZETF to offset operational costs. The following table reflects the decrease in the General Fund appropriation and the amount that has been offset by the ZETF.

Table 9: USE OF THE ZOO ENTERPRISE TRUST FUND

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
GENERAL FUND	\$10,611,994	\$9,880,000	\$5,279,718	\$6,416,627	\$6,000,000	\$4,831,129	\$1,294,894
ZETF OFFSET	\$1,191,931	\$981,634	\$3,192,670	\$882,688	\$78,016	-	\$1,716,430

The Working Group determined that the Zoo would benefit from a consistent revenue stream to stabilize its operation and plan for future growth. The Working Group discussed the feasibility of implementing a policy which stabilizes the General Fund subsidy to prevent any use of surplus funds within the ZETF to offset further General Fund reductions and to allow the fund to function as originally intended.

4. LA Zoo Hours of Operation

The Working Group analyzed the potential revenue for expanding Zoo hours during the summer months. Recent reductions to the Zoo Department have made it impossible to staff these extended hours with regular staffing. In addition, the revenue generated would not offset the cost to support these expanded hours. The Working Group discussed tiered pricing, flexible hours and reduced rate options. The Zoo has previously examined the tiered pricing program. The program would offer a discounted admission rate for guests entering the park after 4:00 p.m. This would require staff to work extended hours so these visitors can have the opportunity to view the animals. The cost for staff and related expenses did not seem to be offset by the projected revenue from a tiered pricing program.

5. Grants for Projects (Greening/Bio Waste → Energy)

The Working Group discussed the feasibility of obtaining grants for projects in keeping with the mission and greening of the Los Angeles Zoo. The Department provided an overview of the recent efforts to achieve energy and natural resource conservation at the Zoo. The Department has analyzed a similar initiative to that of the Denver Zoo which converts animal waste and human trash into a usable combustible gas. The benefits of this effort could reduce its landfill contributions and waste hauling costs. The Working Group included a recommendation in the report, to evaluate opportunities for obtaining grants for projects (Recommendation No. 1c).

6. Untapped Potential within Zoo Grounds

The Working Group explored the possibility of using the undeveloped land at the Zoo to generate potential savings. Most of the undeveloped land would not be practical for use due to the terrain and largely hillside areas.

In regard to the growing of specialized feed for animals, the Working Group examined the zoning issues, land conditions, available land, and cost benefit analysis. The Working Group did not determine any potential savings or revenues from this proposal on zoo grounds; however, the Los Angeles Zoo has recently executed an MOU with the Bureau of Sanitation for the provision of hay and straw from the Green Acres Farm owned by the Bureau. It is believed that the Zoo will achieve savings from this arrangement when compared to the use of a City contract. The Zoo will evaluate this endeavor over the next year to assess the efficiencies of this MOU, while measuring the quality of the products which are equally important in terms of the health of the animal collection.

7. Potential Parking Revenue

The Working Group discussed the feasibility of implementing paid parking at the Zoo. A recent study from a parking consultant and GSD stated that there would be a significant capital investment for equipment and on-going maintenance costs. Additionally, the average daily demand for parking is only 20 percent of the total available spaces.

The consultant study identified several peak days of operation that might benefit from a valet or preferred parking option. The Zoo, with the assistance of GSD, has implemented a pilot program of the preferred parking option at the Los Angeles Zoo to ascertain potential revenue. The pilot program debuted during the 2012 school Winter Break in December with moderate success, mostly due to lower than anticipated attendance. Since then the program has been tested on two additional weekends with greater success. As a result, the Zoo has submitted a 2013-14 budget request to fully implement the program on a year-round basis with revenue projected to be approximately \$111,000.

8. Purchasing Collaborative with Other Zoos

The Working Group discussed the option of a purchasing collaborative with other surrounding zoos. There is little interest on the part of other institutions in participating in collaborative purchasing. The Working Group determined that no substantial savings to the General Fund could be realized over the next five years through collaborative purchasing.

9. Potential Lease Options of Select Zoo Assets

The Working Group discussed the Zoo's existing operations, restrictions and opportunities for private or special events. The current challenges limiting the Zoo from maximizing potential revenues from leasing opportunities are due to staffing and the existing infrastructure. The Working Group discussed the use of as-needed staffing models utilized by other departments for special events. The Working Group agreed to take full advantage of the current MOUs and the City budgeting process in expanding special events.

In addition to the above proposals, the Working Group also considered the following:

A. Signage

The KPMG report indicated that the Los Angeles Zoo could potentially generate additional revenue in the range of \$250,000 to \$500,000 annually from sponsorship signage opportunities. The City's existing sign ordinance prohibits the Los Angeles Zoo from maximizing revenues through signage and advertising opportunities on Zoo grounds. Consequently, the City has lost potential revenues generated through these sponsorship and signage opportunities. Currently,

GLAZA is responsible for the Zoo sponsorship program as part of their fundraising efforts, authorized under the existing operating agreement with the City.

The City's sign ordinance is currently being evaluated to address a number of issues on a City wide basis. The City Planning Department submitted a report to the Planning and Land Use Management Committee (PLUM), which recommended revisions to the City-wide sign ordinance. At its meeting of December 5, 2011, the PLUM Committee approved the recommendation in the CAO report dated December 1, 2011 (CAO Report No. 0220-04654-0016) to add the Los Angeles Zoo and Botanical Gardens to the list of areas eligible to apply for a sign district (C.F. 11-1705). Further, on January 22, 2013, the PLUM committee approved the Planning Department's report which included language designating the Zoo being able to apply for sign district (C.F. 11-1705). The current status is this matter is waiting to be considered by the full City Council

The Planning Department reports that the timeline for the sign district application process is one-year. This may delay any potential revenue realized in the upcoming Fiscal Year. The cost of the sign district application is approximately \$140,000. Approval of a sign district for the Zoo would eventually result in increased revenue potential for the Zoo. The Working Group recommended that the Zoo continue with the sign district application process for the Zoo once the City Council has approved the amendment to the sign ordinance (Recommendation No. 3).

B. Municipal Marketing

The Coalition arranged for a presentation from a firm which has provided municipal marketing services to other municipalities. Municipal marketing firms typically contract with municipalities to provide an assessment of which assets have the potential to generate revenue from sponsorships, name rights and other marketing opportunities. Based on the case studies presented by Active Network and other anecdotal evidence, Zoo staff indicates that there are multiple opportunities for enhanced marketing, which can be achieved once the existing signage issues are resolved. Since a municipal marketing program is best accomplished through the leverage of many City assets, this is a city-wide project that must be considered by the Mayor and Council. If such a program is approved by the City, the Zoo could be included as one of many City assets.

The City also contracts with LA Inc., the Convention and Visitors Bureau (LA Inc) to market the City as a tourist and convention destination, LA Inc.'s Director of Cultural Tourism addressed the working group concerning the existing Cultural Tourism efforts. There may be additional opportunities for the Zoo to partner with LA Inc. to identify those opportunities in an effort to leverage the Zoo's marketing dollars. The Working Group recommended that the Zoo take advantage of these

marketing opportunities with LA Inc. under the City's existing contract (Recommendation No. 1b).

C. Ballot Measure

Due to the City's current fiscal crisis, the Zoo has faced a substantial decline to the General Fund subsidy over the past few years. As a result, there should be an examination of an alternative revenue source for the Zoo. This might include a feasibility study of a City-wide and County-wide ballot measure for a parcel tax that could provide a dedicated revenue stream to offset the shrinking General Fund revenues.

In the 2011 Annual Report of the Los Angeles County Office Assessor, the number of County parcels is 2,357,936 and the City has a total of 782,522 parcels. A parcel tax is considered a special tax and must be approved by more than a 2/3rds vote at a regularly scheduled general election or special election.

a. County-wide Ballot Measure

The next County election is a General Election held on November 6, 2012. The City's cost of placing an item on the ballot measure is \$4.4 million for the first initiative. This consists of \$3.7 million for the first item and approximately \$700,000 to print and distribute the voter information pamphlets. Any subsequent item is estimated at \$500,000 each.

The Council must act 125 days prior to the election (July 3, 2012) to request the City Attorney to prepare the resolution for the item to be placed on the ballot. The Council would then have to adopt the election resolution 110 days prior to the election (July 18, 2012) and request consolidation by August 10, 2012 on the State election, which is run by the County.

b. City-wide Ballot Measure

The next City election is a Primary Nominating Election and will be held on March 5, 2013. This will be followed by a General Municipal Election on May 21, 2013. The cost of placing a ballot measure on a City election would significantly less than a County election. Measures added to a City election would only result in an incremental increase in printing and postage costs.

The last day for the Council to adopt a motion requesting the City Attorney to prepare resolutions placing the proposed measure on the March 5, 2013 election ballot would be October 31, 2012. The last day for Council to adopt the resolution placing the proposed measure on the ballot is November 14, 2012.

The proposed ballot measure could provide a dedicated source of revenue to the Los Angeles Zoo and reduce the long term reliance on the General Fund. It is estimated that a parcel tax in the amount of \$20.00 City-wide and seven dollars County-wide, would be required to offset the 2010-11 Zoo Operating costs for both direct and indirect costs.

The following table reflects the first year total revenues of a ballot measure, less the one-time election costs:

Table 10: PROJECTED REVENUE FROM A BALLOT MEASURE

	<i>County-wide Nov 2012</i>	<i>City-wide March 2013</i>
Monthly Parcel Tax	\$0.25	\$0.25
Annual Parcel Tax	\$3.00	\$3.00
Number of parcels	2,357,936	782,522
Projected revenue	\$7,073,808	\$2,347,566
Less Election Costs	\$4,400,000	\$50,000
Total	\$2,673,808	\$2,297,566

Other zoos, such as the Cincinnati Zoo, Kansas City Zoo, and Saint Louis Zoo benefit from a taxpayer subsidy. The Cincinnati Zoo receives a subsidy from a dedicated special property tax. The Kansas City Zoo receives funding for improvements through a voter-approved 1/8 cent sales tax. The Saint Louis Zoo receives funding from a countywide property tax.

A three dollar County-wide parcel tax would generate seven million in potential revenue for the Zoo, less the election costs for the first year. The election costs to place an initiative on the County's ballot would only be a one-time expense. For each subsequent year, the total projected revenue for a \$3.00 County-wide election would be \$7 million and \$2.3 million for a City-wide election.

The Working Group included a recommendation in this report to examine and report back on a ballot measure proposal (Recommendation No. 5).

SUMMARY OF RESULTS

The options in this report would require additional resources and funding to be provided to the Zoo Department. Some of the recommendations would consider policy options for the Mayor and Council relative to the Zoo Enterprise Trust Fund, Ballot Measure and Sign District.

The discussions of the Working Group revealed that there are a number of options to generate potential revenue or savings for the Zoo. At this time it is difficult to estimate the revenue that would be generated from these various proposals without further study.

As a result, these revenue options would be further examined and included in a Business Plan to be developed by the Zoo.

The options identified do not provide sufficient savings or revenue to the target amount to totally offset the total direct and indirect cost for the Los Angeles Zoo. However, the Zoo will continue to work towards eliminating the General Fund subsidy for the direct cost of operations.

RECOMMENDATIONS

That the Council:

1. Instruct the Zoo Department to:
 - a. Explore the feasibility of utilizing a Business Intelligence System and report back on the cost benefit of issuing an RFP for Business Intelligence firms;
 - b. Explore the available marketing opportunities provided by LA Inc. under the City's existing contract;
 - c. Continue to evaluate opportunities for obtaining grants for projects, to include the project costs and benefits, and continue to work with other zoos on green initiatives, such as the reduction of trash and animal waste.
2. Instruct the Zoo Department, with the assistance of the City Administrative Officer (CAO) and the City Planning Department to develop and prepare sign district application for the Los Angeles Zoo, and request that the City Attorney prepare and present any necessary ordinances once the City Council has approved the amendments to the sign ordinance.
3. Instruct the Zoo Department, with the assistance of the CAO, and CLA to examine and report back on a the feasibility of a dedicated revenue source for the Zoo which may include a ballot measure, parcel tax, etc. proposal to fund zoological programs, with a complete analysis on community input and visitor demographics, at a time suitable for initiating the process of placing this proposal on the desired ballot.
4. Instruct the City Administrative Officer (CAO) and the Office of the Chief Legislative Analyst (CLA) to explore the feasibility of the City implementing a city-wide municipal marketing program and report back in 90 days.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **LOS ANGELES HOUSING DEPARTMENT – PROPOSED FEES**

Your Committee requested the Los Angeles Housing Department (LAHD) to report on the proposed fee changes that will occur due to the loss of grant funding. The LAHD report is attached and the referenced transmittal dated April 3, 2013 may be found under C.F. 13-0413.

In the LAHD transmittal, the Department requests approval of an Ordinance amending Section 19.14 of the Los Angeles Municipal Code (LAMC) to establish fees for the preparation and enforcement of the affordable housing covenants that result from the Density Bonus Ordinance No. 179684. The amended Ordinance would also include all affordable housing covenants and enforcement efforts required by other City Ordinances, regulations and Planning Determinations. The LAHD states that the proposed fees would offset the administrative costs of performing the work, which are currently subsidized by the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) Grant. Since CDBG and HOME funds are being reduced, the proposed fees would enable LAHD to continue to support the administrative work associated with the Density Bonus Ordinance and affordable housing covenants without reducing those services or impacting the General Fund.

At this time, the LAHD has not provided the annual estimated amount to be collected in new fees or the annual costs for LAHD to deliver the services related to the Density Bonus Ordinance and affordable housing covenants. However, this Office will prepare a report to Council and the Mayor with an analysis of the proposed fees, including revenues and costs, and the City Attorney will report on the proposed amendment to Section 19.14 of the LAMC.

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

Attachment

MAS:MMR:0213123C

Question No. 192



Los Angeles Housing Department

LAHD



Antonio R. Villaraigosa, Mayor
Mercedes M. Márquez, General Manager

INTER-DEPARTMENTAL MEMORANDUM

TO: BUDGET AND FINANCE COMMITTEE
FROM: LUZ C. SANTIAGO, ASSISTANT GENERAL MANAGER, HOUSING DEPARTMENT
DATE: MAY 6, 2013
REGARDING: 2013-14 BUDGET MEMO – QUESTION NO. 192

PROVIDE AN EXPLANATION REGARDING THE PROPOSED FEE CHANGES THAT WILL OCCUR BECAUSE OF THE LOSS OF GRANT FUNDING.

LAHD response:

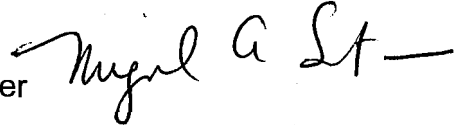
Attached is the Council Transmittal (CF 13-0413) dated April 9, 2013 requesting authority for the Los Angeles Housing Department to assess fees for work related to Affordable Housing Land Use Covenants and Regulatory Agreements.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **ECONOMIC DEVELOPMENT DEPARTMENT – DEVELOPMENT SERVICES
CONSOLIDATION**

Your Committee requested this Office to report back on the following items related to the transfer of positions from the Community Development Department (CDD) to the Economic Development Department (EDD):

1. Report back on the deletions and additions on the position authorities, both resolution and regular authorities, and indicate which positions are currently filled for the proposed Department.

Please see the Attachment for position authorities. In addition to the five new resolution authorities highlighted in the Attachment, the EDD will have five existing regular authority vacancies and three existing resolution authority vacancies. The vacant regular authorities are one Chief Management Analyst I, one Senior Management Analyst II, two Senior Management Analyst Is, and one Fiscal Systems Specialist I. The vacant resolution authorities are one Project Assistant, one Senior Project Coordinator, and one Management Analyst II.

2. Are the two Assistant General Managers deleted in CDD and the two Assistant General Managers added in EDD the same positions? Are the positions filled? Will they be moving to the new Department.

The duties and responsibilities of the positions will be moved to the Economic Development Department. The civil service classification codes and titles for the positions will be different, so the Proposed Budget reflects the deletion of two Assistant General Manager Community Development (Class Code 9251) positions and the addition of two Assistant General Manager Economic Development (Class Code 9807) positions. The positions are filled.

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

ATTACHMENT

MAS:JLK:02130117C

Question No. 183 and 185

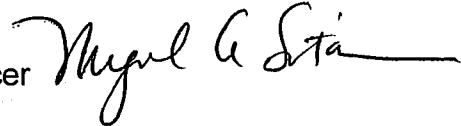
Classification	CDD Authorized Positions			Proposed Budget										TOTAL Positions
	FY 2012-13 Regular Position Authorities	FY 2012-13 Resolution Position Authorities	FY 2012-13 Authorized Positions	Changes to CDD Position Authorities	CDD HR Position to Personnel	CDD to Housing Regular Positions	CDD to Housing Resolution Positions	City Clerk BID Positions to EDD	CAO Position to EDD	CDD to EDD Regular Positions	New EDD Resolution Positions	Continued EDD Resolution Positions		
ACCOUNTANT II	5	0	5	1	0	2	0	0	0	4	0	0	6	
ACCOUNTING CLERK I	1	0	1	0	0	0	0	0	0	1	0	0	1	
ACCOUNTING CLERK II	6	2	8	-1	0	2	1	1	0	4	0	0	8	
ADMIN INTERN	0	0	0	0	0	0	0	0	0	0	0	0	0	
ASSISTANT GENERAL MANAGER	2	1	3	0	0	1	0	0	0	1	0	1	3	
ASST CH GRANTS ADMINSTR	2	2	4	0	0	1	1	0	0	1	0	1	4	
AUDITOR II	6	0	6	-2	0	1	0	0	0	3	0	0	4	
CH GRANTS ADMIN	1	0	1	0	0	0	0	0	0	1	0	0	1	
CH MANAGEMENT ANALYST	3	0	3	-1	0	0	0	0	0	2	0	0	2	
CLERK	1	0	1	0	0	0	0	0	0	1	0	0	1	
CLERK TYPIST	18	0	18	-1	0	6	0	0	0	11	0	0	17	
COMMISSION EXEC ASST II	1	0	1	0	0	0	0	0	0	1	0	0	1	
COMMUNITY PROGRAM DIRECTOR	0	3	3	-1	0	0	0	0	0	0	0	2	2	
COMNTY PROGRAM ASST I	0	0	0	2	0	0	0	0	0	1	0	1	2	
COMNTY PROGRAM ASST III	0	1	1	0	0	0	0	0	0	0	0	1	1	
DATA BASE ARCHITECT	0	1	1	0	0	0	0	0	0	0	0	1	1	
Data Control Assistant II	0	0	0	0	0	0	0	0	0	0	0	0	0	
DEPT CHIEF ACCT II	1	0	1	0	0	1	0	0	0	0	0	0	1	
DEPT CHIEF ACCT IV	1	0	1	0	0	0	0	0	0	1	0	0	1	
DIR OF SYSTEMS	1	0	1	0	0	0	0	0	0	1	0	0	1	
ENVIRONMENTAL AFFRS OFC	1	0	1	0	0	1	0	0	0	0	0	0	1	
ENVIRONMENTAL SPEC II	1	0	1	0	0	1	0	0	0	0	0	0	1	
ENVIRONMENTAL SUPVR I	1	0	1	0	0	1	0	0	0	0	0	0	1	
EXEC ADMIN ASST II	2	0	2	0	0	1	0	0	0	1	0	0	2	
EXEC ADMIN ASST III	1	0	1	0	0	0	0	0	0	1	0	0	1	
Field Engineering Aide	0	0	0	0	0	0	0	1	0	0	0	0	1	
FISCAL SYSTEMS SPEC I	1	0	1	0	0	0	0	0	0	1	0	0	1	
FISCAL SYSTEMS SPEC II	1	0	1	0	0	0	0	0	0	1	0	0	1	
GENERAL MANAGER	1	0	1	0	0	0	0	0	0	1	0	0	1	
HUMAN REL ADVOCATE	0	3	3	0	0	0	3	0	0	0	0	0	3	
INDUST COMRCL FIN OFR I	2	2	4	-1	0	0	0	0	0	1	0	2	3	
INDUST COMRCL FIN OFR II	1	0	1	0	0	0	0	0	0	1	0	0	1	
MANAGEMENT AIDE	2	0	2	-1	0	0	0	0	0	1	0	0	1	
MANAGEMENT ANALYST I	4	0	4	2	0	1	0	0	0	5	0	0	6	
MANAGEMENT ANALYST II	53	1	54	-7	0	19	0	2	0	27	0	1	49	
MANAGEMENT ASSISTANT	3	0	3	1	0	0	0	0	0	4	0	0	4	
NEIGHBRHD EMP ANALYST	0	0	0	0	0	0	0	0	0	0	0	0	0	
Office Engineering Technician II	0	0	0	0	0	0	0	2	0	0	0	0	2	
PAYROLL SUPERVISOR I	1	0	1	0	0	0	0	0	0	1	0	0	1	
PR ACCOUNTANT I	0	1	1	1	0	1	0	0	0	0	0	1	2	
PR ACCOUNTANT II	1	0	1	0	0	0	0	0	0	1	0	0	1	
PR CLERK	1	0	1	-1	0	0	0	1	0	0	0	0	1	
PR PROJECT COORDINATOR	0	0	0	0	0	0	0	0	0	0	1	0	1	
PROGRAM AIDE	0	4	4	-1	0	0	2	0	0	0	0	1	3	
PROGRAMMER ANALYST V	0	1	1	0	0	0	0	0	0	0	0	1	1	
PROJECT ASSISTANT	0	5	5	1	0	0	3	0	0	0	0	3	6	
PROJECT COORDINATOR	0	11	11	0	0	0	6	0	0	0	2	5	13	
SECRETARY	3	0	3	0	0	1	0	0	0	2	0	0	3	
SR ACCOUNTANT I	1	0	1	0	0	0	0	0	0	1	0	0	1	
SR ACCOUNTANT II	6	0	6	0	0	3	0	0	0	3	0	0	6	
SR AUDITOR	4	0	4	-1	0	1	0	0	0	2	0	0	3	
SR CLERK TYPIST	17	0	17	1	1	7	0	2	0	10	0	0	20	
SR MGMT ANALYST I	18	0	18	-1	0	6	0	1	0	11	0	0	18	
SR MGMT ANALYST II	9	1	10	0	0	4	0	0	1	5	0	1	11	
SR PROJECT ASSISTANT	0	28	28	-3	0	0	6	0	0	0	0	19	25	
SR PROJECT COORDINATOR	1	20	21	0	0	1	9	0	0	0	2	11	23	
SR SYSTEMS ANALYST I	2	0	2	-2	0	0	0	0	0	0	0	0	0	
SR SYSTEMS ANALYST II	3	1	4	0	0	1	0	0	0	2	0	1	4	
SYSTEMS AIDE	1	0	1	0	0	1	0	0	0	0	0	0	1	
SYSTEMS ANALYST II	1	4	5	2	0	3	0	0	0	4	0	0	7	
TOTAL	192	92	284	-13	1	67	31	10	1	119	5	53	287	

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **LOS ANGELES HOUSING DEPARTMENT – ELIMINATION OF AN OPERATIONAL AND STATISTICAL RESEARCH ANALYST I AND JUSTIFICATION FOR DELETION OF PROGRAMMING AND TECHNOLOGY SUPPORT**

Your Committee requested the Los Angeles Housing Department (LAHD) to report on the elimination of an Operational and Statistical Research Analyst (OSRA) I and the use of \$100,000 in contract services to provide the same services. In addition, your Committee requested LAHD to report on whether or not the City's Information Technology Agency (ITA) personnel could perform technical services for the Department and be reimbursed by LAHD special funds. The LAHD reports are attached.

This Office has confirmed that ITA does not have the resources necessary to allocate to LAHD.

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

Attachments

MAS:MMR:02130120C

Question No. 195 and 227



Los Angeles Housing Department

LAHD



Antonio R. Villaraigosa, Mayor
Mercedes M. Márquez, General Manager

INTER-DEPARTMENTAL MEMORANDUM

TO: BUDGET AND FINANCE COMMITTEE

FROM: LUZ C. SANTIAGO, ASSISTANT GENERAL MANAGER, HOUSING DEPARTMENT

DATE: MAY 6, 2013

REGARDING: 2013-14 BUDGET MEMO - QUESTION NO. 195
 WHAT IS THE PROPOSAL TO ELIMINATE A CITY POSITION (OSRA I) AND USE CONTRACT SERVICES TO PROVIDE THE SAME SERVICES?
 HAS THERE BEEN ANY CONSIDERATION AS TO WHETHER ITA PERSONNEL CAN PERFORM THESE SERVICES?
 ARE THERE SPECIAL FUNDS AVAILABLE TO REIMBURSE ITA FOR THESE POSITIONS?

LAHD response:

The original budget request was to reallocate one Operational and Statistical Research Analyst I (OSRA I) position, class code 1779-1, to one Programmer Analyst III (PA III), class code 1431-3. The justification of the request was as follows:

The OSRA I position supported a 20-year old legacy Capital Budget Tracking System/Loan Tracking System (CBTS/LTS) which was replaced by a new web-based system in December 2008. The position is currently vacant, but this classification is no longer the appropriate classification to support the new system, which requires technical skills and experience consistent with those of a Programmer Analyst III's.

After discussion with CAO and the Mayor's Office, the reallocation request was denied mainly due to the Citywide information technology job classification study that is currently being conducted by ITA. The plan was to revisit the request in the Fiscal Year (FY) 2014-15 depending on the outcome of the study.

To meet the operational needs for FY 2013-14, \$100,000 is proposed to use contract programmers to do the work. Currently, LAHD is working with ITA to determine if ITA can provide the staffing resource to perform the work for the proposed funding level. If so, LAHD would reimburse ITA for the costs from special funds up to the budgeted \$100,000.



Los Angeles Housing Department

LAHD



Antonio R. Villaraigosa, Mayor
Mercedes M. Márquez, General Manager

INTER-DEPARTMENTAL MEMORANDUM

TO: BUDGET AND FINANCE COMMITTEE

FROM: LUZ C. SANTIAGO, ASSISTANT GENERAL MANAGER, HOUSING DEPARTMENT

DATE: MAY 6, 2013

REGARDING: 2013-14 BUDGET MEMO – QUESTION NO. 227 (THIS QUESTION IS SIMILAR TO NO. 195)
PROVIDE A JUSTIFICATION FOR DELETING PROGRAMMING AND TECHNOLOGY SUPPORT AND THEN CONTRACTING OUT FOR THIS SERVICE. WHY NOT UTILIZE ITA AND PROVIDE SPECIAL FUNDING FOR ITA REIMBURSEMENT?

LAHD response:

The original budget request was to reallocate one Operational and Statistical Research Analyst I (OSRA I) position, class code 1779-1, to one Programmer Analyst III (PA III), class code 1431-3. The justification of the request was as follows:

The OSRA I position supported a 20-year old legacy Capital Budget Tracking System/Loan Tracking System (CBTS/LTS) which was replaced by a new web-based system in December 2008. The position is currently vacant, but this classification is no longer the appropriate classification to support the new system, which requires technical skills and experience consistent with those of a Programmer Analyst III's.

After discussion with CAO and the Mayor's Office, the reallocation request was denied mainly due to the Citywide information technology job classification study that is currently being conducted by ITA. The plan was to revisit the request in the Fiscal Year (FY) 2014-15 depending on the outcome of the study.

To meet the operational needs for FY 2013-14, \$100,000 is proposed to use contract programmers to do the work. Currently, LAHD is working with ITA to determine if ITA can provide the staffing resource to perform the work for the proposed funding level. If so, LAHD would reimburse ITA for the costs from special funds up to the budgeted \$100,000.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **EL PUEBLO DE LOS ANGELES – MARKETING AND EVENTS PROGRAM BUDGET**

During its consideration of the El Pueblo de Los Angeles 2013-14 Proposed Budget, the Committee requested a report back regarding El Pueblo's Marketing and Events activities.

The following summarizes El Pueblo's Marketing and Events Program budget.

	Budget
Salaries General	\$99,627
Salaries, As Needed	\$47,715
Overtime	\$17,181
Communications	\$4,512
Printing & Binding	\$1,600
Contractual Services	\$4,000
Water & Electricity	\$57,352
Office & Administrative	\$610
Operating Supplies	\$244
Special Events	\$58,500
	\$291,341

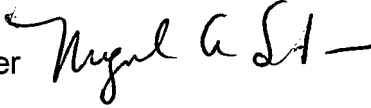
The Program funds one full time Principal Public Relations Representative and as-needed Project Assistants. Overtime funds are necessary to provide support for filming activities and events. One departmental staff member remains on site during all filming and special events to monitor and provide assistance for any questions that the filming or special events crew may have, and to ensure that El Pueblo's facilities are maintained and returned to its original condition at the conclusion of these activities. Communications provides funding for telephones for staff. Printing and binding provides funding for the cost of fliers, banners, and posters. Contractual services provides funding for additional security costs related to special events. Special Events provides funding for the cost of traditional events (ex. Blessing of the Animals, Dia de los Muertos) and other marketing events programmed to increase attendance during periods of low activity at the Monument.

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

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **ZOO DEPARTMENT – FACTORS OF ADMISSION FEE INCREASES**

Your Committee requested the Zoo Department (Department) to report back on the factors that the Zoo Director would consider for an admission fee increase. The Committee also requested a historical report on the increase of admission fees and the effect on attendance levels and revenues. Further, the Department was instructed to provide an admission fee comparison relative to other local venues and comparable zoos. The Department's response is attached with three charts:

1. Southern California Admission Rate Comparisons;
2. Comparable Zoos with an annual attendance of 1,000,000 or more; and,
3. Los Angeles Zoo Historical Fee Increase, Attendance and Revenue.

It should be noted that the Department had originally requested authority to increase the general admission prices by \$2.00 for the 2013-14 fiscal year. As a result of the executed Memorandum of Understanding (MOU) with the Greater Los Angeles Zoo Association, the proposed increase was recommended at \$1.00 in anticipation of the increased revenue to be generated from the MOU.

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

MAS:DP:08130159c

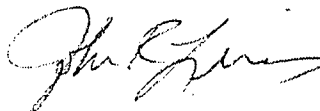
Question No.207

CITY OF LOS ANGELES
LOS ANGELES ZOO
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 6, 2013

TO: MIGUEL A. SANTANA, City Administrative Officer
Office of the City Administrative Officer

FROM: JOHN R. LEWIS, General Manager
Zoo Department



SUBJECT: **2013-14 BUDGET MEMO RESPONSE – QUESTION NO. 207**

In Exhibit H of the 2013-14 Proposed Budget, it is proposed that the Zoo Director be given the authority to implement subsequent fee increases annually, not to exceed \$1 through Fiscal Year 2015-16. The factors that would be considered in terms of implementing the fee increase would be based upon the Zoo's annual operating budget and projected revenues. The premise is striking the appropriate balance between the two, while minimizing the impact on the General Fund. So, in an economy of dwindling resources to support Zoo operations, the need to minimize impacts on providing quality animal welfare and animal health support and ensuring a good visitor experience, annual admission price increases has to be a consideration in the City's budget model.

As mentioned in the response to Question 203, the attached charts show a history of the Zoo's fee increases and the corresponding attendance and revenue, as well as the admission fees of Southern California attractions and comparable zoos. It is important to note that changes in attendance vary from year-to-year and is impacted by a variety of factors such as construction activity, new exhibit openings, weather and special events. Based on anecdotal information, price increases to date don't seem to have impacted overall attendance.

Attachments

JRL:DMV/lg

**ADMISSIONS RATE COMPARISONS
SOUTHERN CALIFORNIA ATTRACTIONS**

As of May 2013

Southern California Attractions	ADULT	CHILD	2/3YR & UNDER	SENIOR	PARKING		
Natural History Museum	\$12.00	Ages 5-12	\$5.00	N/A	62+ \$9.00	\$8.00	
Dodger Games	\$12.00-\$650.00	N/A	N/A	Free	N/A	\$15.00	
Movies - AMC Theaters	\$12.50	Ages 2-12	\$9.50	Free	60+	\$11.50	Varies
Movies - Regal Theaters	\$13.50	11 & Under	\$10.25	N/A	60+	\$10.25	Varies
Santa Barbara Zoo	\$14.00	Ages 2-12	\$10.00	Free	60+	\$10.00	\$6.00
Los Angeles County Museum of Art	\$15.00	Students	\$10.00	Free	62+	\$10.00	\$10.00
Los Angeles Zoo - 2012/13	\$17.00	Ages 2-12	\$12.00	Free	62+	\$14.00	Free
Los Angeles Zoo - 2013/14 (Proposed)	\$18.00	Ages 2-12	\$13.00	Free	62+	\$15.00	Free
The Huntington (Weekends & Holidays)	\$23.00	Ages 5 - 11	\$13.00	Free	65+	\$18.00	Free
Aquarium of the Pacific	\$25.95	Ages 3-11	\$14.95	Free	62+	\$21.95	\$8.00
San Diego Zoo Safari Park	\$44.00	Ages 3-11	\$34.00	Free	N/A	N/A	\$10.00
San Diego Zoo	\$44.00	Ages 3-11	\$34.00	Free	N/A	N/A	Free
Knott's Berry Farm	\$59.99	Ages 3-11	\$30.99	Free	62+	\$24.99	\$15.00
Magic Mountain	\$64.99	Under 48"	\$39.99	Free	N/A	N/A	\$17.00
Sea World	\$78.00	Ages 3-9	\$70.00	Free	N/A	N/A	\$12.00
Universal Studios	\$80.00	Under 48"	\$72.00	Free	N/A	N/A	\$15.00
California Adventure	\$87.00	Ages 3-9	\$81.00	Free	N/A	N/A	\$15.00
Disneyland	\$87.00	Ages 3-9	\$81.00	Free	N/A	N/A	\$15.00

Source of data - facility web sites

ADMISSIONS RATE COMPARISON WITH COMPARABLE ZOOS¹

As of May 2013

Comparable Zoos	ADULT	CHILD	FREE CHILD	SENIOR	Parking
Oregon Zoo	\$ 11.50	Ages 3-11 \$ 8.50	Under 3	65+ \$ 10.00	\$ 4.00
Cleveland Metroparks Zoo	\$ 12.25	Ages 2-11 \$ 8.25	Under 2	N/A N/A	Free
Houston Zoo	\$ 14.00	Ages 2-11 \$ 10.00	Under 2	64+ \$ 7.50	Free
Detroit Zoo	\$ 14.00	Ages 2-14 \$ 9.00	Under 2	62+ \$ 12.00	\$ 5.00
Milwaukee Zoo	\$ 14.25	Ages 3-12 \$ 11.25	Under 3	64+ \$ 13.25	\$ 11.00
Columbus Zoo and Aquarium	\$ 14.99	Ages 2-9 \$ 9.99	Under 2	60+ \$ 10.99	\$ 8.00
Denver Zoological Gardens	\$ 15.00	Ages 3-11 \$ 8.00	Under 3	65+ \$ 12.00	Free
Brookfield Zoo (Chicago)	\$ 15.00	Ages 3-11 \$ 10.50	Under 3	65+ \$ 10.50	\$ 9.00
Cincinnati Zoo & Botanical Garden	\$ 15.00	Ages 2-12 \$ 10.00	Under 2	62+ \$ 10.00	\$ 8.00
Dallas Zoo	\$ 15.00	Ages 3-11 \$ 12.00	Under 3	65+ \$ 12.00	\$ 7.00
Zoo Miami	\$ 15.95	Ages 3-12 \$ 11.95	Under 3	65+ \$ 12.72	Free
Indianapolis Zoo	\$ 16.95	Ages 2-12 \$ 11.95	Under 2	62+ \$ 15.95	\$ 6.00
Los Angeles Zoo	\$ 17.00	Ages 2-12 \$12.00	Free	62+ \$ 14.00	Free
Los Angeles Zoo - 2013/14 (Proposed)	\$ 18.00	Ages 2-12 \$13.00	Free	62+ \$ 15.00	Free
Minnesota Zoological Garden	\$ 18.00	Ages 3-12 \$ 12.00	Under 3	65+ \$ 12.00	\$ 5.00
Woodland Park Zoological Gardens (Seattle)	\$ 18.75	Ages 3-12 \$ 11.75	Under 3	65+ \$ 16.75	\$ 5.00
Philadelphia Zoological Garden	\$ 20.00	Ages 2-11 \$ 18.00	Under 2	N/A N/A	\$ 15.00
Bronx Zoo	\$ 29.95	Ages 3-12 \$ 19.95	Under 3	65+ \$ 24.95	\$ 13.00
San Diego Zoo Safari Park	\$ 44.00	Ages 3-11 \$ 34.00	Under 2	N/A N/A	\$ 9.00
San Diego Zoo	\$ 44.00	Ages 3-11 \$ 34.00	Under 2	N/A N/A	\$ 9.00

Source of data - facility web sites

Footnote 1 - These institutions have an annual attendance of 1,000,000 or more. This does not include those institutions that are free, such as the Smithsonian National Zoo (Washington D.C.), the Saint Louis Zoo, and the Lincoln Park Zoo (Chicago).

**LOS ANGELES ZOO
HISTORICAL FEE, ATTENDANCE AND REVENUE CHART**

YEAR	Fee Increase	% Increase	ADULTS (13 & over)	CHILDREN (2-12 years)	SENIORS	GROUP RATE (15+)	Attendance	Increase Over Previous Year	% Increase Over Previous Year	Revenue	% Increase Over Previous Year
July 2001	\$ -	0.0%	\$ 8.25	\$ 3.25	\$ 5.25	\$ 5.25	1,517,366	N/A	N/A	\$ 5,358,969	N/A
July 2002	\$ -	0.0%	\$ 8.25	\$ 3.25	\$ 5.25	\$ 5.25	1,516,067	(1,299)	-0.1%	\$ 5,080,649	-5.2%
July 2003	\$ 0.75	9.1%	\$ 9.00	\$ 4.00	\$ 6.00	\$ 6.00	1,389,639	(126,428)	-8.3%	\$ 5,180,938	2.0%
July 2004	\$ 1.00	11.1%	\$ 10.00	\$ 5.00	\$ 7.00	\$ 7.00	1,396,538	6,899	0.5%	\$ 5,568,593	7.5%
July 2005	\$ -	0.0%	\$ 10.00	\$ 5.00	\$ 7.00	\$ 7.00	1,523,469	126,931	9.1%	\$ 5,937,376	6.6%
July 2006	\$ -	0.0%	\$ 10.00	\$ 5.00	\$ 7.00	\$ 7.00	1,564,674	41,205	2.7%	\$ 6,363,959	7.2%
July 2007	\$ -	0.0%	\$ 10.00	\$ 5.00	\$ 7.00	\$ 7.00	1,602,171	37,497	2.4%	\$ 6,749,938	6.1%
May 2008	\$ 2.00	20.0%	\$ 12.00	\$ 7.00	\$ 9.00	\$ 9.00	1,556,162	(46,009)	-2.9%	\$ 7,861,824	16.5%
July 2009	\$ 1.00	8.3%	\$ 13.00	\$ 8.00	\$ 10.00	\$ 10.00	1,459,080	(97,082)	-6.2%	\$ 7,794,989	-0.9%
July 2010	\$ 1.00	7.7%	\$ 14.00	\$ 9.00	\$ 11.00	\$ 11.00	1,543,232	84,152	5.8%	\$ 8,862,531	13.7%
November 17, 2011	\$ 2.00	14.3%	\$ 16.00	\$ 11.00	\$ 13.00	\$ 13.00	1,660,450	117,218	7.6%	\$ 10,912,299	23.1%
August 17, 2012	\$ 1.00	6.3%	\$ 17.00	\$ 12.00	\$ 14.00	\$ 14.00	FISCAL YEAR NOT YET COMPLETED				

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **OFFICE OF THE CITY CLERK – FUNDING FOR ARCHIVIST POSITION**

During its consideration of the Office of the City Clerk's 2013-14 Proposed Budget, the Committee requested a report back on pursuing cost recovery from various Departments to fund staffing needs in the Office of the City Clerk's Records Management Unit.

The Department's response is attached.

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


MAS:LGC:08130148

Question No.242

Attachment

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013
To: Miguel Santana, City Administrative Officer
From: June Lagmay, City Clerk 
Subject: **FUNDING FOR ARCHIVIST POSITION**

REVISED Budget Report Request No. 242

The Budget and Finance Committee requested a report back on the possibility of chargebacks for departments utilizing the Records Center in order to fund an Archivist position. The majority of records retrieved from the Records Center are for the City Attorney and Police Department which are both General Funded departments. Inasmuch as chargebacks would have an adverse budget impact on General Funded departments and would increase City Clerk accounting workload, chargebacks are not recommended.

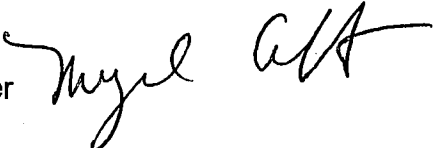
Our office maintains its strong belief that the City Clerk's Charter mandate to safeguard and maintain the integrity of the City's records is compromised if handled by only one professional full-time staff. Moreover, Los Angeles, the second largest city in the United States, a city with an irreplaceable historical heritage, deserves to have its own Archivist to represent the City from its historical perspective. We will continue to seek grant opportunities, but if additional General Funds become available, the City Clerk recommends approving and funding an Archivist position.

JL/HW:amm
EXE-023-13

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **FIRE AND POLICE PENSIONS – TIER 6**

The Los Angeles Fire and Police Pensions (LAFPP) system was asked to report back on how many officers have been hired under Tier 6 and what are the dollar savings. LAFPP reports that the current number of Tier 6 members is 391. The 2013-14 Proposed Budget includes funding for 520 new firefighters (140) and police officers (380). Of the 520, 230 will graduate from the academy in 2013-14 and be hired under Tier 6.

The estimated 2013-14 Tier 6 covered payroll is 16,974,768. By subtracting the Tier 6 Normal Cost rate (23.49%) from the Tier 5 Normal Cost rate (22.57%) LAFPP estimates that 2013-14 savings to be \$159,168.

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

MAS:ECM:01130088

Question No.27

Attachment

**DEPARTMENT OF
FIRE AND POLICE
PENSIONS**

360 EAST SECOND STREET
SUITE 400
LOS ANGELES, CA 90012-4203

(213) 978-4545
(800) 787-CITY(2489)
FAX (213) 978-4450
TDD (213) 978-4455

EMAIL: PENSIONS@LAFPP.COM

**CITY OF LOS ANGELES
CALIFORNIA**



**ANTONIO R. VILLARAIGOSA
MAYOR**

**RAYMOND P. CIRANNA
INTERIM GENERAL MANAGER**

**WILLIAM S. RAGGIO
JOSEPH SALAZAR
ASSISTANT GENERAL MANAGERS**

**TOM LOPEZ
CHIEF INVESTMENT OFFICER**

May 7, 2013

The Honorable Budget and Finance Committee
City Council, City of Los Angeles
City Hall, Room 395
Los Angeles, CA 90012

Attn: Emily Mayeda, Office of the City Administrative Officer

Re: Responses to Questions from Budget & Finance Committee Hearing of LAFPP FY 2013-14 Budget

Please find below the Los Angeles Fire and Police Pensions' (LAFPP) response to the inquiry made during the April 30, 2013 Budget Hearing.

Question No. 27: Report back on how many officers have been hired under Tier 6 and what are the dollar savings?

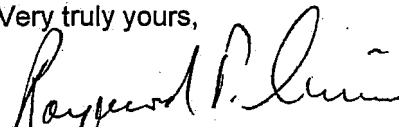
Your Committee requested a report back on the number of new officers that have been hired under the new Tier 6 Pension Plan and the estimated dollar savings from those new members. Tier 6 was passed by the electorate on March 11, 2011 and went into effect on July 1, 2011 for all new police officers and firefighters. As the new plan has been in place for almost two years, the current number of Tier 6 members is 391. For 13-14, the number of new members will grow as the Mayor's Proposed Budget provides for an additional 230 members (160 police officers and 70 firefighters) hired under Tier 6 provisions.

Based on the Tier 6 payroll of \$16,974,768, the dollar savings from these hires is estimated to be \$156,168 for Fiscal Year 2013-14. This savings is derived by subtracting the Tier 6 Normal Cost rate (Normal Costs equals the cost of benefits for the current year of service) from the Tier 5 Normal Cost rate.

While these saving may seem relatively small at this time, the savings to the City will continue to grow in the future as the City hires more sworn employees under Tier 6.

Please contact me if you should have any questions. Thank You.

Very truly yours,


RAYMOND P. CIRANNA
Interim General Manager

RPC:WSR

c: LAFPP Commissioners
Monique Earl, Deputy Mayor

www.lafpp.com

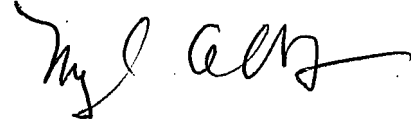


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **FINANCE – SALARY SAVINGS RATE & INCREASED REVENUE FROM LOWERING THE SALARY SAVINGS RATE**

This Office was asked to report back on the possibility of utilizing current year salary savings to offset the potential deficit within next year's salaries account due to the three percent salary savings rate. Based on the most recent Financial Status Report, this Office projects a 2012-13 salary savings in Office of Finance of \$588,000.

However, this Office believes the funds provided in the 2013-14 Proposed Budget, which include a three percent salary savings, are sufficient to meet the Department's salary obligations. Based on the number of positions filled as of May 1, 2013 and unfreezes approved by the Managed Hiring Committee (MHC) or under its consideration, this Office estimates that Finance can end 2013-14 with a salary surplus of \$299,597. This does not include the position adjustments in the Proposed Budget.

If Finance upgrades the four Investment Officers and fills the new Senior Management Analyst I position included in the Proposed Budget, Finance could end 2013-14 with a salary surplus of \$102,508. This Office approved two upgrades and does not support the additional two. The table below details Finance's 2013-14 salary obligations.

2013-14 Proposed Budget Salaries General Appropriation	\$ 28,695,164
Cost for filled positions (341 as of May 1, 2013)	(27,914,923)
Hires approved by MHC (4)	(296,624)
Requests before MHC (8 promotions)	(184,021)
Approved Investment Officer upgrades (2)	(35,953)
Other Investment Officer upgrades (2)	(58,242)
Senior Management Analyst I (1)	<u>(102,893)</u>
Estimated 2013-14 Projected Surplus/(Shortfall)	\$ 102,508

Additionally, Finance was asked to report back on increased revenues that could result from lowering the salary savings rate. Finance states that it cannot commit to additional revenue even if the salary savings rate is eliminated. See the attached memo from Finance.

Furthermore, throughout the year Finance has stated that revenue may be impacted if it does not receive a blanket exemption from the Managed Hiring Committee. However, a shortfall has not materialized and revenues are projected to be on target without the exemption and with a three percent salary savings rate.

RECOMMENDATION

No change to the Mayor's Proposed Budget is recommended. Should the Committee wish to increase the projected 2013-14 year-end surplus, this Office recommends eliminating the upgrades that were not approved by the Employee Relations Division of this Office.

FISCAL IMPACT

As no change to the Mayor's Proposed Budget is recommended, there is no impact to the General Fund. Should the Committee reduce Office of Finance's salary savings rate, the use of one-time 2012-13 salary savings to fund salary costs in 2013-14 would not be in compliance with the City's financial policies in that one-time money would be used for an ongoing expense.

MAS:ECM:01130077

Question No. 19 & 24


Attachment

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Miguel Santana, City Administrative Officer
Office of the City Administrative Officer

Attention: Emily Mayeda, Senior Administrative Analyst I

From: 
Antoinette Christovale, CPA
Director of Finance/City Treasurer
Office of Finance

Subject: **RESPONSE TO BUDGET & FINANCE COMMITTEE QUESTION NO. 24 –
INCREASED REVENUES FROM LOWERED SALARY SAVINGS RATE**

In response to Question No. 24 from the Budget and Finance Committee, the Office of Finance (Finance) was asked to report on the increased revenues that could result from lowering the department's salary savings rate. As Finance's FY 2013-2014 revenue estimates were based on the assumption that all departmental direct revenue generating positions and indirect revenue supporting positions would be funded at full capacity, and all vacancies timely considered and approved by the Managed Hiring Committee, our respectful response focuses on preventing the potential loss of projected revenue. Finance presents two alternative paths to mitigate negative consequences of the proposed salary savings rate.

The department's current salary rate is three percent (3%). The department requested that its salary rate be adjusted from three percent (3%) to zero percent (0%) given that the proposed salary funding for FY 2013-2014 and its projected vacancy rate will make it difficult for the department to meet its salary obligations. To meet the 3% salary saving rate requires Finance to hold eleven positions vacant, or \$886,526.

The department anticipates having six vacancies from which it could generate salary savings; however, these positions are direct revenue generating positions or support revenue generation and it is not advised to hold them vacant. Finance may realize salary savings if these positions are kept vacant and from various in-lieu authorities to finish the FY2013-2014 within its budget but will have very little latitude in which to address unanticipated salary issues, which could result in a deficit. Furthermore, any salary savings gained by maintaining direct and indirect revenue generating positions vacant would be surpassed by foregone revenue attributable to the vacant positions.

As an example, included in the six vacancies referenced above are two Tax Compliance Officer (TCO) positions. A fully trained and experienced TCO at the pay-grade II level averages annual revenue collection ranging from \$400,000 to \$1,200,000 dependent upon the unit the individual is tasked to within Finance. Maintaining two TCO positions vacant has the potential to forego the collection of \$800,000 to \$2,400,000 in revenue. This projected revenue loss at best effectively offsets any salary savings, and at worst has the potential to exceed any savings gained by approximately \$1.6 million. It should be noted that the revenue loss projected increases as other revenue generating positions or revenue-supporting positions are added to the analysis. The department has already experienced an 18% reduction in staffing. We cannot afford to hold positions that may become vacant in FY 2013-2014 without severely impacting our ability to attain the budgeted revenue targets for the department. Our ongoing revenue programs and the proposed tax amnesty program will be jeopardized.

In addition to the salary saving estimate of \$886,526, the department must absorb payouts for employees who have reached the 800-hour sick bank. The cost for the payout in the past two years has been approximately \$52,000. Additionally, the department incurred unanticipated costs to its Salaries General Account in the past two fiscal years as a result of separation pay outs for Finance employees that transferred to another City department or left City service. In FY 2010-2011, the unanticipated separation payout was \$196,700 and in FY 2011-2012, the separation payout was \$348,000. The department expects to make \$150,000 in separation payouts by the end of FY 2012-2013. If the department experiences the same level of attrition in FY 2013-2014, the department will have a challenging situation trying to stay within its Salaries General appropriation as a result of any related separation payouts. Furthermore, the department will not have sufficient funds to backfill critical revenue generating and operations support positions, such as the aforementioned Tax Compliance Officer positions.

As an alternative to Finance's request that its salary savings rate be adjusted from 3% to 0%, Finance proposes that \$500,000 from the \$2 million in funds designated for bank and merchant fees in the FY2012-2013 Unappropriated Balance (UB) account of the General Fund be reappropriated to supplement Finance's FY2013-2014 budgeted funding. Finance has made significant strides to reduce bank and merchant fees, and continues to identify efficiencies in this area. As a result \$1.5 million will not be needed and will revert back to the General Fund at the end of FY 2012-2013. We recognize that this is one time funding, however given the potential loss of revenue; we believe this a prudent resolution for FY 2013-2014.

RECOMMENDATIONS

1. Reduce Finance's salary savings rate from 3% to 0% for FY 2013-2014.
2. Alternatively, reappropriate \$500,000 from the FY2012-2013 UB account for bank and merchant fees to Finance's FY 2013-2014 budgetary needs.
3. Exempt Finance from the Managed Hiring process in order to adequately fulfill its charter mandates, predominately directed towards revenue generation.

FISCAL IMPACT

The approval of Finance's recommendations does not have a fiscal impact that increases Finance's revenue estimate of projected revenue collection for FY 2013-2014. Rather, the approval of the above recommendations will negate the potential loss, at minimum, of \$800,000 to \$2.4 million in revenue attributable to maintaining revenue generating positions and revenue supporting positions vacant.

If you have any questions or would like to discuss this matter further, please contact Saul Romo, Finance Administration Division Chief at (213) 978-1757.

cc: Monique Earl, Deputy Mayor of Budget and Financial Policy
Finance Management Team

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: TRANSPORTATION - DETAILS OF CONTRACTOR BENCH

Your Committee requested a report back on the details of the Department of Transportation's new contractor bench which is to be used as needed for various transportation related services. Attached is the Department's response to this report.

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

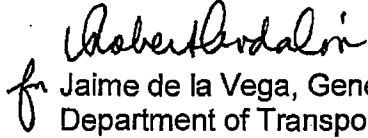
MAS:IR:06130084

Question No. 168

CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: May 7, 2013

To: Budget & Finance Committee
c/o City Clerk, Room 395, City Hall
Attention: Honorable Paul Krekorian, Chair

From:  Jaime de la Vega, General Manager
Department of Transportation

Subject: **REPORT BACKS-FY 2013-2014 PROPOSED BUDGET-QUESTION NO. 168**

QUESTION

Provide details on the Department's new contractor bench. Who are they and what work are they going to?

RESPONSE

The Department of Transportation has executed contracts with private contractors to perform work in nine broad subject areas. The firms are listed below under the broad subject area.

The Department will only utilize the contractor bench in those instances when special expertise is not available among the Department's staff or when existing staff is fully engaged with other assignments.

Transportation Planning

Alta Planning and Design
Fehr and Peers
KOA Corporation
Gibson Transportation Consulting, Inc.
Parsons Brinckerhoff, Inc.
AECOM Technical Services, Inc.
Cambridge Systematics, Inc.
Iteris, Inc.
CH2M Hill, Inc.
Nelson/Nygaard Consulting Associates

Traffic Management

KOA Corporation
Fehr & Peers
Iteris, Inc.
Kimley-Horn & Associates, Inc.
Nelson/Nygaard Consulting Associates, Inc.
Alta Planning+Design
Willdan Engineering
Stantec Consulting Services, Inc.
Advantec Consulting Engineers, Inc.
Arup North America, Ltd.
URS Corporation
Gibson Transportation Consulting, Inc.
V&A, Inc.

Parking & Operations

Walker Parking Consultants
CDM Smith
Kimley-Horn & Associates, Inc.
Parking & Operations (Continued)
Waltry Design, Inc.
LVR International
Gibson Transportation Consulting, Inc.

Public Relations

Arellano Associates, LLC
MIG, Inc.
LVR International
Parsons Brinckerhoff, Inc.
MBI Media
Allegra Consulting, Inc.

Marketing

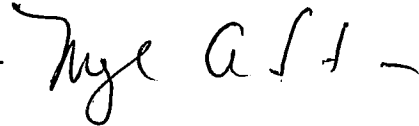
LVR International
Pulsar Advertising
Quijote Corporation (dba Sensis)
MBI Media
Beacon Management Group
Transportation Management & Design, Inc.
Allegra Consulting, Inc.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **TRANSPORTATION - STATUS OF PROPOSITION A SHORTFALL**

Your Committee requested a report back on the status of the Proposition A shortfall. Specifically, the Committee requested information as to when this shortfall will occur and what is the magnitude of the shortfall. Attached is the Department's response to this report.

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

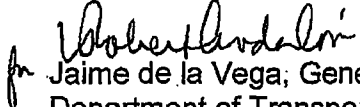
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Question No. 167

CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: May 7, 2013

To: Budget & Finance Committee
c/o City Clerk, Room 395, City Hall
Attention: Honorable Paul Krekorian, Chair

From:  Jaime de la Vega, General Manager
Department of Transportation

Subject: REPORT BACKS-FY 2013-2014 PROPOSED BUDGET-QUESTION NO.
167

QUESTION

What is the Proposition A shortfall – when will it occur and what is the magnitude?

RESPONSE

The department projects that the city's Proposition A local return fund will maintain a positive balance through FY 2020-21. An estimated shortfall of \$5.1 million is projected starting in FY 2021-22. This projection assumes the continued operation of all existing LADOT transit services (baseline) with no new service implementation.

Previously projected Proposition A funding shortfalls were eliminated due in large part to the department's actions to eliminate unproductive transit services, achieve transit contract efficiencies, increase transit passenger revenues and obtain significant federal transit capital grant funding. The department will continue to aggressively pursue additional operating efficiencies and grant funding opportunities for its transit program.

JTV:jml

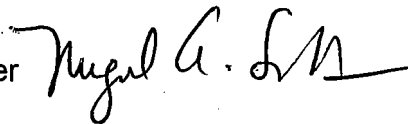
c: Miguel A. Santana, City Administrative Officer
Monique F. Earl, Mayor's Budget Director

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: DEPARTMENT OF TRANSPORTATION PROPOSALS TO ADDRESS THE MISUSE OF HANDICAPPED PLACARDS

Your Committee requested a report back on proposals to address the misuse of handicapped placards by individuals other than the issued placard holder. In addition, a report back was requested on potential ways to facilitate payment and or dismiss placard citations for the elderly and disabled. Attached is the Department's response to this report.

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

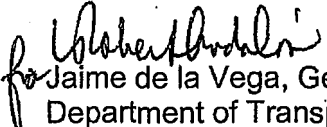
MAS:IR:06130093

Question No. 160

CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: May 7, 2013

To: Budget & Finance Committee
c/o City Clerk, Room 395, City Hall
Attention: Honorable Paul Krekorian, Chair

From:  Jaime de la Vega, General Manager
Department of Transportation

Subject: **REPORT BACKS-FY 2014 PROPOSED BUDGET-QUESTION NO. 160**

QUESTION

Report back on proposals to address the abuse of handicapped placards by individuals other than the placard was intended for. Also report back on ways to make it easier for the elderly and disabled to pay/dismiss disabled parking placard citations.

RESPONSE

Report back on proposals to address the abuse of handicapped placards other than the placard was intended for.

Parking enforcement staff in each of the five (5) Area Offices have been directed to conduct a minimum of two (2) Disabled Placard (DP) sting operations each month. Management will implement measures to ensure these operations are being conducted as directed.

Additionally, the department is working with our legislative advisor in Sacramento to sponsor legislation that enhances the penalties for violating provisions of the existing law, and to also amend the law to establish a more restrictive use of disabled placards. The department would propose a two-tiered system in which only the most severely disabled individuals are able to park all day at City meters without paying. Other states and municipalities have enacted more restrictive laws that have effectively stemmed the abuse by placard holders and motorists.

Report back on ways to make it easier for the elderly and disabled to pay/dismiss parking placard citations

The Department will take this opportunity to inform the Committee and the public that the Department does not wish to inconvenience the motoring public that it serves. The

In order to pay a parking citation, four ways are currently available. These methods are by telephone, by web, in-person, or by mail. To make payments convenient for all motorists, the department accepts payment by cash, check, money order, or credit card.

JTV:ra

c: Miguel A. Santana, City Administrative Officer
Monique F. Earl, Mayor's Budget Director

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **EMERGENCY MANAGEMENT DEPARTMENT - UNAPPROPRIATED
BALANCE APPROPRIATION OF \$500,000 TO MODIFY THE EMERGENCY
PREPAREDNESS PLAN**

Your Committee requested that the Emergency Management Department (EMD) report back on how it was determined that \$500,000 was needed in the Unappropriated Balance (UB) to address emergency planning gaps related to people with disabilities and access and functional needs. Your Committee also requested that the EMD report back on how and when the work will be completed. Attached is the EMD's response.

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

MAS:MBC:04130113

Question No. 180

Attachment

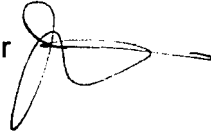
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

Budget Memo: 180

To: Honorable Members of the Budget and Finance Committee

From: James G. Featherstone, General Manager
Emergency Management Department



SUBJECT: EMERGENCY MANAGEMENT DEPARTMENT BUDGET IMPACT REPORT ON UNAPPROPRIATED BALANCE INCLUSION OF \$500,000 FOR ADDRESSING EMERGENCY PLANNING GAPS RELATED TO PEOPLE WITH DISABILITIES AND ACCESS AND FUNCTIONAL NEEDS

On January 14, 2009, the Communities Actively Living Independent and Free (Plaintiffs) filed a complaint against the City of Los Angeles alleging violation of Title II of the Americans with Disabilities Act, Section 504 of the Rehabilitation Act of 1973, the California Disabled Persons Act, and California Government Code § 11153. Plaintiffs claimed that the City's emergency preparedness plans and programs did not adequately address the needs of people with disabilities. Following two (2) years of legal review, the City was found to be in violation of the acts and codes noted above, and was directed to review and revise its emergency plans accordingly.

On November 9, 2011, per the "Order Re Injunctive Relief," CASE NO: CV-09-0287 CBM (RZx): the City of Los Angeles was directed to enter into a contractual agreement with BCFS Health and Human Services (BCFS) to assist the Emergency Management Department (EMD) in the process of reviewing and revising the City's Emergency Plans. This process is to ensure that the City of Los Angeles Emergency Operations Plan (EOP), Annexes, and related City policies and procedures, are in compliance with applicable federal, state and local laws and regulations mandating accommodations for persons with disabilities and others with access and functional needs (DAFN).

At the time of this direction by the Court, the City placed \$500,000 within the Unappropriated Balance of the FY 2011-12 Budget. These funds had been earmarked prior to any decision by the Court but with concern that when direction was given, the City would be required to address gaps in emergency preparedness planning for individuals with disabilities and additional funding would be required. Based on the lawsuit and Court direction to contract with BCFS, on Monday, April 9, 2012, the City of Los Angeles Budget and Finance Committee recommended approval of the Office of the City Administrative Officer April 5, 2012, Fourth

Financial Status Report (CF # 11-0600-S 155) recommending the funding be transferred to EMD for this purpose. Following this transfer, EMD finalized the contract with BCFS.

The original cost of the contract with BCFS was \$499,995. This contract (C-120742) was executed July 17, 2012, with the term running from July 17, 2012, through November 11, 2014.

Per the Court Order, BCFS is responsible for the review and identification of DAFN gaps within the current emergency management documents. However, prior to the BCFS review, EMD is responsible for ensuring all documents are compliant with current Federal Emergency Management Agency (FEMA) Comprehensive Planning Guidance (CPG) 101, Version 2 (November 2010) guidance. This task requires all professional EMD staff to be involved in the update of the City Emergency Operations Plan (EOP) and Annexes. This includes four (4) Emergency Management Coordinator II's (EMC II), and ten (10) EMC I's, and one (1) Management Analyst I. EMD has also leveraged Homeland Security planning grant funds to hire part-time, as needed employees (based on availability and funding) to assist in the EOP Annex review and updates.

Based on the Project Workplan (Attached), EMD and BCFS have agreed that having a local BCFS subject matter expert available would greatly assist in the review of DAFN gaps and proposed solutions. To accomplish effort required additional funds and a contract amendment. EMD identified \$116,000 within the EMD FY 2012-13 budget (Account 3040, Contractual Services), approved within the budget to offset the reduction of a full time Management Analyst I position assigned to support emergency management planning. These funds were used to support the first contract amendment to Agreement Number C-120742, executed March 11, 2013. This amendment secured a DAFN subject matter expert (planner) who works in the EMD offices two (2) days per work for nineteen consecutive months.

Based on the Project Workplan, EMD and BCFS have every expectation that the City's EOP and Annexes will be reviewed and revised on or before the November 2014 deadline. However, substantial gaps remain in the City. Each department maintains its own Departmental Emergency Plan and Continuity of Operations Plan. These departmental plans specify how the department will respond internally to a disaster and define how they will continue to provide their core services. EMD has acknowledged that these plans may also need to be included in the current plan review and revision for DAFN compliance.

Additionally, there are a number of operational departments that, in a disaster, will have direct contact with the public. Each plan, policy and procedure, or Standard Operating Procedures (SOPs) that details how they communicate with the public, assist the evacuation, care and shelter of the public, and provide post disaster and recovery services to the public must be compliant with current DAFN guidance. Many of these documents are out of date or do not exist. In order for the City to be fully compliant, as related to DAFN, all of these documents

must be identified, made available for DAFN subject matter expert review, and updated based on current law and federal guidance.

The BCFS contract, and amendment, includes the review of the EOP and twenty (20) Annexes and the Los Angeles Administrative Code (Division 8, Chapter 3, Local Emergencies), is Six Hundred Fifteen Thousand Nine Hundred Fifty-Five Dollars (\$615,955.00). If approved, the additional \$500,000, as included in the FY 2013-14 Proposed Budget would be used to further amend the existing contact with BCFS, the Court appointment subject matter expert, and expand the scope of work to include: review and revision of departmental emergency plans; and, review and revision of all departmental SOPs (as related to emergency preparedness, response, and recovery). EMD would work with the contractor to maintain the Court direction to have all work completed by the November 11, 2014, deadline.

Thank you for your ongoing support.

C: Eileen Decker, Deputy Mayor
Maria Corella, Office of the City Administrative Officer

City of Los Angeles
 BCFS HHS
 Project Workplan

City Contract: c-120742

Phase I			
Milestone 1 - Develop Professional Project Management Plan			
Task #1 - ID goals, objectives, tasks, results and team			
Task#2 - Complete and submit bi-annual reports to court			
Task #3 - Outline timeline for each phase, milestone, and completion date			
Task #4 - Identification Project Management system			
Task #5 - Meet with City of L.A. EMD and approve project management plan			
Phase II			
Milestone 1 - Formation and Facilitation of FNSS Working Group			
Task#1 - Form FNSS working group list			
Task#2- Facilitate 4 working group meetings			
Task#3- Develop FNSS toolkit			
Milestone 2 - Review and Revise Assigned EOPS for FNSS inclusion			
Task#1 - Review Policy	Review Executive Directives		
	Review Executive Directive 15		
		BCFS receives Executive Directive	
		BCFS delivers analysis and recommendations to LA	
	Review Executive Directive 16		
		BCFS receives Executive Directive	
		BCFS delivers analysis and recommendations to LA	
	Review Executive Directive 17		
		BCFS receives Executive Directive	
		BCFS delivers analysis and recommendations to LA	
	Review Executive Directive 18		
		BCFS receives Executive Directive	
		BCFS delivers analysis and recommendations to LA	
	Review Executive Directive 19		
		BCFS receives Executive Directive	
		BCFS delivers analysis and recommendations to LA	
	Review Executive Directive 23		
		BCFS receives Executive Directive	
		BCFS delivers analysis and recommendations to LA	
	Review Chapter 3		
		BCFS receives Executive Directive	
		BCFS delivers analysis and recommendations to LA	
December 2012			
Task #2 - Review Plan 1			Start
		BCFS receives plan for review from LA	
		BCFS provides GA to LA	
		LA provides CA to BCFS	
		BCFS provides CA Comments to LA	
		LA provides updated CA to BCFS	
		BCFS provides final CA comments to LA	
		LA provides final CA and Annex with track changes to BCFS	
		BCFS provides final Annex revision to LA	
	Review Plan 2		Evacuation
		BCFS receives plan for review from LA	
		BCFS provides GA to LA	
		LA provides CA to BCFS	
		BCFS provides CA Comments to LA	
		LA provides updated CA to BCFS	
		BCFS provides final CA comments to LA	
		LA provides final CA and Annex with track changes to BCFS	
		BCFS provides final Annex revision to LA	
January 2013			
	Review Plan 3		Early Warning
		BCFS receives Annex for review from LA	
		BCFS provides GA to LA	
		LA provides CA to BCFS	
		BCFS provides CA Comments to LA	
		LA provides updated CA to BCFS	
		BCFS provides final CA comments to LA	
		LA provides final CA and Annex with track changes to BCFS	
		BCFS provides final Annex revision to LA	

City of Los Angeles
 BCFS HHS
 Project Workplan

City Contract: c-120742

	Review Plan 4	BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	PIO
	Review Plan 5	BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	EAC
February 2013	Review Plan 6	BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	Adverse Weather
March 2013	Review Plan 7	BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	CRNE
	Review Plan 8	BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	Earthquake
April 2013	Review Plan 9	BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	Terrorism
May 2013	Review Plan 10	BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS	Wildfire

City of Los Angeles
 BCFS HHS
 Project Workplan

City Contract: c-120742

		BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	
	Review Plan 11	BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	
June 2013	Review Plan 12	BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	Citywide
	Review Plan 13	BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	Critical Incident
July 2013	Review Plan 14	BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	Mass Casualty
	Review Plan 15	BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	Urban Flooding
August 2013	Review Plan 16	BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	Major Air Quality
	Review Plan 17	BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA	Debris Flow

City of Los Angeles
 BCFS HHS
 Project Workplan

City Contract: c-120742

		LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	
September 2013	Review Plan 18		Communication
		BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	
	Review Plan 19		Communication
		BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	
	Review Plan 20		Logistics
		BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	
	Review Plan 21		Recovery
		BCFS receives Annex for review from LA BCFS provides GA to LA LA provides CA to BCFS BCFS provides CA Comments to LA LA provides updated CA to BCFS BCFS provides final CA comments to LA LA provides final CA and Annex with track changes to BCFS BCFS provides final Annex revision to LA	
Phase III - October 2013 - November 2014			
Milestone 1 - Conduct Two Presentations for Stakeholders			
		Task#1 - Identification of stakeholders	
		Task#2 - Develop presentation	
		Task#3 - Set up Presentation Schedule	
		Task#4 - Deliver operational stakeholder presentation	
		Task#5 - Deliver non-operational community stakeholder presentation	
		Task#6 - Develop overview of revised plans	
Milestone 2 - Conduct Two Trainer the Trainer Programs			
		Task#1 - Identification of trainers cadre	
		Task#2 - Develop presentation	
		Task#3 - Deliver materials to EMD	
		Task#4 - Teach Train the Trainer Courses	
		Task#5 - Develop and deliver AAR	
Phase IV			
Milestone 1 - Provide AAR to Evaluate Results of FNSS Revisions			
		Task#1 - Meet with EMD to develop evaluation methodology	
		Task#2 - Develop and deliver AAR	
Phase V			
Milestone 1 - FNSS Project Closeout and Transition			
		Task#1 - Meet with EMD to coordinate close-out steps	
		Task#2 - Deliver 3 year binders	

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **CITY ATTORNEY – WORKERS’ COMPENSATION**



Your Committee requested that the City Attorney’s Office report back on engaging a consultant to give recommendations on Workers’ Compensation and dollars expended. Attached is the City Attorney’s response.

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

MAS:MBC:04130114

Question No. 26

Attachment

MEMORANDUM

TO: The Honorable Budget and Finance Committee

FROM: Office of the City Attorney

DATE: May 7, 2013

SUBJECT: Budget and Finance Committee Question No. 26 – Engaging a consultant to give recommendations on Workers’ Compensation and dollars expended.

This Office has initiated various efforts to work closely with the Personnel Department and other City Departments to reduce the City’s Workers’ Compensation costs. Among those efforts, we have prepared, and have provided to a number of departments, a training course on the legal and administrative requirements. With the knowledge provided by that training, City staff are able to provide better service to City employees, comply with legal requirements, avoid penalties and identify cases of potential fraud. Our Office will continue to work closely with the Personnel Department to identify and implement measures and other efforts to reduce Workers’ Compensation Costs.

As the administrator of the Workers’ Compensation program for the City, the Personnel Department is in a better position to comment on the potential benefits of engaging a consultant to give recommendations on Workers’ Compensation and dollars expended. We are aware of a recent audit of Workers’ Compensation by the Controller. There might be benefits to having a consultant perform a study once the scope of the City’s needs in that regard is determined and the timing is considered. Since new Workers’ Compensation legislation went into effect recently, it might be advisable to have some experience with the new requirements in order for a study to be more useful.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **ZOO DEPARTMENT – FESTIVAL OF LIGHTS AT GRIFFITH PARK**

Your Committee requested the Zoo Department to report back on the cost and options for bringing back the Festival of Lights at the Zoo / Griffith Park. The Department reports that a comprehensive review would be required to ascertain the cost, revenue opportunities, sponsorship opportunities and other surrounding competition. The Department requests that this question be considered as a long term report back. The Department's response is attached.

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

MAS:DP:08130160c

Question No.228

CITY OF LOS ANGELES
LOS ANGELES ZOO
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 6, 2013

TO: MIGUEL A. SANTANA, City Administrative Officer
Office of the City Administrative Officer

FROM: JOHN R. LEWIS, General Manager
Zoo Department



SUBJECT: **2013-14 BUDGET MEMO RESPONSE – QUESTION NO. 228**

In order to accurately assess the opportunity to establish the Festival of Lights at the Los Angeles Zoo, a comprehensive review would need to be conducted and a longer-term study required. Anecdotal research demonstrates that several zoos across the country have very successful holiday lights programs. However, they are very expensive and labor intensive and require a proper business plan in order to assess its viability at the Zoo. Among the factors that would need to be considered and quantified is the cost, revenue opportunities, sponsorship opportunities and other surrounding seasonal competition. It is recommended that the Zoo provide a comprehensive report back with the necessary detailed information.

JRL:DMV/lg

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **NEIGHBORHOOD EMPOWERMENT – REQUEST FOR AS-NEEDED FUNDING FOR NEIGHBORHOOD COUNCIL FUNDING PROGRAM STAFF**

Your Committee requested the Department of Neighborhood Empowerment (Department) to report back on the request of \$250,000 to support the Neighborhood Council Funding Program checking account system.

As part of the Department's 2013-14 Proposed Budget submittal, the Department requested new funding in the amount of \$250,000 for as-needed staffing. Funding in the amount of \$40,000 was provided to the Department for as-needed staffing. There was no reduction to the Department's As-needed Account. Further, the Department was also authorized as-needed employment authority for the following positions:

- Accounting Clerk I
- Clerk Typist
- Student Professional Worker
- Accountant I
- Auditor I
- Administrative Intern I

This memorandum is for informational purposes only. There is no fiscal impact. The Department's response is attached.

MAS:DP:08130165c

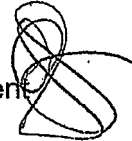
Question No.218

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

DATE: May 7, 2013

TO: Miguel Santana, City Administrative Officer

FROM: Grayce Liu, General Manager
Department of Neighborhood Empowerment



**SUBJECT: REPORT BACK ON THE DEPARTMENT'S REQUEST OF \$250,000
IN SUPPORT OF THE NEW NEIGHBORHOOD COUNCIL FUNDING
PROGRAM**

Budget Report Request No. 218

The Budget and Finance Committee requested a report back on the impact of the reduced level of proposed funding for the as needed Neighborhood Council Funding Program staff from \$250,000 to \$40,000.

The Department of Neighborhood Empowerment (Department) is implementing a new Neighborhood Council Funding Program based on a checking account system on July 1, 2013. To support the implementation of this program, the Department has already requested the addition of an Accountant I to assist with monthly fiscal review of the 95 Neighborhood Councils.

With the initial start-up of the new program, however, the Department expects a lot of troubleshooting, extra training for Neighborhood Councils, more interaction with the Controller's Office and Office of Finance and adjustments to the program's policies and procedures to address any problems. Because of this anticipated workload and because the Department is unsure of what types of positions will be needed for these issues, the Department requested as needed funding in the amount of \$250,000 for the following position authorities: Clerk Typist, Student Professional Worker, Administrative Intern, Accounting Clerk I, Accountant I and Auditor I. These positions would support not only the Department, but would also be available to send out in the field to assist the Neighborhood Councils regionally with the new accounts as well.

The Department is concerned that the reduction of the proposed \$250,000 budget to \$40,000 for program resources would adversely impact the proper establishment and implementation of the new Neighborhood Council Funding Program and leave the City open to criticism and potential liability regarding any misuse of City funds either deliberately, or more likely, unintentionally by Neighborhood Councils because of the learning curve with the new system.

Miguel Santana, City Administrative Officer
May 7, 2013
Page 2

Further, additional funding is even more necessary because of the loss of \$120,000 in salary savings from Fiscal Year 2011-2012 to develop an electronic funding platform for Neighborhood Councils. These funds were inadvertently lost this fiscal year because of an accounting error, which was discovered after the Department submitted its proposed budget. While a more elaborate electronic funding platform is unnecessary with the new Funding Program because of the elimination of most of the demand warrant requests, the Department will still need funds to develop a tracking and case management system to keep up with the monthly reconciliations now required from Neighborhood Councils.

The Department expects that once the initial establishment of the Neighborhood Council Funding Program is completed in Fiscal Year 2013-2014, the requested \$250,000 will not be necessary for Fiscal Year 2014-2015. As such, the Department is proposing that additional funding be provided by salary savings and unused Neighborhood Council election outreach funds from the current fiscal year to limit the impact to the General Fund.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **NEIGHBORHOOD EMPOWERMENT – SAVINGS AND UNSPENT FUNDS TO SUPPORT THE NEIGHBORHOOD COUNCIL FUNDING PROGRAM**

Your Committee requested the Department of Neighborhood Empowerment (Department) to report back on the ability of using salary savings and unspent encumbered outreach funds to support the funding program.

In a letter dated April 23, 2013 to your Committee, the Department requests that any salary savings and unused election outreach funds be reappropriated to the Department's 2013-14 budget to hire as-needed staffing support (Attached).

The Department reports that any savings would be used to hire as-needed employees to assist with the administration of the Neighborhood Council Funding Program. This would not have an impact to future outreach because any unspent funds would revert at the end of the current fiscal year. The Department's response is attached.

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

MAS:DP:08130164c

Question No.217

CITY OF LOS ANGELES
CALIFORNIA

BOARD OF NEIGHBORHOOD
COMMISSIONERS

PAUL PARK
PRESIDENT

LEONARD SHAFFER
VICE PRESIDENT

DOUGLAS EPPERHART
DANIEL GATICA
LINDA LUCKS
KAREN MACK

JANET LINDO
Executive Administrative Assistant
TELEPHONE: (213) 978-1551



ANTONIO R. VILLARAIGOSA
MAYOR

DEPARTMENT OF
NEIGHBORHOOD EMPOWERMENT

20th FLOOR, CITY HALL
200 NORTH SPRING STREET
LOS ANGELES, CA 90012

TELEPHONE: (213) 978-1551
TOLL-FREE: 3-1-1
FAX: (213) 978-1751
E-MAIL: dono@lacity.org

GRAYCE LIU
GENERAL MANAGER

www.EmpowerLA.org

April 23, 2013

Honorable Members of the
Budget and Finance Committee
c/o Erika Pulst, City Clerk
Room 395, City Hall
Los Angeles, CA 90012

Dear Honorable Members:

The Department of Neighborhood Empowerment (Department) wishes to first thank Mayor Villaraigosa and his budget team and City Administrative Officer Miguel Santana and his budget team for working with the Department to find sufficient funding and resources to maintain the majority of the services to the Neighborhood Councils for the FY 2013-2014.

The Department respectfully requests the Budget and Finance Committee to consider the following changes to the Department's proposed budget:

- Out of the \$250,000 requested by the Department for as needed staff for the new checking account funding program being set up in the new fiscal year, the Department received \$40,000. In addition, the Department did not receive the requested \$20,000 to support its work for the Congress of Neighborhoods and the Neighborhood Council Budget Advocates. Further, \$120,000 in Department salary savings from FY 2011-2012, which was to be used to establish an online funding platform, was not properly encumbered and reverted back to the General Fund.
- In light of the budget deficit, the Department proposes any salary savings from this current fiscal year and \$162,243 in unused Neighborhood Council election outreach encumbrance funds from this current fiscal year be moved to the as needed salary account for the Department in FY 2013-2014 to support the proper establishment of the new Neighborhood Council funding program and the Department's work in supporting the Congress of Neighborhoods and the Neighborhood Council Budget Advocates.

Thank you for your consideration. If you have any further questions, please do not hesitate to contact me at (213) 978-1153.

Sincerely,

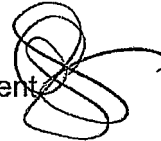
GRAYCE LIU
General Manager

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 7, 2013

TO: Miguel Santana, City Administrative Officer

FROM: Grayce Liu, General Manager
Department of Neighborhood Empowerment



**SUBJECT: REPORT BACK ON THE ABILITY OF USING SALARY SAVINGS
AND ENCUMBERED OUTREACH FUNDS TO SUPPORT THE
FUNDING PROGRAM**

Budget Report Request No. 217

The Budget and Finance Committee requested a report back on how the ability of using the Department of Neighborhood Empowerment (Department) current year salary savings and Neighborhood Council unused encumbered outreach funds would impact future outreach for the Neighborhood Councils.

Currently, the Department anticipates approximately \$30,000-\$40,000 in salary savings this fiscal year. Any salary savings would revert back to the General Fund at the end of this fiscal year and would not be available for future Neighborhood Council outreach.

The Neighborhood Councils were allowed to encumber their Fiscal Year 2011-2012 funds specifically for Neighborhood Council Fiscal Year 2012-2013 elections outreach. Out of the \$444,704.28 encumbered by the Neighborhood Councils, \$162,242.76 was unspent. Any unused election outreach funds would also revert back to the General Fund at the end of this fiscal year and would not be available for future Neighborhood Council outreach.

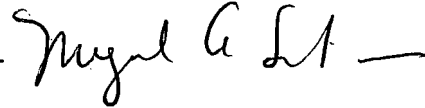
In the Department's proposed Fiscal Year 2013-2014 election funding, the Department has already set aside \$100,000 for election outreach. While additional outreach funds are always welcome and useful, the Department would prioritize the successful establishment of the new Neighborhood Council Funding Program with the anticipated salary savings and unused election outreach funding from this fiscal year if possible.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **ETHICS COMMISSION – TWO AUDITOR POSITIONS**

Your Committee requested this Office to report back on the impact of adding two Auditor positions to the City Ethics Commission, including funding options and alternatives to address workload issues without adding two additional positions. The City Ethics Commission prepared the attached response relative to alternatives to adding positions to the Department, including the utilization of contract auditors.

Below is a summary of the options identified to address workload issues in auditing the 2013 elections:

Option 1: Add two Auditor I resolution authorities – Based on an annual salary of \$58,193 for one Auditor I, the estimated direct costs of two Auditor I positions are \$116,386 and the related costs are \$31,226, for a total cost of approximately \$147,612 per year. This option is requested by the Ethics Commission so that two Auditor Is may be hired full time for at least three years to complete audits of the 2013 elections within the statute of limitations.

Option 2: Utilize as-needed Auditor I position authorities – Based on an hourly rate of \$27.87 per hour and 1,040 hours per year, the estimated cost of employing four as-needed Auditor Is (to equate to two full-time Auditor Is) would total approximately \$115,939 per year. There would be no related costs as long as as-needed staff does not work more than 1,040 hours per year. The Ethics Commission indicates that while this option may be feasible, it is not a desired alternative because it would require re-training each new as-needed Auditor on the City's laws and protocols every six months.

Option 3: Utilize contract auditors – A third option would be to utilize auditors from the Controller's Office or utilize contract auditors. Based on an average hourly rate of \$80 per hour (fully burdened) for the contract auditors currently utilized by the Controller's Office, the estimated cost of employing two full-time auditors would be approximately \$334,080. However, it should be noted that the contract auditors employed by the Controller's Office are typically only used as subject matter experts and do not to supplement audit staff shortages. The Ethics Commission has raised concerns about the potential conflicts of interests and confidentiality issues associated with utilizing staff from an elected office, which is regulated by the Ethics Commission, or contract auditors. The Ethics Commission notes that the City Charter requires that Ethics Commission employees handle information related to audits and political activity confidentially, but the requirement does not extend to contractors or employees of other departments.

Should the City Council opt to provide the Ethics Commission additional resources to conduct audits, it is recommended that two Auditor I resolution authorities be added with no funding. The recommended option takes into account the Ethics Commission's concerns relative to conflict of interests and confidentially, estimated costs of contract auditors and the time limitations of utilizing as-needed auditors. Funding for the two Auditor I positions would be transferred to the Ethics Commission's Salaries General Account during the fiscal year from projected savings in the Contractual Services Account, which includes funds set aside for the Special Prosecutor.

MAS:MBC:04130115

Question No. 235

Attachment




Los Angeles City Ethics Commission

May 7, 2013

To: The Honorable Budget and Finance Committee

Cc: Erika Pulst, Legislative Assistant
Mara Corella, Analyst, CAO's Office

From: Heather Holt, Executive Director 

Subject: **Response to Committee Question No. 235**

Yesterday, as part of the Ethics Commission's budget hearing, a report back from the CAO's office was requested for committee question 235. In coordination with the CAO's office, we are providing this memo for consideration as part of that report back. If we can provide additional information, please let us know.

QUESTION NO. 235

Report on the impact of adding two auditor positions. Include funding options, as well as alternative options to address workload issues without adding two additional positions.

As noted at our budget hearing, we will need more than the two auditors we currently have on staff to complete the candidate committee audits associated with the 2013 elections within the four-year statute of limitations. We will need at least two additional full-time, year-round auditors to timely comply with our audit responsibilities. Without adding auditors, we will not be able to complete the 2013 audits until early 2020.

A. Staff/Contract Auditors from Controller's Office

It was suggested during the hearing that additional auditors could be provided to us from the pool of audit staff or contract auditors in the Controller's office. While we are open to suggestions that ease the financial implications of the 2013 audit work load, we do have concerns about this particular suggestion that are related to conflicts of interests and confidentiality.

The Controller's office is an elected office that is regulated by the Ethics Commission. Using staff from that office to conduct audits of campaign committees could place those staff members in the position of holding incompatible offices. The primary loyalty of those individuals is, as it must be, with the Controller's office. To avoid conflicts, however, our auditors need to be free from other City obligations.

The City Charter requires the Ethics Commission to conduct all its business, including audits, in an "impartial and effective" manner. Charter § 702. If audits that are required to be conducted by a non-elected office are done by staff or contractors from an elected office, public confidence in those audits is likely to be lacking. The integrity of the audit process in general and the validity of specific audit findings could legitimately be questioned. Whether it is an audit report with no material findings for political allies of the Controller's office or an audit report with material findings for political rivals, the public is likely to assume that bias played a role. Furthermore, the universe of City campaign treasurers, consultants, fundraisers, and vendors is limited, so the number of committees with absolutely no connection to an elected office is very small.

Additional conflict issues arise when auditors are outside contractors, because they are likely to contribute to City campaigns and, therefore, be regulated by the Ethics Commission, themselves. A quick search of public records filed with the Ethics Commission identifies at least two persons associated with a prominent contract auditing firm who made political contributions in the current City elections.

In addition to concerns regarding conflicts, there is also the issue of confidentiality. Auditors are privy to sensitive information related to the audits and political activity of other candidates and elected officials. The City Charter requires Ethics Commission employees to treat this information confidentially, but the requirement does not extend to contractors or employees of other departments. Charter § 706(a)(2). Furthermore, no privilege that would serve to protect confidentiality, such as the attorney-client privilege, applies to outside auditors.

B. As-needed Staff

As-needed Ethics Commission staff would eliminate the concerns associated with conflicts of interests and confidentiality that arise in the context of Controller's staff or contractors. However, there are constraints on the number of hours that an as-needed staff member can work in a given year.

If as-needed staff are utilized, we will need the authority to fill at least four auditor positions for FY13-14. Because an as-needed staff member cannot work more than 1,040 hours in a fiscal year without becoming entitled to benefits, we would need two staff members to complete a year's worth of one person's full-time work.

There are training and learning curve challenges associated with having to replace auditors every six months. While some aspects of the auditing we do are standard accounting, there are complexities in the campaign finance arena that have to be learned. In addition, because auditing is one end of the investigation spectrum, our auditors must also act as investigators who can spot activity that flags potential violations such as money laundering.

These challenges are likely to delay our ability to complete the 2013 audits within the statute of limitations, but delay poses a lesser concern than potential conflicts of interests or the lack of confidentiality.

C. No Additional Staff

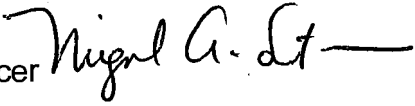
As stated at the budget hearing, we will need at least two additional full-time, year-round auditors to timely comply with our audit responsibilities. With two additional auditors for three years, we will be able to meet our 2013 audit mandate within the statute of limitations. Without adding at least two full-time, year-round auditors, we will not be able to complete the 2013 audits until early 2020.

And the delay would not be limited to the 2013 elections. The audit queue will continue to grow with each election. So the 2015, 2017, and 2019 regular elections will also likely be out of compliance with the statute of limitations. This extends to any special elections held during that time period, as well.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **HOUSING AND COMMUNITY INVESTMENT DEPARTMENT – TRANSFER OF POSITIONS FROM THE COMMUNITY DEVELOPMENT DEPARTMENT**

Your Committee requested this Office to report back on the following items related to the transfer of positions from the Community Development Department (CDD) to the Housing and Community Investment Department (HCID):

1. What are the 31 positions being added to the new department and what are the workload indicators?

The 31 resolution positions added to HCID are resolution authorities that were previously authorized in CDD to support the Human Relations Commission, Human Services programs, and Workforce Development programs. These positions include:

- 9 Senior Project Coordinator
- 6 Senior Project Assistant
- 6 Project Coordinator
- 3 Project Assistant
- 3 Human Relations Advocate
- 2 Program Aide
- 1 Accounting Clerk II
- 1 Assistant Chief Grants Administrator

2. Reconcile all position changes, both regular and resolution authority transferred between CDD and HCID and the Economic Development Department (EDD). Indicate which positions are currently filled.

Please see the Attachment for position changes. All of the 31 resolution positions transferred are filled. There are five vacant regular positions transferred. The vacant regular positions are one Senior Management Analyst I, one Principal Accountant I, one Environmental Supervisor I, one Departmental Chief Accountant II, and one Management Analyst II.

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

ATTACHMENT

MAS:MMR/JLK:02130118C

Question No.193

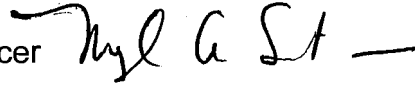
Classification	CDD Authorized Positions			Proposed Budget										TOTAL Positions
	FY 2012-13 Regular Position Authorities	FY 2012-13 Resolution Position Authorities	FY 2012-13 Authorized Positions	Changes to CDD Position Authorities	CDD HR Position Personnel	CDD to Regular Housing Positions	CDD to Resolution Housing Positions	City Clerk BID Positions to EDD	CAO Position to EDD	CDD to EDD Regular Positions	New EDD Resolution Positions	Continued EDD Resolution Positions		
ACCOUNTANT II	5	0	5	1	0	2	0	0	0	4	0	0	6	
ACCOUNTING CLERK I	1	0	1	0	0	0	0	0	0	1	0	0	1	
ACCOUNTING CLERK II	6	2	8	-1	0	2	1	1	0	4	0	0	8	
ADMIN INTERN	0	0	0	0	0	0	0	0	0	0	0	0	0	
ASSISTANT GENERAL MANAGER	2	1	3	0	0	1	0	0	0	1	0	1	3	
ASST CH GRANTS ADMINSTR	2	2	4	0	0	1	1	0	0	1	0	1	4	
AUDITOR II	6	0	6	-2	0	1	0	0	0	3	0	0	4	
CH GRANTS ADMIN	1	0	1	0	0	0	0	0	0	1	0	0	1	
CH MANAGEMENT ANALYST	3	0	3	-1	0	0	0	0	0	2	0	0	2	
CLERK	1	0	1	0	0	0	0	0	0	1	0	0	1	
CLERK TYPIST	18	0	18	-1	0	6	0	0	0	11	0	0	17	
COMMISSION EXEC ASST II	1	0	1	0	0	0	0	0	0	1	0	0	1	
COMMUNITY PROGRAM DIRECTOR	0	3	3	-1	0	0	0	0	0	0	0	2	2	
COMNTY PROGRAM ASST I	0	0	0	2	0	0	0	0	0	1	0	1	2	
COMNTY PROGRAM ASST III	0	1	1	0	0	0	0	0	0	0	0	1	1	
DATA BASE ARCHITECT	0	1	1	0	0	0	0	0	0	0	0	1	1	
Data Control Assistant II	0	0	0	0	0	0	0	0	0	0	0	0	0	
DEPT CHIEF ACCT II	1	0	1	0	0	1	0	0	0	0	0	0	1	
DEPT CHIEF ACCT IV	1	0	1	0	0	0	0	0	0	1	0	0	1	
DIR OF SYSTEMS	1	0	1	0	0	0	0	0	0	1	0	0	1	
ENVIRONMENTAL AFFRS OFC	1	0	1	0	0	1	0	0	0	0	0	0	1	
ENVIRONMENTAL SPEC II	1	0	1	0	0	1	0	0	0	0	0	0	1	
ENVIRONMENTAL SUPVR I	1	0	1	0	0	1	0	0	0	0	0	0	1	
EXEC ADMIN ASST II	2	0	2	0	0	1	0	0	0	1	0	0	2	
EXEC ADMIN ASST III	1	0	1	0	0	0	0	0	0	1	0	0	1	
Field Engineering Aide	0	0	0	0	0	0	0	1	0	0	0	0	1	
FISCAL SYSTEMS SPEC I	1	0	1	0	0	0	0	0	0	1	0	0	1	
FISCAL SYSTEMS SPEC II	1	0	1	0	0	0	0	0	0	1	0	0	1	
GENERAL MANAGER	1	0	1	0	0	0	0	0	0	1	0	0	1	
HUMAN REL ADVOCATE	0	3	3	0	0	0	3	0	0	0	0	0	3	
INDUST COMRCL FIN OFR I	2	2	4	-1	0	0	0	0	0	1	0	2	3	
INDUST COMRCL FIN OFR II	1	0	1	0	0	0	0	0	0	1	0	0	1	
MANAGEMENT AIDE	2	0	2	-1	0	0	0	0	0	1	0	0	1	
MANAGEMENT ANALYST I	4	0	4	2	0	1	0	0	0	5	0	0	6	
MANAGEMENT ANALYST II	53	1	54	-7	0	19	0	2	0	27	0	1	49	
MANAGEMENT ASSISTANT	3	0	3	1	0	0	0	0	0	4	0	0	4	
NEIGHBRHD EMP ANALYST	0	0	0	0	0	0	0	0	0	0	0	0	0	
Office Engineering Technician II	0	0	0	0	0	0	0	2	0	0	0	0	2	
PAYROLL SUPERVISOR I	1	0	1	0	0	0	0	0	0	1	0	0	1	
PR ACCOUNTANT I	0	1	1	1	0	1	0	0	0	0	0	1	2	
PR ACCOUNTANT II	1	0	1	0	0	0	0	0	0	1	0	0	1	
PR CLERK	1	0	1	-1	0	0	0	1	0	0	0	0	1	
PR PROJECT COORDINATOR	0	0	0	0	0	0	0	0	0	0	1	0	1	
PROGRAM AIDE	0	4	4	-1	0	0	2	0	0	0	0	1	3	
PROGRAMMER ANALYST V	0	1	1	0	0	0	0	0	0	0	0	1	1	
PROJECT ASSISTANT	0	5	5	1	0	0	3	0	0	0	0	3	6	
PROJECT COORDINATOR	0	11	11	0	0	0	6	0	0	0	2	5	13	
SECRETARY	3	0	3	0	0	1	0	0	0	2	0	0	3	
SR ACCOUNTANT I	1	0	1	0	0	0	0	0	0	1	0	0	1	
SR ACCOUNTANT II	6	0	6	0	0	3	0	0	0	3	0	0	6	
SR AUDITOR	4	0	4	-1	0	1	0	0	0	2	0	0	3	
SR CLERK TYPIST	17	0	17	1	1	7	0	2	0	10	0	0	20	
SR MGMT ANALYST I	18	0	18	-1	0	6	0	1	0	11	0	0	18	
SR MGMT ANALYST II	9	1	10	0	0	4	0	0	1	5	0	1	11	
SR PROJECT ASSISTANT	0	28	28	-3	0	0	6	0	0	0	0	19	25	
SR PROJECT COORDINATOR	1	20	21	0	0	1	9	0	0	0	2	11	25	
SR SYSTEMS ANALYST I	2	0	2	-2	0	0	0	0	0	0	0	0	0	
SR SYSTEMS ANALYST II	3	1	4	0	0	1	0	0	0	2	0	1	4	
SYSTEMS AIDE	1	0	1	0	0	1	0	0	0	0	0	0	1	
SYSTEMS ANALYST II	1	4	5	2	0	3	0	0	0	4	0	0	7	
TOTAL	192	92	284	-13	1	67	31	10	1	119	5	53	287	

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **DEPARTMENT OF BUILDING AND SAFETY – SUPERINTENDENT OF BUILDING AND CHIEF FINANCIAL OFFICER POSITIONS**

Your Committee requested this Office to report back on the following two items related to positions allocated in the Department of Building and Safety (LADBS):

1. Report back on bluebook item 41 on page 45 and the possible impacts of eliminating this position (Superintendent of Building). What would it cost to add the position back. Additionally provide the work load indicators which were used to justify the addition of a Chief Financial Officer position.

2. Report back on the need for a CFO and the impact of deleting this reallocation.

The Proposed Budget assumes that all LADBS positions except the Superintendent of Building (Class Code 9205) will be transferred to the City Planning and Development Department (CPDD) effective January 1, 2014. Although the Superintendent of Building is currently identified as the City's Building Official, the Deputy Superintendent of Building II (Class Code 9201-2) holds the appropriate certifications to fulfill the State's requirements to serve as the City's Building Official.

The Budget and Finance Committee instructed our Office to report back on the classification options available to fulfill the City's Building Official function. For instance, could the Superintendent of Building (Class Code 9205) be downgraded from a General Manager level position to an Assistant General Manager position? If so, what would be the process to effectuate this change? Alternatively, could the Deputy Superintendent of Building II (Class Code 9201-2) classification be used to fulfill the State's requirements, if an ordinance is adopted identifying that classification as the City's Building Official?

Since the Superintendent of Building (Class Code 9205) and the Deputy Superintendent of Building II (Class Code 9201-2) are allocated through December 31, 2013 in LADBS, our Office, with the assistance of the Personnel Department and the City Attorney's Office, should be instructed to report back, as part of the overall development services consolidation report back, with a recommendation on which classification should be continued past December 31, 2013 to fulfill the role of the City's Building Official. The Proposed Budget should be amended to add regular authority for a Superintendent of Building (Class Code 9205) without funding to the CPDD budget. If the position is restored with funding, an additional salary appropriation of \$117,000 from the Building and Safety Enterprise Fund will need to be allocated to the CPDD budget.

The Chief Financial Officer (CFO) resolution authority replaces an existing Deputy Superintendent of Building I regular authority as the Department's Executive Officer over the Resource Management Bureau. The CFO will be responsible for establishing and monitoring financial goals and objectives, directing budget formulation and management, overseeing the implementation of BuildLA, and maintaining financial control over the Department's special and enterprise funds which total over \$100 million. If the CFO were deleted, a Deputy Superintendent of Building I authority would need to be restored to oversee the Resource Management Bureau. There is no fiscal benefit to deleting the CFO position since the add/delete was a zero dollar item.

Upon transfer to the City Planning and Development Department, the CFO will have the additional responsibilities of managing over 150 employees, managing the use and expenditure of funds from 18 different funding sources, ensuring revenue collections in excess of \$150 million, developing a comprehensive financial and business plan which integrates existing plans with the plans from the consolidated services, implementing all aspects of the development services consolidation from the business processes to the financial processes to the systems processes, and representing the Department at meetings with the Office of the Mayor, City Council Offices, the Chief Legislative Analyst and the City Administrative Officer.

RECOMMENDATION

Instruct the Office of the Chief Legislative Analyst to add a recommendation to the Budget and Finance report on the Proposed Budget to add regular authority for a Superintendent of Building (Class Code 9205) without funding to the City Planning and Development Department budget.

FISCAL IMPACT STATEMENT

There is no fiscal impact to the General Fund.

MAS:JLK:02130115

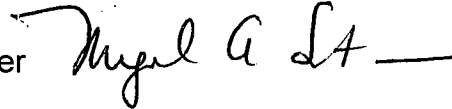
Question No.172 and 222

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **CULTURAL AFFAIRS – REPORT BACK ON THE PROPOSED CITYWIDE MURAL PROJECT**

During consideration of the Department of Cultural Affairs 2013-14 Proposed Budget, the Committee asked Cultural Affairs to report back on the murals program and if funds for the murals program could be reallocated to other arts projects at the request of a particular council district. Attached is the Department's response.

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

MAS:EOS:08130163

Question No. 150

Attachment

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Honorable Members of the Budget and Finance Committee

From: Olga Garay-English, General Manager *OG*
Department of Cultural Affairs

Subject: **REPORT BACK ON THE PROPOSED CITYWIDE MURAL PROJECT**

At its meeting of May 2, 2013, the Budget and Finance Committee inquired as to whether or not funds allocated for the proposed Citywide Mural Project can be reallocated to other arts projects as desired by a specific Council district. Fundamentally, the Department of Cultural Affairs (DCA) proposes to work collaboratively with Council offices in determining how their respective share of murals funding is programmed in their districts. DCA recommends that existing mural inventory assessments be conducted in each council district as part of the development of district-specific expenditure plans. DCA will encourage each Council Office to invest these resources in mural projects, many of which are located on City property and facilities, prior to any reallocation of funding for alternative public art projects and activities.

This information provided below seeks to provide additional detail and context for the proposed Citywide Mural Project. DCA also respectfully recommends that the City Council consider maintaining the appropriation for this item in the DCA budget rather than transferring these proposed funds to the Unappropriated Balance (UB) in order to be able to move forward with the program as soon as the new fiscal year begins and the murals ordinance is approved.

BACKGROUND

Los Angeles has often been called the "Murals Capital of the World" with more murals on its walls than any other city. Murals have been created throughout Los Angeles communities by artists with various arts traditions reflecting the city's ethnic diversity. Because of Los Angeles' rich cultural heritage, its temperate climate, and its abundance of blank walls, murals have become a permanent part of our cultural identity.

In the late 1960's there was a renaissance of mural activity in Los Angeles. The County as well as the City of Los Angeles began to fund public murals in the 1970's. By 1973 the County of Los Angeles was sponsoring ten non-community based abstract murals per year.

In 1980 oversight of the Citywide Mural Project was officially transferred to the newly formed Cultural Affairs Department and continued to operate on a small budget until 1984. In 1986, the City adopted a Comprehensive Sign Code to address citywide signage issues. As part of the Code, a definition of a *mural sign* was included in an attempt to differentiate murals from

advertisements. Prior to the 1986 ordinance, murals were not defined and therefore not regulated.

In 2002, the City's exemption for fine art murals from the Comprehensive Sign Code was challenged on the grounds that the City was unconstitutionally privileging one type of protected speech over another. The court ruled to place a general ban on outdoor advertising while creating legislation to establish "sign districts" to permit outdoor advertising in designated areas. This ban included *mural signs*.

Beginning in 2008, a handful of Council motions instructed relevant City departments to develop mechanisms to exempt murals from the sign code ban, and the Department of Cultural Affairs (DCA) has proposed potential new approaches to permit murals.

In October 2011, the City Council instructed the Department of City Planning, in consultation with the City Attorney, to prepare and present an ordinance to preserve existing murals and permit the creation of new murals throughout the City. The Department of City Planning held numerous meetings to gather input from the arts community and other stakeholders.

In July 2012, the City Planning Commission (CPC) heard and deliberated on a proposed ordinance to allow the creation and preservation of Original Art Murals. This draft ordinance has experienced numerous revisions based on public testimony and Planning Commission recommendations and is now being reviewed by the City Attorney's Office before being presented to the full Council.

NEW MURAL ORDINANCE

In January 2013, the Planning and Land Use Management (PLUM) Committee instructed the City Attorney to modify the proposed mural ordinance and transmit it to the City Council.

The New Mural Ordinance will establish new definitions for Original Art Mural and Vintage Art Mural to replace the old definition of a "mural sign." In summary, the new ordinance intends to:

- Lift the 2002 ban on murals on private property;
- Exempt new and existing murals from current prohibitions that apply to murals when regulated as signs;
- Direct property owners to register murals with DCA; and,
- Increase public access to and community participation in the creation of original works of art.

As part of the ordinance, DCA has been instructed to develop and implement Administrative Rules that will govern a mural registration process consistent with the provisions of the adopted ordinance. DCA anticipates that the ordinance will be presented to the full City Council prior to the conclusion of the fiscal year.

PRESERVATION NEEDS & MURALS ON CITY PROPERTY

Historically, the Department of Cultural Affairs has provided funding to support the preservation of existing murals and the creation of new murals citywide. Due to budget constraints, City

support for the creation of new murals was discontinued in 1999, and funding for the preservation of existing murals was eliminated in 2004.

It is estimated that over 25% of the City-supported murals have been destroyed or painted over as a result of vandalism, change in property ownership and fear of citation by the City under the current "ban" on murals. DCA is increasingly concerned about the loss of historically significant murals throughout Los Angeles.

In addition, the City has invested significant resources since the 1980s in the creation of murals on City property. DCA estimates that the City has commissioned over 250 murals on City property including Housing developments, Recreation and Parks facilities, Art centers and Public Works buildings. For the most part these murals have not been adequately maintained and many are in desperate need of conservation.

PROPOSED CITYWIDE MURALS PROJECT

Given the deferred maintenance on murals on City property and the lack of mural preservation support by the City in recent years, DCA proposes the implementation of a Citywide Murals Project primarily intended to support the restoration of historically significant vintage art murals and to provide funding for the creation of new murals.

As part of the development of the new mural ordinance, DCA has prepared various resources in order to quickly implement and deploy the proposed initiative, including:

- o A database inventory of city-sponsored murals throughout Los Angeles;
- o A ranked list of historically significant murals developed by a group of academics, artists & community stakeholders;
- o A citywide mural anti-graffiti coating survey from 2010;
- o A pre-qualified list of on-call conservators; and,
- o A draft RFQ for "wall artists" ready for release.

While these tools could be utilized for immediate implementation of mural preservation activities, DCA recommends that the Department be instructed to report back to the City Council with a comprehensive implementation plan for Council consideration and approval.

While the funding for the program is proposed as one-time support, DCA will work to replenish and supplement the proposed one-time City resources by leveraging partnerships with corporate and philanthropic entities. DCA will also explore the potential use of private development fees to support mural activities in the future.

Please contact Matthew Rudnick at (213) 202-5533 if you have further questions or require additional information.

Cc: Elaine Owens-Sanchez, Office of the City Administrative Officer

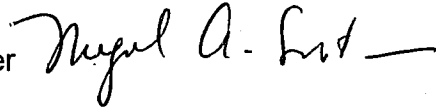
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

Memo No. 83

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: TRANSPORTATION - CROSSING GUARD PROGRAM – EXHIBIT H

Your Committee requested a report back on the Crossing Guard program services provided to public and private schools. The Crossing Guard program is administered by the Department of Transportation (DOT) for the Los Angeles Unified School District (LAUSD) elementary schools and private schools throughout the City of Los Angeles and is funded by the Traffic Safety Fund. Assignments are based on locations which meet certain criteria warrants to authorize the placement of a Crossing Guard at a qualifying location. DOT reports services are provided to approximately thirteen private schools in various locations which do not share a corner in conjunction with a public school (See attached list provided by DOT).

The request to explore various alternative service delivery options is reasonable as it allows the City an opportunity to review current labor agreements for structural savings and to explore public private partnerships.

This report is for information only. There is no fiscal impact.

MAS:IR:06130077

Question No. 284

**CROSSING GUARD SERVICES AT
PRIVATE SCHOOL LOCATIONS WITH NO SHARED CORNERS**

Attachment

Area	Private School	Street
<i>Western Area</i>	St Pauls	Selby Ave
	First Luthern	Venice Blvd
	St Jerome	Thornburn Street
	St Anastasia	Stanmoor Dr
	Corpus Christi	Toyopa Dr
<i>East Valley Area</i>	St Patricks	
<i>West Valley Area</i>	Valley Beth Shalom	
	Saint Mel's	
<i>Hollywood/Central Area</i>	Our Lady of Loretto	Court & Union
	Resurrection	Opal & Lorena
	All Saints	Portola Ave
	St Ignatius	Ave 60 & Marmion Way
	Yeshiva Rav Isacsohn	Clinton & La Brea

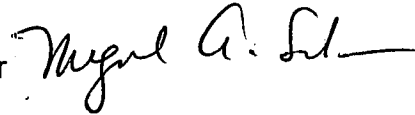
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 84

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: TRANSPORTATION - EXPOSITION BLVD BIKE PATH PHASE 2 PROJECT FUNDING GAP AND PROPOSALS ON HOW TO CLOSE THE FUNDING GAP

Your Committee requested a report back on the estimated funding gap for the Exposition Blvd Bike Path Phase 2 project. The total project funding was approved through the Metro Call for projects in 2009 and is designed and built by a private contractor through the design-build process. The project is funded at eighty percent by Metro and twenty percent by the City. The total project funding is \$11,855,000 and is funded as follows: Grant Funding at \$9,508,000 and Prop C Match Funding at \$2,377,000

DOT intends to use a portion of the proposed 13-14 Prop C Allocation to meet the match requirements and the balance will be used for future shortfalls as noted below:

Prop C Match	\$2,377,000
Less: TG Funds available	\$1,126,000
Less: Prop C 13-14 Allocation	\$1,251,000

DOT reports the original cost estimate for the project was \$16 million and due to insufficient funding the project was down scoped to keep costs in alignment with project funding available. Approximately \$4 million in project costs for the construction of retaining walls to be built along a portion of the bike path referred to as the "Trench" was deferred. DOT still plans to build the "Trench" and will combine the building of the "Trench" with the Expo Bike Path Northvale Segment project which is slated for construction in 2015. To meet a portion of the "Trench" shortfall, DOT intends to request another Prop C allocation in 2014-15 and will review other eligible funding sources for any savings to mitigate this remaining shortfall:

Trench Shortfall	\$4,000,000
Less: Prop C 13-14 Allocation	\$ 749,000
Less: Prop C 14-15 Allocation	<u>\$2,000,000</u>
Remaining Shortfall	\$1,251,000

This report is for information only. There is no fiscal impact.

MAS:IR:06130075

Question No. 155

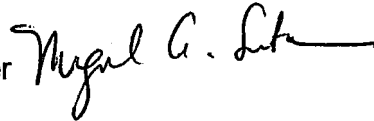
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

Memo No. 85

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **BUREAU OF STREET SERVICES – REPORT ON THE TRANSFER OF THE STRIPING FUNCTION AND COORDINATION OF STREET TRAFFIC IMPROVEMENTS BETWEEN TRANSPORTATION AND STREET SERVICES**

The Budget and Finance Committee requested a report back on the transfer of the striping function from the Department of Transportation to the Bureau of Street Services and the coordination of street traffic improvements between the two departments. The Bureau's response is attached.

RECOMMENDATION

Further analysis of this proposal is required. The Bureau of Street Services and Department of Transportation, with assistance of this Office, should be instructed to report back through the appropriate Council Committees, relative to transferring the striping function to the Bureau of Street Services. The report back should also include a discussion of steps that are currently being taken, and that can be taken to ensure that traffic safety installations are completed as quickly as possible subsequent to Pavement Preservation Plan related activities.

MAS:SMS:06130087c

Question No. 105

Attachment

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 6, 2013

TO: Budget and Finance Committee

FROM: Nazario Saucedo, Director
Bureau of Street Services

SUBJECT: **2013-14 BUDGET MEMO – QUESTION NO. 105**
TRANSFER OF STRIPING FUNCTION

The Budget and Finance Committee instructed the Bureau of Street Services (BSS) to report back on transferring the striping function from the Department of Transportation (DOT) to BSS. Prior to transferring the striping function from DOT to BSS, logistical issues would need to be considered, including but not limited to:

- Identification of the current level of resources (funding, staffing, equipment, material costs) allocated by DOT to this function;
- Identification of the facilities assigned Citywide to stage and to perform the striping function in an efficient manner; and,
- Allocation of resources to support departments (e.g., General Services Department) for maintenance of facilities and equipment relating to striping.

Detailed discussions have not yet occurred between BSS and DOT relative to the transfer of the striping function. It is recommended that BSS and DOT, with the assistance of the CAO, report back through the appropriate Council Committees relative to transferring the striping function effective January 1, 2014 (consistent with Question No. 186 that is identified as a "Special Study").

NS:RO:JFC:AN:vpv

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 86

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *MAS*Subject: **BUREAU OF CONTRACT ADMINISTRATION – REPORT ON THE RESTORATION OF TWO POSITIONS FOR THE CERTIFICATION PROGRAM**

The Budget and Finance Committee requested a report back on the restoration of two positions (one Management Analyst II and one Senior Clerk Typist) for the Certification program in the Bureau's Office of Contract Compliance. The Bureau's response is attached.

Approval of the Bureau's request to restore the two positions would result in a General Fund impact of \$207,706, consisting of \$145,726 in direct salary costs and \$61,980 for indirect costs. Alternatively, the Committee can find an offsetting reduction elsewhere in the budget.

*MAS:SMS:06130089c**Question No. 144*

Attachment

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Honorable Paul Krekorian
Budget and Finance Committee

From: John L. Reamer, Jr., Director
Bureau of Contract Administration 

Subject: 2013-14 BUDGET MEMO – QUESTION NO. 144

The Bureau of Contract Administration (BCA) is responding to your Committee's request to report back on the restoration of two positions (Management Analyst II and Senior Clerk Typist) for the Certification program in the Bureau's Office of Contract Compliance (OCC).

BCA provides compliance reviews for contract requirements prior to contract award. Staffing levels directly impact the efficiency with which these compliance reviews can be processed and, therefore, how long contract awards may be delayed. BCA also conducts complaint investigations and resolves issues of non-compliance. Elimination of these two positions would prevent the Bureau from being able to perform all DAA responsibilities under these ordinances.

Equal Employment Opportunity Enforcement (EEOE)

EEOE core duties:

- Non-Discrimination / Equal Employment Practices / Affirmative Action (ND/EEP/AA) – administration, enforcement, pre-award compliance reviews
- Equal Benefits Ordinance (EBO) – administration, enforcement, pre-award compliance reviews
- Slavery Disclosure Ordinance (SDO) – administration, enforcement, pre-award compliance reviews
- First Source Hiring Ordinance (FSHO) – administration, enforcement, pre-award compliance reviews
- Living Wage Ordinance (LWO) – administration and enforcement
- Service Contractor Worker Retention Ordinance (SCWRO) – administration and enforcement

BCA also provides certification and verification services for contractors seeking to participate on City contracts under the various designations. This service is a critical part of ensuring a functional Business Inclusion Program. Elimination of these positions will further impact the backlog for certifications and delay the contracting process.

Centralized Certification Administration (CCA)

CCA core duties:

- **Certification of Disadvantaged Business Enterprise (DBE) contractors**
- **Certification of Minority/Women Business Enterprise (MBE/WBE) contractors**
- **Certification of Small Local Business (SLB) contractors**
- **BAVN verification of Local Business (LB) contractors**
- **BAVN verification of Small Business Enterprise (SBE) contractors**
- **BAVN verification of Emerging Business Enterprise (EBE) contractors**
- **BAVN verification of Disabled Veteran Business Enterprise (DVBE) contractors**

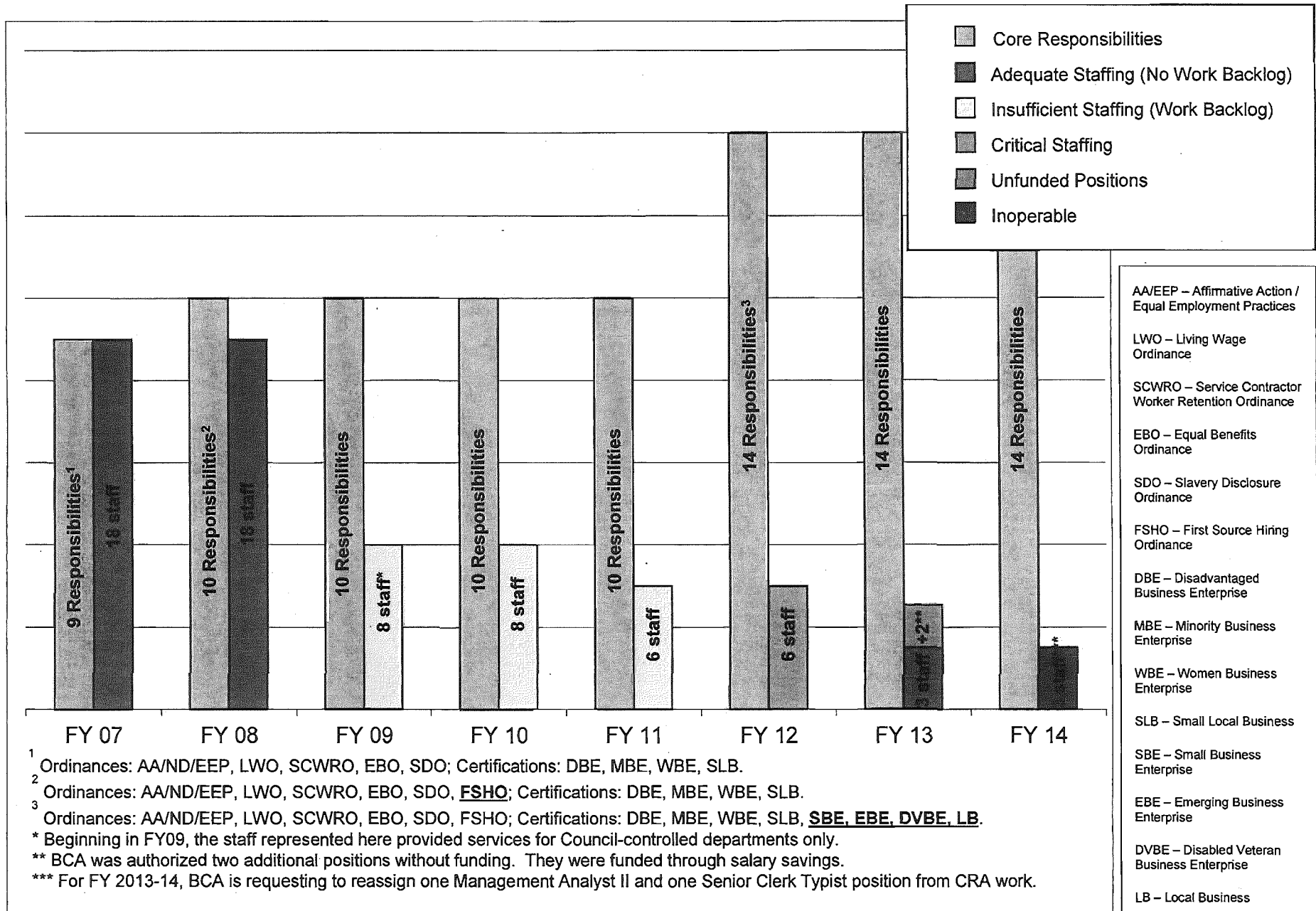
JLR:bes

2013-14 Budget Memo Response from BCA OCC.docx

cc: Gerry Miller, Chief Legislative Analyst
Capri W. Maddox, Board of Public Works

Equal Employment Opportunity Enforcement / Centralized Certification Administration (EEOE/CCA) Section Responsibilities & Staffing History

The EEOE/CCA Section provides contracting opportunities for the underrepresented business community and ensures compliance with social ordinances.




CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 87

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer 

Subject: **BUREAU OF STREET SERVICES – REPORT ON THE RESOURCES NEEDED FOR TEN ADDITIONAL POSITIONS ASSIGNED TO THE WEED ABATEMENT PROGRAM**

The Budget and Finance Committee requested a report back on the funding and resources needed to restore the ten positions that the Bureau requested for the Weed Abatement Program and the service impacts related to 28 staff being reassigned to other programs within the Bureau. The Bureau's response is attached.

Approval of the Bureau's request to restore the ten resolution authority positions and 18 Hiring Hall Workers would result in a General Fund impact of \$2.6 million, consisting of \$2.4 million in direct costs and \$278,092 for indirect costs. Alternatively, the Committee can find an offsetting reduction elsewhere in the budget.

MAS:SMS:06130088c

Question No. 106

Attachment

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 6, 2013

TO: Budget and Finance Committee

FROM: Nazario Saucedo, Director
Bureau of Street Services

**SUBJECT: 2013-14 BUDGET MEMO – QUESTION NO. 106
WEED ABATEMENT PROGRAM**

The Budget and Finance Committee instructed the Bureau of Street Services (BSS) to report back on the funding needed for the ten positions requested for the Weed Abatement Program (Program). In addition, BSS was instructed to discuss where the 28 staff from the Program are being reassigned and to provide service impacts.

Resolution position authorities and funding of approximately \$4.3 million (\$2.4 million in direct costs; \$1.9 million in related costs) are needed to restore the ten positions requested for the Program, including the use of 18 Hiring Hall workers (see attached).

The 28 staff from the Program would be reassigned to provide support primarily for the Street Resurfacing Program if their current functions are eliminated. Service level reductions or eliminations are anticipated in the following functions as a result of this reassignment:

- Cleaning of unimproved streets, median islands, grade separations, and other right-of-way locations;
- Homeless Encampment Cleaning;
- Emergency Response;
- Debris removal and cleaning of alleys; and,
- Illegal Dumping.

NS:RO:JFC:AN:vpv

FY 2013-14
 Bureau of Street Services
 Lot Cleaning Division
 Weed Abatement Program

Attachment


No. of Positions	Classification	Code	Salaries, General	Hiring Hall	Hiring Hall	Direct Cost	Related Cost	Total Cost
			Acct 001010	Salaries Acct 001100	Benefits Acct 001120			
8	Truck Operator	3583	\$ 491,568	\$ -	\$ -	\$ 491,568	\$ 1,548,390	\$ 2,039,958
1	Heavy Duty Truck Operator	3584	\$ 66,743	\$ -	\$ -	\$ 66,743	\$ 210,234	\$ 276,977
1	Maintenance Laborer	3112	\$ 51,758	\$ -	\$ -	\$ 51,758	\$ 163,033	\$ 214,791
18	Hiring Hall Laborer Group I	0899-A	\$ -	\$ 1,096,701	\$ 652,082	\$ 1,748,783	\$ -	\$ 1,748,783
28	Total		\$ 610,069	\$ 1,096,701	\$ 652,082	\$ 2,358,852	\$ 1,921,657	\$ 4,280,509

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 88

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer Subject: **GCP – NEW ITEMS PROPOSED/PERFORMANCE BASED BUDGETING**

The Budget and Finance Committee requested a report back on the reason for funding new items within the General City Purposes (GCP) Budget of the Mayor's Proposed 2013-14 Budget while the City continues to face fiscal constraints. The new items proposed in the Mayor's 2013-14 Budget include the Museum of Contemporary Art, the Office of Contractor Relations, and Performance Based Budgeting – FMS Module. Additionally, the Committee requested more details on the Performance Based Budget item.

Museum of Contemporary Art

The Museum of Contemporary Art is the only museum in Los Angeles devoted exclusively to contemporary art. It is committed to the collection, presentation, and interpretation of work produced since 1940 in all media, and to preserving that work for future generations. The institution is renowned in this country and abroad for the excellence of its 6,700 collection of contemporary art and is broadly considered one of the top contemporary art museums in the world. It is a major source of cultural tourism revenues and serves a diverse group of Angelenos, especially students and families through its award winning educational programs. Most large jurisdictions provide support to their major cultural institutions and museums: New York City provides \$26.6 million to the Metropolitan Museum of Art annually; the Los Angeles County Museum of Art (LACMA) receives \$30.8 million from the County of Los Angeles, and the City of San Francisco's provides De Young Museum \$12 million annually. In keeping with this practice of other large municipalities, the Proposed Budget provides City support for the operations of MOCA at the amount of \$1.25 million. The Mayor's intent was to provide youth the opportunity to learn and appreciate the Arts at an early age and to involve their parents and families in this nationally and internationally recognized downtown treasure. This will not impact future years, as the funds are only provided one-time for 2013-14.

Office of Contractor Relations

This item was funded in accordance with the Mayor's Executive Directive No. 27 to establish a new Office of Contractor Relations within the Mayor's Office. The mission of this new unit is to enact and implement Citywide (including Proprietary Departments) programs, policies, procedures and rules that assist in the economic recovery and stability of small business in the city; ensure equity, parity, and transparency in the City's contracting process;

continue the City's commitment of outreach to and inclusion of minority and women businesses; establish and achieve contracting goals and targets for race and gender neutral classifications such as small, emerging, and disabled veteran businesses; and, affirm the City's right to impose contracting and small business conditions on projects using City real property or financial backing.

Performance Based Budgeting – FMS Module

The Performance Based Budgeting FMS Module was funded in accordance with the Council's direction to begin phasing in a performance-based budget process into the City's budgeting process (Council File No. 11-1702). In October 2011, the City Controller issued a blueprint for Performance-Based Budgeting in the City and proposed to evaluate and compare all City services for effectiveness in achieving specific outcomes related to the City's shared strategic priorities. The blueprint asked City leaders to engage in strategic planning and goal setting, while establishing performance metrics that can measure the performance and effectiveness of City programs, which have been identified and incorporated in the Mayor's Budget for the past several years. The blueprint also proposed tying these performance metrics to the Financial Management System (FMS) through a performance-based budgeting module. As a result, funding is provided in 2013-14 to begin work with the City's vendor to incorporate a performance-based budgeting module within our FMS system. Transitioning to performance-based budgeting would improve the City's overall budget process by automating the development, submission, and publishing of the City's budget, while achieving greater transparency on the connection between dollars and deliverables. With its connection to FMS, all budgetary data is fully integrated in the system and can tie directly to cost accounting and existing appropriations.

Nevertheless, this transition is not expected to occur in the span of one fiscal year. The Information Technology Agency (ITA) anticipates full implementation within two years with an estimated cost of approximately \$3 to \$5 million. As the City continues to develop measurable departmental goals and metrics, this Office will also begin an effort to identify the specific performance measurements and processes that will be used in the performance budgeting tool either through internal means or using a consultant. During this process, this Office will also continue to convene the performance based budgeting working group (composed of the City Administrative Officer, Chief Legislative Analyst, the Controller and the Mayor's Office) in identifying specific requirements of the new system as well as developing the scope of work to obtain realistic costs and the timeline of implementation. The working group will also identify the goals, objectives, and desired outcomes for this initiative to work with ITA and the system vendor in configuring and customizing the new module.

RECOMMENDATION:

It is recommended that the Office of the City Administrative Officer be included as administrators of the Performance Based Budgeting – FMS Module.

FISCAL IMPACT:

There is no fiscal impact on the General Fund if funding levels remain as proposed by the Mayor.

MAS: BC:jl

Question No. 263

01130085c

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 89

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **DEPARTMENT OF CITY PLANNING AND DEVELOPMENT – STATUS OF ANY NEW SAN FERNANDO VALLEY COMMUNITY PLANS**

Per the request of your Committee, the Planning Department provided the attached transmittal relative to the status of new San Fernando Valley Community Plans.

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

MAS:ACA:TJM:02130127c

Question No. 173

Attachment

**DEPARTMENT OF
CITY PLANNING**

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

CITY PLANNING COMMISSION

WILLIAM ROSCHEN
PRESIDENT
REGINA M. FREER
VICE-PRESIDENT
SEAN O. BURTON
DIEGO CARDOSO
CAMILLA M. ENG
GEORGE HOVAGUIMIAN
ROBERT LESSIN
DANA M. PERLMAN
BARBARA ROMERO

JAMES WILLIAMS
COMMISSION EXECUTIVE ASSISTANT II
(213) 978-1300

**CITY OF LOS ANGELES
CALIFORNIA**



ANTONIO R. VILLARAIGOSA
MAYOR

EXECUTIVE OFFICES

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DIRECTOR
(213) 978-1271

ALAN BELL, AICP
DEPUTY DIRECTOR
(213) 978-1272

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DEPUTY DIRECTOR
(213) 978-1274

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DEPUTY DIRECTOR
(213) 978-1273

FAX: (213) 978-1275

INFORMATION
www.planning.lacity.org

May 6, 2013

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

Attention: Erika Pulst, Legislative Assistant

**BUDGET REPORT-BACK REGARDING SAN FERNANDO VALLEY
COMMUNITY PLANS AND POLICY PLANNING INITIATIVES (QUESTION NO. 173)**

In its discussion of the Department of City Planning's 2013-14 budget, the Council Budget and Finance Committee on May 2, 2013 requested a report back on the status of Community Plan updates and other long-range Policy Planning initiatives specifically focused on the San Fernando Valley.

For the 2013-14 Fiscal Year, despite staffing and resource constraints, the Department will be continuing its very active long-range Policy Planning program for the Valley. During the first portion of the fiscal year, the Valley Policy Planning team will be finalizing the Sylmar and Granada Hills-Knollwood New Community Plans, completing the Final Environmental Impact Reports (FEIRs) and bringing these plans to City Council for final adoption.

The Department has been aggressively seeking additional outside funding for its Valley Policy Planning work, including grant funds and other creative partnership agreements. For example, using funding provided through the NBC/Universal Development Agreement, the Department anticipates re-launching and completing work on the Toluca Lake Community Design Overlay (CDO), for consideration by the City Planning Commission (CPC) in the coming year. In addition, with grant funding from Metro, the Department is launching the preparation of "Transit Neighborhood Plans" for the areas surrounding five San Fernando Valley Orange Line stations: North Hollywood, Van Nuys Blvd., Sepulveda Blvd., Reseda Blvd., and Sherman Way/Canoga Ave.

The new Valley Transit Neighborhood Plans will enhance the character of Valley communities and take advantage of strategic economic opportunities in areas of the Valley where transit investment has occurred. By addressing land-use opportunities, parking regulations and incentives, and potential public improvements for key Valley station area neighborhoods, these Transit Neighborhood Plans will address key areas of potential change in four Valley Community Plan Areas: North Hollywood-Valley Village, Van Nuys-North Sherman Oaks, Encino-Tarzana, and Canoga Park-West Hills-Winnetka-Woodland Hills.

During FY 2013-14, the Department's Office of Historic Resources will also be launching Valley field surveys for SurveyLA, the Los Angeles Historic Resources Survey Project, again with outside funding support, from the Getty Foundation. These new surveys will cover several Community Plan Areas: Mission Hills-Panorama City-North Hills, Arleta-Pacoima, Sun Valley-La Tuna Canyon, Van Nuys-North Sherman Oaks, Chatsworth-Porter Ranch, Northridge, Reseda-West Van Nuys, Granada Hills-Knollwood, and Sylmar. In several of these Plan Areas, the surveys will lay the groundwork for incorporating historic resources information into future New Community Plans.

The Department has been seeking resources to prepare New Community Plans for communities throughout Los Angeles since most of the city's Community Plans were last updated between 1996 and 1999. However, given the Department's decreased level of General Fund support in recent years, sufficient resources have been allocated in FY 2013-14 to launch only two additional New Community Plans in the coming year. The Department has prioritized the re-launch of the Central City and Central City North Plans, which had begun in 2008 but had been placed on hold during 2009-10, largely because this work dovetails with two other major investments: the comprehensive zoning code reform's focused Downtown Development Code, and Metro's investment in Transit-Oriented Development Planning for downtown.

The Department is currently working to prioritize the 25 remaining Community Plan Areas that have not yet been included in the New Community Plan program. These plans are being prioritized based on multiple factors, including the age of the current plan, current development pressures, frequency of requests for plan amendments, major public investments (including transit), pace of socio-economic change, strategic policy opportunities, and geographic distribution.

The allocation of additional City support would provide the department with the resources to accelerate the timetable for the update of Community Plans. In the absence of additional resources, the Department will continue to pursue opportunities, such as those described above, to address community needs using tools that are more tailored than a full-scale Community Plan update, such as Community Design Overlays (CDOs), other supplemental use districts, targeted re-zonings, and updates and amendments to existing specific plans. Our department remains committed to ensuring that the Valley's planning and land-use needs are addressed through a robust long-range policy planning program.

Budget and Finance Committee
Page 3

If you have any further questions, please contact me at (213) 978-1271 or Eva Yuan-McDaniel at (213) 978-1273. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "M. J. LoGrande", followed by a long horizontal flourish.

Michael J. LoGrande
Director of Planning

cc: Tyler Munhall, CAO

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 90

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *MS*

Subject: **GCP – MUSEUM OF CONTEMPORARY ART (ITEM NO. 23), ECONOMIC DEVELOPMENT INITIATIVE (ITEM NO. 32), OFFICE OF INTERNATIONAL TRADE (ITEM NO. 35) GREEN RETROFIT AND WORKFORCE PROGRAM (ITEM NO. 37), OFFICE OF CONTRACTOR RELATIONS (ITEM NO. 39), AND SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (ITEM NO. 50)**

The Budget and Finance Committee requested a report back for the following items within the General City Purposes (GCP) Budget:

- a. The precedence for funding the Museum of Contemporary Art
- b. The reason the Economic Development Initiative, Office of International Trade, Green Retrofit and Workforce Program and the Office of Contractor Relations are funded in the General City Purposes Fund (GCP)
- c. The reason for the increase in membership dues for the Southern California Association of Governments

Museum of Contemporary Art

The Museum of Contemporary Art (MOCA), founded in 1979, has locations on City property both on Grand Avenue and in Little Tokyo. MOCA is the only museum in Los Angeles devoted exclusively to contemporary art. It is a major source of cultural tourism revenues and serves a diverse group of Angelenos, especially students and families through its award winning educational programs. While the City has not directly funded MOCA as proposed in the past, most large jurisdictions provide support to their major cultural institutions and museums: New York City provides \$26.6 million to the Metropolitan Museum of Art annually; the Los Angeles County Museum of Art (LACMA) receives \$30.8 million from the County of Los Angeles, and the City of San Francisco's provides De Young Museum \$12 million annually. In keeping with this practice of other large municipalities, the Proposed Budget provides City support for the operations of MOCA at the amount of \$1.25 million. The Mayor's intent was to provide youth the opportunity to learn and appreciate the Arts at an early age and to involve their parents and families in this nationally and internationally recognized downtown treasure. Funds will be used for programs such as Contemporary Art Start for children in third through 12th grades; Sunday Studio, a free monthly program for families from throughout the City; support for busing of LAUSD school children to MOCA; and, possibly for the development of outreach programs based at City facilities, such as the Department of Cultural Affairs' Manchester Youth Arts Center at the Vision Theater in Leimert Park. The

details pertaining to the use of City funds will be set forth in a Memorandum of Agreement between the City and MOCA.

Economic Development Initiative

This item was funded in the GCP because these funds will pay the City's contracted entity to administer the economic development non-profit that will be implemented during 2013-14. Funding for this item is consistent with 2012-13, where contractor payment for economic development services was provided from the GCP. To have this item funded within a City department could give the mistaken impression that the non-profit organization is controlled by the City, rather than functioning as its own separate, independent entity. Therefore, funding this item in the GCP is appropriate.

Office of International Trade

This item was originally funded in the Mayor's Office in 2003-04, but was moved to the GCP in 2006-07 to provide transparency for this work relative to International Trade and Relations. Additionally, since the source of funds for this Office includes the Airport and Harbor Departments, using the GCP provides better accounting of these funds. Activities supported by this item include actively encouraging foreign investment to facilitate growth in the City's trade-based economy, addressing international issues that affect the City, and strengthen the City's international relationships.

Office of Contractor Relations

This item was funded in accordance with the Mayor's Executive Directive No. 27 to establish a new Office of Contractor Relations within the Mayor's Office. This new unit provides policy direction to City departments, including proprietary departments, relative to contracting with the City. This unit will partner with the Bureau of Contract Administration in implementing policy and streamline the contracting process. In addition, this unit will perform outreach and inclusion of all businesses that contract with the City as well as upgrade the Business Assistance Virtual Network (BAVN), while creating an ombudsman to register and resolve issues with the contracting process. This item was funded in the GCP to provide transparency of the work being performed by the Mayor's Office relative to the contracting process with the City. For your reference, attached is the Mayor's Executive Directive No. 27.

Green Retrofit and Workforce Program

One position was provided in Mayor's Office in accordance with Council File No. 11-1928 (Green Retrofit and Workforce Program) to oversee the Green Retrofit Development Interdepartmental Task Force and the Retrofit and Workforce Advisory Board. This position assists in the development of municipal retrofit to help City buildings in the area of energy conservation. This item was funded in the GCP to provide transparency of the work being performed by the Mayor's Office relative to the Green Retrofit and Workforce Program.

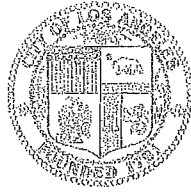
Southern California Association of Governments

Membership dues for the Southern California Association of Governments (SCAG) are set by the organization for each member city. The dues for this membership increase annually to correspond with Consumer Price Index (CPI) increases.

This memo is for informational purposes only. There is no fiscal impact.

MAS: BC:jl 01130081c

Question No. 260



ANTONIO R. VILLARAIGOSA
MAYOR

EXECUTIVE DIRECTIVE NO. 27

Issue Date: January 4, 2013

Subject: Office of Contractor Relations

Introduction

On January 12, 2011, I created the Business Inclusion Program to help ensure that all businesses—including job-creating small businesses—have an equal opportunity to participate in City contracts.

In implementing the Business Inclusion Program, it has become clear that our broader commitment to transparency, efficiency, and fairness in the City contracting process should be formalized under the authority of a permanent entity.

Office of Contractor Relations

Therefore, I am creating the Office of Contractor Relations (the "Office") to be housed within the Mayor's Office. The mission of the Office is to enact and implement programs, policies, procedures and rules that, at a minimum:

- Promote the economic vitality and stability of small business in the City;
- Ensure fairness, equal opportunity, and transparency in the City's contracting process;
- Standardize and enforce compliance with City contracting policies and procedures;
- Strengthen the City's commitment to outreach to, and inclusion of, businesses owned by minorities, veterans, and women;
- Establish and achieve contracting goals and targets for race and gender neutral classifications such as small and emerging businesses, and businesses owned by disabled veterans while continuing to gather data on minority, women, and other business enterprise participation;

- Provide dispute resolution, ombudsman, and related services, including on behalf of local, emerging, and small businesses, and businesses owned by minorities, women, and disabled veterans; and
- Affirm the City's right to impose contracting and small business conditions on projects using City real property or receiving the City's financial backing.

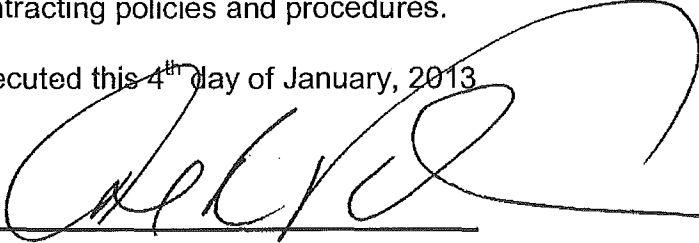
The Office shall establish and maintain public-private partnerships in support of small business.

The Office shall regularly convene meetings with external stakeholders regarding the City's contracting process.

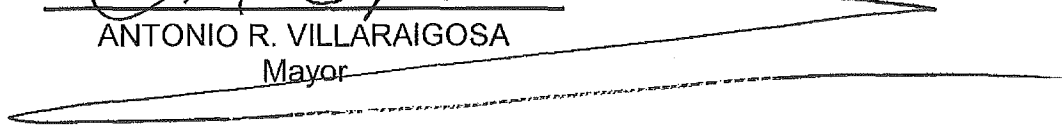
The Office shall act as the business owner of the Los Angeles Business Assistance Virtual Network, providing policy direction and operational guidance. It shall work in cooperation with the Bureau of Contract Administration, the City Purchasing Agent, and the City's Proprietary Departments.

Finally, the Office shall provide regular reports to stakeholders that measure compliance with City contracting policies and procedures.

Executed this 4th day of January, 2013



ANTONIO R. VILLARAIGOSA
Mayor



- Provide dispute resolution, ombudsman, and related services, including on behalf of local, emerging, and small businesses, and businesses owned by minorities, women, and disabled veterans; and
- Affirm the City's right to impose contracting and small business conditions on projects using City real property or receiving the City's financial backing.

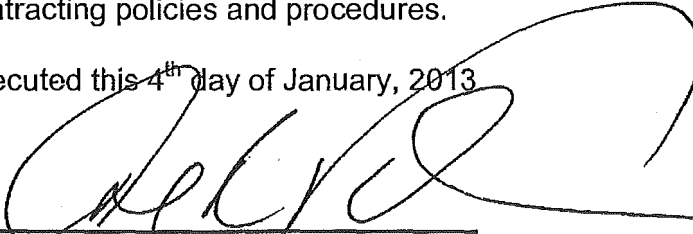
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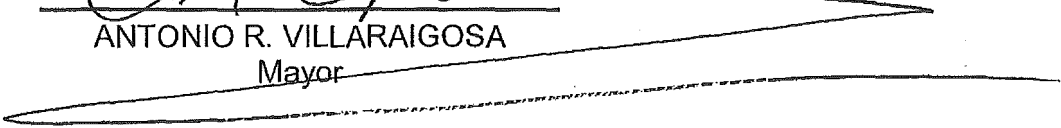
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Finally, the Office shall provide regular reports to stakeholders that measure compliance with City contracting policies and procedures.

Executed this 4th day of January, 2013



ANTONIO R. VILLARAIGOSA
Mayor



CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 91

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *MAS*Subject: **LOS ANGELES HOUSING DEPARTMENT – FIVE ASSISTANT GENERAL
MANAGER POSITIONS**

Your Committee requested that the Los Angeles Housing Department (LAHD) report back regarding the role of the five Assistant General Manager (AGM) positions and the workload indicators that justify the new AGM position. The LAHD report is attached.

Currently, four AGM positions are assigned to LAHD including one who oversees Administration, one for Housing Development, one for Regulatory Code and Compliance, and one for Policy and Planning who also is the Executive Officer for LAHD. In the Mayor's Proposed Budget, a fifth AGM has been designated to direct the Human Services employees and functions that are being transferred from the Community Development Department (CDD) to LAHD.

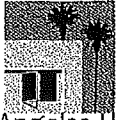
The LAHD indicates that the AGM for Human Services will supervise 97 employees and will manage contracts, neighborhood improvement projects, FamilySource Centers, the Housing Opportunities for Persons with AIDS (HOPWA) Program, the Handyworker Program, the administrative oversight of the Los Angeles Homeless Services Authority (LAHSA), and other programs and activities. In the attached report, LAHD has provided details of the assignments for each of the five AGMs as of July 1, 2013.

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

Attachment

MAS:MMR:02130126C

Question No. 194



Los Angeles Housing Department

LAHD



Antonio R. Villaraigosa, Mayor
Mercedes M. Márquez, General Manager

INTER-DEPARTMENTAL MEMORANDUM

TO: BUDGET AND FINANCE COMMITTEE

FROM: LUZ C. SANTIAGO, ASSISTANT GENERAL MANAGER, HOUSING DEPARTMENT

DATE: MAY 7, 2013

REGARDING: 2013-14 BUDGET MEMO – QUESTION NO. 194

WHAT IS THE ROLE OF THE 5 AGM POSITIONS AND WHAT ARE THE WORKLOAD INDICATORS THAT JUSTIFY THE NEW POSITION?

LAHD response:

Below is a summary of the roles of the four current Assistant General Managers (AGM), followed by a description of the Human Services Division directed by the new AGM. Full job descriptions for the four current AGM positions are attached.

1. Summary of the role of the four current Assistant General Managers (AGM)

ASSISTANT GENERAL MANAGER – Executive Officer

- 690 employees (as of July 1, 2013)

Responsible for management and oversight of all Departmental functions:

- Administration
- Housing Development
- Human Services
- Policy and Planning
- Regulatory Code and Compliance

Overview:

- Serves as Chief Executive Officer for the Housing Department
- Responsible for comprehensive executive oversight and day-to-day management of existing programs as well as the implementation of new programs
- Develops, approves, and ensures implementation of standard operating procedure for the Department
- Directs the handling of requests for statistical and analytical reports on housing production, community improvement and preservation issues from elected officials, the press, and the interested public

ASSISTANT GENERAL MANAGER – Administration:

- 115 employees (as of July 1, 2013)
- 5 direct programs
 - Grants Management
 - Systems

- Accounting
- Personnel
- Management Services

Overview:

- Plans, coordinates and directs the activities of the Administration division for the Housing Department
- Reviews divisional performance and ensures that the Department's financial and human resources are utilized effectively
- Ensures the Department is in compliance with all federal, state, and city policies and regulations.
- Develops and approves standard operating procedures for the Department and works with the General Manager and Executive Officer in the development of Department policy
- Prepares and administers the Department's annual budget.

ASSISTANT GENERAL MANAGER – Housing Development:

- 142 employees
- 4 direct programs
 - Major Projects
 - Homeownership & Preservation
 - Portfolio Management
 - Land Use Program
 - Occupancy Monitoring

Overview:

- Plans, coordinates and directs the activities of major divisions of the Housing Department engaged in affordable housing production and development of new projects and programs for both rental and for-sale housing, including acquisition and rehabilitation; develops new housing initiatives
- oversees and coordinates through supporting staff the financing and development of rental and owner-occupied housing, including real estate negotiation, tax credit syndication, mortgage credit certificates, bond financing, and leveraging funding sources with the private sector
- confers with and prepares reports for management representatives from other City Departments, other governmental jurisdictions and civic and business organizations regarding affordable housing development and rehabilitation;

ASSISTANT GENERAL MANAGER – Regulatory Code and Compliance:

- 334 employees
- 3 direct programs
 - Code Enforcement
 - Rental Stabilization
 - Compliance

Overview:

- Plans, coordinates and directs the activities of major divisions of the Housing Department engaged in regulatory compliance of the rental stabilization and Code Enforcement divisions and facilitates the coordination of the two functions
- Confers with and prepares reports for management representatives from other City Departments, other governmental jurisdictions and civic and business organizations regarding inspections of residential rental properties and rent stabilization programs
- Translates policies of the Affordable Housing Commission into feasible and effective strategies

2. Division Overview – AGM, Human Services

Summary

- 97 employees (83 Former CDD staff and 14 current LAHD staff members)
- 114 contracts
 - 73 service contracts currently under CDD and 41 under LAHD
- 53 continuing neighborhood improvement and 14 new neighborhood improvement projects for PY 39
- 21 Family Source Centers (5 City-managed facilities and 16 under contract)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Administrative oversight of the Los Angeles Homeless Services Authority (LAHSA)
- Office of Traffic Safety - car seats
- Human Relations
- Handyworker
- During PY 38 (2012-13), CDD reports serving 79,800 people and LAHD served 37,200 people (does not include over 55,000, totaling 117,000 served during this period.

2013 Funding

• Community Development Block Grant (CDBG)	\$ 80,250,000
• Los Angeles Homeless Services Authority (LAHSA) <ul style="list-style-type: none"> ➤ Emergency Solutions Grant: \$5,592,274 ➤ CDBG: \$7,348,170 ➤ General Funds: \$10,843,859 	\$ 23,704,303
• Housing Opportunities for Persons with AIDS (HOPWA)	\$ 18,005,266
• Community Service Block Grant	\$ 6,200,000
• Handyworker	\$ 2,500,000
• Calif. Office of Traffic Safety (OTS) Grant	\$ 450,000
TOTAL	\$ 131,109,569

Programs and Services

California Office of Traffic Safety Grant (OTS)

- Conducts child passenger safety classes (including use of car seats) at FSCs, nonprofit agencies, and community events
- For the current PY 12-13, OTS distributed 1,521 car seats and safety classes to 1,297 clients

Domestic Violence Shelter Operations

- Provide emergency and transitional shelters to victims of domestic violence (and their children)
- Program funding by CDBG for 10 operators at confidential sites in the city
- 1,488 individuals served in PY 12-13 with 587 beds provided

Emergency Solutions Grant (ESG)

- Administrative oversight of City funds contracted to the Los Angeles Homeless Services Authority (LAHSA) to provide homeless services citywide
- Funding: \$23.3 million for 2012-2013
- Direct services provided by over 90 non-profits under contract to LAHSA
- 2,230 persons placed in permanent housing (placements from federal ESG and CDBG, and City GF homeless programs)
- Over 1,000 persons in transitional housing
- Year Round Emergency Shelter, Winter Shelter, Emergency Response Team, Drop-in Centers, Supportive Services

FamilySource Centers

- Goals of system (outcomes)
 - Increase family income
 - Increase academic achievement (for youth)
- Targets families with a child <18 years old
- City directly operates 5 of the 16 centers, using 14 staff members
- Funded through both public services and community based development organizations (CBDO)

Handy-Worker

- Provides minor home repair services and accessibility improvements to low and very low-income homeowners throughout the City who are senior citizens or are permanently disabled.
- Minor home repairs include, but are not limited to:
 - interior and exterior painting; repair/replacement of doors, windows, screens, and fences;
 - construction of railings and wheelchair ramps;
 - installation of security devices, toilets, smoke detectors, and other items affecting habitability;
 - minor electrical, plumbing, flooring, and carpentry repairs.

Housing Opportunities for Persons with AIDS (HOPWA)

- Provide housing and supportive services countywide to low-income persons with HIV/AIDS, pursuant to federal regulations
- Funding: \$15.3 million HOPWA grant through the Consolidated Plan for PY 12-
- Administers contracts with 25 nonprofit agencies and 4 PHAs
- Services Funded:
 - Permanent, Transitional, and Emergency Housing
 - Supportive Services: Housing Specialist staff to help clients locate & maintain housing; Mental Health & Substance Abuse Counseling; Benefits Counseling, Legal Services, Food & Nutrition Programs
 - www.chirpla.org - Lists affordable and market rate housing vacancies, emergency & transitional housing, and supportive services

Human Relations

- Human Relations Advocates (HRA) program develops and facilitates community task forces, provides mediation services and training in areas of the city to mitigate inter-group conflict, develop civic engagement, build community awareness, cultural understanding, and increase access to and influence on government
- The HRA program uses human relation models to reduce community tension and violence thereby increasing public safety and reducing crime

Neighborhood Improvements

- Projects related to public facilities and public improvements
- Infrastructure improvements (construction or installation), such as streets, curbs, and water and sewer lines
- Neighborhood facilities, including public schools, parks
- Facilities for persons with special needs—homeless, domestic violence shelters, group homes for disabled
- PY 39 budget has 14 projects totaling \$4.89 million
- Manage the \$2.5 million Neighborhood Improvement Fund
- From past years, there are 53 open projects, totaling nearly \$16M—includes projects managed by other City departments.

Specially Targeted Projects

- Informal conglomeration of 15 service projects

POSITION DESCRIPTION

City of Los Angeles

DO NOT USE THIS SPACE

1. Name of Employee:	2. Employee's Present Class Title/Code: Assistant General Manager/9271	3. Present Salary or Wage Rate:
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4. Reason for Preparing Description: <input checked="" type="checkbox"/> New Position <input type="checkbox"/> Routine Report of Duties <input type="checkbox"/> Change in Existing Position <input type="checkbox"/> Review for Proper Allocation	Date Prepared 12/21/09
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5. Location of office or place of work: 1200 W. 7th Street Los Angeles, CA 9007	6. Name of Department Housing Division Executive Management Section _____
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7. Name and title of the person from whom you ordinarily receive instructions and who supervises or reviews your work:
 Name _____ Title **General Manager - Housing Department**

8. Describe in detail the duties and work of this position, describing each duty in a separate paragraph. Begin with the duties that normally take most of your time and then describe the duties that are infrequent. Be certain to tell what is done, how it is done and what materials or equipment are used. Using percentages, show the distribution of the total working time. Also, if the duties and responsibilities of the position have changed, indicate how and when the changes occurred.

PERCENT OF TIME	DUTIES
35%	Serves as Chief Executive Officer for the Housing Department. Responsible for comprehensive executive oversight and day to day management of existing programs as well as the implementation of new programs.
30%	Responsible for management and oversight of three Assistant General Managers responsible for carrying out functions for the Regulatory Code and Compliance, Housing Development, and Administration branches of the Department.
30%	Develops, approves, and ensures implementation of standard operating procedure for the Department and makes recommendations to the General Manager in the development of departmental policy; recommends the establishment or change of department policies; reviews and approves recommendations to select, promote, reassign, or discipline employees; may review the preparation and administration of the Department's annual budget.
15%	Directs, through a Senior Housing Planning and Economic Analyst, the functions of the Policy and Planning Unit which primarily involve the monitoring of State and Federal housing legislation and regulations, research and data, and policy analysis and development.
15%	Directs the handling of requests for statistical and analytical reports on housing production and preservation issues from elected officials, the press, and the interested public.
5%	May serve as the Acting General Manager in the absence of the General Manager

9. How long have the duties been substantially as described above? New

10. List any machinery or equipment operated and any unusual or hazardous working conditions.

11. Percent of time spent supervising (training and evaluating employees, assigning and reviewing work).

12. Indicate the number of employees supervised by class titles.
3 Assistant General Managers
1 Senior Housing Planning and Economic Analyst

13. I certify that the above statements are my own and to the best of my knowledge are accurate and complete.

Signature _____ Date _____ Phone No. _____

ITEMS TO BE FILLED IN BY THE IMMEDIATE SUPERVISOR

14. Indicate in what respects if any the duties and responsibilities on the other side are not sufficiently or accurately described.

Duties are accurate as described.

15. SUPERVISION RECEIVED. Describe the nature, frequency, or closeness of supervision received by the employee, including the way that the employee's work is assigned and reviewed.

Assignments are given directly by the General Manager, minimal supervision is received.

16. REQUIREMENTS. Indicate the minimum requirements to perform the duties of this position:

(a) Education (include specific matter).

As per class specs.

(b) Experience (type and length; list appropriate city classes, if any).

As per class specs.

17. PHYSICAL REQUIREMENTS. Check below all physical capabilities needed to do this job.

Strength _____ Lift _____ Push _____ Pull _____

Average weight _____ Heaviest weight _____

Climbing (stairs, ladders, poles)

How far _____

Face severe work conditions

Outdoors _____ on/near water _____

Other/explain _____ As per class specs.

SPECIAL NEED FOR:

Vision, to read fine print/numbers

Hearing, for telephone/alarms

Balance, for working heights

Other/explain _____

EXTENSIVE USE OF:

Legs, for walking/standing

Hands and fingers

Back, for strenuous labor

Other/explain _____

Hours per
week

(a) List any alternative methods or devices that can be used to aid in meeting the physical requirements checked above.

18. RESPONSIBILITIES

(a) Policy and Methods: Describe the responsibility for the interpretation and enforcement of policy and methods; indicate the extent of participation in development, if any, and approval by higher authority required.

Personally responsible for staff engaged in the interpretation and enforcement of policy and methods; extensive participation in development of policy, with General Manager's approval.

(b) Materials and Products: Describe the responsibility and opportunity for bringing about economies and/or preventing losses through effective handling, processing or storing of materials or products, or through planning or engineering in connection with same.

(c) Machinery and equipment: Describe the responsibility for the operation, use, repair or care of machinery, equipment, or facilities, or for planning or engineering in connection with the same; indicate the size and kind of such machinery and equipment; describe the opportunity for preventing losses or achieving economies.

(d) Money: Describe the responsibility for and access to cash, stamps or other negotiables, or the responsibility for authorizing the expenditure of funds; indicate the average value of negotiables handed each month, or the amounts which are authorized to be expended each month.

Is position bonded? NO ; amount of bond N/A

(e) Personal Contacts: Describe the purpose and frequency of personal contact with others, both within and outside the organization; indicate the types of contacts, purpose thereof, and the importance of persons contacted.

Frequent contact with public, members of private and community organizations, elected officials, and other city staff members; contacts are extremely important to the development and implementation of policy and programs.

(f) Records and Reports: Describe the records and reports, including the kind and value of records in descriptive terms, and the action employee takes in respect thereto

Personally responsible for staff engaged in the preparation of narrative and statistical report, as assigned by the General Manager.

Signature of the immediate supervisor _____ Date _____

Class Title _____ Phone No. _____

Signature of department head _____ Date _____

POSITION DESCRIPTION

City of Los Angeles

DO NOT USE THIS SPACE

1. Name of Employee:	2. Employee's Present Class Title/Code: Assistant General Manager/9271	3. Present Salary or Wage Rate:
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4. Reason for Preparing Description:	Date Prepared
<input type="checkbox"/> New Position <input checked="" type="checkbox"/> Routine Report of Duties <input type="checkbox"/> Change in Existing Position <input type="checkbox"/> Review for Proper Allocation	11/16/04

5. Location of office or place of work: 1200 W. 7th Street Los Angeles, CA 9007	6. Name of Department <u>Housing</u> Division <u>Executive Management</u> Section <u>Administration</u>
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7. Name and title of the person from whom you ordinarily receive instructions and who supervises or reviews your work:

Name _____ Title Executive Officer

8. Describe in detail the duties and work of this position, describing each duty in a separate paragraph. Begin with the duties that normally take most of your time and then describe the duties that are infrequent. Be certain to tell what is done, how it is done and what materials or equipment are used. Using percentages, show the distribution of the total working time. Also, if the duties and responsibilities of the position have changed, indicate how and when the changes occurred.

PERCENT OF TIME	DUTIES
60%	Plans, coordinates and directs the activities of major divisions for the Housing Department engaged in Department administration, including Budget & Grants Management, Accounting, Systems, Personnel, and Management Services; confers with and prepares reports for management representatives from other City Departments and other governmental jurisdictions regarding the Department's administration; acts as a Department representative and liaison to other governmental, private and community-based organizations; appears before City Council and Council Committees to present and discuss Department programs and administration; reviews divisional performance and ensures that the Department's financial and human resources are utilized effectively; ensures that the Department is in compliance with all federal, state, and city policies and regulations.
35%	Develops and approves standard operating procedures for the Department and works with the General Manager and Executive Officer in the development of Department policy; recommends the establishment or change of department policies; reviews and approves recommendations to select, promote, reassign, or discipline employees; prepares and administers the Department's annual budget.
5%	May serve as the Acting General Manager in the absence of the General Manager.

9. How long have the duties been substantially as described above? _____

10. List any machinery or equipment operated and any unusual or hazardous working conditions.

11. Percent of time spent supervising (training and evaluating employees, assigning and reviewing work). 60%

12. Indicate the number of employees supervised by class titles.

1 - Departmental Chief Accountant III; 1 - Director of Systems; 1 - Personnel Director I; 1 - Senior Housing Planning and Economic Analyst; 1 - Sr. Management Analyst II

13. I certify that the above statements are my own and to the best of my knowledge are accurate and complete.

Signature _____ Date _____ Phone No. _____

ITEMS TO BE FILLED IN BY THE IMMEDIATE SUPERVISOR

14. Indicate in what respects if any the duties and responsibilities on the other side are not sufficiently or accurately described.
 Duties are accurate as described.

15. SUPERVISION RECEIVED. Describe the nature, frequency, or closeness of supervision received by the employee, including the way that the employee's work is assigned and reviewed.
 Assignments are given directly by the Executive Officer, minimal supervision is received.

16. REQUIREMENTS. Indicate the minimum requirements to perform the duties of this position:
 (a) Education (include specific matter).
 As per class specs.
 (b) Experience (type and length; list appropriate city classes, if any).
 As per class specs.

17. PHYSICAL REQUIREMENTS. Check below all physical capabilities needed to do this job.		Hours per week
<input type="checkbox"/> Strength _____ Lift _____ Push _____ Pull _____ Average weight _____ Heaviest weight _____ <input type="checkbox"/> Climbing (stairs, ladders, poles) How far _____ <input type="checkbox"/> Face severe work conditions Outdoors _____ on/near water _____ Other/explain _____ As per class specs.	SPECIAL NEED FOR: <input type="checkbox"/> Vision, to read fine print/numbers <input type="checkbox"/> Hearing, for telephone/alarms <input type="checkbox"/> Balance, for working heights Other/explain _____	EXTENSIVE USE OF: <input type="checkbox"/> Legs, for walking/standing _____ <input type="checkbox"/> Hands and fingers _____ <input type="checkbox"/> Back, for strenuous labor _____ Other/explain _____

(a) List any alternative methods or devices that can be used to aid in meeting the physical requirements checked above.

18. RESPONSIBILITIES
 (a) Policy and Methods: Describe the responsibility for the interpretation and enforcement of policy and methods; indicate the extent of participation in development, if any, and approval by higher authority required.
 Personally responsible for staff engaged in the interpretation and enforcement of policy and methods; extensive participation in development of policy, with Executive Officer's approval.

(b) Materials and Products: Describe the responsibility and opportunity for bringing about economies and/or preventing losses through effective handling, processing or storing of materials or products, or through planning or engineering in connection with same.

(c) Machinery and equipment: Describe the responsibility for the operation, use, repair or care of machinery, equipment, or facilities, or for planning or engineering in connection with the same; indicate the size and kind of such machinery and equipment; describe the opportunity for preventing losses or achieving economies.

(d) Money: Describe the responsibility for and access to cash, stamps or other negotiables, or the responsibility for authorizing the expenditure of funds; indicate the average value of negotiables handed each month, or the amounts which are authorized to be expended each month.
 Is position bonded? NO ; amount of bond N/A

(e) Personal Contacts: Describe the purpose and frequency of personal contact with others, both within and outside the organization; indicate the types of contacts, purpose thereof, and the importance of persons contacted.
 Frequent contact with public, members of private and community organizations, elected officials, and other city staff members; contacts are extremely important to the development and implementation of policy and programs.

(f) Records and Reports: Describe the records and reports, including the kind and value of records in descriptive terms, and the action employee takes in respect thereto
 Personally responsible for staff engaged in the preparation of narrative and statistical report, as assigned by the Executive Officer.

Signature of the immediate supervisor _____ Date _____
 Class Title _____ Phone No. _____
 Signature of department head _____ Date _____

POSITION DESCRIPTION

City of Los Angeles

DO NOT USE THIS SPACE

1. Name of Employee:	2. Employee's Present Class Title/Code: Assistant General Manager/9271	3. Present Salary or Wage Rate:
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4. Reason for Preparing Description:	Date Prepared
<input type="checkbox"/> New Position <input checked="" type="checkbox"/> Routine Report of Duties <input type="checkbox"/> Change In Existing Position <input type="checkbox"/> Review for Proper Allocation	04/03/07

5. Location of office or place of work: 1200 W. 7th St., 8th Floor Los Angeles, CA 90017	6. Name of Department <u>Los Angeles Housing</u> Division <u>Executive Management</u> Section <u>Housing Development</u>
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7. Name and title of the person from whom you ordinarily receive instructions and who supervises or reviews your work:
Name _____ Title <u>Executive Officer</u>

8. Describe in detail the duties and work of this position, describing each duty in a separate paragraph. Begin with the duties that normally take most of your time and then describe the duties that are infrequent. Be certain to tell what is done, how it is done and what materials or equipment are used. Using percentages, show the distribution of the total working time. Also, if the duties and responsibilities of the position have changed, indicate how and when the changes occurred.

PERCENT OF TIME	DUTIES
50%	Plans, coordinates and directs the activities of major divisions of the Housing Department engaged in affordable housing production and development of new projects and programs for both rental and for-sale housing, including acquisition and rehabilitation; develops new housing initiatives; oversees and coordinates through supporting staff the financing and development of rental and owner-occupied housing, including real estate negotiation, tax credit syndication, mortgage credit certificates, bond financing, and leveraging funding sources with the private sector; coordinates the activities of the Department's programs with other governmental agencies; confers with and prepares reports for management representatives from other City Departments, other governmental jurisdictions and civic and business organizations regarding affordable housing development and rehabilitation; acts as Department representative and liaison to other governmental, private and community based organizations; appears before City Council and Council Committees to present and discuss Department programs; translates policies of the Affordable Housing Commission into feasible and effective strategies; reviews divisional performance and ensures that the Department's financial and human resources are utilized effectively; ensures that the Department is in compliance with all federal, state and city policies and regulations.
35%	Develops and approves standard operating procedures for the Department and works with the General Manager in the development of Department policy; recommends the establishment or change of department policies; reviews and approves recommendations to select, promote, reassign, or discipline employees; may review the preparation and administration of the Department's annual budget.
10%	Oversight of loan portfolio of over \$700 million, and occupancy monitoring function for over 15,000 units under rent regulatory agreements.
5%	Oversight of the City's contracts for the Housing for Persons with Aids (HOPWA) program and Los Angeles Homeless Services Authority (LAHSA).

9. How long have the duties been substantially as described above? <u>11/16/04</u>
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10. List any machinery or equipment operated and any unusual or hazardous working conditions. Computer, Printer, Scanner, Fax Machine
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11. Percent of time spent supervising (training and evaluating employees, assigning and reviewing work). <u>50%</u>

12. Indicate the number of employees supervised by class titles. 2 - Director of Housing; 2 - Sr. Management Analyst II; 1 - Sr. Management Analyst I; 1 - Community Housing Program Manager; 1 - Executive Secretary
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13. I certify that the above statements are my own and to the best of my knowledge are accurate and complete.

Signature _____ Date <u>04/03/07</u> Phone No. <u>(213) 808-8808</u>
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ITEMS TO BE FILLED IN BY THE IMMEDIATE SUPERVISOR

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 Duties and responsibilities are sufficiently and accurately described.

15. SUPERVISION RECEIVED. Describe the nature, frequency, or closeness of supervision received by the employee, including the way that the employee's work is assigned and reviewed.
 Position will be independent and operate with minimal supervision.

16. REQUIREMENTS. Indicate the minimum requirements to perform the duties of this position:
 (a) Education (include specific matter).
 As per bulletin.

(b) Experience (type and length; list appropriate city classes, if any).
 As per bulletin.

17. PHYSICAL REQUIREMENTS. Check below all physical capabilities needed to do this job.		Hours per week
<input type="checkbox"/> Strength _____ Lift _____ Push _____ Pull _____ Average weight _____ Heaviest weight _____ <input type="checkbox"/> Climbing (stairs, ladders, poles) How far _____ <input type="checkbox"/> Face severe work conditions Outdoors _____ on/near water _____ Other/explain _____	SPECIAL NEED FOR: <input type="checkbox"/> Vision, to read fine print/numbers <input type="checkbox"/> Hearing, for telephone/alarms <input type="checkbox"/> Balance, for working heights Other/explain _____	EXTENSIVE USE OF: <input type="checkbox"/> Legs, for walking/standing _____ <input type="checkbox"/> Hands and fingers _____ <input type="checkbox"/> Back, for strenuous labor _____ Other/explain _____

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 (a) Policy and Methods: Describe the responsibility for the interpretation and enforcement of policy and methods; indicate the extent of participation in development, if any, and approval by higher authority required.
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(b) Materials and Products: Describe the responsibility and opportunity for bringing about economies and/or preventing losses through effective handling, processing or storing of materials or products, or through planning or engineering in connection with same.
 N/A

(c) Machinery and equipment: Describe the responsibility for the operation, use, repair or care of machinery, equipment, or facilities, or for planning or engineering in connection with the same; indicate the size and kind of such machinery and equipment; describe the opportunity for preventing losses or achieving economies.
 N/A

(d) Money: Describe the responsibility for and access to cash, stamps or other negotiables, or the responsibility for authorizing the expenditure of funds; indicate the average value of negotiables handed each month, or the amounts which are authorized to be expended each month.
 Is position bonded? N/A ; amount of bond _____
 Personally responsible for staff engaged in preparation of Department expenditures, with General Manager's approval.

(e) Personal Contacts: Describe the purpose and frequency of personal contact with others, both within and outside the organization; indicate the types of contacts, purpose thereof, and the importance of persons contacted.
 On-going public and inter-agency contact.

(f) Records and Reports: Describe the records and reports, including the kind and value of records in descriptive terms, and the action employee takes in respect thereto
 Personally responsible for staff engaged in the preparation of narrative, financial, and statistical reports, as assigned by General Manager.

Signature of the immediate supervisor _____	Date	04/03/07
Class Title General Manager	Phone No.	(213) 808-8808
Signature of department head _____	Date	

POSITION DESCRIPTION

City of Los Angeles

DO NOT USE THIS SPACE

1. Name of Employee:	2. Employee's Present Class/Title/Code: Assistant General Manager/9271	3. Present Salary or Wage Rate:
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4. Reason for Preparing Description:	Date Prepared
<input type="checkbox"/> New Position <input checked="" type="checkbox"/> Routine Report of Duties <input type="checkbox"/> Change in Existing Position <input type="checkbox"/> Review for Proper Allocation	04/03/04

5. Location of office or place of work: 1200 W. 7th St., 8th Floor Los Angeles, CA 90017	6. Name of Department <u>Los Angeles Housing</u> Division <u>Executive Management</u> Section <u>Reg. Comp. & Code</u>
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7. Name and title of the person from whom you ordinarily receive instructions and who supervises or reviews your work: Name _____ Title <u>Executive Officer</u>

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35%	Develops and approves standard operating procedures for the Department; recommends the establishment or change of departmental policies; reviews and approves recommendations to select, promote, reassign, or discipline employees; may review the preparation and administration of the Department's annual budget.
5%	May serve as the Acting General Manager in the absence of the General Manager.

9. How long have the duties been substantially as described above? <u>04/03/04</u>
--

10. List any machinery or equipment operated and any unusual or hazardous working conditions. Computer, Printer, Phone

11. Percent of time spent supervising (training and evaluating employees, assigning and reviewing work), <u>50%</u>

12. Indicate the number of employees supervised by class titles. 3 - Director of Enforcement Operations; 1 - Sr. Management Analyst II; 1 - Sr. Management Analyst I; 1 - Management Analyst I; 1 - Executive Secretary
--

13. I certify that the above statements are my own and to the best of my knowledge are accurate and complete.
Signature _____ Date <u>04/03/07</u> Phone No. <u>(213) 808-8808</u>

ITEMS TO BE FILLED IN BY THE IMMEDIATE SUPERVISOR

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Position will be independent and operate with minimal supervision.

16. REQUIREMENTS. Indicate the minimum requirements to perform the duties of this position:

(a) Education (include specific matter).

As per bulletin.

(b) Experience (type and length; list appropriate city classes, if any).

As per bulletin.

17. PHYSICAL REQUIREMENTS. Check below all physical capabilities needed to do this job.

Strength _____ Lift _____ Push _____ Pull _____

Average weight _____ Heaviest weight _____

Climbing (stairs, ladders, poles)

How far _____

Face severe work conditions

Outdoors _____ on/near water _____

Other/explain _____

SPECIAL NEED FOR:

Vision, to read fine print/numbers

Hearing; for telephone/alarms

Balance, for working heights

Other/explain _____

EXTENSIVE USE OF:

Legs, for walking/standing

Hands and fingers

Back, for strenuous labor

Other/explain _____

Hours per week

(a) List any alternative methods or devices that can be used to aid in meeting the physical requirements checked above.

18. RESPONSIBILITIES

(a) Policy and Methods: Describe the responsibility for the interpretation and enforcement of policy and methods; indicate the extent of participation in development, if any, and approval by higher authority required.

Personally responsible for staff engaged in the development and interpretation of policy and methods; extensive participation in the development of policy, with General Manager's approval.

(b) Materials and Products: Describe the responsibility and opportunity for bringing about economies and/or preventing losses through effective handling, processing or storing of materials or products, or through planning or engineering in connection with same.

N/A

(c) Machinery and equipment: Describe the responsibility for the operation, use, repair or care of machinery, equipment, or facilities, or for planning or engineering in connection with the same; indicate the size and kind of such machinery and equipment; describe the opportunity for preventing losses or achieving economies.

N/A

(d) Money: Describe the responsibility for and access to cash, stamps or other negotiables, or the responsibility for authorizing the expenditure of funds; indicate the average value of negotiables handed each month, or the amounts which are authorized to be expended each month.

Is position bonded? N/A; amount of bond _____

Personally responsible for staff engaged in preparation of Department expenditures, with General Manager's approval.

(e) Personal Contacts: Describe the purpose and frequency of personal contact with others, both within and outside the organization; indicate the types of contacts, purpose thereof, and the importance of persons contacted.

On-going public and inter-agency contact.

(f) Records and Reports: Describe the records and reports, including the kind and value of records in descriptive terms, and the action employee takes in respect thereto

Personally responsible for staff engaged in the preparation of narrative, financial, and statistical reports, as assigned by General Manager.

Signature of the immediate supervisor _____ Date 04/03/04
 Class Title General Manager Phone No. (213) 808-8808
 Signature of department head _____ Date _____

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 92

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *MAS*

Subject: **RECREATION AND PARKS – REPORT BACK ON AN ALTERNATIVE RATE STRUCTURE FOR RECREATION AND PARKS**

During its consideration of the Department of Recreation and Parks' (RAP) 2013-14 Proposed Budget, the Committee asked the City Attorney to report back on an alternative rate structure for Recreation and Parks. Attached is the Department's response.

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

MAS:CEA:08130172

Question No. 88

Attachment

MEMORANDUM

TO: The Honorable Budget and Finance Committee

FROM: Office of the City Attorney

DATE: May 7, 2013

SUBJECT: Budget and Finance Committee Question No. 88 – Question relative to an alternative rate structure for Recreation and Parks utilities.

Proposition 218 (1996) introduced, through Cal. Const., Art. XIII D, § 6(b), cost constraints on property related fees and charges, including:

Revenues from the charges "shall not exceed the funds required to provide service,"

Revenues from the charges "shall not be used for any purpose other than that for which [they were] imposed,"

Charges "imposed upon any parcel or person ... shall not exceed the proportional cost of the service attributable to the parcel."

"No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners."

Cal. Const., Art. XIII D, § 6(b)(1)-(3),(5). The measure placed the "burden" upon the municipal utility to "demonstrate compliance" with the measure. Cal. Const., Art. XIII D, § 6(b) trailing ¶.

In 2006 the California Supreme Court, in a case not involving the City, stated that water service charges "are charges for a property-related service, whether the charge is calculated on the basis of consumption or is imposed as a fixed monthly fee." *Bighorn-Desert View Water Agency v. Vergil*, 39 Cal. 4th 205, 217 (2006).

Proposition 26 (adopted in 2010) provides that a charge for governmental service is not a tax if it "does not exceed the reasonable costs to the local government of providing the service...." Cal. Const., Art. XIII C, § 1(e)(2). The measure placed on local governments the burden of justifying compliance in regard to both costs and cost allocation. Cal. Const., Art. XIII C, § 1(e), trailing ¶. No relevant appellate interpretative authority yet exists regarding whether or not Proposition 26 applies to electric rates. The trial court, in a case involving the *City of Redding* that is now on appeal, expressed the view in *obiter dictum* that the measure does not apply to electric rates.

The LADWP has historically treated City departments as customers for water and power. Since the adoption of Proposition 218, the four constraints quoted above in Cal. Const., Art. XIII D, § 6(b) on amount and use of water charges will preclude a subsidy by other customers of water consumption by City departments. The same would be true for a subsidy of electricity consumption if Proposition 26 is found to apply.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 93

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer. *MSH*
*MS*Subject: **ECONOMIC DEVELOPMENT DEPARTMENT / HOUSING AND COMMUNITY INVESTMENT DEPARTMENT - VERA DAVIS SERVICE CENTER FUNDING**

Your Committee requested a report back on the amount of \$100,000 for the operation of the Vera Davis Service Center (Center).

The Community Development Department (CDD) submitted a response indicating that the estimated funding for the Center is \$85,540 for Fiscal Year 2013-14. This is the amount that should be appropriated to the Housing and Community Investment Department (HCID) should a source of funds be identified.

The CDD currently provides management oversight and limited staffing for the Center. Since the changing income demographics of the surrounding community preclude the use of Community Development Block Grant funds, the CDD has utilized City General Funds for operations. Without identified funding, the CDD would need to cease operations at this facility on June 30, 2013.

The staffing, expenses and direct utility costs to operate the Center in 2013-14 are estimated to be \$85,540. This amount will require appropriations as follows:

<u>Account</u>	<u>Account Name</u>	<u>Amount</u>
1070	Salaries As-Needed	\$55,000
6010	Office and Admin Expense	9,000
3040	Contractual Services	12,540
3340	Utilities	9,000
	Total	\$85,540

The above appropriations will provide funding for staff, which consists of part-time Community Administrative Support Workers, to operate the Center during days, evenings and weekends. This staff provides counter and telephone assistance to the public, and monitors the use of the public access computers. The staff also ensures that the facility is maintained and that contract workers perform required functions.

The above appropriations will also provide for the expense costs associated with operating the Center, including office supplies, photocopier rental, internet access, landscaping, pest control, security, water and electricity.

If a funding source is identified, the above amounts should be appropriated to HCID, assuming that human services functions currently performed by the CDD will be performed by HCID in 2013-14.

The Department of Cultural Affairs is scheduled to conduct a Request for Proposal (RFP) as a part of the Proposition K investment in the Center. At this time, the RFP is on hold, awaiting final funding commitments for the capital improvements.

RECOMMENDATION

In order to continue operations at the Vera Davis Service Center, an offsetting reduction in the amount of \$85,540 will need to be identified.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. Funding would need to be identified in order to provide for continued operations at the Vera Davis Service Center.

MAS:BLT:02130122

Question No.224

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 94

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *MAH for*

Subject: **LIBRARY – REPORT BACK ON THE USE OF YEAR THREE MEASURE L FUNDING AND DEFERMENT OF YEAR FOUR REQUIREMENTS**

During consideration of the Library Department's 2013-14 Proposed Budget, the Committee asked the Library to report back on how to satisfy only year three of Measure L funding, defer any year four requirements, and how they might use the additional funds. Attached is the Department's response.


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

MAS:EOS:08130170

Question No. 75

Attachment

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 7, 2013
TO: Miguel Santana
City Administrative Officer
FROM: John F. Szabo 
City Librarian
SUBJECT: **LIBRARY - REPORT REPORT BACK ON MEASURE L FUNDING -
QUESTION NO. 75**

Below is the requested information from the Library Department regarding Question Number 75:

Question #75

How to satisfy only year three of Measure L funding and defer any year 4 requirements. How might additional funds be used.

Department Answer:

This year, the formula for Measure L requires that \$16.6 million be restored to the library budget and requires that 55% (\$9.1 million) be used to reimburse the General Fund for related costs and 45% (\$7.5 million) be used for library services (restore public service hours, increase library materials and upgrade technology).

This Charter-mandated funding for the library cannot be used for any other purpose other than for library services and programs, and for the payment of related costs.

Following the passage of Measure L, and based on funding projections at the time, the library proposed a schedule for restoring services:

2011-12	Restore Monday service
2012-13	Restore service two evenings per week
2013-14	Purchase additional books and library materials and upgrade technology
2014-15	Restore Sunday service

In 2013-14, Measure L will provide the funding necessary to fulfill both the third- and fourth-year promise of Measure L, including the restoration of Sunday service hours. Sunday is, for many residents, the only day they have available to visit the library. When these nine libraries were open on Sundays, they were heavily used by thousands of residents across the city.

The services that the public library offers are critical to the health of our communities. Its resources provide access to much-needed literacy services, homework assistance and educational resources, cultural and entertainment resources, and provide a safe and nurturing alternative to gangs and crime. The restoration of Sunday service is extremely beneficial to working families and their children and provides them with access to the library's vital resources they may not otherwise be able to obtain during weekday hours.

Sunday service hours are being restored at a cost of \$994,165, with associated related costs of approximately \$475,000 reimbursable to the General Fund. Not restoring Sunday service hours would defer the hiring of 32 positions for this purpose until FY 2014-15, and would result in a reduction of \$475,000 in related cost reimbursements to the General Fund attributable to the library. Adhering to Measure L requirements, the alternative to funding Sunday service hours restoration at nine libraries would be to add additional funding to library collections (books and materials). However, we strongly recommend allowing Sunday hours to be restored.

Cc: Aileen Adams, Deputy Mayor of Strategic Partnerships
Monique Earl, Budget Director, Mayor's Office
David Luther, Assistant General Manager, Personnel Department
Elaine Owens-Sanchez, Senior Analyst, CAO
Kyle Millager, Business Manager, Library

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 95

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *RJA*
By

Subject: **LIBRARY – REPORT BACK ON THE SEIU AND LIBRARIAN’S GUILD CONCERNS RELATIVE TO THE RESTORATION OF SERVICES WITH MEASURE L FUNDS**

During consideration of the Library Department’s 2013-14 Proposed Budget, the Committee asked the Library to report back on the SEIU and Librarian’s Guild’s concerns relative to the restoration of services with Measure L funds. Report on the rehiring of permanent staff and the current level of as-needed staffing and the issue of restoring 100 percent of the hours with only 80 percent of the staff. Attached is the Department’s response.

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

MAS:EOS:08130169

Question No. 68

Attachment

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 7, 2013

TO: Miguel Santana
City Administrative Officer

FROM: John F. Szabo *JS*
City Librarian

SUBJECT: **LIBRARY - REPORT REPORT BACK ON RESTORATION OF SERVICES WITH MEASURE L FUNDS – QUESTION NO. 68**

Below is the requested information from the Library Department regarding Question Number 68.

Question #68

Report back on the SEIU and Guild's concerns relative to the restoration of services with Measure L funds. Report on the rehiring of permanent staff and the current level of as-needed staffing. The library mentioned that they are funding the restoration of Sunday service in Year 3, a year ahead of schedule. The issue is that while they are restoring 100% of the hours, they are only restoring 80% of the staff. Cheryl Parisi mentioned it and then Librarian's Guild confirmed.

Department Answer

To fulfill its obligations to Measure L, the library plans to restore Sunday service hours in FY 2013-14. This allows greater scheduling flexibility, increased efficiency and, most importantly, the appropriate level of staff necessary to meet the public demand for restored Sunday service.

The Library is restoring Sunday service for three reasons:

1. The amount of Measure L funds mandated by the city charter for FY 2013-14 allow the library to fulfill its promises for FY 2013-14 (purchase books and technology) and FY 2014-15 (restore Sunday service). Measure L funds can only be used for library services and related costs.
2. When the nine libraries were open on Sundays, they were heavily used by thousands of residents across the city.
3. Sunday service is crucial for many working people and their families, providing them with the vital resources they cannot access during weekday hours. Restoring Sunday service hours is a priority for many people who need access to the library's job search, citizenship, homework help, computers and many other resources.

City Charter Requirements

Measure L increases the library's charter-required appropriation for FY 2013-14 by \$16,659,626: from \$102,307,213 to \$118,966,839. The city charter mandates that a minimum of 45% (\$7.5 million) of Measure L funding be used for library services (e.g., restore public service hours, materials and technology) and any remaining funds are to be used to reimburse the General Fund for related costs. This charter-mandated funding cannot be used for any purpose other than for library services and programs, and for the payment of related costs.

Rehiring of Permanent Staff

In June 2010, 90 FTE library employees were laid off. Of those employees, 24 were full-time civil service and the remainder were part-time exempt employees.

Currently, all 24 civil service employees have been offered a position at the library; 15 have accepted re-employment. In FY 2012-13, the library restored evening service four days per week. So far in FY 2012-13, the library has hired 20 half-time civil service librarians and 37 half-time civil service clerk typists. The library will hire 17 FTE civil service librarians over the next two months.

In its FY 2013-14 budget submittal, the library plans to restore Sunday service hours by adding 30 half-time civil service librarians, 30 half-time civil service clerk typists and 2 full-time civil service supervisory library assistants. This new staffing model allows the library to restore Sunday service and meet the needs of the public in an economic and efficient way.

As-Needed Staffing

Fulfilling the promises made by Measure L to voters and the people of Los Angeles is a top priority for the library. In order to meet service requirements and to compensate for delays in hiring civil service staff the library has relied heavily on as-needed staffing.

If there are additional questions, please call me or Assistant General Manager Kris Morita at 213/ 228-7515. Thank you.

Cc: Aileen Adams, Deputy Mayor of Strategic Partnerships
Monique Earl, Budget Director, Mayor's Office
David Luther, Assistant General Manager, Personnel Department
Elaine Owens-Sanchez, Senior Analyst, CAO
Kyle Millager, Business Manager, Library

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 96

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *MSH
MS*

Subject: **LIBRARY – REPORT BACK ON THE BREAKDOWN OF MEASURE L FUNDS FOR TECHNOLOGY REPLACEMENT**

During consideration of the Library Department's 2013-14 Proposed Budget, the Committee asked the Library to report back with a breakdown of the \$1.2 million in Measure L funds for technology replacement, including other options for phone system replacement.. Attached is the Department's response.

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

MAS:EOS:08130168

Question No. 67


Attachment

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 7, 2013

TO: Miguel Santana
City Administrative Officer

FROM: John F. Szabo 
City Librarian

SUBJECT: **LIBRARY - REPORT BACK ON TECHNOLOGY REPLACEMENT
AND INTEGRATED TELEPHONE SYSTEM - QUESTION NO. 67**

Below is the requested information from the Library Department regarding Question No. 67.

Question #67

Provide a breakdown of the \$1.2 million in Measure L funds for technology replacement. Discuss other options for phone system replacement.

Department Answer:

Measure L funding provides the \$1.2 million necessary to replace antiquated equipment including computers, printers, materials check-out and theft-prevention equipment, and network testing devices to improve customer service. It also includes funds for digitization equipment, data backup software, and servers. The items identified for funding from the \$1.2 million are a high priority. Although ITA is supportive of the phone system moving to VoIP and assisted in the development of our proposal, if additional funds are not available, the library will defer the phone system replacement.

Background:

Technology Replacement Package

Technology is critical for effective, cost-efficient delivery of library services and resources to the public. As a result, funds have been budgeted to establish a recurring annual line item for the replacement of aging telecommunications network including hardware and software used by staff and the public.

Access to technology is a key library service. Residents depend on the Los Angeles Public Library (LAPL) for access to the vast array of Internet-based resources including those available for homework help, job and career assistance, literacy and language training and even assistance in becoming a citizen. Sustaining this technology requires not only a talented and well-trained staff, but

also a dedicated funding stream to ensure an adequate network infrastructure and telecommunications system.

These funds will replace the library's outdated telecommunications network equipment which serves as the delivery mechanism for the host of electronic resources the library provides the public. In addition, funds are budgeted for replacing obsolete computers, printers, training equipment, and software.

VoIP Telephone System

The 73 libraries in the system use 73 separate telephone systems, the majority of which are 15 years old or older. Due to the age of these telephone systems, they cannot be networked to take advantage of the library's fiber-optic network, which results in increased maintenance and replacement costs and poor customer service.

The library recommends replacing its antiquated telephone system at the Central and 72 branch libraries with an integrated VoIP telephone system. The library developed the proposed system in conjunction with the city's Information Technology Agency (ITA), which is developing specifications for a city-wide telephone system replacement. ITA supports the library's role as the first department to implement the integrated VoIP telephone system.

Benefits of a new VoIP telephone system include:

- Telephone bill cost savings. The long distance charges generated by the current system will be eliminated.
- Maintenance costs savings. The new system will dramatically reduce the maintenance and equipment replacement costs generated by the failing hardware of the current antiquated system.
- Better customer service. The new system will provide voice mail at all locations and the ability to transfer calls among the 73 libraries, neither of which are currently available.
- Cost saving features & efficiencies. The VoIP telephone system will allow the library to implement efficient and cost-saving technologies available to most businesses including unified communications (telephone, email, computer integration), smart phone access and audio/video conferencing.

Cc: Aileen Adams, Deputy Mayor of Strategic Partnerships
Monique Earl, Budget Director, Mayor's Office
David Luther, Assistant General Manager, Personnel Department
Elaine Owens-Sanchez, Senior Analyst, CAO
Kyle Millager, Business Manager, Library

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 97

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **EXHIBIT H – PERSONNEL – CIVIL SERVICE EXEMPTIONS**

Exhibit H lists required ordinance changes and other budgetary actions needed to effectuate the 2013-14 Budget. During its consideration of Exhibit H, the Committee asked about the number of Civil Service exemptions currently allowed by the Charter, the number currently approved, and whether there is a limit for the Proprietary Departments. The Personnel Department has provided this information in the attached response.

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

MAS:JAY:11130047

Question No. 287

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 7, 2013

To: Honorable Members of the Budget and Finance Committee
Attention: Office of the City Administrative Officer

From: 
Margaret Whelan, General Manager
Personnel Department

**SUBJECT: PERSONNEL DEPARTMENT BUDGET MEMO No. 287
Number of Exemptions Currently Allowed by the Charter**

Question No. 287

How many exemptions are currently allowed by the Charter? How many are currently approved? Is there a limit for the proprietaries?

Response

Charter Section 1001 (b) allows for the civil service exemption of up to 150 persons to provide management services or to render professional, scientific or expert services of an exceptional character to offices or departments including the Proprietary Departments. There are currently 136 approved exempt positions and two more (Hyperion Treatment Plant Manager, Bureau of Sanitation and Principal Project Coordinator, Recreation and Parks) pending approval by City Council. The Hyperion Treatment Plant Manager exemption is scheduled on the Council agenda for today, May 7. If this is approved, the count will increase to 137 approved exemptions and one pending.

Regarding proprietary department exemptions, Charter Section 1001 (c) provides for the civil service exemption of up to 25 positions specifically in the proprietary departments. Fifteen positions in the Department of Water and Power and up to ten positions to be allocated between the Harbor Department and the Department of Airports for employment of persons to provide management services or to render professional, scientific or expert services of an exceptional character are also authorized. Currently, all 25 positions are filled. These positions are in addition to any positions which are exempted from civil service for a proprietary department out of the "150" from Charter Section 1001 (b).

Charter Section 1001 (a) provides for the automatic exemption of numerous specific positions which include elected officials, commissioners, Assistant General Managers, Deputy Chiefs of Police and Fire, and Crossing Guards. The complete listing is attached.

Charter Section 1001 (d) provides for the exemption of unskilled labor, craftpersons working on public work projects, part-time employees, and grant funded positions. There is no numerical limit placed on these exemptions. The specific criteria for these exemptions are listed on the attached.

Attachment

Sec. 1001. Exemptions:

Each of the following positions shall be exempt from this Article:

(a) Exempt Positions.

- (1) All officers elected by the people.
- (2) All members of the boards of commissioners.
- (3) All chief administrative officers of the City's departments and offices and the Directors of the Public Works' Bureaus of Contract Administration, Engineering, Sanitation, Street Lighting and Street Services.
- (4) Two positions in the class of Assistant General Manager or Deputy Director in each City office or department, and two positions in the class of Assistant Director in each of the Public Works Bureaus of Contract Administration, Engineering, Sanitation, Street Lighting and Street Services, and two positions in the class of Deputy Controller in the Office of Controller.
- (5) All Deputy Chiefs of Police.
- (6) All Deputy Chiefs of Fire.
- (7) Positions in the Office of the Mayor.
- (8) Positions established by the Council for the purpose of assisting the members of the Council in the performance of their duties, except for clerical personnel.
- (9) All positions in the office of the City Attorney.
- (10) The Chief Financial Officer of the Department of Water and Power.
- (11) The Executive Director of the Board of Police Commissioners.
- (12) The Inspector General of the Police Department.
- (13) The Executive Director and all non-clerical personnel of the City Ethics Commission.
- (14) All Assistant Directors in the Office of Administrative and Research Services.
- (15) The Traffic Manager and the Port Warden of the Harbor Department.
- (16) Crossing Guards.
- (17) All physicians and psychologists subject to Section 1040.
- (18) All officers of election.
- (19) Persons specially employed by the City Clerk, as authorized by the provisions of Section 405 of the Charter, to assist in the conduct of any election.
- (20) Positions elsewhere specifically exempted by the Charter.

(b) Management, Professional, Scientific or Expert Services. In addition to those positions described in subsections (a), (c) and (d) of this section, up to 150 persons to provide management services or to render professional, scientific or expert services of an exceptional character to offices or departments including the Proprietary Departments. Appointments under this subsection shall be subject to the following:

(1) As to each position to be exempted under this subsection, and prior to the initiation of the selection process to fill the position, the Mayor shall forward to the Council a recommendation for an exempt position which sets forth the educational, experience and other professional requirements of the position and describes the circumstances presented by the department seeking the appointment that preclude filling the position through the civil service system. Within ten Council meeting days from receipt of the recommendation, the Council may by two-thirds vote disapprove the Mayor's recommendation for the exemption. If the Council does not act on the recommendation within the specified time period, the recommendation shall be deemed approved. When the position is vacated, the exemption shall terminate unless re-authorized in accordance with this subsection.

(2) No person may be employed under this subsection if he or she has served in an exempt position in the office of an elected City official in the prior two years unless he or she meets the professional experience requirements established for the position.

(3) Persons who have been exempted or who have been appointed to an exempt position prior to the effective date of this Charter will retain their exemption. Exemptions under this subsection shall be prospective and shall be made only at the time of filling a vacant position.

(4) Council may, by ordinance adopted by two-thirds vote, increase the maximum number of exempt positions as provided in subsection (b) to no more than one percent (1%) of the

regular authorized positions in the City workforce, provided that if the maximum number of exempt positions is increased pursuant to this subsection, the number of positions created by subsections (a) (4), (5) and (c) of this section shall be counted toward the maximum allowable exemptions. If Council provides for a maximum number of exemptions based on a percentage of the workforce, and a reduction in the workforce results in more filled exempt positions than permissible, each incumbent shall retain the exemption, but when vacated, such excess exemptions shall terminate.

(c) Proprietary Department Positions. In addition to the exempt positions in the Proprietary Departments created by subsections (a), (b)(1), (2), (3) and (d) of this section, up to 15 positions in the Department of Water and Power and up to ten positions to be allocated between the Harbor Department and the Department of Airports for employment of persons to provide management services or to render professional, scientific or expert services of an exceptional character. Exemption of these positions shall be subject to the following:

(1) Upon receipt of a request for an exempt position by the department which sets forth the educational, experience and other professional requirements of the position and describes the circumstances that preclude filling the position through the civil service system, the Mayor shall forward to the Council a recommendation for the exempt position. Within ten Council meeting days from receipt of the recommendation, the Council may by two-thirds vote disapprove the Mayor's recommendation for the exemption. If the Council does not act on the recommendation within the specified time period, the recommendation shall be deemed approved.

(2) No person may be employed under this subsection if he or she has served in an exempt position in the office of an elected City official in the prior two years unless he or she meets the professional experience requirements established for the position.

(3) Persons who have been exempted or who have been appointed to an exempt position prior to the effective date of this Charter shall retain their exemption. Exemptions under this subsection shall be prospective and shall be made only at the time of filling a vacant position.

(d) Positions Approved by Council. In addition to the exempt positions created in subsections (a), (b) and (c) of this section, any of the following may be exempted from the provisions of this Article upon the request of the head of the department or office in which they are employed, by order of the Board of Civil Service Commissioners, approved by the Council by resolution:

- (1) positions of unskilled laborers, including drivers;
- (2) positions for workers, mechanics or craftpersons (including crew leaders) employed exclusively in that position on the construction of public works, improvements or buildings;
- (3) any position requiring the services of one individual for not more than half time and paying a salary not to exceed three-fourths of the monthly rate established by the salary fixing authority of the department, division or office for entering-level clerical positions;
- (4) grant-funded positions for a term of no more than two years which, by application of the procedures described in this subsection may be extended for one additional year for a maximum exemption period of three years.

Any exemption made under the provisions of (1) through (4) may be terminated at any time by resolution of the Board of Civil Service Commissioners.

(e) Leave of Absence from Civil Service. Each person exempted or appointed to an exempt position under this section shall, during the period of exempt employment, be considered as being on leave of absence from the classified civil service if at the time of exemption he or she holds a position in the classified civil service, or is entitled to hold a position therein, and shall continue, during such period, to accrue seniority credit the same as though serving in such position.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 98

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *MAS*
*RS***Subject: TRANSPORTATION - PART-TIME TRAFFIC OFFICER PROGRAM**

Your Committee requested a report back on the part-time traffic officer program. Specifically, information was requested on the transitioning of part-time traffic officers to full-time traffic officers and an analysis on issuance rates. In addition, information was requested on alternative structures for deployment and cost effective strategies to increase revenues. Attached is the Department's response to this report.

The response includes discussion of the elimination of the part-time traffic officer position and the replacement of this function with additional Traffic Officer I employees which would focus entirely on patrol and enforcement. In addition, the department has included elimination of the automatic promotion into the Traffic Officer II position as an alternative structure. It should be noted that alternatives to any suggested deployment strategies are subject to meet and confer with labor and could be considered during renegotiations should this Committee desire to do so.

RECOMMENDATION:

It is recommended that the City continues to hire full-time traffic officers from the part-time traffic officer pool and that the City maintains the existing part-time program as is.

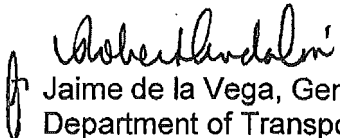
FISCAL IMPACT:

There is no fiscal impact.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: May 7, 2013

To: Budget & Finance Committee
c/o City Clerk, Room 395, City Hall
Attention: Honorable Paul Krekorian, Chair

From:  Jaime de la Vega, General Manager
Department of Transportation

Subject: **REPORT BACKS-FY 2014 PROPOSED BUDGET-QUESTION NO. 159**

QUESTION

Report back on transitioning part-time traffic officers to full-time officers. Include an analysis of issuance rates for citations for full-time vs. part-time officers. Is the increase in parking citation revenue for 2013-2014 achievable? Are there alternative structures for traffic officer deployment? Are there other scenarios to increase revenues in more cost effective ways? Has funding the part-time officers been a more cost effective strategy?

RESPONSE

Report back on transitioning part-time traffic officers to full-time officers.

In December 2012, the Department successfully transitioned 23 part-time officers (PTOs) into fulltime positions. Applications are currently being accepted from PTOs to fill an additional 8-10 vacancies.

Analysis of issuance rates for citations for full-time vs. part-time officers

Department statistics demonstrate that the issuance rate for both part-time and full-time traffic officers is approximately 4 citations per patrol hour. During FY 2012-2013, Department statistics demonstrate a steady growth in the part-time traffic officer overall citation issuance. The Department projects that part-time traffic officers will issue over 370,000 citations this year while full-time traffic officers will issue approximately 2.2 million parking citations. Overall, Department projections indicate that FY 2013 issuance will exceed FY 2012 issuance by approximately 93,000 parking citations.

Is the increase in parking citation revenue for 2013-2014 achievable?

The projected goal for citation revenue for FY 2013-2014 is ambitious. However, the Department believes that the goal is achievable. With a projected issuance of 2.68

million parking citations and a first-year collection rate of 74 percent, the Department should be able to meet the revenue goal.

The projected revenue and issuance for FY 2012-2013 is trending in a positive direction. Currently, the Department has issued 90,000 more citations than last year at this time. The Department therefore projects meeting the required issuance to meet the revenue goal of \$153,437,755. The collection rate has also increased slightly for the first year both without penalty and with late penalty. Finally, the Department is collecting higher than planned amount through the Franchise Tax Board Intercept program.

Are there alternative structures for traffic officer deployment?

The Department would consider an elimination of the part-time traffic officer position. These positions would be replaced with additional Traffic Officer I (TO I) employees (actual number of positions to be determined). The TO I would focus entirely on patrol and enforcement of parking violations. There would also be an elimination of the automatic promotion into the Traffic Officer II position. The TO II would perform traffic control duties as required, in addition to engaging in patrol and enforcement activity as needed. The department would also seek to create a Traffic Officer III position that would serve as a training officer or function as an Area Office "On Site" in the absence of a supervisor (sergeant).

Should a TO II or TO III no longer be able or willing to continue performing the requisite additional job duties, e.g. traffic control, training assignment, or supervisory tasks, the Traffic Officer will revert to their former job classification.

Are there other scenarios to increase revenues in more cost effective ways?

Traffic Control assignments for city construction, repairs, etc., should only be done on an overtime (OT) basis. When an OT payment is not possible, construction scheduling should include the Divisional Captain so that traffic control is not scheduled on priority days, i.e., days in which a large percentage of traffic officers are engaged in regularly scheduled enforcement activity.

Has funding the part-time officers been a more cost-effective strategy?

Yes, the PTOs average citation issuance consistently exceeds (4) four citations per hour of patrol activity. With an average revenue of \$61.23 per citation, this equates to approximately \$245.00 per hour of patrol activity. Additionally, PTOs are typically deployed into the field more rapidly because their daily briefing is shorter in duration.

The City also realizes a benefit of employing candidates that often have considerable work experience in other disciplines that facilitates their understanding of the required duties and improves their effectiveness. Additionally, if a candidate subsequently

decides that he/she does not like the nature of the required work, the City has incurred less costs upon their separation from service.

JTV:ra

c: Miguel A. Santana, City Administrative Officer
Monique F. Earl, Mayor's Budget Director

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 99

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

DIA
TDW

Subject: **DEPARTMENT OF CITY PLANNING AND DEVELOPMENT – COST ESTIMATES FOR A CONSULTANT TO REVIEW AND EVALUATE THE PROPOSED CONSOLIDATION**

A number of steps need to be taken before an accurate cost estimate can be made, including establishing a scope of services and soliciting bids. To start that process, recommendations for next steps are identified below.

RECOMMENDATIONS

That the Council:

1. Direct the Departments of Fire, Transportation, Public Works, Bureau of Engineering, Building and Safety, and Planning to work with the CAO to develop a scope of services for the consultant relative to consolidation;
2. Authorize the CAO to solicit bids for the scope of services developed by the CAO and the impacted departments, using an established list of qualified firms maintained by the City or another governmental entity, the BuildLA procurement, or another procurement as determined by the CAO and City Attorney; and,
3. Direct the CAO to report back with the results of the procurement and a request for funds for the consultant contract.

FISCAL IMPACT STATEMENT

No General Fund impact. Funding will be provided through Special Funds for which this expense is allowable.

MAS:ACA:TJM:02130110

Question No. 171



All Budget & Finance Questions

SUBJECT DEPT	Date Assigned	Date Released
Group 2 - Aurora C. Abracia - Economic Development and Grants (Continued)		

PLANNING

Tyler Munhall

Assigned To: City Administrative Officer

OPEN Question No. 171 5/2/2013 Report back on cost estimates for a consultant to review and evaluate the proposed consolidation.

Assigned To: Planning


Special Study Question No. 173 5/2/2013 Report back on the status of any new San Fernando Valley Community Plans.

**Report Back To:
Budget & Finance Committee**

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 100

Date: May 7, 2013

To: Budget and Finance Committee 

From: Miguel A. Santana, City Administrative Officer

Subject: **CULTURAL AFFAIRS – REPORT BACK ON THE NEW MURAL ORDINANCE IMPLEMENTATION AND THE CITYWIDE MURAL PROJECT AND WHETHER THE FUNDS CAN BE PLACED IN THE UNAPPROPRIATED BALANCE**

Your Committee requested this Office report back on the New Mural Ordinance Implementation (Blue Book Item 21) and the Citywide Mural Project (Blue Book Item 22) and whether the funds for these items can be placed in the Unappropriated Balance (UB) until a policy for the murals program is established.

The \$50,000 for the New Mural Ordinance Implementation (Blue Book Item 21) contains a Mural Registration and an Outreach component and is requested as ongoing funding for the development and administration of a mural registration process. This item is funded with revenues to the Arts and Cultural Facilities and Services Trust Fund (Schedule 24) based on the equivalent of one percent of the Transient Occupancy Tax (TOT).

The Citywide Mural Project (Blue Book Item 22) will establish a trust fund to support a Citywide Murals program. The funding consists of a \$1.75 million one-time General Fund allocation separate and apart from the TOT revenue. The program will support the restoration of existing vintage art murals, the creation of new murals, and the implementation of mural education programs throughout the City in conjunction with the new mural ordinance (Council File 11-0923). The City's Planning and Land Use Management Committee approved the item on January 15, 2013. Currently, the City Attorney's Office is finalizing the ordinance and the Department of Cultural Affairs (Department) has been instructed to finalize the corresponding Administrative Rules that will govern and establish the new Mural Registration Process.

The City Council has the option of placing the \$50,000 associated with the New Mural Ordinance Implementation and the \$1.75 million associated with Citywide Mural Project in the UB until a policy for the murals program is established and/or until the City Council adopts the proposed new mural ordinance.

The Department recommends that the funding be appropriated to an Unallocated line item in Schedule 24 which would then require Cultural Affairs to report back to Council with a policy for the murals program in order to allocate the funds to the Department's operation budget. Council can also achieve the same result by directing the Department to report back with program implementation details prior to the obligation of any funds and/or include a footnote in Schedule 24 indicating disbursement requirements. The Department reports that maintaining the appropriations for this item in the Cultural Affairs budget will allow it to move forward with the program as soon as the new fiscal year begins and the murals ordinance is

approved. A clear funding commitment for this purpose as currently proposed also enhances leveraging opportunities with private entities to maximize the City's investment.

RECOMMENDATION

Place the \$50,000 associated with the New Mural Ordinance Implementation and the \$1.75 million associated with Citywide Mural Project in the Unappropriated Balance and require the Department to report back when a policy for the murals program is established and the City Council adopts the proposed new mural ordinance.

FISCAL IMPACT STATEMENT

As no change to the Mayor's Proposed Budget is recommended, there is no impact to the General Fund.

MAS:EOS:08130156

Question No. 151

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 101

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *PSH
BN*

Subject: **LIBRARY – INTEGRATED TELEPHONE SYSTEM**

Your Committee requested this Office to report back regarding whether the Information Technology Agency (ITA) was provided funding to support the upgrade of telephonic technology (integrated telephone system) in the Library. The Proposed Budget assumes this will be a three year project and \$500,000 is allocated for the first year. Can Measure L funds be used to pay for this initiative? Should this be viewed as a Citywide initiative?

The ITA was not provided direct funding to support the integrated telephone system for the Library; however the Library's Proposed Budget requested that funding be identified in the Library's budget and transferred to the ITA during the year for this purpose. The ITA, with assistance from the Library, will coordinate the selection of the telecommunications vendor to install and configure the integrated telephone system.

The Library reported that the estimated cost of \$1.5 million was based upon pricing obtained from several vendors. The cost includes re-cabling several branches that currently have sub-standard cabling as well as all of the telephone system servers, switches and telephone instruments. The three phases of the telephone system upgrade are as follows:

- Phase I – Central Library and core systems – including, but not limited to voicemail, conference calling, and smart phone application support (\$500,000);
- Phase II – Regional Branch Libraries and larger neighborhood branches (\$500,000);
- Phase III – All remaining neighborhood branch libraries (\$500,000).

Funding the telephone system would be an appropriate use of Measure L funds for the restoration of Library services.

With regard to whether the Library's phone system should be considered a citywide initiative, ITA's position is that this would be preferable; however, the ITA is sensitive to the urgency of the Library's request. Should the development of the citywide network standards and the subsequent competitive bidding and award of a contract with an equipment provider and implementer become a lengthy process, they would support Library's efforts to more expeditiously contract with a provider that meets their needs.

It is also the position of ITA that this is a practical approach as Library's phone system is presently completely independent of the rest of the City's and not currently maintained by ITA.

ITA is investigating vehicles to contract with a system engineer/network design firm that could develop the Request for Proposals (RFP) for a citywide Voiceover Internet Protocol (VoIP) solution, including a unified communications strategy and best practices to handle small facilities' VoIP requirements. The intent would be to award a contract based on that RFP by October and have Library be the first department to roll out this standard, followed by 93 Fire Stations. Any new facilities would be designed incorporating these standards.

Should the above timeframe work out, ITA will work with the Library to include them in the development and application of the new citywide network standards.

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

MAS:EOS:08130158

Question No. 66

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 102

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *MAS*Subject: **CULTURAL AFFAIRS – EXHIBIT H – FEES COLLECTION**

Your Committee requested this Office report back regarding the request for an ordinance to amend Section 5.115.4 of the Administrative Code concerning the revenues for the Arts and Cultural Facilities and Services Trust Fund, and how the change to how the fees are collected is different from the current process.

Fees collected for various services totaling approximately \$200,000 annually, including art instruction programs, design review, Hollyhock House admission fees and the slide registry, are currently deposited in the General Fund. Correspondingly, a proportionate amount is deducted from the related cost obligation for the Department of Cultural Affairs (DCA). The ordinance change proposes that receipts be deposited in the Arts and Cultural Facilities and Services Special Fund and be recognized as revenue sources for DCA operations. The proposed change is General Fund neutral inasmuch as the revenue equivalent will no longer be deducted from the Department's related costs in the fund.

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

MAS:EOS:08130157

Question No. 282

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 103

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer RH
RWSubject: **BUREAU OF SANITATION – BUDGET IMPACT OF CONVERTING SWRRF INTO AN ENTERPRISE FUND**

Your Committee requested this Office to report back on the budget impact of converting the Solid Waste Resources Revenue Fund (SWRRF) into an Enterprise Fund as instructed in Exhibit H.

At this time, it is difficult to quantify the budget impacts of converting SWRRF into an Enterprise Fund. However, it is anticipated that the conversion will result in the following benefits and operational efficiencies:

- Provide a higher level of fiscal transparency and accountability to the rate payers, bond holders, credit rating agencies, and management, which will result in lower debt financing costs from the improved credit ratings.
- Record financial transactions based on full-accrual basis. This will allow the Fund to accumulate and allocate reserves to stabilize rates and pay for infrastructure, contingencies and liabilities, which will allow management to better plan, implement, and manage long-term capital improvements and control costs.
- Streamline accounting operations by consolidating 20 Solids special funds into a few funds within the Enterprise Fund.
- Shift financial and legal liabilities from the General Fund (GF) to the Solid Resources Program (SRP), which will protect the GF from unforeseen obligations that may arise from: 1) State/Federal level regulations or policy changes 2) disastrous events or accidents at the SRP facilities (such as CLARTS, LNG fueling stations and the future alternative technology facility) and closed GF acquired landfills.
- SRP will be fully responsible for costs and obligations relating to maintaining closed landfills.
- Allow both SRP and GF to be more insulated and independent from credit rating swings of either Unlimited Tax General Obligation or the Solids Waste Resources Revenue Bonds. In 2013, Sanitation was informed by Fitch that the credit agency had capped the maximum rating SWRRF could achieve because it still has links to the GF.
- Compliance with the mandatory annual audit will provide additional assurance and trust in Solid Resources Program's fiscal accountability to external stakeholders. The audit will also promote stricter expenditure control and further reduce unnecessary waste.
- Facilitate easier participation in joint ventures or other types of financing transactions when necessary.

This report is informational and no action is required.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 104

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *MSK*Subject: **BUDGET STABILIZATION FUND**

Your Committee requested this Office to report back on why the Proposed Budget spends three-quarters of the Budget Stabilization fund in FY 2013-14.

As part of the 2009-10 budget process, the Mayor and Council established the Budget Stabilization Fund (BSF) to reduce the impact on services during years of slow revenue growth or declining revenue. In March 2011, voters passed Charter Amendment P which established the BSF in the City Treasury and authorized the requirements for transfers or expenditures from the BSF to be established by ordinance. In April 2013, this Office and the Chief Legislative Analyst (CLA) submitted a proposed BSF Policy for review and incorporation into the City's Financial Policies. Specifically the policy would allow for a budget appropriation to the BSF when the combined growth of seven General Fund tax revenue sources is anticipated to exceed 3.4 percent for the upcoming fiscal year and would limit withdrawals from the BSF to 25 percent of the available balance in the BSF unless a fiscal emergency for the City has been declared. It is anticipated that this policy will be reviewed prior to the end of the current fiscal year.

The Proposed 2013-14 Budget recommends the transfer of \$53.5 million of the \$69.5 million BSF to the budget leaving a balance of \$16 million in FY 2013-14. Since the BSF policy is still under review by the Budget and Finance Committee, there are no established policies that would prohibit the City from transferring three quarters of the funds from the BSF to the General Fund budget. Additionally, given that the City has already met the five percent Reserve Fund balance requirement established by the City's Financial Policies, meeting the City's Capital Improvement Expenditure Program (CIEP) policy through the use of BSF monies is a reasonable proposal. The CIEP policy requires investing one percent of General Fund dollars towards capital infrastructure. The Proposed Budget provides \$52 million from the General Fund to CIEP for various projects including City-wide elevator repairs, roofing repair, contaminated soil removal, fire life safety systems, and other infrastructure improvements. Had the policy been in place prior to the Proposed Budget being released, the available amount for transfer to the General Fund would only be \$17.4 million. This would limit the City's ability to fund the CIEP.

Once the BSF policy has been approved by Council and Mayor, future transfers that exceed 25 percent from the BSF to the General Fund will be out of compliance. However, if Council and Mayor find the need to prioritize the CIEP above the need to comply with the BSF, this Office will need direction on how to prioritize and reconcile the City's various financial

policies. Nevertheless, this Office recommends that maintaining a healthy reserve fund balance should take precedence over the BSF and CIEP policies.

RECOMMENDATION:

That the Council, subject to the approval of the Mayor, prioritize funding to comply with the City's Financial Policies in the following order: 1) maintain a five percent Reserve Fund Balance; 2) achieve the one percent investment threshold towards capital infrastructure; and, 3) buildup the Budget Stabilization Fund.

FISCAL IMPACT:

This memorandum is informational only. There is no fiscal impact. A separate report back on the intended uses for the Reserve Fund, Unappropriated Balance, Budget Stabilization Fund, and Special Fund Contingency Accounts was released from this Office in response to Question No. 273.

MAS:AMY:01130080c

Question No.274

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 105

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **ZOO DEPARTMENT – SOUTHERN CALIFORNIA COMPARISON**

Your Committee requested the Zoo Department to report back on the competitive market of Southern California attractions. The Department reports that the proposed \$1.00 increase would keep the Zoo competitive with other Southern California attractions. However, the proposed increase would move the Zoo to a higher tier of pricing compared to other comparable zoos. The Department response is attached with three charts:

1. Southern California Attractions;
2. Admission Rates with Comparable Zoos; and,
3. Historical Fee, Attendance and Revenue Chart.

It should be noted that the Department had originally requested authority to increase the general admission prices by \$2.00 for the 2013-14 fiscal year. As a result of the executed Memorandum of Understanding (MOU) with the Greater Los Angeles Zoo Association, the proposed increase was recommended at \$1.00 in anticipation of the increased revenue to be generated from the MOU.

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

MAS:DP:08130161c

Question No.203

CITY OF LOS ANGELES
LOS ANGELES ZOO
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 6, 2013

TO: MIGUEL A. SANTANA, City Administrative Officer
Office of the City Administrative Officer

FROM: JOHN R. LEWIS, General Manager
Zoo Department



SUBJECT: **2013-14 BUDGET MEMO RESPONSE – QUESTION NO. 203**

The Zoo remains competitive in the Southern California market with the 2013-14 proposed \$1 price increase, this is in part because attractions in this area are much more expensive than the Zoo general admission price (see attached Chart 1). However, in order to get a better perspective of the proposed price increase, in terms of similar venues, attached is also a chart of general admission prices at other comparable zoos (see attached Chart 2). This chart demonstrates that the Los Angeles Zoo is moving into the higher-priced category with similar institutions. Over the last ten years, the Zoo has increased the admissions price seven times. Finally, in each instance of a fee increase, the corresponding gross admissions revenue has increased except for Fiscal Year 2009-10 (see attached Chart 3). In this particular instance, the Zoo's parking lot was under construction with the temporary loss of 600 parking spaces for approximately nine months which contributed to reduced attendance and revenue.

Attachments

JRL:DMV/ig

**ADMISSIONS RATE COMPARISONS
SOUTHERN CALIFORNIA ATTRACTIONS**

As of May 2013

Southern California Attractions	ADULT	CHILD	2/3YR & UNDER	SENIOR	PARKING		
Natural History Museum	\$12.00	Ages 5-12	\$5.00	N/A	62+ \$9.00 \$8.00		
Dodger Games	\$12.00-\$650.00	N/A	N/A	Free	N/A \$15.00		
Movies - AMC Theaters	\$12.50	Ages 2-12	\$9.50	Free	60+ \$11.50	Varies	
Movies - Regal Theaters	\$13.50	11 & Under	\$10.25	N/A	60+ \$10.25	Varies	
Santa Barbara Zoo	\$14.00	Ages 2-12	\$10.00	Free	60+ \$10.00	\$6.00	
Los Angeles County Museum of Art	\$15.00	Students	\$10.00	Free	62+ \$10.00	\$10.00	
Los Angeles Zoo - 2012/13	\$17.00	Ages 2-12	\$12.00	Free	62+	\$14.00	Free
Los Angeles Zoo - 2013/14 (Proposed)	\$18.00	Ages 2-12	\$13.00	Free	62+	\$15.00	Free
The Huntington (Weekends & Holidays)	\$23.00	Ages 5 - 11	\$13.00	Free	65+ \$18.00	Free	
Aquarium of the Pacific	\$25.95	Ages 3-11	\$14.95	Free	62+ \$21.95	\$8.00	
San Diego Zoo Safari Park	\$44.00	Ages 3-11	\$34.00	Free	N/A	N/A	\$10.00
San Diego Zoo	\$44.00	Ages 3-11	\$34.00	Free	N/A	N/A	Free
Knott's Berry Farm	\$59.99	Ages 3-11	\$30.99	Free	62+ \$24.99	\$15.00	
Magic Mountain	\$64.99	Under 48"	\$39.99	Free	N/A	N/A	\$17.00
Sea World	\$78.00	Ages 3-9	\$70.00	Free	N/A	N/A	\$12.00
Universal Studios	\$80.00	Under 48"	\$72.00	Free	N/A	N/A	\$15.00
California Adventure	\$87.00	Ages 3-9	\$81.00	Free	N/A	N/A	\$15.00
Disneyland	\$87.00	Ages 3-9	\$81.00	Free	N/A	N/A	\$15.00

Source of data - facility web sites

ADMISSIONS RATE COMPARISON WITH COMPARABLE ZOOS¹

As of May 2013

Comparable Zoos	ADULT	CHILD	FREE CHILD	SENIOR	Parking
Oregon Zoo	\$ 11.50	Ages 3-11 \$ 8.50	Under 3	65+ \$ 10.00	\$ 4.00
Cleveland Metroparks Zoo	\$ 12.25	Ages 2-11 \$ 8.25	Under 2	N/A	Free
Houston Zoo	\$ 14.00	Ages 2-11 \$ 10.00	Under 2	64+ \$ 7.50	Free
Detroit Zoo	\$ 14.00	Ages 2-14 \$ 9.00	Under 2	62+ \$ 12.00	\$ 5.00
Milwaukee Zoo	\$ 14.25	Ages 3-12 \$ 11.25	Under 3	64+ \$ 13.25	\$ 11.00
Columbus Zoo and Aquarium	\$ 14.99	Ages 2-9 \$ 9.99	Under 2	60+ \$ 10.99	\$ 8.00
Denver Zoological Gardens	\$ 15.00	Ages 3-11 \$ 8.00	Under 3	65+ \$ 12.00	Free
Brookfield Zoo (Chicago)	\$ 15.00	Ages 3-11 \$ 10.50	Under 3	65+ \$ 10.50	\$ 9.00
Cincinnati Zoo & Botanical Garden	\$ 15.00	Ages 2-12 \$ 10.00	Under 2	62+ \$ 10.00	\$ 8.00
Dallas Zoo	\$ 15.00	Ages 3-11 \$ 12.00	Under 3	65+ \$ 12.00	\$ 7.00
Zoo Miami	\$ 15.95	Ages 3-12 \$ 11.95	Under 3	65+ \$ 12.72	Free
Indianapolis Zoo	\$ 16.95	Ages 2-12 \$ 11.95	Under 2	62+ \$ 15.95	\$ 6.00
Los Angeles Zoo	\$ 17.00	Ages 2-12 \$12.00	Free	62+ \$ 14.00	Free
Los Angeles Zoo - 2013/14 (Proposed)	\$ 18.00	Ages 2-12 \$13.00	Free	62+ \$ 15.00	Free
Minnesota Zoological Garden	\$ 18.00	Ages 3-12 \$ 12.00	Under 3	65+ \$ 12.00	\$ 5.00
Woodland Park Zoological Gardens (Seattle)	\$ 18.75	Ages 3-12 \$ 11.75	Under 3	65+ \$ 16.75	\$ 5.00
Philadelphia Zoological Garden	\$ 20.00	Ages 2-11 \$ 18.00	Under 2	N/A	\$ 15.00
Bronx Zoo	\$ 29.95	Ages 3-12 \$ 19.95	Under 3	65+ \$ 24.95	\$ 13.00
San Diego Zoo Safari Park	\$ 44.00	Ages 3-11 \$ 34.00	Under 2	N/A	\$ 9.00
San Diego Zoo	\$ 44.00	Ages 3-11 \$ 34.00	Under 2	N/A	\$ 9.00

Source of data - facility web sites

Footnote 1 - These institutions have an annual attendance of 1,000,000 or more. This does not include those institutions that are free, such as the Smithsonian National Zoo (Washington D.C.), the Saint Louis Zoo, and the Lincoln Park Zoo (Chicago).

**LOS ANGELES ZOO
HISTORICAL FEE, ATTENDANCE AND REVENUE CHART**

YEAR	Fee Increase	% Increase	ADULTS (13 & over)	CHILDREN (2-12 years)	SENIORS	GROUP RATE (15+)	Attendance	Increase Over Previous Year	% Increase Over Previous Year	Revenue	% Increase Over Previous Year
July 2001	\$ -	0.0%	\$ 8.25	\$ 3.25	\$ 5.25	\$ 5.25	1,517,366	N/A	N/A	\$ 5,358,969	N/A
July 2002	\$ -	0.0%	\$ 8.25	\$ 3.25	\$ 5.25	\$ 5.25	1,516,067	(1,299)	-0.1%	\$ 5,080,649	-5.2%
July 2003	\$ 0.75	9.1%	\$ 9.00	\$ 4.00	\$ 6.00	\$ 6.00	1,389,639	(126,428)	-8.3%	\$ 5,180,938	2.0%
July 2004	\$ 1.00	11.1%	\$ 10.00	\$ 5.00	\$ 7.00	\$ 7.00	1,396,538	6,899	0.5%	\$ 5,568,593	7.5%
July 2005	\$ -	0.0%	\$ 10.00	\$ 5.00	\$ 7.00	\$ 7.00	1,523,469	126,931	9.1%	\$ 5,937,376	6.6%
July 2006	\$ -	0.0%	\$ 10.00	\$ 5.00	\$ 7.00	\$ 7.00	1,564,674	41,205	2.7%	\$ 6,363,959	7.2%
July 2007	\$ -	0.0%	\$ 10.00	\$ 5.00	\$ 7.00	\$ 7.00	1,602,171	37,497	2.4%	\$ 6,749,938	6.1%
May 2008	\$ 2.00	20.0%	\$ 12.00	\$ 7.00	\$ 9.00	\$ 9.00	1,556,162	(46,009)	-2.9%	\$ 7,861,824	16.5%
July 2009	\$ 1.00	8.3%	\$ 13.00	\$ 8.00	\$ 10.00	\$ 10.00	1,459,080	(97,082)	-6.2%	\$ 7,794,989	-0.9%
July 2010	\$ 1.00	7.7%	\$ 14.00	\$ 9.00	\$ 11.00	\$ 11.00	1,543,232	84,152	5.8%	\$ 8,862,531	13.7%
November 17, 2011	\$ 2.00	14.3%	\$ 16.00	\$ 11.00	\$ 13.00	\$ 13.00	1,660,450	117,218	7.6%	\$ 10,912,299	23.1%
August 17, 2012	\$ 1.00	6.3%	\$ 17.00	\$ 12.00	\$ 14.00	\$ 14.00	FISCAL YEAR NOT YET COMPLETED				

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 106

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **ZOO DEPARTMENT – VALIDITY OF THE MARKETING AGREEMENT WITH THE GREATER LOS ANGELES ZOO ASSOCIATION**

Your Committee requested the Office of the City Attorney to report back on the validity of the marketing agreement executed by the Zoo Director with the Greater Los Angeles Zoo Association. The City Attorney reports that the agreement is valid, and is subject to ratification and adoption by the City Council by December 31, 2013. Please see attached response from the City Attorney.

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

MAS:DP:08130173c

Question No.256

MEMORANDUM

TO: The Honorable Budget and Finance Committee

FROM: Office of the City Attorney

DATE: May 7, 2013

SUBJECT: Budget and Finance Committee Question No. 256 – Is the Zoo marketing agreement executed by the Zoo Director a valid legal agreement?

The Zoo marketing agreement negotiated by the Zoo Director and the Administrative Officer and recently executed is a valid legal agreement. We note, however, that the MOU is subject to ratification by the City Council. In that regard, the MOU provides as follows:

7. Ratification

This MOU is subject to ratification by the City Council and may be ratified by Council before or at the time of the approval of the Business and Marketing Plans by Council. No later than November 1, 2013, the Zoo shall submit (not-to-exceed) five year Marketing and Business Plans to the City Council, consistent with Sections 22.711, 22.713 (5) and 22.714 of the Los Angeles Administrative Code (LAMC), for Council's approval. Approval of the Zoo's five year Marketing and Business Plans shall occur no later than December 31, 2013, and consistent with LAMC Section 22.711, this MOU shall conform with and carry out the objectives and strategies in those approved and adopted plans. The MOU shall be void if the Marketing and Business Plans are not approved and adopted by the City Council by December 31, 2013 and GLAZA and the City shall have no further obligations hereunder.

A copy of the MOU is attached for your information and convenience.

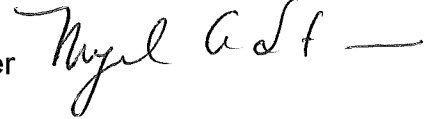
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 107

Date: May 7, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **OFFICE OF FINANCE – TREASURY ACCOUNTANT, TAX AUDITOR,
AND TAX COMPLIANCE OFFICER UPGRADES**

This memorandum responds to your Committee's inquiry about upgrades involving one Treasury Accountant, five Tax Compliance Officers, and eight Tax Auditors in the Office of Finance.

Treasury Accountant

The Office of Finance requested the establishment of a new pay grade level III for the classification of Treasury Accountant. The creation of a new pay grade was identified in the Office of Finance Operational plan approved by the City Council on June 28, 2011, and submitted for review and approval by the CAO's Employee Relations Division in May 2012. At that time the new pay grade was determined not to be needed based on the duties and responsibilities submitted by the Office of Finance and as identified in the pay grade II level position description.

The proposed new pay grade III level was subsequently submitted for reconsideration. It was reviewed by a team of Employee Relations staff in November 2012, and again determined not to be warranted based on job duties and span of control.

Tax Auditor

The Office of Finance requested the Managed Hiring Committee (MHC) approve the upgrade of eight Tax Auditor I incumbents occupying eight Tax Auditor II positions on an in-lieu basis in the Tax and Permit Division. The MHC initially considered the upgrade request in March 2013, and requested additional information from the department. That information has since been provided, and the MHC is scheduled to reconsider the matter on June 7, 2013.

Tax Compliance Officer

In February and March, 2013 the MHC approved the upgrade of five Tax Compliance Officer I incumbents utilizing five TCO II vacancies.

This memorandum is informational only; there is no fiscal impact.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 108

Date: May 8, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer Subject: **GCP – SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) MEMBERSHIP FUNDING**

The Budget and Finance Committee requested a report back on whether membership dues to the Southern California Association of Governments (SCAG) should be funded by the Department of Transportation (DOT) or the Housing Department. The Mayor's Proposed Budget for the City's membership to SCAG is composed of the following funding sources:

- General Fund (\$255,000)
- Solid Waste Resources Revenue Fund (\$30,000) for work related to solid waste policies and the Southern California Hazardous Waste Management Plan and the Regional Comprehensive Plan on Solid Waste
- Sewer Construction and Maintenance Fund (\$30,000) for work related to water resources management; clean water standards; and, the development of the Water Planning Program.
- Proposition C (\$30,000) for transit-oriented projects and the development of the Regional Transportation Plan

Funding is already provided for DOT-related projects through Proposition C. If there is funding available from the Housing Department, it may provide funding related to SCAG's Regional Housing Needs Assessment and Housing and Transportation Affordability Index and Case Studies. However, the Housing Department is experiencing reduced funding levels due to reductions in Federal entitlement grants. It is not anticipated that funds can be identified for this purpose.

RECOMMENDATION:

If funding is identified from the Housing Department special funds, it is recommended that these funds offset the General Fund portion of the SCAG membership dues.

FISCAL IMPACT:

Any special funds identified from Housing Department special funds may reduce the General Fund appropriation for the City's SCAG membership dues.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 109

Date: May 8, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *MS*

Subject: **DEPARTMENT OF CITY PLANNING AND DEVELOPMENT – PROVIDE RECOMMENDATIONS RELATIVE TO FUNDING AND POSITION AUTHORITIES FOR THE CLEAN UP GREEN UP PROGRAM PROPOSED BY THE PLANNING DEPARTMENT**

On April 16, 2013, the Planning and Land Use Committee (PLUM) referred a report from the Department of City Planning (Planning) to the Budget and Finance Committee (BF) (C.F. 11-0112-S1) relative to implementing “Clean Up, Green Up” strategies in Boyle Heights, Pacoima, and Wilmington. At the May 2, 2013 Budget and Finance Committee meeting, Councilmember Englander requested that the City Administrative Officer (CAO) report back with recommendations relative to funding and position authorities for the project (Question No. 232). The Planning Department also submitted a response to Councilmember Englander’s request on May 6, 2013 which is provided as Attachment B to this report.

The Planning Department report approved by the PLUM Committee includes a table identifying staffing and expenses to implement the Clean Up, Green Up project in the Department of City Planning and the Department of Public Works, Bureau of Sanitation. Attachment A of this report provides a breakdown of costs for these positions in the first-year of the project. Note that the expenses attributable to the Bureau of Sanitation would be paid for from existing funding within the Bureau, whereas additional funding (\$203,223) and one new City Planning Associate position would be required by the Planning Department to implement the program.

While the Los Angeles Collaborative for Environmental Health, through the Liberty Hill Foundation, has offered to donate \$100,000 to the City for the first-year of the project, the City’s Budgetary Policy No. V requires that one-time revenues be used for one-time expenditures. This means that the donation cannot be used for staff expenses since the staff costs will continue beyond one-year. Additionally, no funding has been identified for the Planning costs (\$103,223) above the donation amount. While the Planning Department has three special funds with sufficient revenue to cover these costs, the funds are limited to paying for costs which do not appear to include the Clean Up Green Up project:

Fund Name	Allowable Uses
Planning Long-Range Planning Special Revenue Fund	Sec. 5.4: The Fund shall be used to purchase or pay for salaries, expenses, equipment, materials, and services in support of General Plan maintenance, revisions or amendments to the Zoning Code, and related functions...
Planning Case Processing Fund	Sec. 5.121.9.1.c The Fund shall be used to purchase or pay for salaries, expenses, equipment, materials, and services in support of case processing....
Planning Systems Development Fund	Sec. 5.457.c The Fund shall be used solely for...design, acquisition, development, and implementation of automated systems...computers...software, etc.

Other options for paying for the ongoing costs of the program include grants or the General Fund. No grants to support the program have been identified at this time.

Planning Response to Budget and Finance Question 232

In its May 6, 2013 response to BF Committee, question No. 232, (Attachment B) the Department identified a need for an appropriation of \$186,720 to the Planning Department for the first-year costs of the program. That amount relies on slightly different position costing figures and includes related costs. The actual direct and related costs associated with year-one of the project are reflected in Attachment A.

RECOMMENDATIONS

To initiate the Clean Up Green Up program within the Planning Department, an offsetting reduction in the amount of \$203,223 will need to be identified.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. Funding would need to be identified in order to initiate the Clean Up Green Up program within the Planning Department.

MAS:ACA:TJM:02130111c

Question No. 232

Attachments

ATTACHMENT A

Department of City Planning and Development		
Class Title	Full Time Equivalency (FTE)	Cost
City Planning Associate (New Position)	1	\$91,058
Principal City Planner	0.05	8,266
City Planner	0.10	10,728
Geographic Information Systems Chief	0.05	5,381
Geographic Information Specialist	0.25	18,5584
Graphics Designer	0.10	7,108
Printing and Binding and Operating Supplies		6,500
FTE and Direct Costs	1.55	\$147,625
Related Costs		\$55,598
Total Planning Costs		\$203,223
Department of Public Works, Bureau of Sanitation		
Chief Environmental Compliance Inspector I	0.10	\$9,990
Senior Environmental Compliance Inspector	0.20	15,384
Environmental Compliance Inspector	0.30	20,687
Environmental Specialist II	0.10	9,051
Environmental Compliance Inspector	2.00	146,463
Environmental Engineering Associate II	1.00	86,741
Total FTE and Direct Costs	3.70	\$288,315
Related Costs		\$164,706
Total Department of Public Works		\$453,022
Planning and Public Works Grand Total	5.25	\$656,245

**DEPARTMENT OF
CITY PLANNING**

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AND
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COMMISSION EXECUTIVE ASSISTANT II
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**CITY OF LOS ANGELES
CALIFORNIA**



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INFORMATION
www.planning.lacity.org

May 6, 2013

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

Attention: Erika Pulst, Legislative Assistant

BUDGET REPORT BACK REGARDING CLEAN UP/GREEN UP (QUESTION NO. 232)

In its discussion of the Department of City Planning's Fiscal Year 2013-14 budget, the Council Budget and Finance Committee on May 2, 2013 requested a report back on the cost of the Clean Up/Green Up work program.

On April 9, 2013 the Planning and Land Use Management Committee (PLUM) approved, and referred to the Budget and Finance Committee, the Department of City Planning's Clean Up/ Green Up Report of December 3, 2012 that had been prepared in response to Motions 11-0112 and 11-0112-S1. (See Report Attached)

The Clean Up/Green Up Report proposes a two-year inter-departmental work program to analyze the variety of complex environmental issues affecting the communities of Boyle Heights, Wilmington, and Pacoima; coordinate with agencies and departments who currently monitor and inspect industrial pollutant sources; establish a business outreach strategy; draft new performance standards; and prepare a long-term feasibility analysis.

Based on updated information, the total estimated cost of this two-year work program, including salaries, miscellaneous expenses, and City overhead, is \$721,800. Factoring in a pledge of \$100,000 from the Liberty Hill Foundation for the first year of the work program, the cost is reduced to \$621,800. If the City Council wishes to launch the Clean Up/Green Up work program in Fiscal Year 2013-14, a contribution of \$186,720 should be added to the Department's new budget. In addition, Budget and Finance

Budget and Finance Committee

May 6, 2013

Page 2

should add resolution authority for one City Planning Associate in the Department of City Planning's Fiscal Year 2013-14 budget.

Should there be any questions regarding this report, please contact me at (213) 978-1271 or Eva Yuan-McDaniel, Deputy Director of Planning, at (213) 978-1273.

Sincerely,

A handwritten signature in black ink, appearing to read "M. J. LoGrande", with a long horizontal flourish extending to the right.

Michael J. LoGrande
Director of Planning

cc: Tyler Munhall, CAO

Attachment – CU/GU report to PLUM

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 110

Date: May 8, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer Subject: **BUILDING AND SAFETY – FORECLOSURE REGISTRY INSPECTION PROGRAM**

Your Committee requested this Office to provide additional information on the Foreclosure Registry Inspection; specifically, if the program would be proactive or complaint-driven and if the fee charge provides for full-cost recovery.

Funding and resolution authority for six positions was added to the Department of Building and Safety (LADBS) to provide inspection services associated with the Foreclosure Inspection Fee Ordinance. The positions include one Senior Building Mechanical Inspector and five Building Mechanical Inspectors. The positions are fully funded by the Code Enforcement Trust Fund. The proposed \$274.33 fee would provide for full-cost recovery (Attachment). This proactive program will serve as a mechanism to protect residential neighborhoods from blight caused by the lack of adequate maintenance and security resulting from the foreclosure crisis.

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

Attachment

MAS:JLK:02130126C

Question No.285

**Enhanced and New General Fund Revenue
Full Cost Recovery for the Foreclosure Inspection Program
Fiscal Year 2013-14**

The following provides information on various tasks and classifications involved in formulating a full cost recovery fee to operate the Foreclosure Inspection Program. The implementation of Foreclosure Registry Inspection Program will affect the following systems in the Department of Building and Safety: Online Payments System, Code Enforcement and Inspection System (CEIS), mobile CEIS, Cashiering System and Financial Services System. In addition to the required enhancements to these current systems, interface programming with LAHD's systems is required to allow both systems to automate communication between the two systems. The programming efforts are estimated to be completed in six months and will require 1 DBA, 2 Systems Programmer II's, 1 Systems Analyst II and 1 Business Expert (Sr Building Mechanical Inspector).

Foreclosure Registry Tasks Per Case	Average Annual Site Trips (A)	No. Hours Per Task Annually (B)	Average Total Time Spent Per Task (hrs.) (A*B)=C	Average Time Spent Annually	No. of Staff Needed per Class	Classification Performing Task (D)	Hourly Rate Based on 2080 hrs. Annually ^{1,2,3}	Total Hourly Fee (C)*(E)=(F)
New Staff								
Inspector Case Processing/Research	1	1.00	1.00	5,000	2.50	Building Mechanical Inspector	\$ 88.62	\$ 88.62
Travel Time to Job Site	1	0.50	0.50	2,500	1.25	Building Mechanical Inspector	\$ 90.91	\$ 45.45
Conduct Field Inspections	1	0.50	0.50	2,500	1.25	Building Mechanical Inspector	\$ 90.91	\$ 45.45
Oversight of Inspector's Work	1	0.40	0.40	2,000	1.00	Sr. Building Mechanical Inspector (New)	\$ 98.74	\$ 39.50
Clerical Case Processing	1	0.40	0.40	2,000	1.00	Clerk Typist (New)	\$ 48.43	\$ 19.37
Existing Staff								
Financial Processing and Reconciliation	1	0.10	0.10	500	0.25	Accountant II	\$ 64.67	\$ 6.47
Cash Receipt Accounting	1	0.05	0.05	250	0.13	Accounting Records Supervisor II	\$ 76.41	\$ 3.82
Respond to Financial Questions	1	0.10	0.10	500	0.25	Clerk Typist	\$ 47.57	\$ 4.76
Supervisory Oversight and Review	1	0.05	0.05	250	0.13	Principal Inspector	\$ 107.16	\$ 5.36
Application and Server Maintenance	1	0.05	0.05	250	0.13	Systems Programmer II	Systems Development Surcharge (6%)	
			Estimated Time	3.10				
							Subtotal	\$ 258.80
							Systems Development Surcharge (6%)	\$ 15.53
							Total Fee Per Property	\$ 274.33
							Projected Number of Billable Properties Annually	5,000
							Projected Estimated Revenue FY 2013-14	\$ 1,371,633
							First Year Start Up Costs⁴	\$ 526,779

¹ Fiscal Year 2013-14 Wages and Count.

² CAP 34 includes Department Administration 18.33%, Fringe Benefits 45.89%, Central Services 8.68% and Compensated Time Off 21.22% = 94.12%; posns full time to the Program receive CTO.

³ Expenses include mileage (Inspectors), Printing and Binding, Contractual Services, Office and Admin, Operating Supplies, and Equipment.

⁴ First year start up costs will be from the Foreclosure Registry Account, which currently has a balance of \$2.6M; revenue account and fund information can be obtained from the Los Angeles Housing Dept.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 111

Date: May 8, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer Subject: **BUREAU OF STREET SERVICES – REPORT ON THE RESOURCES NEEDED TO ACCOMMODATE ONE-TIME, OFF-BUDGET STREET REPAVING REQUESTS**

The Budget and Finance Committee requested a report back on the resources needed to accommodate one-time, off-budget street repaving requests. The Bureau's response is attached.

The Mayor's Proposed Budget provides position authority for 704 regular authority positions and 300 resolution authority positions. The Bureau also has 82 off-budget resolution authorities that are authorized annually. A total of 1,086 regular, resolution, and off-budget resolution position authorities are projected for Fiscal Year 2013-14. Based upon information submitted in a recent Financial Status Report, it is currently estimated that the Bureau will have 956 active employees on July 1, 2013, with a total of 130 vacancies. The Bureau should first request to fill existing vacancies before requesting additional position authorities for one-time, off-budget repaving.

Additionally, to the extent possible, the Bureau should utilize existing staff, overtime, and hiring hall to complete one-time, off-budget street repaving work. Funding for one-time, off-budget projects is typically provided in advance of the work being performed, through a Mayor and Council approved motion or interim report.

Further analysis is required to assess this request in the context of an overall staffing and hiring plan for the Bureau, as well to verify that this work is not of an intermittent nature that would be better handled through a contract.

RECOMMENDATION

Approval of this request is not recommended at this time. Further analysis of this proposal is required. The Bureau of Street Services should report back with additional details regarding the annual workload related to one-time, off-budget street repaving requests.

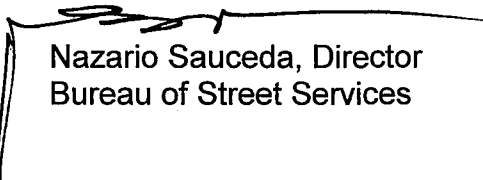
FISCAL IMPACT STATEMENT

No fiscal impact.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 6, 2013

TO: Budget and Finance Committee

FROM:  Nazario Saucedo, Director
Bureau of Street Services

SUBJECT: **2013-14 BUDGET MEMO – QUESTION NO. 104**
ONE-TIME, OFF-BUDGET REPAVING REQUESTS

The Budget and Finance Committee instructed the Bureau of Street Services (BSS) to identify actions needed, including but not limited to the use of additional Hiring Hall staff, to provide flexibility for BSS to accommodate one-time, off-budget repaving requests.

Resolution position authorities for a combination crew that would perform both profiling and paving along with funding of approximately \$2.4 million (\$0.9 million in direct costs; \$1.5 million in related costs) would be required to address these requests (see attached). Depending on the scope of work (resurfacing or reconstruction), a combination crew can complete between five to ten miles per year.

NS:RO:JFC:AN:vpv

FY 2013-14
Bureau of Street Services
Resurfacing Division
Profiling/Paving Combination Crew

No. of Positions	Classification	Code	Direct Cost Salaries, General Acct 001010	Related Cost	Total Cost
1	St Services Supervisor II	4152-2	\$ 99,602.00	\$ 178,586.00	\$ 278,188
3	Equipment Operator	3525	\$ 270,108.00	\$ 484,304.00	\$ 754,412
2	St Services Worker II	4150-2	\$ 123,544.00	\$ 221,514.00	\$ 345,058
2	St Services Worker I	4150-1	\$ 112,738.00	\$ 202,139.00	\$ 314,877
1	Maintenance Laborer	3112	\$ 51,758.00	\$ 92,802.00	\$ 144,560
1	Maint & Const Helper	3115	\$ 53,515.00	\$ 95,952.00	\$ 149,467
1	Field Engineering Aide	7228	\$ 72,944.00	\$ 130,789.00	\$ 203,733
1	Motor Sweeper Operator	3585	\$ 75,462.00	\$ 135,303.00	\$ 210,765
<u>12</u>	Total		<u>\$ 859,671</u>	<u>\$ 1,541,389</u>	<u>\$ 2,401,060</u>

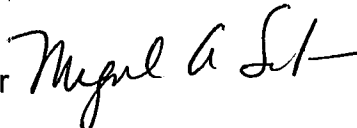
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 112

Date: May 8, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **UNAPPROPRIATED BALANCE – POLICE SWORN HIRING PLAN**

Your Committee requested this Office to report back with the reason for budgeting the Police Sworn Hiring Plan in the Unappropriated Balance (UB) instead of the Police Department's budget. The Proposed Budget provides funding (\$9 million) in the Police Department's budget to hire 160 Police Officers in the first half of the Fiscal Year. Funding (\$3.2 million) to hire 220 Police Officers in the second half of the Fiscal Year is provided in the UB, which will afford the Mayor and Council the opportunity to make a policy decision at the mid-year relative to continuing the Police Department's Sworn Hiring Plan for the remainder of the Fiscal Year. A decision by the Mayor and Council by the end of January 2014 would be necessary in order for the Police Department to notify candidates the first week of February for a class to begin, as proposed, on February 23, 2014.

It should be noted that the amount provided for the second half of the year is lower due to the shorter time these new recruits are paid during the fiscal year. The savings in 2014-15 if Council does not hire after January 1, 2014 is \$14.8 million.

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

MAS:AS:04130123c

Question No.271

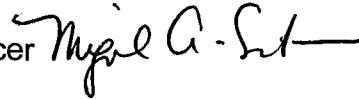
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 113

Date: May 8, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **INTENDED USES FOR THE RESERVE FUND, UNAPPROPRIATED
BALANCE, BUDGET STABILIZATION FUND, AND SPECIAL FUND
CONTINGENCY ACCOUNTS**

Your Committee requested that this Office report back on the intended uses for the Reserve Fund, Unappropriated Balance, Budget Stabilization Fund, and Special Fund Contingency Accounts.

Reserve Fund

The July 1, 2013 Reserve Fund Available Balance after technical adjustments is projected at approximately \$255.2 million representing 5.24 percent of the General Fund Budget of approximately \$4.9 billion. The City Charter established the Reserve Fund which holds unrestricted cash set aside outside the budget for unforeseen expenditures, emergencies or natural disasters. Charter Section 344 requires the Controller to transfer surplus general revenues and other unspent appropriations from the General Fund to the Reserve Fund at the end of the fiscal year. The Reserve Fund includes funding for unanticipated expenditures and revenue shortfalls in the General City budget. It also includes two accounts within the fund, the Emergency Reserve and the Contingency Reserve. Pursuant to the City's Financial Policies, the combined balances of these accounts should at a minimum be 5 percent of the adopted General Fund budget.

Emergency Reserve Account

The July 1, 2013 Emergency Reserve Available Balance is \$134.0 million. Emergency Reserve Account funds are to be used only upon the finding of "urgent economic necessity" by the Mayor and confirmed by Council. The Emergency Reserve Account is set at a minimum of 2.75 percent of the General Fund Adopted Budget. It is the hope of this Office that the City will not have to use any portion of the Emergency Reserve Account. However, if an urgent economic necessity arises, the funds could be used to help in the City's recovery after a natural disaster or other catastrophic event.

Contingency Reserve Account

The July 1, 2013 Contingency Reserve Available Balance is \$121.2 million. In the event that during the year there are unanticipated expenses or revenue shortfalls impacting

programs already approved in conjunction with current year budget, the City policy allows for the Contingency Reserve Account to be the source of any additional funding for those programs. However, to comply with the City's Financial Policies, the Contingency Reserve balance must be maintained at 2.25 percent of the General Fund budget. Additionally, the Contingency Reserve Account can be used to make loans to departments in accordance with Charter Section 261i to help the departments close out the fiscal year. These loans are to be repaid in the subsequent fiscal year.

Budget Stabilization Fund

The Proposed 2013-14 Budget Stabilization Fund (BSF) budget is approximately \$16 million. Charter Amendment P established the BSF in the City Treasury. The intent of the BSF is to set aside money during periods of robust economic growth or when revenue projections are exceeded to help smooth out years when revenue is stagnant or is in decline. The proposed BSF policy pending Budget and Finance Committee consideration would allow for funds from the BSF to be used primarily to mitigate revenue shortfalls due to economic recessions and address the resulting short-term budgetary shortfall. Specifically the policy would allow for a budget appropriation to the BSF when the combined growth of seven General Fund tax revenue sources is anticipated to exceed 3.4 percent for the upcoming fiscal year and would limit withdrawals from the BSF to 25 percent of the available balance in the BSF unless a fiscal emergency for the City has been declared.

Unappropriated Balance

The Proposed 2013-14 Unappropriated Balance (UB) budget is approximately \$77.3 million. In accordance with Charter Section 213, the UB provides funds for appropriations after the budget adoption to meet contingencies as they arise. Use of funds in the UB is subject to approval of specific reports and recommendations to the Mayor and Council. The UB includes an appropriation of \$21 million for "Reserve for Economic Uncertainties." The specific intent of this account is to address revenue shortfalls or unforeseen and unbudget expenditures that may arise throughout the fiscal year. It should be noted that this appropriation account is not new for the UB. This account was first established in FY 2002. Surplus funds identified by departments as part of operational plan exercises throughout the fiscal year are transferred to this account to help offset any deficits or revenue shortfall. Transfers to and from the "Reserve for Economic Uncertainties" are done through the financial status report. Samples of expenditures covered by the UB Reserve for Economic Uncertainties have been Police Overtime, Fire Constant Staffing, Bank Fees, and Petroleum.

Special Fund Schedules – Contingency for Obligatory Changes

This is a new line item within the various special fund schedules. Special funds are used to account for revenues derived from specific taxes, fees, governmental grants, or other revenue sources that are designated to finance particular functions and activities of the City. As such, funds within these schedules are generally restricted. Monies set aside in the "Contingency for Obligatory Changes" are intended to cover any as-needed obligations or expenditures including funding for salaries, equipment and contracts not correctly programmed in the Special Fund Schedules. Should these funds not be required in Fiscal Year (FY) 2013-14, the funds would carry over as a cash balance to FY 2014-15 and be available to be used

for programs in FY 2014-15, to reimburse the General Fund for related costs, or to offset the need for fee increases.

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

MAS:AMY:01130079c

Question No.273

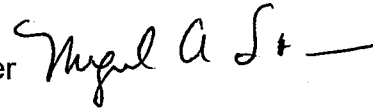
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 114

Date: May 8, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **ECONOMIC DEVELOPMENT DEPARTMENT – Merging Additional Functions within the Office of the Mayor into the Economic Development Department**

This Office was asked whether consideration was given to merging additional Mayoral functions into the new Economic Development Department. The specific Mayor's Office functions are 1) Office of International Trade, 2) Office of Contractor Relations, 3) Office of Small Business and 4) Green Retrofit and Workforce Program.

Office of International Trade: This item was originally funded in the Mayor's Office in FY 2003-04, but was moved to the General City Purposes (GCP) in FY 2006-07 to provide transparency for this work relative to International Trade and Relations. Activities include encouraging foreign investment to facilitate growth in the City's trade-based economy, addressing international issues that affect the City and strengthen the City's international relationships. It is anticipated that dignitaries from outside the United States are more likely to initially approach the Mayor's Office than a City department regarding international trade issues since this practice is consistent with other municipalities throughout the country.

Office of Contractor Relations: This item was funded in accordance with the Mayor's Executive Directive No. 27 to establish a new Office of Contractor Relations within the Mayor's Office. This new unit provides policy direction to City departments, including proprietary departments, relative to contracting with the City. This unit will partner with the Bureau of Contract Administration in implementing policy and streamline the contracting process. In addition, this unit will perform outreach and inclusion of all businesses that contract with the City as well as upgrade the Business Assistance Virtual Network (BAVN), while creating an ombudsman to register and resolve issues with the contracting process. Given that this unit provides policy direction across all City departments, including proprietary departments, it would not be advisable to transfer this unit into the EDD. This item was funded in the GCP to provide transparency of the work being performed by the Mayor's Office relative to the contracting process with the City.

Office of Small Business: \$185,895 is proposed to be transferred to the EDD in FY 2013-14. This item was inadvertently listed under the administration of the Mayor. It should have been shown as "Administered by Economic Development Department" since these funds will indeed be transferred to the EDD in July 2013. The transfer of this function is also referenced in C.F. 08-3050.

Green Retrofit and Workforce Program: One position was provided in the Mayor's Office in accordance with C.F. 11-1928 (Green Retrofit and Workforce Program) to oversee the Green Retrofit Development Interdepartmental Task Force and the Retrofit and Workforce Advisory Board. This position assists in the development of municipal retrofit to help City buildings with energy conservation strategies. Oversight of the City's municipal retrofit and energy conservation is not among the functions identified by either the City's expert on economic development models or the Council for the new EDD (C.F. 08-3050). Therefore, it is recommended that this position remain in the Mayor's Office at this time. This item was funded in the GCP to provide transparency of the work being performed by the Mayor's Office relative to the Green Retrofit and Workforce Program.

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

MAS:JL/KDU:021300129

Question No.188

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 115

Date: May 8, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **NEIGHBORHOOD EMPOWERMENT – SERVICE IMPACTS OF POSITION
ELIMINATIONS**

Your Committee requested the Department of Neighborhood Empowerment (Department) to report back on the service impacts of eliminating the Senior Accountant II and Neighborhood Empowerment Analyst. Further, the Department was to compare the duties of these positions to new positions added in the Department's budget.

The Department reports that the Senior Accountant II and Neighborhood Empowerment Analyst positions were proposed for elimination to meet the Mayor's 10 percent salary budget reduction. The Department would support retaining these positions if funding were provided. Attached is the Department's response which provides the duties and responsibilities of these positions.

This memorandum is informational only.

MAS:DP:08130174c

Question No.219

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 7, 2013

TO: Miguel Santana, City Administrative Officer

FROM: Grayce Liu, General Manager
Department of Neighborhood Empowerment



SUBJECT: REPORT BACK ON ELIMINATED AND ADDED POSITIONS

Budget Report Request No. 219

The Budget and Finance Committee requested a report back on the service impacts to the Department of Neighborhood Empowerment (Department) with the elimination of the Senior Accountant II (SA II) and Neighborhood Empowerment Analyst (NEA) positions while adding an Accountant I and Senior Project Coordinator - Policy (SPC) positions and to compare the responsibilities of the deleted and added positions.

Accounting Positions

With the establishment of a new Neighborhood Council Funding Program, the Accountant I position is crucial for the necessary fiscal review of 95 Neighborhood Councils. These Neighborhood Councils will be submitting their reconciliation documents on a monthly basis for auditing, and the Department's current Neighborhood Council Fund accounting staff (SA II, Accountant II and Accounting Clerk II) will be insufficient to handle this workload. This workload determination was made by the Department's consultant on this new program, Barker Khorasane, prior to his current appointment as a LACERS Commissioner. He interviewed all of the funding staff, reviewed their duties and compared them to the anticipated work for the new Funding Program before making this assessment.

Losing the SA II would shift the audit support to the Accountant II, whose duties also include the administration of the Department's fund and expenses.

The SA II position elimination was proposed in response to the 10% salary budget decrease request of the Mayor's Office to address the current budget deficit. If funding were available, the Department would support retaining the SA II position in addition to the added Accountant I position.

Field and Policy Positions

The NEA position focuses on providing direct services to the Neighborhood Councils either through addressing questions and issues on the Neighborhood Council Support Helpline or in the field by attending Neighborhood Council meetings. They also coordinate ongoing Neighborhood Council education, review bylaws, contracts and leases, liaison between the Neighborhood Councils and the Office of the City Attorney because of budget cuts to the City Attorney Neighborhood Council Advice Division and assist with tracking down funding paperwork. Because there are only 8 NEAs with 1 assigned primarily to funding operations, the NEA field work is limited to attending to those Neighborhood Councils struggling with meeting operations or in exhaustive efforts. Each NEA is assigned 2 regions, comprised of 14-17 Neighborhood Councils.

Losing an NEA would leave the remaining NEAs supporting over 20 Neighborhood Councils each, which is unrealistic given that the NEA is the contact person for the Department and answers all the funding, bylaws and meeting operation questions. The Department's field operations have already been stretched to capacity given the elimination of nearly half of the NEA class in the past 3 years, and those Neighborhood Councils in areas of already low civic participation are typically placed at a disadvantage because of the necessary time investment to successfully engage them.

The addition of a SPC to focus on the Neighborhood Council policy issues is necessary to provide support to the Neighborhood Councils and the Board of Neighborhood Commissioners in reviewing and creating policies and procedures for the Neighborhood Council system, tracking Council Files that Neighborhood Councils should weigh in on, supporting the preparation for the Congress of Neighborhoods and the Neighborhood Council Budget Advocates year round activities and working with City electeds and departments to create opportunities to collaborate with Neighborhood Councils in making City government more responsive to the local needs of the community. In the past, these duties were delegated among the NEAs, but because of the position cuts, the NEAs have had to drop most of this work. The Department requested the SPC position to focus on these essential components to the Neighborhood Council system, which is at the core of their mission.

Again, the NEA position elimination was proposed in response to the 10% salary budget decrease request of the Mayor's Office to address the current budget deficit. If funding were available, the Department would support retaining the NEA position in addition to the added SPC position.

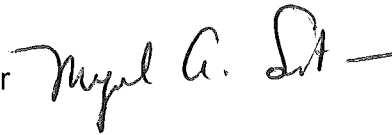
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 116

Date: May 8, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **ZOO DEPARTMENT – MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY AND THE GREATER LOS ANGELES ZOO ASSOCIATION**

Your Committee requested the Zoo Department (Department) to report back on the impacts of the Memorandum of Understanding (MOU) with the Greater Los Angeles Zoo Association (GLAZA) for public relations and marketing, to include those positions that would be impacted. The Department was also instructed to review and report on the budget impact concerns from the report by the Coalition of City Unions, Recommendation No. 15.

Your Committee also requested a copy of the executed MOU between the Department and GLAZA for public relations and marketing services for the Los Angeles Zoo and Botanical Gardens. The Department's response is attached with a copy of the MOU.

This memorandum is informational only.


MAS:DP:08130171c

Question No.208
Question No.229
Question No.254

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 8, 2013

TO: MIGUEL SANTANA, City Administrative Officer
Office of the City Administrative Officer

FROM: JOHN R. LEWIS, Zoo Director 
Los Angeles Zoo & Botanical Gardens

SUBJECT: 2013/14 BUDGET MEMO RESPONSE- QUESTIONS 229 AND 254

The Memorandum of Understanding (MOU) for Marketing between the Zoo and the Greater Los Angeles Zoo Association (GLAZA) will facilitate greater spending to market the Zoo to a broader array of potential visitors with non-General Fund monies. In the first year (FY 13-14), GLAZA will budget \$2,650,000 for marketing, advertising and public relations for the Zoo. That is a three-fold increase over the \$800,000/year the Zoo budget provided for marketing and advertising for the past four years. The increased public exposure is expected to grow Zoo attendance by 5% each year during the life of the MOU which will additionally grow admissions revenue an estimated 11% annually. Revenues from other sources including concessions and membership will grow too. Additional revenues over the term of the MOU may be as high as \$6,000,000 which could be used to cover the Zoo's costs of operations and return services lost during budget reductions.

There are currently five positions in the Zoo's Marketing, Events and Public Relations Division which includes the Development and Marketing Director, Clerk Typist, Photographer II, Public Relations Specialist and Special Events Coordinator. They will continue to serve the Zoo and City on internal communications, media contacts, City Public Relations, TV and Film relations and site coordination. The Director of Development and Marketing will be the Zoo's conduit to GLAZA to facilitate and monitor this enhanced approach. Additionally, Staff will assist and work in concert with GLAZA on events, social media and other aspects of the MOU.

Approval of the MOU would result in a value of over \$3.9 million for the initial year of the agreement. This agreement also requires that GLAZA invest over \$1.5 million of their own funds in the first year. Without the approval of the MOU, the City will need to find additional funding in the amount of \$1,264,971 to support the Department's 2013-14 Budget.

The following table reflects the total value of the MOU to the City for the initial year of agreement:

Revenues / Savings	Value to the City
Membership Revenue Increase	\$340,780
Contractual Services Savings	\$800,000
Concessions Revenue Increase	\$124,191
LA Zoo Marketing Budget	\$2,650,000
Total Value	\$3,914,971

JRL/dmt
Attachments

MEMORANDUM OF UNDERSTANDING

BY AND BETWEEN

THE LOS ANGELES ZOO AND BOTANICAL GARDENS ("Zoo")

AND

THE GREATER LOS ANGELES ZOO ASSOCIATION ("GLAZA")

MARKETING AND PUBLIC RELATIONS

AND

SITE RENTALS and CATERED EVENTS

1. Governance

Operating Agreement

The City of Los Angeles, through the Zoo Department, entered into an Operating Agreement with the Greater Los Angeles Zoo Association for the purposes of obtaining assistance in establishing, developing, beautifying and improving the Zoo (Los Angeles City Council File No. 94-0989-S1). In accordance with Section III of the Operating Agreement, the General Manager of the Zoo Department (also known as the Zoo Director) is authorized to enter into one or more Memorandum of Understanding ("MOU") with GLAZA, on behalf of the City, as sub-agreements. The MOU details the subject matter of the parties' understanding, indicates what the parties have agreed to perform, and the consideration to be exchanged between the parties.

Execution Authority

Each MOU shall conform with and carry out the objectives and strategies in the Los Angeles Zoo Business and Marketing Plans, as approved by the City Council, per the Operating Agreement.

On July 15, 2005, the City Council authorized the General Manager of the Zoo Department to enter into MOUs with GLAZA for Fundraising, Membership, Concessions, Financial Assistance, Docent/Volunteer Management and Special Events for a 12-month period, effective from the date of execution. The Council further directed that the Zoo complete the Business and Marketing Plans for the Mayor and Council to approve within the 12-month MOU period (C.F. 02-2884-S2). Since this time, the Zoo has considered the Zoo Department's Adopted Budget, approved by the Mayor and Council annually, as the Zoo's Business and Marketing Plans.

2. Term of MOU

This MOU is effective for a three-year period during the parties' fiscal years, commencing July 1, 2013 through June 30, 2016 ("Term"). The Program Descriptions and Budgets below reflect activity during these entire three fiscal years. The Zoo and GLAZA may amend this MOU by written agreement during its Term should they mutually agree to change the program outlines and budget, or for other reasons. Any amendment shall conform with and carry out the objectives and strategies in the Marketing and Business Plans as approved and adopted by the City Council.

3. Performance by GLAZA and the Zoo

GLAZA and the Zoo will cooperate in a good faith effort to achieve the results projected on the Exhibits to this MOU; however, neither GLAZA nor the Zoo can guarantee that their efforts will achieve such results. Accordingly, where GLAZA and the Zoo have exerted their good faith efforts, their failure to achieve such projected results is not grounds for terminating this MOU.

The Zoo will make good faith efforts to provide the resources, staff, programs and intellectual property necessary to fulfill the Marketing and Public Relations plans. GLAZA will complete annual Marketing and Public Relations plans in sufficient time to inform the Zoo's budget planning each fiscal year no later than February 28th of each year, to conform with and carry out the objectives and strategies in the Marketing and Business Plans as approved and adopted by the City Council.

The Zoo will (a) provide GLAZA with a non-exclusive license for its use of all Zoo trademarks, logos and other marks for the purpose of marketing the Zoo, (b) terminate the existing contracts relating to the Zoo's marketing, advertising and public relations prior to the commencement of this MOU, with the exception of the existing contract with AdEase, which shall be extended through December 31, 2013 for the promotion of the Rainforest of the Americas and (c) request the timely City approval and implementation of an increase to Zoo admission fees up to \$1.00 each year for the Term of this MOU.

4. Program Descriptions

A. Marketing and Public Relations

GLAZA will be responsible for the staffing, design, implementation and management of a comprehensive marketing, strategic branding and public relations program for the Zoo to achieve the goals of expanding external awareness of the Zoo and increasing Zoo attendance, admissions revenue and other forms of earned revenue. GLAZA's objectives during the Term of this MOU will include:

- invest over \$2,000,000 annually in the Marketing and Public Relations program
- generate a total of more than \$6 million of new funding for the Zoo

- increase the Zoo's market penetration of its Metropolitan Statistical Area by a total of 12%
- increase the Zoo's paid attendance by 5% annually
- increase the Zoo's total admissions revenue by 11% annually
- increase the Zoo's other earned revenues (including concessions and membership) by 21% over the Term
- replenish and grow the marketing and public relations budget annually

During the Term, GLAZA will make a good faith effort to achieve the deliverables, milestones and metrics listed on Exhibit A to this MOU.

The Zoo will maintain a staff position to handle the public relations for any crisis situation at the Zoo and to communicate all animal-related information to the media and the general public. GLAZA's Marketing and Public Relations program will coordinate all internal and external promotional messaging to ensure a consistent voice in all of the Zoo's marketing communications. The program and strategies will include, but not be limited to, market research, branding and advertising, media and community relations in connection with special events and promotions, strategic marketing alliances, group sales, tourism and quantitative analysis of marketing results.

Market Research

- Upon approval of this MOU, GLAZA will review the market research recently obtained by the Zoo. Based upon that information, GLAZA will conduct additional market research necessary to develop a new positioning platform, including research that will target current Zoo attendees and non-attendees to identify and prioritize new, multi-ethnic target audiences, as well as reveal the public's current opinions, perceptions and misperceptions of the Zoo. GLAZA has secured a proposal for this additional research and will complete it within six (6) weeks of its commencement.
- Additionally, throughout the term of this MOU, GLAZA will conduct ongoing quantitative analysis to determine the effect of its marketing and public relations efforts on changes in Zoo attendance. GLAZA will deliver to the Zoo monthly projections of attendance to enable the Zoo to optimize its cash flow and to inform the process of planning for years when attendance may be off due to weather and other external factors. Changes to annual paid attendance during the term of this MOU will be compared to 877,000, which is the approximate average annual paid attendance over the past two fiscal years commencing July 1, 2011 through June 30, 2013 (fiscal years 2011-12 & 2012-13). Based on this information, GLAZA will periodically adjust and refine the marketing mix and public relations program to achieve its goals of increasing brand awareness, paid attendance and earned revenue. This does not account for increases in paid attendance resulting from the opening of new exhibits and shows.

- GLAZA and the Zoo agree that a business information/customer relations management system may be helpful to future optimization of customer visitation and spending patterns at the Zoo. During the 2013-14 fiscal year, GLAZA and the Zoo will work jointly to research available business information/customer relations management systems that will provide information on visitors' needs and preferences, and that will enable GLAZA and the Zoo to maximize earned revenues from admissions, concessions, membership and special exhibits and events. GLAZA and the Zoo will explore the costs, benefits and viability of installing a system and decide together whether and how to proceed with its funding, installation and implementation. This will be completed by January 1, 2014.

Branding, Positioning and Advertising

- From March 15, 2013 through October 2013, GLAZA will conduct a strategic planning process with Zoo and GLAZA staff and GLAZA Trustees to create a unified vision for the Zoo's future that will inform its marketing platform and annual marketing plans, the Zoo's overall business plan, planning for the capital campaign and the second phase of the Zoo's master plan.
- Based on the spring 2013 market research findings, and in conjunction with the strategic planning efforts of GLAZA and the Zoo, GLAZA will create and implement a marketing, positioning and public relations plan that will include branding the Zoo to target new audiences with a unified and compelling message. GLAZA will develop annual marketing plans that will maintain a consistent presence in the greater Los Angeles marketplace to make the Zoo a top-of-mind Los Angeles attraction and promote attendance. GLAZA will submit the marketing plan annually to the Zoo Director or the Director's designee for approval.
- GLAZA will hire an advertising firm to coordinate and provide advice on branding, advertising, public relations and media. The Zoo Director or his designee will be part of the selection team for the advertising firm. GLAZA will conduct message testing surveys and focus groups before launching the marketing campaign to ensure the effectiveness of the branding and advertising at increasing audience awareness and generating new Zoo visitors.

Strategic Marketing Alliances and Media Mix

- To increase the Zoo's reach and positive image, GLAZA will develop strategic marketing alliances with local institutions, such as the Natural History Museum of Los Angeles, the California Science Center and the Aquarium of the Pacific, as well as environmentally focused groups such as the Sierra Club, the Nature Conservancy and TreePeople. By creating these alliances and developing productive relationships with these entities, GLAZA will reach a broader audience of potential new Zoo visitors.

- GLAZA will coordinate its ongoing corporate sponsorship program with its marketing program to secure opportunities for cross promotions and marketing alliances with these Zoo supporters that will substantially increase the quantity of the Zoo's market impressions. Income from the corporate sponsorship program will be invested to further GLAZA's marketing and public relations efforts.
- GLAZA will expand the media mix used to spread the Zoo's marketing messages, increase its demographic reach and leverage its financial investment in marketing. GLAZA's media mix may include radio, outdoor advertising, print media, advertising and social media. In addition, GLAZA will maintain and leverage existing media relationships and cultivate new opportunities to partner with local media outlets, such as local public radio stations and foreign language media that have the ability to connect the Zoo to new target audiences. GLAZA will actively cultivate relationships with local journalists to maximize news coverage of events, programs and exhibits and gain positive attention. Media relations will focus on creating brand awareness of the Zoo as a trusted institution for animal care and conservation as well as promote Zoo attendance.
- GLAZA will create a strategy to capitalize on its use of social media to reach new audiences and demographics and to deepen relationships with current Zoo attendees to encourage future visits and purchases. Tactics will include Facebook links to our strategic partners with ongoing conversations about animals and wildlife, active blogs and Twitter accounts, a meaningful presence on additional social media channels such as Pinterest and Foursquare and the creation of a mobile phone app for Zoo patrons.
- GLAZA will work to garner increased tourist paid attendance by partnering with other local tourist destinations such as Universal Studios, Warner Brothers and Disneyland to gain tourists' attention and visitorship. GLAZA will develop an ongoing relationship with the concierges at key local tourist hotels, as well as with major tour operators that target foreign (specifically Asian) visitors to Los Angeles.

Special Events and Exhibits

- GLAZA will assume responsibility for creating, marketing and implementing special events within its annual marketing plans to increase Zoo attendance and admissions revenues. These events will be designed with the goal of bringing new audiences to the Zoo.
- GLAZA will also contract for mission-focused travelling exhibits and shows, as needed to complement the Zoo's programming, and will design and distribute compelling marketing communications to inspire increased Zoo visitorship for these special exhibits and shows.

Staffing

GLAZA will fund, hire and direct a marketing professional who shall report to the GLAZA President to create and implement the marketing, positioning and public relations plan and to direct and manage those ongoing operations. GLAZA will also fund and hire a full complement of staff to carry out this program under the direction of this professional.

Budget and Results

GLAZA's business plan and budget for the Marketing and Public Relations program is attached to this MOU as Exhibit B for illustration purposes only. It details GLAZA's significant financial investment over the three years of the Term and illustrates the substantially increased revenues that should result from these efforts.

During the first year of this MOU, GLAZA will invest over \$2,000,000 to fund the comprehensive Marketing and Public Relations program from its working capital, capacity-building grants, sponsorship program and GLAZA's endowment. In years 2 and 3, GLAZA will invest over an additional \$2,000,000 annually from its share of the increased earned revenue generated by increased Zoo visitorship. GLAZA will also fund the costs of new GLAZA staff in both Marketing and Public Relations and in Group Sales. These investments and the projected increased earned revenues require that the City exercise its authority in its sole discretion to raise the admission fees up to \$1.00 each year for the term of this MOU. GLAZA has projected yearly revenue and expenses for the Marketing and Public Relations program, as illustrated in Exhibit B to this MOU. Net revenues resulting from the marketing effort in excess of expenses will be transferred annually to the Zoo Enterprise Trust Fund, with timing subject to negotiation between the Zoo and GLAZA, but no later than 30 days following the close of each fiscal year. Paid ticket attendance, including the increase in revenue from the admission fee increases, will continue to go into the Zoo Enterprise Trust Fund, unless otherwise authorized by Council as part of the approval of the Business and Marketing Plans.

In three years, GLAZA's marketing and sales efforts should increase general attendance by 5% annually and membership by 3% per year. Group sales and special events admissions should grow by 8% each year. Growing community awareness of the Zoo should result in a 12% increase in its penetration of its Metropolitan Statistical Area ("MSA"). The net result of this growth should be a dramatic increase in new revenues for the Zoo, totaling more than \$6 million over the three-year term of this MOU.

Other Matters

Performance Assessment: Deliverables, metrics and milestones for GLAZA's Marketing and Public Relations program are attached to this MOU as Exhibit A, and will be reviewed on an ongoing basis by the Zoo Director and the GLAZA President.

Success Factors: The success of this program is contingent on satisfaction of the conditions described above and several additional factors, including mutual cooperation, good faith efforts, approval and implementation of increases to Zoo admission fees in the sole discretion of the City, weather conditions, lack of natural disasters including fires and earthquakes which affect the local area, and welfare and safety of the animals at least consistent with the industry standard as required for continued AZA accreditation.

B. Site Rentals and Catered Events

Term

As a component of GLAZA's overall marketing campaign to raise the awareness of the Zoo, GLAZA will market it as a prime venue for catered events. In addition, major catered events are booked months, if not years in advance. Therefore, a one-year term for this MOU is not sufficient to reflect the efforts and rewards of this program.

Staffing

GLAZA will fund, hire and direct a staff (or at its discretion, an outside firm) to market, negotiate, and oversee site rentals at the Zoo, as well as appropriate staff, either directly or through Concessionaire or other catering companies, to oversee individual events including additional non-Zoo staff to undertake custodial and monitoring duties. GLAZA will also hire and manage the group sales efforts required by this MOU.

Venues

Existing Venues: GLAZA will undertake a market survey to determine size and types of events local organizations are planning. GLAZA will also review the current list of Zoo spaces for rent, and work with consultants to determine the best possible use (capacity, type of event, event amenities, etc.) of each site, as well as modifications to these venues to maximize their utility

Large-Scale Venues: In conjunction with the Zoo, GLAZA will study optimal location(s) for large-scale events (up to 1000 guests) both during public hours and in the evenings, including Tree Tops and the CDC Park. GLAZA and the Zoo will endeavor to prioritize these spaces, and have at least one fully designed and cost-estimated by March 31, 2014. Funding, which will be the result of joint efforts, will be obtained and the venue will be completed by the end of June 30, 2015.

Animal Experiences

The Zoo will develop a flexible and cost-effective program for providing animal experiences at catered events, especially for evening events.

Capital Investment

GLAZA will invest in an inventory of equipment, including such items as heaters, chairs, tables and lighting for groups of 100-250. GLAZA and the Zoo will work jointly to identify potential storage space for this equipment. GLAZA will develop relationships with rental companies to provide additional equipment for larger groups and to offer site renters other affordable options. GLAZA will limit such vendors to those who have demonstrated ability to work with a complicated public site such as the Zoo. Upon expiration or termination of this MOU, all equipment purchased pursuant to this section shall become the property of the Zoo.

Group Admission Sales

As part of developing packages for site renters during public hours, the Zoo authorizes GLAZA to market and sell group paid admission tickets in line with a group sales policy to be negotiated with the Zoo.

Budget and Results

GLAZA's budget and business plan for the Site Rentals and Catered Events program is included as Exhibit C of this MOU. It details GLAZA's significant financial investment over the three years of the Term, and illustrates the substantially increased revenues that should result from these efforts.

During the Term of this MOU, GLAZA will retain all commissions and fees from outside catering and site rentals to cover its expenses, including staffing and equipment purchases. Additionally, GLAZA will invest funds from its working capital and capacity-building grants to build this program.

Fees from GLAZA's Site Rental and Catered Events program are projected to increase by 50% annually during the Term. These events should reach new audiences for the Zoo and its programs, leading to increased visitorship and revenue for the Zoo.

Other Matters

Performance Assessment: Deliverables, metrics and milestones for GLAZA's Site Rentals and Catered Events program are attached to this MOU as Exhibit D, and will be reviewed on an ongoing basis by the Zoo Director and the GLAZA President, with oversight from the GLAZA Board of Trustees.

Success Factors: The success of this program is contingent on satisfaction of the conditions described above and several additional factors, including good weather conditions, lack of natural disasters including fires and earthquakes which could affect the local area, continuation of excellent animal husbandry, welfare and safety at least consistent with the industry standard as required for continued AZA accreditation, and the cooperation of Zoo Director and related Zoo staff necessary to carry out the Site Rentals and Catered Events program.

5. Miscellaneous Provisions

5.1 *Choice of Law & Venue* - Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the City of Los Angeles. Unless preempted by Federal laws, this MOU shall be enforced and interpreted under the laws of the State of California and the City of Los Angeles, without any regards to the conflict of law principles. Parties hereby agree to submit to the exclusive jurisdiction of and venue in the courts of competent jurisdiction in the County of Los Angeles in any disputes related to or arising out of this MOU.

5.2 *Merger* - This MOU constitutes the full agreement of the Parties with respect to the subject matter hereof, subject to the Operating Agreement.

5.3 *No Intended Third Party Beneficiaries* - Parties herein do not in any way intend to create or confer any benefits to any third party.

5.4 *Waivers* - The failure to exercise any remedy or to enforce any right provided in this MOU shall not constitute a waiver of such remedy or right or of any other remedy or right provided herein. A Party shall be deemed to have waived any remedies or rights hereunder only if such waiver shall be in writing expressly.

5.5 *Assistance* - During the term of this MOU, each Party shall provide such reasonable assistance and cooperation as the other Party may require in connection with performance of the duties and obligations of each Party under this MOU.

5.6 *Assignment* - GLAZA shall not, by contract, operation of law, or otherwise, assign any rights under this MOU (in whole or in part), or delegate performance of any obligations under this MOU without the Zoo's prior written consent.

5.7 *Headings* - Article and section headings used in this MOU are inserted for convenience only and are not intended to be part hereof or in any way to define, limit, describe or to otherwise be used in interpreting the scope and intent of the particular provisions to which they refer.

5.8 *Representation and Counseling* - Each Party was represented by legal counsel during the execution of this MOU.

6. City's Standard Terms and Conditions

The City's Standard Provisions for City Contracts (Rev. 3/09) is attached and made part of this MOU to update the Standard Terms and Conditions which are attached to the Operating Agreement. In the event of a conflict, the Operating Agreement language shall prevail.

7. Ratification

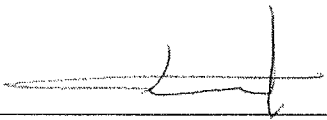
This MOU is subject to ratification by the City Council and may be ratified by Council before or at the time of the approval of the Business and Marketing Plans by Council. No later than November 1, 2013, the Zoo shall submit (not-to-exceed) five year Marketing and Business Plans to the City Council, consistent with Sections 22.711, 22.713 (5) and 22.714 of the Los Angeles Administrative Code (LAMC), for Council's approval. Approval of the Zoo's five year Marketing and Business Plans shall occur no later than December 31, 2013, and consistent with LAMC Section 22.711, this MOU shall conform with and carry out the objectives and strategies in those approved and adopted plans. The MOU shall be void if the Marketing and Business Plans are not approved and adopted by the City Council by December 31, 2013 and GLAZA and the City shall have no further obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be executed by their respective authorized representatives.

APPROVED AS TO FORM

CARMEN A. TRUTANICH
CITY ATTORNEY

CITY OF LOS ANGELES
LOS ANGELES ZOO AND BOTANICAL GARDENS

By: 
DOV LESEL, Assistant City Attorney

By: 
JOHN R. LEWIS, Zoo Director

DATE: 5-2-13

DATE: May 3, 2013

GREATER LOS ANGELES ZOO ASSOCIATION

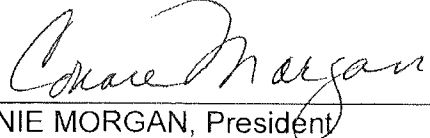
By: 
CONNIE MORGAN, President
May 3, 2013

EXHIBIT A

Memorandum of Understanding
by and between
The Los Angeles Zoo and Botanical Gardens and the Greater Los Angeles Zoo Association

MARKETING AND PUBLIC RELATIONS PLAN

DELIVERABLES

Annual Marketing and Public Relations Plan	GLAZA President to submit to Zoo Director
Monthly Attendance Projections and Variances	GLAZA to deliver to Zoo Director

PERFORMANCE METRICS: GLAZA will use its good faith efforts to meet the following metrics:

Penetration of Metropolitan Statistical Area (MSA)	Increase by 12% over the Term
Regular Paid Zoo Attendance	Increase by 5% annually
Total Zoo Admissions Revenue	Increase by 11% annually
Other Zoo Revenue (Including concessions and membership)	Increase by 21% over the Term
New funding for the Zoo Department	An additional \$6 million over the Term

GLAZA will use its good faith efforts to meet the following milestones:

<u>MILESTONES</u>	<u>Commencement</u>	<u>Completion</u>
Strategic Planning	March 2013	October 2013
Corporate Sponsorship Program	February 2013	Completed and ongoing
Marketing Director Search	MOU approval	Within ten weeks
Hiring of Marketing and PR Staff	Hiring of Marketing Director	ASAP
Opinion Research	MOU approval	Within six weeks
Long-Term Branding	November 2013	July 2014
Business Information System	MOU approval	To be scheduled with the Zoo Director and contingent upon securing funding

03.26.13

**Draft / Not Final
Exhibit B**

March 12, 2013

Page 1

Los Angeles Zoo and Botanical Gardens
Greater Los Angeles Zoo Association
Marketing Business Plan
Multi-year Budget

Pricing \$1 increase per year
Attendance 5% growth in Regular Admissions
Membership 3% growth in Member Households

Attendance and Admission	12-13	13-14	14-15	15-16
	Current Year	Year 1	Year 2	Year 3

Admission Prices

Adult Ticket Price	\$17.00	\$18.00	\$19.00	\$20.00
Annual % increase	6.25%	5.88%	5.56%	5.26%
% of top ticket price (this reflects reduction from top ticket price for seniors, children, groups, and promotional discounts.)	77.99%	78.00%	78.00%	78.00%
Average Paid Charge	\$13.26	\$14.04	\$14.82	\$15.60

Paid Attendance

	12-13	13-14	14-15	15-16
	Current Year	Year 1	Year 2	Year 3
<i>Regular Admission Growth</i>		5.00%	5.00%	5.00%
Regular Admissions	773,095	811,750	852,337	894,954
<i>Paid Groups Growth</i>		8.00%	9.00%	10.00%
Paid Groups	101,867	110,016	119,918	131,910
<i>Subtotal Paid Admission</i>	<u>874,962</u>	<u>921,766</u>	<u>972,255</u>	<u>1,026,864</u>

Free Attendance

(while this doesn't contribute to Admissions Revenue, it does affect Concessions Revenue and Commissions)

<i>Membership Admission Growth</i>		3.00%	3.00%	0.00%
Membership Households	69,868	71,964	74,123	74,123
Visits per Household	8.75	9.00	9.00	9.00
Member Visits	637,199	647,676	667,107	667,107
<i>Free Groups Admission Growth</i>		2.00%	2.00%	2.00%
Free Groups	62,674	63,927	65,206	66,510
<i>Special Events Admission Growth</i>		8.00%	8.00%	8.00%
Special Events	25,165	27,178	29,352	31,701
<i>Subtotal Free Admission</i>	<u>725,038</u>	<u>738,782</u>	<u>761,665</u>	<u>765,317</u>

Total Attendance

Actual % increase in overall attendance

	<u>1,600,000</u>	<u>1,660,548</u>	<u>1,733,920</u>	<u>1,792,181</u>
		3.78%	4.42%	3.36%
% of top ticket price	77.99%	78.00%	78.00%	78.00%
Average Paid Charge	\$13.26	\$14.04	\$14.82	\$15.60

Total Admissions Revenue

Amount of Admissions Revenue

	<u>11,600,000</u>	<u>12,941,596</u>	<u>14,408,820</u>	<u>16,019,074</u>
	0	1,341,596	2,808,820	4,419,074

above base year

**Draft / Not Final
Exhibit B**

March 12, 2013

Page 2

Los Angeles Zoo and Botanical Gardens
Greater Los Angeles Zoo Association
Marketing Business Plan
Multi-year Budget

<i>Concessions Revenue, Commissions and Transfers</i>	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
Total Attendance	1,600,000	1,660,548	1,733,920	1,792,181
% Growth in per cap revenue	6.41%	4.15%	5.32%	6.17%
Per Cap Revenue	\$6.50	\$6.77	\$7.13	\$7.57
Total Concessions Revenue	10,399,999	11,241,910	12,362,850	13,566,810
Commission %	19.64%	20.00%	20.00%	20.00%
Total Commissions	2,042,560	2,248,382	2,472,570	2,713,362
10% Transfer to Zoo	1,040,000	1,124,191	1,236,285	1,356,681
3% Transfer to GLAZA	312,000	337,257	370,886	407,004
Remainder Transfer to Zoo Surplus Development Fund	690,560	786,934	865,400	949,677

<i>Membership Revenue and Transfer</i>	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
Adult Ticket Price	\$17.00	\$18.00	\$19.00	\$20.00
Family Membership Price	\$114.00	\$114.00	\$114.00	\$119.00
% growth in member households	3.00%	3.00%	3.00%	0.00%
Total Member Households	69,868	71,964	74,123	74,123
% of Family Membership	80.00%	80.00%	80.00%	78.00%
Average Member \$	91.20	91.20	91.20	92.82
Total Member Fees	6,371,962	6,563,120	6,760,014	6,880,093
25% Transfer to Zoo	1,592,990	1,640,780	1,690,004	1,720,023

<i>Marketing Sponsorships net based on Premier Partnerships projection</i>	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
Fund 30/Marketing Sponsorships	100,000	404,400	539,975	743,625

Draft / Not Final
Exhibit B

March 12, 2013

Page 3

Los Angeles Zoo and Botanical Gardens
Greater Los Angeles Zoo Association
Marketing Business Plan
Multi-year Budget

	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
Recap				
Increased Revenue to the Zoo				
Admissions Revenue: Increase above \$11,600,000 base		1,341,596	2,808,820	4,419,074
Zoo Keeps These Amounts First Each Year of Increased Admissions Re		750,000	1,500,000	2,250,000
Remainder to GLAZA to pay for increased Marketing*		(591,596)	(1,308,820)	(2,169,074)
<i>* Transfer of these amounts would be at the end of the year, timing subject to negotiation</i>				
Concessions Revenue: Increase above \$1,000,000 base		124,191	236,285	356,681
Membership Revenue: Increase above \$1,400,000 base		240,780	290,004	320,023
Net Increased Revenue to the Zoo		1,114,971	2,026,289	2,926,704

	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
Recap				
Increased Revenue to GLAZA				
Admissions Revenue: GLAZA share of increase		591,596	1,308,820	2,169,074
Marketing Sponsorships		404,400	539,975	743,625
Increased GLAZA Share of Concessions		25,257	58,886	95,004
Fund 12: Zoo Assistance Fund		65,000	65,000	65,000
Other GLAZA Resources		1,567,549	822,775	147,438
Net Increased Resources for Marketing by GLAZA		2,653,802	2,795,456	3,220,141
Marketing, Promotions and Advertising Expenses				
Total Marketing Expenses		2,650,000	2,756,000	2,966,240
Net from Marketing		3,802	39,456	253,901
<i>*To be transferred to the Zoo Enterprise Trust Fund</i>				

Los Angeles Zoo and Botanical Gardens		Exhibit C					
Greater Los Angeles Zoo Association							
Business Plan							
Multi-year Budget							
Site Rentals and Catered Events							
		12-13	13-14	14-15	15-16	16-17	17-18
		Current Year	Year 1	Year 2	Year 3	Year 4	Year 5
Catering Sales							
	Catering Revenue	68,500	102,750	154,125	231,187	346,781	520,172
16.50%	Percent Commission	11,303	16,954	25,431	38,146	57,219	85,828
Distribution of Commissions:							
10.00%	to Zoo	6,850				34,678	52,017
3.00%	to GLAZA	2,055				10,403	15,605
3.50%	to Zoo Surplus Development Fund	2,398				12,137	18,206
Total	Commissions to GLAZA		16,954	25,431	38,146		
Site Rental Fees							
	Site Rental Fees	33,010	49,515	74,273	111,409	167,113	250,670
16.50%	Percent Commission	5,447					
Distribution of Commissions:							
10.00%	to Zoo	3,301				16,711	25,067
3.00%	to GLAZA	990				144,553	216,830
3.50%	to Zoo Surplus Development Fund	1,155				5,849	8,773
Total	Revenue to GLAZA		49,515	74,273	111,409		
Surplus	Revenue to Los Angeles Zoo						16,608
Total Revenue To GLAZA		3,045	66,469	99,704	149,555	154,956	215,827
Total Revenue To Zoo		13,704	0	0	0	69,376	120,672
Expenses							
	Salaries		65,000	66,950	68,959	71,027	73,158
	Commissions		4,952	7,427	11,141	16,711	25,067
	Benefits		20,985	22,313	24,030	26,322	29,468
	Sales Staff		90,937	96,690	104,129	114,060	127,693
	Event Staff		9,903	14,855	22,282	33,423	50,134
	Equipment		50,000	25,000	5,000	5,000	5,000
	Advertising & Promotion		5,000	5,000	5,000	5,000	5,000
	Miscellaneous		3,000	3,000	3,000	3,000	3,000
	Management Fee					25,000	25,000
Total Expenses			158,840	144,545	139,411	185,483	215,827
Profit/(Loss) to GLAZA			(92,371)	(44,841)	10,144	(30,527)	
How does GLAZA Fund these early deficits? (cumulatively, we put in about \$17,558)							
	Ahmanson Foundation						
	Sales Staff		90,937				
	Equipment Purchases		50,000				
	GLAZA Working Capital		0	44,841		30,527	
Net to GLAZA			48,566	(0)	10,144	0	0

EXHIBIT D

Memorandum of Understanding

by and between

The Los Angeles Zoo and Botanical Gardens and the Greater Los Angeles Zoo Association

SITE RENTALS and CATERED EVENTS PROGRAM

DELIVERABLES

Quarterly report of site rentals and projections

GLAZA to deliver to Zoo Director

GLAZA will use its good faith efforts to meet the following metrics:

PERFORMANCE METRICS

Catering Sales

Increase by 50% annually during the Term

Site Rental Fees

Increase by 50% annually during the Term

GLAZA will use its good faith efforts to meet the following milestones:

MILESTONES

Commencement

Completion

Hire site rental staff or organization

MOU approval

Within ten weeks

Hire group sales staff

MOU approval

Within ten weeks

Market Survey: type/size events

MOU approval

Within six weeks

Work with Zoo Director to
develop group sales policy

MOU approval

Within twelve weeks

Purchase Inventory

MOU approval

Within ten weeks

Large Scale Venue Preparation

A. Study location options with Zoo staff

MOU approval

Within twelve weeks

B. Prioritize, design and cost estimate

MOU approval

March 31, 2014

C. Funding

MOU approval

Ongoing

D. Venue Completion

June 30, 2015

3/26/2013

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 117

Date: May 8, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer



**Subject: TRANSPORTATION – SERVICE AND BUDGET IMPACTS OF FOUR
POTENTIAL POSITION DELETIONS**

Your Committee requested a report back on the service and budget impacts should the addition of four positions be deleted from the proposed budget. Attached is the Department's response to this report.

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

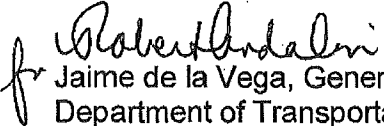
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Question No. 164

CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: May 7, 2013

To: Budget & Finance Committee
c/o City Clerk, Room 395, City Hall
Attention: Honorable Paul Krekorian, Chair

From:  Jaime de la Vega, General Manager
Department of Transportation

Subject: **REPORT BACKS-FY 2014 PROPOSED BUDGET-QUESTION NO. 164**

QUESTION

Blue Book items 14 (AGM), 23 (two project coordinators), 44 (principal project coordinators)-report back on the service and budget impacts of deleting the four total positions provided in them items.

RESPONSE

Blue Book Item 14 Transportation Reorganization

Several positions are discussed within Blue Book Item 14. Per the Report Back instruction the Department will limited its discussion to only the Assistant General Manager position.

With the elimination of the Environmental Affairs Department in FY 2010-2011, the former General Manager transitioned to the Department of Transportation as an Environmental Affairs Officer. The duties of this position were limited to the administration and coordination of the Mobile Source Air Pollution Reduction Trust Fund and preparing the reports required by SCAQMD.

With the departure of Amir Sedadi in May 2012, several of duties previously performed by Mr. Sedadi with regards to parking meters, off-street parking, and permit parking were reassigned to the Environmental Affairs Officer. Given the increase in the duties as well as the increased span of control now associated with the Environmental Affairs Officer position, the Department requested that the Environmental Affairs Officer be deleted and an Assistant General Manager position be added as a resolution authority.

The Environmental Affairs Officer position is fully funded by Mobile Source Air Pollution Reduction Trust Fund. The requested Assistant General Manager position will be

funded by the Special Parking Revenue Fund as well as the Mobile Source Air Pollution Reduction Trust Fund.

The Environmental Affairs Officer position is budgeted for \$159,226 for FY 2014. The FY 2014 salary for the Assistant General Manager position is \$181,202. If the Assistant General Manager position is eliminated and the Environmental Affairs Officer position is restored, direct salary savings would \$21,976 (\$181,202-\$159,226).

Blue Book Item 23-Bicycle Planning and Outreach

This Blue Book item adds funding and resolution for two Project Assistants. These two positions will assist in the implementation of the City's Bicycle Program that was approved by the Council. It is not anticipated that these two positions will directly generate revenue although both positions may administer various transportation grants. If the two positions are deleted, the Department will not be able to fully implement the City's Bicycle program.

Blue Book Item 44-Public Relations and Community Outreach

Blue Book Item 44 adds funding and resolution authority for one Principal Project Coordinator. In retrospect, the term "Public Relations" for this Blue Book Item does not accurately describe the duties that will be performed by this position. The title of "Public Information and Community Outreach" better describes the functions of the position.

The Principal Project Coordinator position will plan, organize, direct and coordinate the Department's overall intergovernmental relations and community outreach programs. The position also exercises supervision of Intergovernmental Relations and Community Outreach support personnel.

Under direction of the Executive Officer for Communications, the position will function as the department's principal adviser on the potential effects of proposed legislation and actions by other government agencies; oversee intergovernmental relations support staff; design programs to enhance the effectiveness of the department's relationship with multiple stakeholders. The Principal Project Coordinator will also serve as a liaison to business organizations and community groups; and develop and manage programs to enhance the effectiveness of the department's relationship with multiple stakeholders.

The Department recognizes that one area it needs to improve is its liaison efforts with the community. Transportation improvements and programs have significant communal impacts and the creation of this position is an attempt by the department to more actively solicit residential input in making transportation decisions that will significantly impact local communities.

Several of the Report Backs for the Department indicate that improving communication with the public is a top priority of the Council. The Department was specifically asked how the process for contesting and paying parking citations could be made easier for

holders of disabled parking placards (Report Back No. 160). Report Back No. 162 was prompted by community concerns with parking pay stations in CD 2. Undoubtedly there are several other issues that require improved communications with community groups. The addition of the Principal Project Coordinator position is the beginning of the process to improve communications between the Department and community groups on the various transportation issues.

This position's direct salary costs are approximately \$90,031. The elimination of this position will negatively impact the Department's Public Information program.

JTV:wdh

c: Miguel A. Santana, City Administrative Officer
Monique F. Earl, Mayor's Budget Director

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JTV:wdh

c: Miguel A. Santana, City Administrative Officer
Monique F. Earl, Mayor's Budget Director

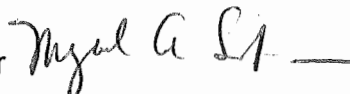
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Memo No. 118

Date: May 8, 2013

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: **CITYWIDE – BUDGET IMPACTS IN RESPONSE TO THE COALITION OF LA CITY UNIONS REPORT: “A BUDGET TO MOVE LA FORWARD”**

On May 6, 2013, the Coalition of Los Angeles City Unions (Coalition) issued a report, “A Budget to Move LA Forward” that discusses the Mayor’s Proposed Budget for 2013-14, highlights the Coalition’s collaborative efforts to reduce the City’s deficit, and provides sixteen recommendations to the Proposed Budget.

As instructed by the Budget and Finance Committee, this Office has prepared the following review of thirteen of the sixteen recommendations including a budget impact analysis of these recommendations. The remaining three recommendations were identified by the Budget and Finance Committee as Special Studies and will be reported on at a future time.

First and foremost, this Office welcomes the spirit of partnership in which these recommendations are submitted. The collaboration between labor and management in the City of Los Angeles is unparalleled and has been critical to securing the City’s solvency during the most difficult budgetary years in the City’s history. As noted in the review of the recommendations, this Office encourages further dialog and exploration of some of these concepts, particularly those that require additional policy direction. As for those recommendations that have a direct budget impact in 2013-14, this Office recommends that the Council proceed cautiously.

A recent report released by the Government Accountability Office (GAO) finds a widening gap between projected revenues and expenses for state and local governments for years to come (Attachment 1). As stated by the GAO and based on a long-term simulation from 2013 to 2060, “the [state and local government] sector would need to make substantial policy changes to avoid growing fiscal imbalances in the future. That is, absent any intervention or policy changes, state and local governments would face an increasing gap between receipts and expenditures in the coming years.” Not surprisingly, the GAO states that, this widening gap is “primarily driven by the rising health-related costs of state and local expenditures on Medicaid and the cost of health care compensation for state and local government employees and retirees.”

The GAO’s findings could not ring any truer for the City of Los Angeles. While the Four-Year Budget Outlook shows an improving fiscal condition for the City, budget deficits in the most immediate years remain. Furthermore, the improving condition for the City is based on key assumptions with respect to policy and budget decisions on salary adjustments and healthcare. These are the same policy and budget decisions that the Coalition’s

Recommendation Number 1 would alter. Consequently altering to Proposed Budget as recommended by the Coalition will not only impact 2013-14, but the following years as well.

Mayor's Proposed Budget (\$million)	2013-14 Proposed	2014-15	2015-16	2016-17	2017-18
Total Budget (Gap)/Surplus	\$-	\$(159.0)	\$(114.3)	\$(95.1)	\$15.1
Mayor's Proposed Budget with Coalition Recommendation No. 1					
Total Budget (Gap)/Surplus	\$(5.6)	\$(212.7)	\$(169.2)	\$(150.7)	\$(40.4)
Variance	\$(5.6)	\$(53.7)	\$(54.9)	\$(55.6)	\$(55.5)

Even without implementing the Coalition's recommendation, the Proposed Budget, while built on a strong economic recovery foundation, includes areas of uncertainty and risk with respect to revenues and expenditures. The approximately \$146 million in one-time revenue for example includes revenues that were budgeted in 2012-13 but never received (AB678), as well as revenue tied to unresolved settlement agreements (Telecommunication Development Account). Additionally other revenues included in the budget as ongoing revenues now appear to be uncertain based on the most recent receipts in 2012-13. These revenues pertain to reimbursements from various Bureau of Sanitation special funds and Gas Tax receipts from the State.

On the expenditure side, the delayed or failed implementation of budgeted efficiencies can quickly result in department deficits. A case-in point is the Fire Dispatch Center deployment plan, which may result in a deficit of \$4 million if not implemented according to plan. Furthermore, recent action to restore services in the Fire Department in 2012-13, which were not contemplated in the Proposed Budget, will further limit Council's ability to restore other priority services or pursue some of the recommendations made by the Coalition.

The following are specific responses to the thirteen recommendations that this Office was instructed to report back on. The thirteen recommendations include:

1. No. 1 – Account Restoration
2. No. 2 – Alternative Dispute Resolution (ADR) Procedure
3. No. 3 – Ambulance Billing
4. No. 5 – Blight: Move Quickly to Collect What's Left of Fines Owed By Banks
5. No. 6 – Bureau of Street Services Trim Trimming, Contractor Accountability
6. No. 7 – Community Development
7. No. 8 – Encumbrances
8. No. 9 – Finance Department Funds for Restructuring Collections
9. No. 11 – Human Resources Benefits
10. No. 12 – LAPD Appropriate Use of Civilian Employees
11. No. 14 – Parking Occupancy Tax Collection
12. No. 15 – Zoo
13. No. 16 – Recreation and Parks, Restore Programs to At-Risk Youth

Coalition Recommendation No. 1 – Account Restoration

The Coalition recommends to restore funds to departments and eliminate the “Revenue for Economic Uncertainties” and “Proposed Contingency for Obligatory Changes” within Special Fund Schedules.

CAO Budget Impact and Response:

The decision to move to restore funds to departments and eliminate the “Revenue for Economic Uncertainties” and “Proposed Contingency for Obligatory Changes” within Special Fund Schedules should not be taken lightly. While the budget impact of restoring funds to departments may appear to offset by the funds within the UB and various Special Fund Schedules, the resulting impact would not be contained within 2013-14 fiscal year. Moreover, the value of this decision over a two fiscal year period is summarized below.

	General Fund and Special Fund 2013-14 Total (\$millions)		General Fund and Special Fund 2014-15 Total (\$millions)	
TOTAL SALARY SAVINGS	1/2 Year	\$22.2	Full Year	\$44.4
PENSION SAVINGS	Tier 1 Rate @ 25.33%	\$5.6	Tier 1 Rate @ 27.75%	\$12.3
HEALTHCARE SAVINGS	1/2 Year of Plan Changes	\$8.5	Full Year of Plan Changes	\$17.0
	Year 1 TOTAL	\$36.3	Year 2 TOTAL	\$73.7
			TOTAL OVER TWO YEARS	\$110.0

Based on past experience of addressing mid-year revenue shortfalls and unforeseen expenditures, new areas of concern recently identified after the release of the Proposed Budget, and the long-term impact of restoring salary adjustments, this Office does not recommend eliminating the UB “Reserve for Economic Uncertainties” and “Proposed Contingency for Obligatory Changes” within Special Fund Schedules.

Reserve for Economic Uncertainties

The Proposed 2013-14 Unappropriated Balance (UB) includes an appropriation of \$21 million for “Reserve for Economic Uncertainties.” The specific intent of this account is to address revenue shortfalls or unforeseen and unbudgeted expenditures that may arise throughout the fiscal year. It should be noted that this appropriation account is not new for the UB. This account was first established in 2001-02. Surplus funds identified by departments as part of operational plan exercises throughout the fiscal year are transferred to this account to help offset any deficits or revenue shortfalls. Transfers to and from the “Reserve for Economic Uncertainties” are done through the financial status report. Samples of expenditures covered

by the UB Reserve for Economic Uncertainties have been Police Overtime, Fire Constant Staffing, Bank Fees, and Petroleum.

Special Fund Schedules – Contingency for Obligatory Changes

The Special Fund Schedules – Contingency for Obligatory Changes is a new line item within the various special fund schedules. Monies set aside in the “Contingency for Obligatory Changes” are intended to cover any as-needed obligations or expenditures including funding for salaries, equipment and contracts not correctly programmed in the Special Fund Schedules. Should these funds not be required in 2013-14, the funds would carry over as a cash balance to 2014-15 and be available to be used for programs in 2014-15, reimburse the General Fund for related costs, or offset the need for fee increases.

Coalition Recommendation No. 2 – Alternative Dispute Resolution (ADR) Procedure

The Coalition recommends applying the successful Workers’ Compensation “carve-out” Citywide to reduce litigation claims and maximize benefits of returning injured workers to the workplace. This was a successful program piloted with SEIU 721, which reduced litigation claims by 100%.

CAO Budget Impact and Response:

The City’s ADR program is a joint effort with the Service Employees International Union (SEIU) Local 721 and currently covers MOUs 4 (Equipment Operation and Labor), 14 (Service and Craft), 15 (Service Employees), and 18 (Safety/Security). ADR allows employers and labor organizations to utilize alternative ways to provide workers’ compensation benefits to its injured workers and resolve disputes instead of litigating them at the Workers’ Compensation Appeals Board (WCAB). Injured employees may utilize ombudspersons, mediation, arbitration and advice nurse services to resolve disputes related to their workers’ compensation claims. The program’s goals are to reduce litigation, improve claim resolution time, reduce workers’ compensation claims costs and increase injured workers’ satisfaction.

The ADR program does reduce litigation, (although claimants are still allowed to consult with an attorney), However, according to the Personnel Department, it is difficult to determine the hard cost savings of the program as City Attorney staff are still needed for complex cases and for cases in which the applicant attorney actively participates in claim settlement negotiations.

The contract with the current vendor allows this program to be expanded to include other MOUs. The program can be expanded to include additional Coalition MOUs within budgeted funds.

If it is decided to include additional Coalition Unions, the following steps would have to be taken:

- The Union must file a Petition to Negotiate a Section 3201.7 Labor Management Agreement with the State. The Personnel Department will assist with this process;
- The State issues a letter of eligibility, which requires the City and Union to negotiate/execute a carve-out agreement, which then is submitted back to the State for approval; and
- After approval, the City and Union market and explain the program to employees.

The Personnel Department will work with the Unions on this endeavor with an anticipated start date of January 1, 2014, to add all Coalition MOUs to the ADR program. If requested, the Personnel Department will utilize a consultant to further analyze the effectiveness of the ADR program.

Coalition Recommendation No. 3 – Ambulance Billing

The Coalition supports the Inspector General's analysis that the Emergency Medical Services (EMS) billing is a priority collections issue and is concerned with the effectiveness of the City's collections contract. The Coalition recommends that an audit of this contract be conducted in light of the increased number of individuals anticipated to be insured under the Affordable Care Act in the coming year.

The Committee also requested the budget impact of the Affordable Care Act on revenue collections, as it pertains to Ambulance Billing.

CAO Budget Impact and Response:

This Office agrees that that EMS billing is a priority collections issue and that the City's collections contract should be continuously evaluated. The Inspector General of Revenue and Collection has made the review of this contract one of his top priorities and this Office will support the Inspector General on this task, specifically on determining if performance goals are being met. Additionally, this Office concurs that audits of revenue-generating contracts are appropriate to ensure that General Fund revenues continue to be maximized.

With regards to the EMS billing contract, the "one-time" spike in revenue in 2010, as cited by the Coalition, is more accurately characterized as on-going revenue which has been included in the base revenue for the subsequent fiscal years. This increase to the City's revenue base is attributed to the implementation of the hand-held data capture system and efficiencies made by the City's collection contractor.

With regards to the projected increase in revenue from the Affordable Care Act, it is too early to estimate the impact to revenue due to the variables involved (enrollment, plan coverage). As the individual health care insurance program is to be implemented in 2014, the greatest revenue impact from newly insured individuals will likely be realized in 2014-15 (allowing for time in the billing process).

Please see attached response from the Los Angeles Fire Department which also addresses the impact of the Affordable Care Act (Attachment 2).

Coalition Recommendation No. 5 – Blight: Move Quickly to Collect What’s Left of Fines Owed By Banks

The Coalition recommends that the Budget and Finance Committee (Committee) urge the City to expedite the recommendation to transfer the registration fees that the Housing Department collects to the Department of Building and Safety in order for the blight ordinance to take effect. In addition, the Coalition points out that the City’s Foreclosure Ordinance has not resulted in funds owed to the City, as the department responsible for code enforcement (Building and Safety) should also be responsible for enforcing the ordinance, but does not have sufficient resources. As a result, the City is losing as much as \$40 million in registration fees.

CAO Budget Impact and Response:

This Office supports the Coalition’s recommendation. In fact, the Coalition proposal is reflected in the Proposed Budget. Please refer to Blue Book #31 under the Department of Building and Safety (LADBS). Funding and resolution authority for six positions were added to LADBS to provide inspection services associated with the Foreclosure Inspection Fee Ordinance. The positions include one Senior Building Mechanical Inspector and five Building Mechanical Inspectors. The positions are fully funded by the Code Enforcement Trust Fund.

Coalition Recommendation No. 6 – Bureau of Street Services Trim Trimming, Contractor Accountability

The Coalition cautions the Council that contracting out undermines the City Charter and the process set forth in the Coalition’s Memorandum of Understanding (MOU). They further state that by contracting work for more than double the workload would result in less incentive for the department to work in the joint labor management process.

The Committee also requested the City’s method to increase allocations to existing contracts through the budget process.

CAO Budget Impact and Response:

Due to the City’s fiscal constraints, in Fiscal Year 2010-11, the Adopted Budget deleted funding and position authority for 60 positions (\$3.3 million) responsible for proactive street tree maintenance. The remaining staff would be responsible for performing tree pruning services on an emergency, as needed, basis.

Funding and position authority for an additional 18 positions (\$1.0 million) was deleted in Fiscal Year 2011-12, due to the City’s continued fiscal constraints. However, no service level impact was experienced as the positions were already vacant and workload had already been absorbed by existing staff.

During each of the prior two fiscal years (2011-12 and 2012-13) Council has modified the Mayor's Proposed Budget by adding one-time funding in the amount of \$500,000 each year to trim approximately 5,000 trees under contract.

The \$3.5 million that is included in the Mayor's 2013-14 Proposed Budget reflects the use of one-time revenue to fund a one-time increase in tree trimming services provided by the Bureau. As such, it is recommended that this work be performed by contract and not City staff.

In the prior fiscal years, this Office has made Charter Section 1022 Determinations relative to contract tree trimming. Both feasibility findings and economic findings have found that the work is: 1) performed more feasibly by a contractor than by City employees; or 2) that the proposed work could be performed more economically by a contractor.

However, there is still an appropriate role for City employees to perform Tree Trimming services. City employees are necessary to provide knowledgeable oversight of contractors to ensure that the City is not taken advantage of, to help manage City liability and to provide a strategic methodology for the distribution of tree trimming services. Additionally, City employees are invaluable in providing emergency services and ensuring continuity of service during gaps in contractual services.

A long-term strategy for providing tree trimming services should utilize both City employees and contractors. Should the City Council view this service as a high enough priority to make a long-term commitment to the level of service proposed by the Mayor, then this Office and the Bureau of Street Services should be instructed to provide a long-term strategic staffing plan during 2013-14.

With regard to increasing allocations through the budget process, departments make initial requests to the Mayor to increase funding for contractual services. If approved, the Mayor will include these increases in his proposed budget for Council to consider. This process only provides the appropriation and does not provide approval for a department to execute contracts.

As required by the City Charter, contracts exceeding \$100,000 (adjusted annually in accordance with the Consumer Price Index) and/or covers a term of 3 years or more, require Council approval. In addition, the Mayor issued Executive Directive 3, which requires City departments Mayoral approval for contracts and contract amendments that meet any of the following criteria: (1) over \$25,000 with a term longer than three months; (2) are not funded in the Adopted Budget, regardless of amount or term; (3) funded in the Capital Improvement Expenditure Program that are greater than \$100,000; (4) for department or management audits, regardless of amount or term; or, (5) grant-funded, regardless of amount or term.

Coalition Recommendation No. 7 – Community Development

The Coalition recommends deleting the \$4.5 million proposed for the creation of a private economic development operator and declares that the State of California is in the process of creating a statewide solution with Senate Bill (SB) 1 to restore key redevelopment tools to cities and counties. Further, the Coalition states that development in Los Angeles should be provided through a transparent institution subject to public accountability.

CAO Budget Impact and Response:

The Council requested the Mayor in February 2013 to include the use of a contracted, independent Citywide Economic Development Nonprofit (CEDN), part of the City's Economic Development Initiative (EDI), in the 2013-14 Proposed Budget (C.F. 08-3050). Accordingly, the Proposed Budget provides \$5 million in General City Purposes (GCP) funds to cover the 2013-14 anticipated costs of a CEDN. The \$5 million cost is based on an estimate for the CEDN Year 1 provided by the City's consultant and presented in the Ad Hoc Committee on Economic Development and in full Council between December 2012 and January 2013 (C.F. 08-3050). The specific purposes associated with the CEDN include strategic planning, business and industry development, asset management, real estate and infrastructure development and transaction services and financing for economic development activities in the City.

A CEDN will operate under contract with the City and provide the Mayor and Council with a new resource for City leadership, development partners and communities in need of revitalization. Specifically, this transaction-oriented entity will convey economic development strategies and provide for flexibility and responsiveness to changes in the City's economic climate, but is not envisioned to duplicate or divert resources from existing infrastructure of community-based economic development organizations in Los Angeles.

Senate Bill (SB) 1 is a bill introduced in the legislature for: "establishing the Sustainable Communities Investment Program to create a new, collaborative structure for the creation of a governing board for a Sustainable Communities Investment Authority and to allow governmental entities through a consensual process to invest tax increment revenue to relieve conditions of blight as prescribed by the Legislature." SB 1 has been referred to the Senate Appropriations Committee.

The EDI, and by extension the CEDN, is not a new version of the former CRA or the proposed program in SB 1. The EDI and CEDN, along with the new Economic Development Department, form a new approach toward economic development to establish an economic development framework that will make the City competitive in the global marketplace, grow current and new business sectors as well as address issues of unemployment, poverty and blight throughout the City.

Coalition Recommendation No. 8 – Encumbrances

The Coalition recommends that the City Administrative Officer (CAO) report back on the potential savings amounts and fund locations for prior year encumbrances. They further state that it is unclear where the \$9.6 million identified to be disencumbered from

Special Funds went in the budget and that with the new Encumbrance Policy, additional funds may be available in 2014-15 and 2015-16, which are not included in budget projections.

The Committee also inquired whether disencumbered funds were included in budget projections for the out years.

CAO Budget Impact and Response:

In February 2013, Council approved the Office of the City Administrative Officer (CAO) report with recommendations to adopt a General Fund Encumbrance Policy and to disencumber a total of \$27.8 million (General Fund - \$18.2 million; Special Funds - \$9.6 million) held by departments as encumbrances from prior year appropriations.

General Fund:

As of May 7, 2013, approximately \$9.9 million in General Fund disencumbered funds reverted to the Reserve Fund as part of the early reversion process. This amount is in line with the \$9 million identified for early reversion in the Proposed 2013-14 Budget. It is anticipated that additional disencumbered General Fund monies will be available to revert to the Reserve Fund as part of the year-end closing activities for 2012-13. However, it should be noted that approximately \$1.9 million of the \$18.2 million disencumbered funds have been reappropriated through various Council actions. In addition, departments will also have the opportunity to request a reappropriation in the year-end financial status report of disencumbered funds that they consider necessary due to pending invoices and contracts. Should the Council and Mayor approve these reappropriations, the available balance for reversion to the Reserve Fund will be limited.

Special Fund:

At this time, none of the \$9.6 million in prior-year funds identified for special funds have reverted to the various special funds. In order for these funds to revert, the source of funding needs to be identified. This is done through the City's year-end reversion worksheet process handled by the Office of the Controller (Controller). Per the Controller, finalizing this process usually takes a minimum of four weeks after the close of the fiscal year and after the Controller releases the City's Preliminary Financial Report. This report is typically released in September.

It is important to note that the release of Special Fund encumbrances may have little to no impact on the General Fund or the City's structural deficit. Furthermore, there is no relationship between the special fund prior year encumbrances identified and the Contingency for Obligatory Changes.

Additional Savings:

The new Encumbrance Policy is phased in over a three-year period. As such, additional savings may be realized by the City once all prior year funds have been disencumbered. However, savings from additional disencumbrances are not included in the four-year forecasts since these funds will automatically revert to the Reserve Fund and not captured as revenue by the City.

Coalition Recommendation No. 9 – Finance Department Funds for Restructuring Collections

The Coalition supports centralizing collections and recommends funding from the General Fund for project management and software costs for this effort.

CAO Budget Impact and Response:

The Inspector General's report recommending collection reforms (CF 13-0121) was considered by the Budget and Finance Committee on February 25, 2013 and continued for additional consideration. The report had nine recommendations, including the approval of the Inspector General's strategic plan. One of the initiatives in the strategic plan was to develop a Collections Management Restructure Plan, which will include an analysis of the feasibility of purchasing a centralized portal.

The Inspector General estimates the cost to purchase an Accounts Receivable Management System (ARMS) to be \$1.5 million to \$2 million. In addition to the purchase cost, the Office of Finance (Finance) estimates that it will require four positions (\$390,000) and assistance from a consultant (\$350,000) for project management and maintenance. A cost-benefit analysis has not been completed and it is unknown how much additional revenue would be generated as a result of purchasing an ARMS.

This Office supports the centralization of collections and the implementation of comprehensive collection reforms detailed in the Inspector General's strategic plan. However, until further action is taken by the Council and Mayor on the adoption of the strategic plan, and a cost-benefit analysis is completed, providing full or partial funding in the Unappropriated Balance should be a consideration for 2014-15. Funding for this purpose has not been identified at this time.

Coalition Recommendation No. 11 – Human Resources Benefits

The Coalition recommends that the City should recognize the savings that were realized for civilian health benefits in the budget that resulted from aggressive plan changes, totaling over \$30.7 million for 2011 to 2013.

CAO Budget Impact and Response:

The City has long recognized that rapidly escalating health care costs are one of the major factors in the City's ongoing fiscal distress. To address this concern, several significant cost containment measures have been implemented, including limiting the escalation of the health care subsidy in sworn contracts to 5%; implementing 5% of health care premium cost-sharing in non-Coalition contracts; and enhancing civilian cost-sharing through health care plan design changes. Despite these actions, the City's health care costs are projected to increase by \$23 million for Fiscal Year 2013-14. The Executive Employee Relations Committee (EERC) has directed the CAO to request the Coalition bargaining units to re-open their contracts to secure 10% employee cost-sharing in health care premium costs

which could result in savings of approximately \$14 million annually. Further actions being pursued include utilizing the surplus in the Employee Benefits Trust Fund to defray the increase in health insurance costs, aggressively negotiating premium rates with potential health insurance vendors, and, if necessary, pursuing plan design changes which are within the control of the Council.

Coalition Recommendation No. 12 – LAPD Appropriate Use of Civilian Employees

The Coalition recommends a review of the use of civilian and sworn positions, given the increase in sworn officers and a decrease in civilian employees within the Los Angeles Police Department. The Coalition requests for the City to report on position history and an analysis of job tasks performed by sworn officers next fiscal year.

The Committee also inquired as to whether the LAPD would accept civilianization.

CAO Budget Impact and Response:

The 2013-14 Proposed Budget includes funding to hire 74 civilians, including 25 Detention Officers, 28 Police Service Representatives, 10 Equipment Mechanics and 11 positions in the Scientific Investigation Division. Should the Council decide that it is a priority to hire additional civilians in the Los Angeles Police Department (LAPD) in 2013-14, other budget reductions/offsets will need to be identified to provide the necessary funding for these additional civilian personnel. We must also emphasize the importance of Tier 2 in the Los Angeles City Employees Retirement System (LACERS), which modifies the current civilian pension plan effective July 1, 2013, in order to achieve long-term budgetary savings relative to future civilian hiring.

The Coalition's report also states that last year they discussed how police officers are being used to do work that "less expensive detention officers could do." However, it is important to note that hiring civilians can actually be more costly. For example, the first year annual cost of a Police Officer in 2013-14 is \$49,444; whereas, the annual cost for a Detention Officer is \$50,911, which is \$1,467 more per year than the starting salary of a Police Officer.

If it is the direction of the Council, this Office will work with the LAPD to report on job analysis and position history of sworn officers within LAPD.

The Los Angeles Police Department will respond under a separate cover.

Coalition Recommendation No. 14 – Parking Occupancy Tax Collection

The Coalition recognizes the Committee's ongoing discussion of reforms to the parking occupancy tax and endorses recommendations made by the Inspector General to further enhance revenue collection. The Coalition also supports crediting future years collection in this year's revenue projections.

The Committee also inquired whether revenue projections included additional revenues related to the proposed parking occupancy tax reforms as well as the amount included in the Proposed Budget.

CAO Budget Impact and Response:

The four-year outlook assumptions include only those revenues that are known and can be reasonably be projected. The 2013-14 Proposed Budget includes \$94.9 million related to Parking Occupancy Tax. Recommendations made by the Inspector General concerning Parking Occupancy Tax revenue included revenue monitoring (through audits and annual reviews) and revenue enhancements (such capturing tax revenue from valet services and monthly parking pass sales). Implementation of the recommendations may require Council action, including the adoption of ordinances, for which the timing of implementation cannot be predicted. Additionally, an analysis would need to be conducted to determine how much revenue adopted recommendations would likely generate before factoring them into the City's revenue projections.

Coalition Recommendation No. 15 – Zoo

The Coalition recommends requiring disclosure of a marketing revenue agreement executed by the Zoo Director and the release of the "two track" report developed by the joint labor management working group.

CAO Budget Impact and Response:

The CAO has provided responses to the Committee pertaining to the Zoo that also address the concerns raised by the Coalition. This information can be found in the following CAO Budget Memos:

- CAO Budget Memo No. 62 – Efficiencies and Working Group Results
- CAO Budget Memo No. 106 – Validity of the Marketing Agreement with the Greater Los Angeles Zoo Association

Coalition Recommendation No. 16 – Recreation and Parks, Restore Programs to At-Risk Youth

The Coalition recommends that the Committee restore \$2.58 million to the Recreation and Parks budget for recreation centers at the Housing Authority of the City of Los Angeles (HACLA) sites (\$1.68 million) and the CLASS Parks Program (\$0.9 million).

The Committee also requested a report back on the budget impacts of defunding at-risk youth programs provided by the City and how it all relates to other at-risk programs such as the Gang Reduction and Youth Development (GRYD) Programs, General City Purposes, etc.

CAO Budget Impact and Response:

For the 2013-14 Proposed Budget, the Housing Authority of the City of Los Angeles (HACLA) requested the return of responsibilities for recreational programming and maintenance for seven HACLA-owned facilities. HACLA intends to partner with non-profits for the operation of these facilities and has already begun to transition operations to non-profits at the following sites: Mar Vista Gardens, Pueblo del Rio and Aliso-Pico. HACLA will provide funding in the amount of \$420,000 for operations of the remaining four facilities through September 2013.

In 2012-13, the estimated cost for operating the seven facilities was \$2.1 million. Funding in the amount of \$1.6 million was provided by HACLA and \$500,000 was provided from the General Fund. This \$500,000 amount exceeded the Charter-mandated appropriation for the Department of Recreation and Parks (RAP). Therefore, to reinstate services at the seven HACLA facilities, HACLA is required to rescind its request to take back responsibilities and provide the funding for these services.

Relative to the proposed program-wide reduction to the CLASS Parks program, the Recreation and Parks Department is seeking a strategic solution to reduce expenses and still continue to provide services at all CLASS Parks sites. The seven HACLA sites are not a part of the CLASS Parks program.

For the 2013-14 Proposed Budget, the Gang Reduction and Youth Development (GRYD) – General City Purposes (GCP) includes the Summer Night Lights (SNL) Program at 32 park sites: 28 Recreation and Park facilities and four HACLA sites. The SNL Program partners with the City's Department of Recreation and Parks, the Department of Cultural Affairs, the Los Angeles Police Department, City Attorney, Council Offices, HACLA and the Los Angeles Conservation Corps to provide targeted programs for at-risk youth and their families between the hours of 7:00 p.m. to midnight, four days a week, from June 26, 2013 through August 10, 2013. Programs include recreational, educational, athletic, cultural and artistic activities designed to promote active participation. GRYD also provides an estimated 1,100 seasonal employment opportunities including over 350 positions targeted for at-risk youth ages 17 to 21 that reside in proximity to SNL sites. Approximately \$3 million in General Fund and government grant funds plus an additional \$2.5 million in private donations and grants finance the SNL Program.

This memo is for informational purposes only. There is no fiscal impact.

Attachments: 2

MAS: BC :jl: 01130087c

Question No. 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 8, 2013

Memo No. 119

To: Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer *DH*
RW

Subject: **RECREATION AND PARKS – REPORT BACK ON THE UNDESIGNATED AND UNRESERVED FUND BALANCE (UUF)**

During its consideration of the Department of Recreation and Parks' (RAP) 2013-14 Proposed Budget, the Committee asked the RAP to report back on the current status of the UUF and a detailed accounting of all the transactions for the Fund for the past two years. Attached is the Department's response.

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

MAS:CEA:08130139

Question No. 62

Attachment

BOARD OF RECREATION AND
PARK COMMISSIONERS

BARRY A. SANDERS
PRESIDENT

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VICE PRESIDENT

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JON KIRK MUKRI
GENERAL MANAGER

May 8, 2013

Honorable Paul Krekorian, Chair
Budget and Finance Committee
City Clerk, City Hall Room 395
Los Angeles, CA 90012

ATTN: Erika Pulst, Legislative Assistant

Dear Councilmember Krekorian:

**FISCAL YEAR 2013-14 QUESTION NO. 62 - STATUS OF THE DEPARTMENT OF
RECREATION AND PARKS' UNRESERVED AND UNDESIGNATED FUND
BALANCE**

Per City Charter Section 593, the Department of Recreation and Parks (RAP) is allowed to retain fiscal year end unexpended operating budget monies, if realized, and to deposit these monies into its Unreserved and Undesignated Fund Balance (UUFB). Unlike other City Departments, RAP's monies do not revert to the City's Reserve Fund. Monies in the UUFB are under the control of the Board of Recreation and Park Commissioners per Charter Section 591(b) for its appropriation and expenditure. Monies may or may not be available for reversion into the UUFB at the end of each fiscal year, and therefore are viewed as one-time, non-recurring funding which should not be used for regular ongoing operational costs. The UUFB is used for those unplanned, irregular items, which will be explained later in this report. And similar to the City's fiscal policy, RAP does not allocate UUFB monies for ongoing expenses such as labor costs, etc.

The Mayor and Council approve a budget and related work plan for RAP each fiscal year (FY). Over the last few years, included in this work plan, were City policies for hiring and equipment freezes. Also, the City has attempted and succeeded in application of additional new RAP fiscal policies. These have included the following:

- Start and implement a process to make RAP a proprietary department by decreasing and eliminating indirect support costs (utilities, trash disposal, pension and health benefit costs, fleet maintenance) previously paid from the City's General Fund on RAP's behalf;
- Have RAP directly pay from its operating budget a substantial portion of these abovementioned indirect costs (currently approaching \$50 million annually);



- Have RAP self-fund from previous year's operating budget funds (from the UUFB) a portion of its next fiscal year's budget (currently approaching over \$7 million annually);
- Self-fund small and large fleet replacement equipment purchases (previously included in the Department of General Services' capital financing allocation);
- Attempt to have RAP absorb and pay for liability claims made by the public;
- Attempt to have RAP pay for bank fees resulting from patron's credit card transactions;
- Have RAP identify funding for unfunded or underfunded capital projects;
- Cover expenditures from natural disasters and unexpected events such as wind storms, wild fires, Occupy L.A., opening of cooling centers due to inclement weather and providing shelter services such as when residents are displaced from their homes for various reasons; and,
- Cover unbudgeted programs and special requests such as unscheduled tree trimming or landscape services, and continuation of recreational programs and services eliminated from its approved budget.

Several factors can affect RAP's ability to incur monies to deposit into the UUFB each fiscal year. For example, increases and decreases in RAP's annual property tax allocation has a major impact. Per Charter Section 593(a) RAP receives .0325% of assessed property taxes received by the City annually. And, when the economy and housing market is booming, higher property tax revenue is received by the City and RAP; and, conversely, less is received in downtimes. Therefore, any monies received into the UUFB are considered one-time revenue and not relied upon to sustain long-term ongoing expenses. And with imposed hiring freezes, RAP's largest expense, labor costs, can generate salary savings monies from keeping budgeted positions vacant thus allowing monies to revert to the UUFB. (RAP has sustained 200+ vacancies annually which have greatly impacted our workload.) RAP has experienced both labor issues and property tax fluctuations over the recent fiscal years.

Below is a recent historical analysis of the deposits and allocations into RAP's UUFB:

Fiscal Year (FY)	FY 2009-2010	FY 2010-2011	FY 2011-2012
Unexpended Funds	\$7,271,956	\$8,165,951	\$10,982,923
Revenue Over/Under Budget	\$1,644,538	(\$1,303,417)	\$2,040,689
Total to UUFB	\$8,916,494	\$6,862,534	\$13,023,612

Over a three year period, \$28.8 million reverted to the UUFB.

The Board, in consultation with the Mayor and Councilmembers, approved the use of these reverted funds for the following purposes:

Purpose of UUFB Appropriation/Usage	Amount of UUFB Appropriation
Deferred maintenance at various facilities to reduce and mitigate liability and legal claims	\$3,000,000
Capital Park Development (acquisition, design, construction) -50 Parks Initiative	\$10,000,000
Pool Replacement-109 th Street Pool	\$6,000,000
Funding for FY 2013 early summer camp programming and unbudgeted operations such as the 2012 extended summer aquatic season and the continued year-round aquatic operations at Glassel, Hubert Humphrey and Peck pools in which budgeted funds were eliminated in the FY 2012-13 adopted budget	\$2,000,000
Self-fund Portion of Operating Budget	\$3,834,000
Total Use of UUFB	\$24,834,000

In addition to the abovementioned items, over the past fiscal years monies have also been used for the following purposes:

- Griffith Park 2007 fire repairs and restoration
- Return \$400,000 to the City for the Police Administration Building landscape improvements
- Reallocate \$660,246 to Echo Park Recreation Center Phase II project
- Annual summer cooling center activations
- Several windstorm repairs at various RAP locations
- Sepulveda basin flooding repairs
- Creation of RAP's Quimby Tracking System
- Development of a Citywide Needs Assessment report
- Replacement and repair of millions of dollars in copper theft replacement, vandalism, graffiti removal, backflow pipes and electrical copper wiring at several RAP sites and facilities
- Self-funding of RAP's own operating budget over several fiscal years

RAP's Board and management has tried to be prudent, fiscally responsible and forward thinking in addressing a myriad of unfunded, under budgeted and emergency issues that have arisen throughout the various fiscal years. Additionally, we have been compliant with newly imposed City policies and directives such as self-funding portions of our own operating budget and

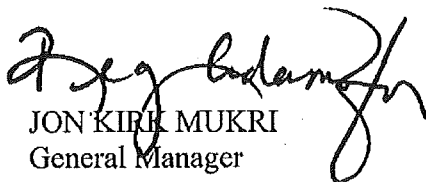
Honorable Paul Krekorian
May 8, 2013
Page 4

paying indirect costs. And, with the City's future plans for moving this Department toward being independent and proprietary, we have tried to use good business practices of retaining at least five percent of UUFM monies in reserve for unknown contingencies. This is similar to the City's fiscal policy of retaining a five percent Reserve Fund balance to cover financial uncertainties.

The proposed Fiscal Year 2013-14 RAP budget increases our self-funded budget obligation to \$7,044,152 which is a \$3,210,039 increase from the previous fiscal year. This proposed budget also imposes an additional \$4 million in payment of indirect costs. These items and a self-imposed five percent (5%) contingency of \$10 million total at least \$20 million. With a current balance of about \$3.5 million and projected current fiscal year projection of about \$3.5 million and FY 2013-14 proposed requirements of over \$10 million, RAP's UUFM balance could be insufficient and depleted, with no contingency capabilities. This is not a business practice or model that allows RAP to be fiscally prudent. RAP's Board and management have used UUFM monies for one-time purposes such as acquiring and developing properties in park poor areas of the City, addressing emergency situations and for mitigation of specific issues.

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

Sincerely,



JON KIRK MUKRI
General Manager

JKM:RA:ndw

Attachment

cc: Romel Pascual, Office of the Mayor
Jennie Carreon De Lacey, Office of the Mayor
Terry Sauer, Office of the City Administrative Officer
Claudia Aguilar, Office of the City Administrative Officer
Regina Adams, Executive Officer, RAP
Kevin Regan, Assistant General Manager, RAP
Vicki Israel, Assistant General Manager, RAP
Michael Shull, Assistant General Manager, RAP
Noel Williams, Chief Management Analyst, RAP