

**Budget and Finance Committee Discussing the Mayor's
Proposed Budget for 2017-18**

Your Budget and Finance Committee reports as follows:

Your COMMITTEE UNANIMOUSLY RECOMMENDS that the City Council APPROVE the following recommendations from your Budget and Finance Committee, which are submitted as changes to the Mayor's 2017-18 Proposed Budget, for adoption of the City's 2017-18 Budget. (One individual recommendation by the Committee included in this report was approved 3-2).

Summary of the Mayor's Proposed Budget

The Mayor's Proposed Budget for 2017-18 totals \$9.2B, which is a \$456M (5.2 percent) increase from the 2016-17 Adopted Budget. General Fund revenues for 2017-18 are projected to be \$5.78B, an increase of \$203M (3.6 percent) from the 2016-17 Adopted Budget. The Mayor's Revenue Outlook anticipates revenue growth of 5.3 percent from economically-sensitive components, with the largest growth rates assumed in Property Tax, Utility Users Tax and Transient Occupancy Tax receipts, with modest growth assumed in Documentary Transfer Tax and Sales Tax receipts.

The City Administrative Officer's Supporting Information to the Mayor's Proposed 2017-2018 Budget reports and addresses a shortfall of \$84.60M comprised of the following:

General Fund Base Revenue Change (\$35.40M)

- 2016-17 Budgeted Revenue (\$5,576.40M)
- 2017-18 Revenue Estimate (From Four-Year 2016-17 Budget Outlook) (\$5,611.80M)

2016-17 General Fund Base Expenditures

- Expenditures required to maintain Current Level of Service (\$5,576.40M)

Projected 2017-18 Expenditure Changes in the 2016-17 Budget Outlook (\$120.00M)

- Employee Compensation Adjustments (\$86.50M)
- Police Overtime (\$10.00M)
- City Employees' Retirement System (\$22.70M)
- Fire and Police Pensions (\$27.70M)
- Workers' Compensation Benefits (\$14.80M)
- Health, Dental and Other Benefits (\$32.60M)
- Debt Service (\$4.20M)
- Delete One-Time Costs (\$-18.30M)
- Comprehensive Homeless Strategy (Reduction of One-Time Costs) (\$-41.40M)
- Unappropriated Balance (\$-17.20M)
- City Elections (\$-19.20M)
- CIEP - Municipal Facilities and Physical Plant (\$-5.60M)

- CIEP - Sidewalks (\$1.90M)
- CIEP - Pavement Preservation (\$2.70M)
- Net - Other Adds and Deletions (\$18.60M)

TOTAL BUDGET DEFICIT \$-84.60M

BUDGET BALANCING ACTIONS

New/Expanded Revenue Proposed for 2017-18 above the 2016-17 Outlook (\$167.46M)

- One-Time Revenues (\$31.41M)
- Ongoing Revenues above the 2016-17 Outlook (\$136.05M)

Adjustments to 2016-17 Outlook to Reflect 2017-18 Proposed Expenditures (\$87.55M)

- Expenditures Required to Maintain Current Level Services (\$41.63M)
- Employee Compensation Adjustments (\$33.79M)
- Police Sworn Overtime (\$20.98M)
- City Employee Retirement System (\$-31.56M)
- Fire and Police Pensions (\$-1.84M)
- Workers' Compensation Benefits (\$-3.30M)
- Health, Dental and Other Benefits (\$8.93M)
- Debt Service (\$-3.16M)
- Delete One-Time Costs (\$4.99M)
- Comprehensive Homeless Strategy (\$-16.41M)
- Unappropriated Balance (\$33.67M)
- City Elections (\$-0.36M)
- CIEP - Municipal Facilities and Physical Plant (\$9.95M)
- CIEP - Sidewalks (Funding Realignment) (\$-11.45M)
- CIEP - Pavement Preservation (\$-21.00M)
- Net - Other Adds and Deletions (\$-10.13M)

Efficiencies/Reductions Included in the 2017-18 Proposed Budget (\$-34.89M)

- Aging - Emergency Alert Response System (\$-0.09M)
- Aging - One-Time Expense Account Reduction (\$-0.08M)
- Aging - One-Time Salary Reduction (\$-0.01M)
- Animal Services - Expense Account Reduction (\$-0.15M)
- Animal Services - One-Time Salary Reduction (\$-1.33M)
- Animal Services - Salary Savings Rate Adjustment (\$-0.23M)
- Building and Safety - Expense Account Reduction (\$-0.01M)
- Building and Safety - One-Time Salary Reduction (\$-0.04M)
- Building and Safety - Salary Savings Rate Adjustment (\$-0.09M)
- City Administrative Officer - Expense Account Reduction (\$-0.20M)
- City Administrative Officer - One-Time Salary Reduction (\$-0.27M)
- City Attorney - Expense Account Reduction (\$-0.07M)
- City Attorney - One-Time Salary Reduction (\$-2.15M)

- City Attorney - Salary Savings Rate Adjustment (\$-1.18M)
- City Clerk - Expense Account Reduction (\$-0.00M)
- City Clerk - One-Time Salary Reduction (\$-0.24M)
- City Planning - Expense Account Reduction (\$-0.13M)
- City Planning - One-Time Salary Reduction (\$-0.05M)
- City Planning - Salary Savings Rate Adjustment (\$-0.09M)
- Controller - Expense Account Reduction (\$-0.04M)
- Controller - One-Time Salary Reduction (\$-0.43M)
- Controller - Salary Savings Rate Adjustment (\$-0.11M)
- Disability - ADA Assistant Contracts (\$-0.03M)
- Disability - Expense Account Reduction (\$-0.06M)
- Disability - Increase Salary Savings Rate (\$-0.02M)
- Disability - One Time Salary Reduction (\$-0.01M)
- Economic and Workforce Development - Expense Account Reduction (\$-0.08M)
- Economic and Workforce Development - One-Time Salary Reduction (\$-0.01M)
- Economic and Workforce Development - Workforce Development Support (\$-0.01M)
- Emergency Management - One-Time Salary Reduction (\$-0.01M)
- Employee Relations Board - Expense Account Reduction (\$-0.00M)
- Employee Relations Board - One-Time Salary Reduction (\$-0.00M)
- Finance - Expense Account Reduction (\$-0.20M)
- Finance - One-Time Salary Reduction (\$-0.64M)
- Finance - Salary Savings Rate Adjustment (\$-0.61M)
- Fire - Expense Account Reduction (\$-0.35M)
- Fire - Metropolitan Fire Communications Dispatch (\$-0.07M)
- Fire - One-Time Salary Reduction (\$-8.13M)
- Fire - Salary Savings Rate Adjustment (\$-0.34M)
- General Services - Expense Account Reduction (\$-0.96M)
- General Services - One-Time Salary Reduction (\$-1.00M)
- General Services - Petroleum Account Reduction (\$-0.98M)
- Housing and Community Investment - Expense Account Reduction (\$-0.07M)
- Housing and Community Investment - One-Time Salary Reduction (\$-0.09M)
- Information Technology Agency - Deletion of Vacant Position (\$-0.17M)
- Information Technology Agency - Expense Account Reduction (\$-1.12M)
- Information Technology Agency - One-Time Salary Reduction (\$-0.20M)
- Information Technology Agency - Salary Savings Rate Adjustment (\$-0.39M)
- Personnel - Expense Account Reductions (\$-0.32M)
- Personnel - One-Time Salary Reduction (\$-0.31M)
- Police - Expense Account Reduction (\$-1.41M)
- Police - One-Time Contractual Services Reduction (\$-0.03M)
- Police - One-Time Salary Reduction (\$-1.00M)
- Police - World Police and Fire Games (\$-0.52M)
- PW/Board - Expense Account Reduction (\$-0.03M)
- PW/Board - One-Time Salary Reduction (\$-0.24M)
- PW/Contract Administration - Expense Account Reductions (\$-0.08M)

- PW/Contract Administration - One-Time Salary Reduction (\$-0.81M)
- PW/Contract Administration - Salary Savings Rate Adjustment (\$-0.21M)
- PW/Engineering - Deletion of Vacant Positions (\$-0.22M)
- PW/Engineering - One-Time Salary Reduction (\$-0.36M)
- PW/Engineering - Salary Savings Rate Adjustment (\$-0.29M)
- PW/Engineering - Various Account Reductions (\$-0.87M)
- PW/Sanitation - Expense Account Reduction (\$-0.14M)
- PW/Sanitation - One-Time Salary Reduction (\$-0.06M)
- PW/Street Services - One-Time Salary Reduction (\$-0.40M)
- PW/Street Services - Various Account Reductions (\$-2.35M)
- Transportation - Expense Account Reduction (\$-1.69M)
- Transportation - One-Time Salary Reduction (\$-1.07M)

Increased Services in the 2017-18 Proposed Budget (\$14.22M)

- City Attorney - Body-Worn Video Camera Program Prosecutorial Support (\$0.87M)
- City Attorney - Department of Water and Power (DWP) Division (\$0.31M)
- City Attorney - Los Angeles World Airports (LAWA) Division (\$0.13M)
- City Attorney - Port of Los Angeles (POLA) Division (\$0.15M)
- City Clerk - Neighborhood Council Elections (\$0.58M)
- City Clerk - Office of Public Accountability Support (\$0.07M)
- Controller - Controller Executive Management Support (\$0.11M)
- Finance - Customer Support (\$0.33M)
- Finance - Delinquent Account Tracking System Upgrade (\$0.07M)
- Finance - Field Audit Case Selection and Management Software (\$0.43M)
- Finance - Payment Card Industry Operations Support (\$0.03M)
- Fire - Emergency Response Systems Enhancements (\$0.25M)
- Fire - Fire Station Alerting System (\$1.00M)
- Fire - Network Staffing System Replacement (\$0.50M)
- Fire - Youth Programs (\$0.18M)
- General Services - Custody Safety Measures (\$0.06M)
- General Services - Fire Alarm System (\$0.16M)
- General Services - Helicopter Maintenance for Public Safety Departments (\$0.24M)
- General Services - Increased Warehouse Support (\$0.15M)
- General Services - Library Department Support (\$0.36M)
- General Services - Payment Services Group (\$0.15M)
- General Services - Preventative Maintenance Services (\$0.40M)
- General Services - Procurement Reform Services (\$0.13M)
- Information Technology Agency - Database Licenses (\$0.12M)
- Information Technology Agency - Identity Management System Replacement (\$0.30M)
- Information Technology Agency - Procurement Automation (\$1.00M)
- Information Technology Agency - Social Media Management (\$0.15M)
- Innovation Fund (\$0.10M)
- Personnel - Electronic Content Management System (\$0.22M)

- Personnel - Occupational Health Management Software (\$0.09M)
- PW/Board - As-Needed Accounting Services (\$0.08M)
- PW/Board - Graffiti Abatement Funding Increase (\$2.00M)
- PW/Board - Marketing (\$0.03M)
- PW/Board - Petroleum Administration (\$0.30M)
- PW/Engineering - Central District B-Permit Processing (\$0.10M)
- PW/Engineering - Citywide B-Permit Case Management Group (\$0.29M)
- PW/Sanitation - Clean Streets Los Angeles, Fifth Team (\$1.30M)
- PW/Sanitation - Trash Receptacle Program Expansion (\$1.39M)
- Transportation - One-Stop Metro Development Support (\$0.09M)

New Services/New Facility Expenses in the 2017-18 Proposed Budget (\$15.98M)

- Accessible Housing Fund (\$11.05M)
- Animal Services - Administrative Support (\$0.07M)
- Cannabis Regulation (\$0.79M)
- City Administrative Officer - Proposition HHH Facilities Bond Program (\$0.07M)
- City Clerk - Cannabis Regulation (\$0.10M)
- GCP - Census Operations and Outreach (\$0.42M)
- GCP - Crisis Response Team (\$0.18M)
- GCP - FUSE Corps Fellows (\$0.39M)
- GCP - Justice Fund (\$1.00M)
- GCP - Office of Re-Entry (\$0.15M)
- Housing and Community Investment - Proposition HHH (\$0.07M)
- Personnel - Anytime Anywhere Testing, Pilot Program (\$0.07M)
- Police - Associate Community Officer Program (\$1.00M)
- Police - Community Surveys (\$0.10M)
- World Police and Fire Games (Convention Center Revenue Fund) (\$0.31M)
- World Police and Fire Games (GCP - Rec and Parks) (\$0.20M)

TOTAL BUDGET BALANCING ACTIONS \$84.60M

Discussion and Overall Issues in the 2017-18 Proposed Budget

On April 27, 2017 the Chief Legislative Analyst (CLA) submitted to the Budget and Finance Committee (Committee) a comprehensive Overview of the 2017-18 Proposed Budget. In her report, the CLA notes that the City has faced significant fiscal obstacles in the past few years, but that the Council and Mayor have successfully worked to restore funding for basic public services and programs that suffered reductions because of revenue shortfalls caused by the Great Recession. The CLA states that the Mayor's 2017-18 Proposed Budget continues this restoration effort by taking large, albeit cautious, steps while dealing with new fiscal challenges.

The CLA's report notes that many of the recommendations in the Mayor's Proposed Budget rely on new revenues from voter-approved sales taxes for transportation (Measure M) and homeless services (Measure H), bond funding for homeless housing (Measure

HHH), a voter-approved cannabis tax (Proposition M), and a State legislative measure for transit (Senate Bill 1). The CLA report states that, while there is some certainty that all of these new revenues will materialize, the time and level for each new revenue source remains unclear. The CLA also expresses concern about recent communications from federal officials signaling a potential loss of federal grants, as many of these grant programs provide critical services for the City's most vulnerable residents. The CLA's report recommends that federal legislative deliberations be monitored closely in order to ensure that the City's concerns are voiced.

Further, the CLA notes that the Proposed Budget's relies in part on revenue from to-be-achieved sources that have not received final approval from the City Council. The CLA states that other issues that have not yet materialized may hamper future efforts to restore resources, such as a change in investment assumptions by the City's pension systems and future agreements with the City's labor partners.

The CLA summarized the following major initiatives included in the Mayor's 2017-18 Proposed Budget:

- Prioritizes funding for public safety by committing to continue hiring police and firefighters, and providing both departments with the resources and materials needed.
- Combines street reconstruction with the Vision Zero Initiative by investing funding from multiple sources to achieve a goal of zero traffic fatalities in the City by 2025.
- Prioritizes street repair and sets a repaving goal of 2,400 miles annually, and renews focus on restoring the City's worst streets.
- Expands staffing and resources to update each of the City's Community Plans every six years.
- Continues the City's commitment to fix sidewalks, repair access ramps and replace trees by investing \$31M each year over the next 30 years.
- Increases resources to improve the health and safety of homeless encampment conditions while helping homeless residents move off of the streets and into housing.
- Expands the City's graffiti removal program to expedite responses to constituent requests.
- Continues the City's commitment to the environment through investment in electric vehicle infrastructure, reductions in greenhouse gas emissions, and the green economy.

The 2017-18 Proposed Budget anticipates a \$294.4M Reserve Fund, consisting of a \$158.9M Emergency Reserve and a \$135.5M Contingency Reserve. This equates to 5.09 percent of total General Fund revenues of \$5.78B. The 2016-17 Adopted Budget Reserve Fund was \$322.3M, which equated to 5.80 percent of General Fund revenues at that time.

Charter Amendment P, approved by the voters in March 2011, requires the establishment of an Emergency Reserve Account that contains no less than 2.75 percent of General Fund receipts and a separate Contingency Reserve Account in the Reserve Fund. Expenditures from the Reserve Account are limited by Charter Amendment P. Funding in the

Contingency Reserve may be used to cover shortfalls in City revenue or pay for unexpected expenses. In addition, the City of Los Angeles enacted a Reserve Fund Policy in 2005 that provides for a phase-in of increasingly larger percentages of the General Fund to be deposited into the Reserve Fund. The goal specified in this Policy is a Reserve Fund of five percent of General Fund revenues within ten years. This goal was achieved in each of the past four years, and the Mayor's Proposed Budget for 2017-18 continues to meet that goal, though the Proposed Budget anticipates the year-end Reserve Fund balance will end the year at 4.63 percent of General Fund revenues.

A Budget Stabilization Fund (BSF) was created as part of the 2009-10 Adopted Budget to help reduce the impact on services during years of slow revenue growth or declining revenue. An initial deposit of \$0.5M was made to the BSF in 2009-10. The 2014-15 Adopted Budget increased the balance in the BSF to \$62.1M. In April 2014, the City enacted Ordinance No. 182928 which established the requirements for deposits into and withdrawals from the BSF, consistent with the provisions of Charter Amendment P, as approved by the voters in March 2011. One of those requirements states that a deposit must be made into the BSF in any year when the combined growth rate of the seven tax revenue categories exceeds 3.4 percent. In 2017-18 Proposed Budget Supporting Information for the Budget and Finance Committee, the CAO estimates that the combined growth rate will be 5.3 percent. However, the BSF allows tax revenue above the 3.4 percent to be utilized for capital infrastructure instead of being deposited in the BSF. Therefore, instead of a BSF deposit of the excess tax revenue above 3.4 percent (equivalent to approximately \$75M per the CAO) into the BSF, the Mayor's Proposed Budget allocates the revenue to streets, sidewalks and other infrastructure projects. The BSF fund balance proposed for 2017-18 would remain at \$95.8M, which is the highest to date.

Beginning on April 26, 2017, and extending over two weeks, the Budget and Finance Committee held over 30 hours of public hearings to discuss the Mayor's Proposed Budget for 2017-18.

Chairperson Krekorian opened the hearings by outlining what the Committee planned to accomplish over the course of the hearings. The Chair stated that the Committee hearings would begin with a presentation from the Mayor and City Administrative Officer (CAO), followed by the General Managers from each department, the Neighborhood Council Budget Advocates, and the City's labor partners, and that public comment would be taken each day. The Chair noted that while the City has made impressive progress in dealing with the financial fallout from the Great Recession, that challenges still remain, and the Committee is aware of these issues.

Over the course of the budget hearings, the Chair and Members of the Budget and Finance Committee discussed various aspects of the Mayor's Proposed Budget, posed a number of questions to staff and requested more detailed reports on additional items, some of which would be addressed after the Committee concluded its review of the Proposed Budget. The CAO responded in writing with 133 memos to the Committee, and the CAO, Mayor, CLA and department staff provided verbal responses to questions asked during the course of the hearings.

To initiate the budget hearings, the Chair asked the Mayor's Office to present an overview of his Proposed Budget. The Deputy Mayor gave an overview of the work that the Mayor's Office undertook to put together the Proposed Budget and highlighted some of the major programs, which included significant funding to address homelessness; increased funds for street and sidewalk repairs; a continuation of hiring of police officers and firefighters; and investments in DASH line expansion and graffiti removal.

The Deputy Mayor discussed new voter-approved revenues for addressing homelessness, Measure H and Measure HHH, and outlined their inclusion in the City's budget. The Deputy Mayor also discussed the use of Measure M transportation funds, as well as increased state gas tax revenues, and the City's goal of utilizing these funds to improve the safety of the City's most dangerous streets.

The Deputy Mayor stated that the Proposed Budget is balanced and responsible, but that there are significant uncertainties in the future. These include cuts in federal funding, revised rate-of-return assumptions for the City's pension systems and increasing liability claims. The Deputy Mayor also discussed the inclusion of salary and contractual savings in every department's budget. The Chair asked about the City's efforts to grow the Reserve Fund, address the structural deficit, and deliver essential services. The Deputy Mayor noted that the Proposed Budget is very conservative in general, and that there is not a lot of significant growth from last year.

The CAO presentation followed with an overview of the Proposed Budget. The CAO stated that revenue growth is expected to be modest and that there would be a small growth in the number of positions in the City. The CAO stated that the Proposed Budget fully complies with all the City's Financial Policies, noting that the Proposed Budget uses one-time revenues for one-time expenses. The CAO stated that the Proposed Budget makes key expenditures in areas of priority to the Council, including addressing legal liability costs, homelessness, continued police and firefighter hiring, and sidewalk repair. However, the CAO noted that there are a limited number of new General-Funded programs, and that there are significant budget reductions related to salary savings and contractual services for which each department is responsible.

The CAO also advised that the Proposed Budget includes new sources of revenue that have not yet been approved by the Council, including Airbnb revenues, a housing linkage fee and billboard revenue. The CAO then discussed the Four-Year Budget Outlook, the Revenue Outlook, and stated that the City is projected to have deficits in each of the next three fiscal years, after which a small surplus is projected in the fourth year. However, the CAO stated that the outlook includes assumptions about the maintenance of City services, anticipates no changes to the pension systems' rate of return, and assumes no increase in wages.

Budget & Finance Committee Hearings

On April 26, 2017, City Departments and members of the public began testifying before the Committee on all aspects of the 2017-18 Proposed Budget.

The Director of the Office of Finance began departmental hearings by responding to questions from the Chair and Committee members regarding call center response times and the Office's security procedures related to cash transactions. The Office of Finance committed to exploring the feasibility of phasing in a revised business tax calendar to more closely align with federal and state filing requirements. The Director noted that 75 percent of City businesses are renewing online, and highlighted the success of Finance's new online chat service for customer services. In response to the Committee's questions, Finance noted that the LATAX system is in need of replacement and funding for the replacement will be requested over a two-year budget cycle.

Committee members asked for more details on the Office's preparation for collection of cannabis tax registration and collection. The Director of Finance stated that the Office will need funding and 27 staff and the CAO noted a report will soon be released addressing this issue. The Chair asked about the Office of Finance's succession plans for retiring employees. The Director noted that 22 percent of the Office is eligible for retirement and Finance is using As-Needed employees as Tax Renewal Assistants to help during peak periods.

The Fire Chief began his presentation to the Committee by expressing his appreciation for the resources and staffing provided for the Fire Department (LAFD) in the Proposed Budget. He then discussed LAFD programs implemented in recent years that have helped the Department be more effective and efficient, such as the Advanced Provider Response Units (ARPU, formerly the Nurse Practitioner Response Units). The Chief then discussed a number of items that were not included in the LAFD's budget, but that the Department would like the Committee to consider adding. The Chief stated that the Department would be receiving an additional \$6M from the Intergovernmental Transfer (IGT) Program in 2017-18. The Department asked that this additional funding be utilized for new services in the LAFD. The Department recommended restoring two new Engine Companies, Emergency Incident Technicians, Basic Life Support ambulances, expanded funding for the Diesel Exhaust Capturing Systems, and other resources.

The Committee discussed the additional resources requested by the Department and asked the Fire Chief, CAO and CLA about the forthcoming IGT revenue and its uses. The Committee asked about the feasibility of using MICLA funding for the Diesel Exhaust Capturing System. The Committee then asked about the status of the Computer Aided Dispatch and Automated Vehicle Locator upgrade programs, and what funding will be needed in the future for these programs. Questions were raised regarding the buildout of the Operations Valley Bureau facilities, and the need for a new fire station in Sylmar. The Committee Chair asked the Chief about the status of the Standards of Cover analysis, and requested the Department to prioritize its completion. The Committee also discussed the risk of a severe brush fire after the recent rainy winter, and the need for an additional Fire Psychologist position in the Department to provide mental health services to Fire personnel.

The Assistant General Manager of the Library Department discussed new and existing Library programs including the Student Success Library Card, New Americans Initiative and homeless outreach programs such as the Source, a once per month program at Central Library, Exposition Park Regional Library and Will and Ariel Durant Library where various organizations come together to provide service information to homeless residents. The Committee discussed security at various library branches, and the Department explained that they use contract security as well as rely on assistance from the Police Department (LAPD) to address the problem. It was noted the majority of issues that security encounters relate to homeless individuals, and the Department explained that they have taken a proactive approach to this issue. The Department described their partnership with the Los Angeles Homeless Services Authority (LAHSA) and the County's Department of Mental Health to engage with homeless individuals rather than requesting that they leave the library grounds. In addition, Library staff has been trained to enter individuals' information in the Coordinated Entry System (CES), a County-wide platform for housing and service delivery to homeless households. The Committee expressed interest in determining how many individuals and/or families have been captured into the CES by Library staff as well as an expansion of "the Source" program in Venice. The Committee also began a broader conversation about General Fund reimbursements as they relate to various departments such as the Library, Recreation and Parks and the Zoo. The CAO clarified the Library's requirement to pay its full portion of related costs as mandated by Measure L.

The Department of Recreation and Parks' General Manager explained that the Department has a need for more low-cost and free programming for residents, custodial and maintenance staff. However, the General Manager stated that providing these services becomes increasingly more difficult as the Department's required reimbursements to the General Fund increase. The Committee discussed the Department's increasing utility costs, and the General Manager noted that, while they continue to make strides with water recycling and conservation, utility costs continue to rise. The Committee Chair requested that the Committee consider making capital investments in the Department's infrastructure to give some relief to General Fund-related cost reimbursements. The CLA clarified that while the City is required to allocate a specific percentage of the assessed value of the City's real property to the Department, the Department's amount of repayment of related costs to the General Fund is a policy decision and not mandated. The General Manager discussed the impact of the elimination of 53 Gardener Caretaker and Senior Gardener positions and the corresponding funding. The Assistant General Manager provided an update on the Greek Theatre and reported that the Department realized a net revenue of \$5.4 million, which exceeded expectations for the 2016 season. Further discussion regarding the Department's utility costs prompted requests for reports on various Department of Water and Power (DWP) programs as well as a possible ballot measure to subsidize costs.

After opening remarks by the Zoo's General Manager, the Committee requested information regarding the removal of one or more of the elephants from the Zoo and the financial loss that may occur due to the way in which the exhibit was funded. The General Manager explained that the Zoo will increase general admission prices by one dollar which

is expected to generate \$750,000 in new revenue. While the Department is currently fully staffed, 23 percent of the Zoo's employees are eligible for retirement in the coming year. The Committee then discussed the Zoo's food services contract and inquired as to whether it was the most cost efficient way to purchase food for the animals. The General Manager stated that food costs are constantly increasing, and the Department is always seeking ways to reduce costs. The Committee inquired about plans for the Zoo as the bond program comes to a close. The General Manager reported that next steps include completing the Zoo's master plan, prioritizing and assigning funding to projects, and utilizing public-private partnerships to bring the plan to fruition. Lastly, when asked about the status of the current Marketing Memorandum of Understanding with the Greater Los Angeles Zoo Association (GLAZA), the General Manager explained that GLAZA has provided more marketing exposure for the LA Zoo as well as an increase in special events.

The City Attorney's budget hearing began with a discussion of liability claims, noting that total claims have increased over the last two years. The City Attorney's Office agreed, but noted that claims are difficult to estimate but that the Proposed Budget provides a more realistic allocation than in prior years. The City Attorney's Office also reported on the City Attorney's risk management program. The Committee discussed the possibility of creating a stabilization fund for liabilities. The Committee asked about the City Attorney's request to restore a portion of the salary funds that were reduced in the Proposed Budget, and the City Attorney's Office confirmed that the balance could be supplemented with the Consumer Protection Trust Fund. The Committee requested a series of reports including identification of non-General Fund sources for the Justice Fund, and a report on adding two attorneys to the employment civil litigation unit.

The Controller's opening remarks stressed the challenge of meeting the Charter-mandated responsibilities with the resources provided in the Proposed Budget. Each request included in the Controller's letter to the Committee was discussed. The Committee then focused on the Controller's request concerning PaySR/Payroll Risk Mitigation Funding and the Controller stressed the need to replace the PaySR system, as the City's consultant and creator of PaySR will be retiring in 2018. The Controller stated that in order to mitigate risk prior to the replacement of PaySR, the payroll division needs enhanced management training and documentation surrounding the long-term transition of the PaySR system. The Committee then discussed issues related to various initiatives within the Controller's request such as the reconciliation of the City's Special Fund balances, and the need for the restoration of contractual audit services due to reductions in auditing staff over the past few years.

The Executive Director of the Ethics Commission began by discussing the additional budget requests in their letter to the Committee, such as requests for an additional Auditor and Management Analyst, as well as continuation of the current year funding level for as-needed staffing. The Committee inquired as to the public matching funds verification process, and the ability to carry out this workload with existing staff. The Committee also asked questions pertaining to the impacts of the upcoming shift in Municipal election dates, the need for additional education and outreach staff, and the electronic filing system. The Ethics Commission then addressed questions pertaining to the auditing backlog for

candidate committees and the efforts taken to reduce it. Committee members further asked questions about the Ethics Commission's efforts to modernize the website and improve public access to data.

The General Manager of the Personnel Department described the Department's success this past year in the hiring of civilian and public safety positions and stated that the Department has worked through the exam backlog that previously existed. The General Manager expressed some concern about reductions in the Proposed Budget that could affect hiring and risk management efforts. The Committee then requested that staff report on the reductions and options for mitigating those cuts. The Committee also expressed concerns about the security of the Department's Anytime Anywhere pilot testing program, and its use with public safety personnel. The Department then updated the Committee on the Targeted Local Hiring Working Group, noting that the Department has hundreds of applicants and dozens of requests from City Departments for candidates. The Committee Chair emphasized the City's commitment to this program and encouraged City departments to actively participate. The Committee then asked about the status of Risk Management and Workers' Compensation efforts to prevent injuries, pay legitimate claims, and return workers back to the job. The Department described efforts to increase the diversity of firefighter candidates, and the Committee asked that the CAO report on using funding in the Fire Department's Special Training Fund to increase firefighter diversity.

The Department on Disability's General Manager noted which of the Department's funding requests were legally mandated versus those that were educational. The Committee discussed the AIDS/HIV prevention program that was previously funded through the federal Community Development Block Grant but is now funded with the General Fund. The General Manager spoke briefly about ADA compliance in City facilities and reported that the Department is currently working on recommendations for full compliance that will be released in the next few months.

The Department of Aging began its budget hearing by noting the positive impact their programs have had with the City's elderly population. The General Manager detailed the Older Workers Employment Program (OWEP) which provides part-time work-based training opportunities for older adults with poor employment prospects, are unemployed and homeless. The Committee asked if Measure H funds could be used to assist the elderly homeless population. The General Manager said that the Department is advocating for this, but there is little mention of the older population in the funding process. The Committee asked if OWEP replaces the Senior Community Service Employment Program (SCSEP), and the General Manager clarified that the programs are different. SCSEP would not include the homeless population and, because it is grant funded, is vulnerable to elimination.

The Chief of Police then came forward and presented an overview of his Department's budget. The Chief emphasized the strengths of the Proposed Budget, in that it will enable the LAPD to continue building on its work over recent years. The Chief discussed the hiring of detention officers, which will enable the Department to finally redeploy sworn personnel from City jails to the field. The Chief expressed concern that some areas of the

LAPD budget were not resourced as well as he would hope, in particular a reduction in General-Funded overtime and a lack of funding for the Department's technology needs. The Committee asked the Chief questions related to the LAPD's contract with the Metropolitan Transportation Agency (MTA), and if the deployment of officers to police transit would reduce the number of officers in the community. The Chief noted that the majority of the MTA contract work will be conducted by officers on an overtime basis, and that the MTA contract will have a beneficial effect on policing the City. The Committee asked if the reduction of General-Funded overtime would result in fewer police officers on the street, and the Chief stated that all overtime work will be done, but that the Department may have to resort to offering compensatory time off in lieu of cash for overtime toward the fiscal year end. The Committee then discussed the LAPD's role in Vision Zero, specifically the Department's ability to enforce speed limits or other traffic laws. The Committee also asked about drugged driving recognition training, in light of the legalization of recreational cannabis use by the voters. The Committee then discussed the debt financing purchase of new police vehicles, as well as crime spikes and the deployment of LAPD's Metropolitan Division.

The General Manager of the Emergency Management Department (EMD) then came to the table to discuss his Department's budget. The General Manager and the Committee discussed the loss of emergency preparedness grants, which previously funded two positions in the EMD. The General Manager noted the importance of these positions to the Department's preparedness work, and asked the Committee to provide funding for these positions.

The President of the Board of Public Works reported that the Proposed Budget provides for growth in existing services and supports and strengthens newly established programs. Among other things, the Proposed Budget supports increased response time for graffiti abatement requests, allows for the elimination of the B-permit backlog, allows for continued processing of sidewalk repair rebate applications, and begins the establishment of the Petroleum and Natural Gas Administration and Safety Office. Members of the Committee asked questions concerning the proposed budget for the Office of Community Beautification, as well as anticipated response times for graffiti abatement. Board representatives discussed the Board's outreach and marketing plan to promote the City's 3-1-1 system. The Committee asked about the status of Public Works Trust Fund Nexus Study, whether additional funds would be required for completion, and if the General Fund may be reimbursed by special funds for cost of the study. In addition, the Committee discussed the proposed staffing for the Petroleum and Natural Gas Administration Safety Office. The Committee also discussed the proposed placement of Measure M fund administration in the Board of Public Works and the possibility of creating a dedicated Metro Project Coordinator to be housed within the Board.

The Bureau of Engineering discussed the need for additional staff for the Sixth Street Viaduct landscape project, as well as several grant-funded projects that will provide improvements to the project. The Committee questioned the City Engineer on succession planning and the possibility of obtaining additional funding for two local bridge projects. The Committee then inquired about the adequacy of front-funding for various projects, the

Bureau's regular projects and programs, and the anticipated Measure M funds and new State transportation funding in 2017-18.

The Bureau of Street Services reported that the Proposed Budget provides funding to continue the Pavement Preservation Program at 2,200 lane miles. The Committee expressed frustration at the significant annual funding reversions, which led to a reduction in funding to the Bureau in the Mayor's Proposed Budget. The Committee also discussed median island maintenance, opportunities to use drought-tolerant landscape, the frequency of the work, and the use of contract services. The Committee raised concerns regarding the Pavement Preservation Program, the overlap with the Vision Zero Initiative, and interdepartmental coordination. The Committee questioned the Bureau about their use of new technology for street sweepers and the capacity to sweep bike lanes in the City. The Bureau was also asked about the delivery of grant-funded projects and its work with other departments.

The Bureau of Street Lighting provided an update of the Light Emitting Diode (LED) Conversion Phase II Program, the High Voltage Conversion Program and the continued need for resources to complete each program. The Committee discussed the status of the 2014 assessment district analysis. The Bureau noted that significant energy savings related to LED street lights has been realized. The Committee asked questions related to new technology that would provide immediate notification of street light outages. The Bureau provided a status of the Co-Location Small Cell Communication Program. The Committee then discussed the copper wire theft situation and the effectiveness of the City's preventative measures.

The Director of the Bureau of Contract Administration gave a brief overview of the Bureau's goals for the upcoming year. Committee members asked questions regarding the details of community outreach efforts and plans for the minimum wage implementation program for small businesses. The Bureau indicated that work has been done to examine potential details of the small business program, and much effort will be spent on public outreach to mitigate compliance issues and the burdens on small businesses. Committee members and staff from the Bureau also discussed the Business Assistance Virtual Network, Los Angeles County's PACE program, and the additional positions requested in the Bureau's department letter to support the Los Angeles World Airport.

The Director of the Bureau of Sanitation highlighted the Bureau's key accomplishments this fiscal year including: increased rates of production of recycled water at the Hyperion Water Reclamation Plant; completion of the Digester Gas Utilization Project which produces digester gas, a renewable energy source which provides steam and electrical energy for plant operations; completion of the bid and award phase of the new Citywide Exclusive Franchise System; and decreased illegal dumping response times to 21 days or less. Members of the Committee asked questions regarding positions proposed for inclusion in a Water Recycling Group. The Director of the Bureau addressed questions related to the service areas for the Homeless Outreach Partnership Endeavor (HOPE) – LA River Team; community outreach related to the Citywide Exclusive Franchise System, and the planned evaluation of the new system. The Committee then discussed the Bureau's

efforts to update the Citywide Landfill Diversion Rate and the staffing for the Clean Streets Los Angeles program. Additionally, the Committee discussed alternative funding sources to support Watershed Protection projects which are currently funded by the Stormwater Pollution Abatement Fund, in order to further address Total Maximum Daily Load and Municipal Separate Sewer Storm System requirements, and also relieve the increasing General Fund contributions to support these programs.

The General Manager for the Economic and Workforce Development Department (EWDD) noted that the proposed budget reduction to the LA RISE Program would adversely affect 275 individuals and described the Gang Injunction Curfew Settlement Agreement program. EWDD also noted that under its economic development activities, they have commenced carrying out asset management functions, filled eleven positions and three are pending. The General Manager highlighted the Citywide Economic Development Strategy, noting that EWDD expects to award a contract to a consultant for this work by May. As part of their Rapid Response work, EWDD recently responded to the American Apparel closure where 3,500 individuals were laid off, assisting several unemployed individuals secure resources and replacement jobs. Per the Committee's request, EWDD provided a status on the six positions funded in the current budget for implementation of the Job Creation Strategy. The Committee asked EWDD about scenarios where a big employer exits, as was the case with American Apparel, and whether EWDD conducts exit interviews with management to identify the reasons for their closure, to which the EWDD indicated that this can be addressed under the proposed Small Business Commission or Business Source Centers. The Committee requested a report on funding to initiate an Enhanced Infrastructure Financing District in the Venice area and a long-term analysis of Department metrics relative to adult and youth work programs. The Committee expressed its support for the LA RISE Program and requested the Department to report on permanent funding options to restore the \$2M, including possible borrowing to address any timing issues. A report on the status of the excess bond proceeds and ten properties from the former redevelopment agency was requested and EWDD was asked to identify any resources needed to effectively leverage those funds within the limited timeframe.

The Housing and Community Investment Department (HCID) General Manager noted that the Department's budget increased to fund the new Accessible Housing Program required by an approved settlement agreement. HCID described its increased workload relative to overseeing homelessness programs, the Proposition HHH Housing Program, Accessible Housing Programs, and the monitoring of expiring affordability covenants and Ellis Act properties. The General Manager described the funding gap noted in the Department's letter as a structural issue for any department monitoring the Consolidated Plan due in part to an increase in Cost Allocation Plan rates, and limits to administrative funds for grant programs. The Committee requested a report relative to Department's funding needs, including any programmatic changes needed given potential federal funding cuts, and service impacts due to cuts and options should there be a complete elimination of CDBG funding. The General Manager gave an overview of the proposed funding in the Proposition HHH Program, including the limits on administrative costs. The Committee requested reports on how to develop housing for victims of human trafficking and potential funding sources as well as the feasibility of establishing a Child Safety Program.

Committee members asked about Pupil Service and Attendance (PSA) counselors not funded at all Family Source Centers (FSC) and requested a report on potential funding. The Committee then discussed ways the City can assist in reducing the total development costs of affordable housing, the status of filling positions associated with managing covenants, and a database of available affordable housing.

During the discussion of the Los Angeles Homeless Service Authority (LAHSA) budget, significant attention focused on the Proposed Budget's reliance on Measure H revenues to fund City Homeless Budget programs. The Committee also discussed the likelihood that Measure H funds will actually be available starting July 1, 2017, and options for the City to front fund the first quarter of 2017-18 should Measure H revenues not be available.

In his opening remarks, LAHSA's Executive Director reiterated his agency's request that the City provide funding for the first quarter of 2017-18 to bridge the potential \$9.6M funding gap in County Measure H funds. The Executive Director advised that although the County is anticipating Measure H funds to cover the full cost of extending City programs, he does not feel fully confident that the funds will actually be available on July 1. To address this concern, the Committee discussed alternative funding proposals for the First Quarter of 2017-18 if Measure H funds are not available at the beginning of the fiscal year and asked LAHSA and the CAO about the County providing reimbursement to the City for any front funding. The CAO advised that Measure H funding allocations are expected to be for the full fiscal year.

The Executive Director also described LAHSA's accomplishments in implementing the first year of funding of the City's Comprehensive Homeless Strategy, including building out the Coordinated Entry System (CES) infrastructure, screening those in need through the CES, placing individuals into permanent housing, the Rapid Re-Housing program, and the expansion of Crisis Housing beds. The Committee then discussed a list of City properties proposed for affordable housing development, expanding services and housing to homeless victims of human trafficking, the status of HACLA's landlord incentive and motel conversion programs and the possible use of Measure HHH to offset General Fund costs in the development of two capital projects. The Committee also discussed street outreach, storage, domestic violence services and shelter, and family reunification programs.

The Planning Department's budget hearing discussed the need for more positions to address the increase in Historic Preservation Overlay Zone (HPOZ) activity. The Committee asked about the status of filling positions and completing the Community Plan updates in six-year cycles and related outreach efforts. Committee members expressed concern about the Valley Development Services Center's ability to meet the increase in caseload without new positions, and members asked about resources and staffing necessary to expand services that are currently available in the Metro area to the Valley. The Committee then discussed re:codeLA; departmental needs related to pending cannabis regulations; short-term rental (STR) enforcement; the status of CEQA threshold updates to meet State and Federal thresholds; and staffing to advise on wildlife corridors, the Ridgeline ordinance, and biodiversity. The Committee requested a report on potential

modifications to the Transient Occupancy Tax revenue recognized in the Proposed Budget and policy options relative to STRs.

Following the Planning Department's hearing, the Department of Building and Safety testified regarding lien processing reforms and potential funding for an additional position to support this reform. The Committee asked the General Manager about the timeline and milestones for BuildLA implementation. The Committee discussed the reduction in the code enforcement backlog, and inquired about how the Concierge Services Program and the new Citywide Business Case Management program interact with the Mayor's Office of Economic Development, requesting clarification about whether these programs are open to Council referrals. The Committee discussed the funding mechanism for the Existing Building Energy and Water Efficiency program, and asked for a report on the Department's request for 100-percent fee-supported positions.

The General Manager of the Department of Transportation summarized the Department's priorities and provided details on the Vision Zero Initiative. The Department reviewed the resources in the Proposed Budget, including funding for the speed hump program, the project management system, speed survey work, and staff resources for the Metro Measure M capital projects construction program. The Committee discussed the integration of the Vision Zero Action Plan's High Injury Network and Priority Corridor projects with the work program to repair failed streets. The Committee also discussed autonomous vehicles, traffic officer citation revenue, the status of grant-funded projects, and the expansion of DASH service in 2017-18.

During her presentation to the Committee, the City Clerk gave a brief overview of the duties of the Office, and reviewed highlights of some of the Office's accomplishments from the 2016-17 Fiscal Year. In addition, the City Clerk discussed the importance of ongoing voter outreach during the coming years not only for Municipal elections, but for Neighborhood Council elections as well. Committee members asked questions pertaining to election translation services, as well as the role of the Management Analyst assigned to support the Cannabis Regulation Department. The remaining discussion centered around the proposal to shift Neighborhood Council elections from 2018 to 2019, and every odd year thereafter, as well as the need to use proposed appropriations in the aforementioned scenario for Neighborhood Council election outreach.

The Convention and Tourism Development Department discussed its budget with general highlights such as the \$2.9M in funds for capital improvements. The Committee asked about status of Convention Center capital projects, as well as the status of the Memorandum of Understanding with Anschutz Entertainment Group (AEG), a project that would expand the private development opportunities at STAPLES Center and LA Live. The Department informed the Committee that the CLA is actively negotiating with AEG. The Department also noted for the Committee that the Convention Center buildings have received a gold status accreditation of environmental sustainability.

The General Manager of the General Services Department (GSD) responded to questions from the Committee about his Department's role in a wide variety of programs including

homeless service sites, City-owned properties, and the expected reduction in petroleum usage. The General Manager was also asked about landscaping, which he responded was a Recreation and Parks function rather than GSD. The Committee requested multiple reports covering a variety of topics, such as additional funding for museum security, a general pavement program, and additional City Hall security. The Department also noted that 52 percent of GSD staff are eligible for retirement, and that they are working diligently with the Personnel Department to expand the Targeted Local Hiring Program.

The Committee asked the Information Technology Agency about their 12.6 percent vacancy rate, the impact to Department operations, and what would be the Department's priorities for restoring some of the vacancies should resources become available. The ITA responded that 3-1-1 Call Centers and public safety radio and data positions are most critical. The ITA also clarified the status of the City's outdated phone system and the benefits of their proposal to shift to a cellular system. Committee members asked about cybersecurity and what resources are provided in the Proposed Budget for this critical function. The General Manager noted that the City's system is repelling over 200 million automated attacks against the City's system, and the ITA is focusing resources on critical assets. Members asked for clarification of the ITA's role in procurement reform and development of a new system. The Department described the project and the potential benefits.

The Neighborhood Council Budget Advocates then made their presentation to the Committee. The Chair noted that this is the first year where the CAO has provided a memo analyzing the Advocate's white paper in advance of their hearing. The Budget Advocates' presentation discussed the ongoing structural deficit and issues related to funding for various aspects of funding the City. The Advocates then outlined their "Back to Basics" approach, which includes a recommendation to create an Office of Transparency and Accountability, a Commission on Retirement Security and various revenue enhancements, and then discussed liability issues in the Police Department, risk management and other issues.

The Department of Animal Services noted that the Department recently completed development of its Strategic Plan in which they found that the public wants from the Department three main items: No Kill; humane education and coexisting with wildlife; and public safety. The General Manager explained each of these items, and how the Department plans to pursue each. Members asked the Department about its current staffing and the impact to animal services. The Department noted the need for additional Animal Control Officers (ACOs), and the Committee requested that staff report on any impediments to hiring ACOs and options to fund the hiring additional ACOs. Members requested a staff report exploring ways to harness technology to encourage animal adoptions. Members discussed with the Department their use of the Administrative Citation Enforcement program for licensing and spay/neuter enforcement, and a long-term study was requested by the Committee.

The General Manager of the Department of Cultural Affairs gave an overview of the Department's accomplishments during the current fiscal year, such as implementing the

Arts Activation Fund, Promise Zone Arts, and the Hire LA Youth initiative. Committee members inquired as to the Department's efforts to ensure the timely expenditure of the Arts Development Fee and the potential to earmark a percentage of the Department's Transient Occupancy Tax allocation for services in underserved communities. The General Manager also addressed questions pertaining to the restoration of City-owned theaters, and additional positions requested in the Department's letter. The Committee requested follow-up reports on various items, including restoring funds for the embRACE LA program, the costs of a central ticketing system, the potential impacts on equity and a reconstituted performing arts division.

The General Manager of El Pueblo discussed major projects currently underway and the Department's revenue target for the 2017-18 Fiscal Year. The Department reiterated that they generate all of their own revenue, most of which originates from five parking lots. The Committee asked about the status of the Channel 35 CityView headquarters project. The Department noted that the Bureau of Engineering expects to complete the construction bid at the end of May 2017, and that filming has been shifted to Los Angeles Street to preserve revenues and ease the burden of construction.

The General Manager of the Department of Neighborhood Empowerment addressed her budget requests as detailed in her letter to the Committee. The Committee asked the Department for recommendations on how to address issues of equity among Neighborhood Councils, which often vastly differ in stakeholder size. The General Manager responded that one idea could be to establish a baseline budget for all Neighborhood Councils, with supplemental appropriations based on stakeholder size. She also indicated that there should be equity relative to translation services, as well. In addition, the Committee asked questions about the history of rollover funds and how Neighborhood Councils are provided funding for longer term projects. The General Manager addressed questions related to the Americans with Disabilities Act requirements for Neighborhood Council meeting spaces, and discussed the details of the proposal to shift the Neighborhood Council elections from 2018 to 2019, and every odd year thereafter.

Discussions concerning the Office of Public Accountability (OPA) began with an overview of the Proposed Budget, the OPA's work over the last five years, and key accomplishments from the current fiscal year. The Ratepayer Advocate noted that the Proposed Budget continues the current year funding levels with two key changes: the OPA will become a separate City Department, and the City Clerk, rather than the CAO, will provide administrative support services. The Ratepayer Advocate committed to update every three years its major report from 2016-17 regarding total Department of Water and Power (LADWP) compensation. The Ratepayer Advocate then requested two changes to the Proposed Budget: an increase from \$750K to \$1.2M in the Unappropriated Balance set aside for special studies, and reclassification of their Executive Administrative Assistant III to Executive Legal Secretary II. The Committee also discussed the timeline and funding for rate metrics and benchmarking studies, LADWP's cooperation with the OPA, and the Ratepayer Advocate's opinion on potential governance and oversight changes to ensure the OPA's independence.

The City Administrative Officer (CAO) reviewed the changes in appropriations for General City Purposes in the Proposed Budget as compared to the 2016-17 Fiscal Year. The CAO indicated that funding is provided in General City Purposes for special services and purposes not readily chargeable to departments or external organizations. Members of the Budget and Finance Committee asked for various follow-up reports pertaining to issues such as alternative funding sources for the Justice Fund, and whether funding still exists for deleted programs such as the “Aging Programs Various” line item in other places in the Proposed Budget. Several questions were raised by members of the Committee relative to the proposed uses of funding for the Equity and Community Well-Being, County Service – Massage Parlor Regulation, and Office of Re-entry line items. Further, additional reports were requested regarding data on the impacts of the Gang Reduction and Youth Development (GRYD) program, and potential service impacts of decreased appropriations to the Great Streets program. Concerns were addressed pertaining to the reduction of homeless funding, given that a funding plan is not yet available for Measure H, and questions were asked about the process by which members of the Council will be able to provide requests for specific uses of Measure H funding in the City, and whether it would be feasible to use Transient Occupancy Tax funds for certain types of housing.

The CAO responded to questions related to the Unappropriated Balance (UB), such as details related to the Accessible Housing Program Retrofit Contracts line item, and the intended use of funds for the Commission on Revenue Generation. Committee members asked for follow-up reports on the feasibility of budgeting in the UB potential revenues exceeding that which is projected for the linkage fee, and how funding amounts were determined for short term rental enforcement. The Committee also requested information on Fire Boat Maintenance and Repairs in the Proposed Budget, and on details pertaining to the amount of additional tree trimming and alleys that would be serviced by the amount budgeted in the UB.

The CAO then presented the Reserve Fund, stating that the balance will be about \$294.4M, which is approximately 5.09 percent of the City’s General Fund Budget. The CAO stated that balance in the Budget Stabilization Fund (BSF) is projected to be \$95.8M. The CAO estimated that the Reserve Fund, the BSF, and the \$10M in the UB for Mid-Year Adjustments, when combined, equate to a reserve percentage of 6.9 percent.

CAO staff provided an overview of the City’s Municipal Improvement Corporation of Los Angeles (MICLA) program, through which the City issues non-voter-approved debt. This program is administered by the CAO through the Capital Finance Administration Program. The Proposed Budget recommends a \$242.6M allocation for debt service payments on previously approved MICLA issuances, \$12.5M more than the last fiscal year. The CAO stated that \$114.7M in MICLA financing is included in the Proposed Budget for capital improvements to City facilities, improvements to the Convention Center, and Capital Equipment purchases. The Committee inquired about the \$25M financing of Police Department patrol vehicles, and the CAO noted that it would be paid over five years as a direct loan rather than MICLA financing. The CAO further noted that this is a slow transition to eventually obtaining vehicles through a cash purchase. The Committee

expressed concern over the \$4.9M set-aside for the purchase of Electric Vehicle Charging Infrastructure.

The CAO provided a brief overview of the Capital Improvement Expenditure Program (CIEP) and explained that this program provides funding for all construction and improvements of permanent facilities throughout the City. The CIEP Budget is divided into three sections: Municipal Facilities, Physical Plant, and Clean Water. The total budget for CIEP for 2017-18 is approximately \$369M, an increase of \$93M from 2016-17. The Committee requested additional information regarding a future set-aside of a specific percentage of CIEP to invest in digital infrastructure.

The CAO noted that the City will be issuing Tax and Revenue Anticipation Notes (TRAN) of approximately \$1.11B. The CAO stated that the TRAN debt service payments represent the principal and interest payments to prepay the City's pension obligation for sworn and civilian employees. The City also plans to use a portion of the proceeds for cash flow purposes. The CAO states that the TRAN has experienced a net increase of 1.6 percent this year due to increased pension costs and increased interest rates. The CAO then stated that through the issuance of TRAN, the City gets approximately \$21M in net savings. The Chair then asked how the CAO makes a determination of when the increase in costs of the TRAN is no longer cost effective when compared to the discount the City gets for prepayment. The CAO answered that during the financing period, the CAO determines whether it is best to borrow through the capital markets or borrow internally. The determination this year indicates the net savings of \$21M makes issuing the TRAN cost effective for the City.

The CAO and Mayor provided an overview of the instructions that the Mayor included in Exhibit H of the Proposed Budget. The CAO noted that Exhibit H instructions are typically limited to those needed to implement the budget, but the Proposed Budget included a total of 38 Exhibit H instructions, of which only nine are required for budget implementation. The CAO stated that the remainder are policy proposals for Council's consideration. It was reported that an additional instruction to implement the Zoo Department's fee increase was inadvertently omitted and would need to be included in the Adopted Budget. The Committee added that the Zoo Department should work with the Greater Los Angeles Zoo Association to increase membership fees by a commensurate amount, taking into account incentives and discounts. The Committee directed the CLA to review all of the Exhibit H instructions and clarify those that are actually needed for budget implementation.

The General Manager of the Los Angeles City Employees' Retirement System (LACERS) provided a historical context on the System, noting that the Department has had an exceptionally busy year processing a record number of civilian retirements and testing the new LACERS system that will be launched next year. Discussions ensued regarding LACERS' assumed rate of return, as well as the System's mortality assumptions, both of which would impact the City's required contribution. The General Manager noted both CALPERS and CalSTRS recently reduced their assumed rates of return to seven percent. Members asked the General Manager to describe the process used for determining the System's assumed rate of return. The Chair noted that, when determining the System's assumed rate of return, LACERS Commissioners would take into account the fact that

LACERS' rates of return are better than average of other public pension systems, the System pays lower fees than other public pension funds, and LACERS provides greater net value added. LACERS staff responded to the Committee's questions regarding the increased cost of retiree health benefits. Committee members also asked about LACERS Board actions, such as smoothing, that could mitigate the annual increase in the City's required contribution that would result from a lower assumed rate of return.

The General Manager of the Los Angeles Fire and Police Pensions System (LAFPP) gave an overview of the Pension system's assets and earnings, noting that the LAFPP's revenue sources total \$1.18B while total expenditures are \$1.25B, leaving a gap of \$66M that must be addressed each year. The General Manager noted that pension-related costs are growing annually by three percent while the cost of retiree healthcare costs are growing by seven percent. The General Manager also provided comparative information showing the cost of active and retired members' benefits, noting that, for the first time, the number of retirees in the LAFPP exceeds the number of active members. Details were provided regarding the basis for recent increases in the City's required contribution, but the General Manager noted that in the mid-1980's, the City's required contribution rate was higher than more recent percentages. Committee members discussed with the General Manager the Board's anticipated actions regarding the assumed rate of return, and the impact to the City's required contribution in future years. The Chair asked the CAO to do a comparative analysis of the annualized rates of increase for healthcare in LACERS, LAFPP, the Department of Water and Power, and the City's active employees' benefits over the past 10 years, identifying lessons learned to help control future costs. The Chair also asked for a best-practice analysis of other public pension funds to identify actions that will reduce costs and maximize returns.

The Coalition of City Unions (Coalition) then came forward to make their presentation on the Mayor's Proposed Budget. At the outset of this hearing, the Chair discussed the City's progress since the Great Recession in restoring stability to the City's finances, and highlighted the role that the Coalition has played in this as a partner to the Council. The Coalition began its presentation by discussing the continued restoration of City services. The Coalition then discussed the need to hire more City employees, reduce the City's reliance on contractors and as-needed part time employees, and the benefit to residents from City job creation. The Coalition also discussed the Alternative Dispute Resolution program, and need for the City to continue hiring full time workers. The Coalition then talked about the need for Targeted Local Hire and other labor issues, and the Committee discussed various issues raised by the Coalition.

At the conclusion of the Departmental hearings, the Committee directed the CLA to report with recommended changes to the Proposed Budget.

Budget and Finance Committee Recommendations

On May 12, 2017, the CLA presented to your Budget and Finance Committee a report outlining recommended changes to the Mayor's Proposed Budget for 2017-18. The proposed changes were in response to discussions during Budget hearings, letters received

from Departments, Councilmembers and members of the public, and specific directions from the Committee and instructions to the CLA's Office to evaluate areas of concern and provide recommendations to address those issues.

The CLA reported that the Mayor's Proposed Budget provides funding for many programs of interest to the Council, but that the Proposed Budget also contains a number of problem areas, assumed revenue for policies still under consideration, limited Council flexibility and did not fund other priority areas. Further, the CLA recommended that the Committee and Council remain aware of areas of concern that can significantly alter the fiscal landscape in 2018-19 and beyond. These issues include pension costs, liability costs, workers' compensation costs, labor agreements, uncertain revenues and uncertainty in future federal grant fund availability.

The CLA also noted that the City Council must continue to discuss revenue from Measure M, Measure R and the Special Gas Tax for Vision Zero/Street Reconstruction as well as Measure H and Proposition HHH for Homeless Services and housing, and their respective allocations to ensure City residents are benefitting the most from each dollar spent. The CLA stated that the recommendations contained in the CLA's report will allow for a greater conversation on transportation funding priorities and address concerns expressed by LAHSA relative to additional needs and the timing of revenue receipts.

In response to direction from the Budget and Finance Committee, the CLA recommended a number of changes to the Mayor's Proposed Budget, including:

- Transfer Vision Zero/Street Reconstruction funding (\$47M) to the unallocated balance in various funding schedules until a policy determination can be made as to the funding plan for this program.
- Transfer funding to the Unappropriated Balance for 52 additional Sworn Officers to backfill full-time officers assigned to the Transit Security Bureau (\$2.5M) to allow for policy discussion.
- Reallocate funding for certain homeless programs (\$1.97M) and provide a bridge loan in anticipation of receipt of Measure H funding from the County of Los Angeles (\$.644M).
- Restore position authority and partial funding for Gardener Caretakers and Senior Gardeners in the Department of Recreation and Parks (\$2.750M).
- Add funding for brush clearance activities at the Department of Recreation and Parks (\$.750M).
- Provide funding for Fire-related programs: citywide construction/plan check (\$.362M); Firefighter/Emergency Incident Technicians (\$.239M); and, Position Control (\$.132M). Set aside funding contingent upon receipt of revenue: Restoration of two Engine Companies (\$1.074M); and, Advanced Provider Response Units (\$.684M). Add position authority for one Fire Psychologist.
- Allocate Proposition F funding for the construction of the Fire Department's Operations Valley Bureau.
- Increase funding for targeted firefighter recruitment and outreach (\$.223M).

- Provide funding for the following Police-related programs: Police Latent Print Unit (\$.815M); Firearm Analysis backlog reduction (\$.114M); DNA analysis; and, Mobile Base Field Reporting (\$1M).
- Restore funding for salaries, expenses and educational outreach related to the Animal Services No-Kill rate policy goal (\$.431M).
- Restore funding to the Office of City Attorney salaries to achieve a 2 percent salary savings rate (\$1.545M), add position authority for litigation and litigation support and provide funding for a salary restoration plan (\$1.361M).
- Add position authority and funding for the Controller to conduct a Special Fund balance reconciliation.
- Reallocate funding to mitigate a potential shortfall in Workers' Compensation benefits and claims (\$5.5M) and set aside funds for the Alternative Dispute Resolution Program for police (\$1.6M).
- Add position authority and funding for the Ethics Commission to conduct audits, education and outreach (\$.168M).
- Add funding for Municipal Election outreach and voter awareness (\$.253M).
- Add funding for various technology projects or enhancements: procurement automation to digitize construction contracting (\$.600M); LATAX replacement project (\$.250M); PaySR risk mitigation (\$.270M); Voice over Internet Phone Systems at four Valley police stations (\$.684M); and, reserve funding for projects contingent upon receipt of revenue: Computer Aided Dispatch and Automated Vehicle Locator upgrades (\$1.7M).
- Correct errors and omissions including the restoration of funding for Aging Evidence-Based Health Programs (\$.084M) and non-nutrition services (\$.192M); CIEP Arroyo Seco Urban Runoff project (\$.612M); one-time funding for Los Angeles Regional Initiative Social Enterprise (LA RISE) (\$2M); Los Angeles Neighborhood Initiative (LANI) (\$.550M) and Materials Testing for the General Services Department (\$.630M).
- Restore funding for continuing programs which provide access or services to the disabled community (\$.194M); pupil services and attendance counselors at three FamilySource Centers (\$.580M); and, programs which address race relations and other community engagement activity (\$.702M).
- Add funding for various studies (Public Works Trust Fund nexus study - \$.060M; Basic Car Area Boundary Study - \$.224M).
- Restore position authority for various programs across departments, including those for which filled positions were eliminated.
- Address various technical adjustments including unfunded position authorities for numerous programs and departments.
- Add \$3.3M to the Proposed Reserve Fund, an increase to 5.11%.
- Add \$1.5M to the Budget Stabilization fund for a total of \$97.3M.
- Add \$21.3M to a new Reserve for Mid-Year Adjustments - Contingent Revenues, to be programmed conditional upon receipt of those revenues.
- Add \$10M to the Reserve for Mid-Year Adjustments for other budgetary shortfalls which may occur during the fiscal year.

The CLA stated that these additions are made possible by the identification of \$50M in additional revenue plus reductions in various accounts. The CLA's recommendations include changes to departmental budgets to recognize the use of special funds, reductions based on anticipated savings and other adjustments. The CLA's recommendations increase the Reserve Fund to \$297.755M, or 5.11 percent of the General Fund and add \$1.5M to the Budget Stabilization Fund.

On May 12, 2017, the Committee considered the proposals in the CLA's report and took numerous actions. Prior to considering the CLA's recommendations, the Chief of Police came forward to present a plan to reduce proposed sworn hiring and increase civilian hiring in order to backfill sworn positions assigned the MTA contract, in response to concerns voiced by the Committee during its consideration of the Police Department's Proposed Budget.

The Committee's actions included the following revisions to the CLA's recommendations:

- Reduced the CLA's proposed funding allocated to the Budget Stabilization Fund by \$1,078,000 in order to fund the following:
 - A GCP allocation of \$500,000 for supplemental Clean Streets funding;
 - A GCP allocation of \$175,000 for general operations funding for Casa Libre/Freedom House;
 - A GCP allocation of \$200,000 for general operations at Reach for the Top;
 - Funding in the amount of \$203,000 and position authority for one Principal Planner in the Department of City Planning.
- Modified the Proposed Budget to implement the LAPD Civilian hiring plan proposed by the Chief of Police.
- Allocated \$24M from the Measure M Local Return Fund (Schedule 52) and the Special Gas Tax Fund (Schedule 5), 50 percent from each account, and appropriated them for Street Reconstruction, with instructions for the Bureau of Street Services, Department of Transportation and the Bureau of Engineering to report with specific projects and emphasize the repair of dangerous conditions in their selection of streets to repair.
- Amended the Police Department Budgetary Footnote 2, related to Operations Valley Bureau Human Trafficking Task force, to instruct the Department to utilize \$30,000 of the budgeted funds for the use of undercover vehicles.
- Increased funding in Unappropriated Balance line item related to Office of Public Accountability Studies to \$1.2M, to be reimbursed by the Department of Water and Power.

Your Budget and Finance Committee unanimously approved a majority of the CLA's recommended changes to the Mayor's Proposed Budget, with most of the amendments described above. However, the proposed amendment to allocate funding from Measure M Local Return Fund and the Special Gas Tax Fund for street repairs was approved 3-2, with Councilmembers Krekorian, Englander, and Blumenfield approving. Councilman Bonin and Councilwoman Martinez voted to keep the street repair funds as unallocated balances in the respective schedules pending a policy discussion.

Respectfully submitted,



Paul Krekorian, Chair
Budget and Finance Committee



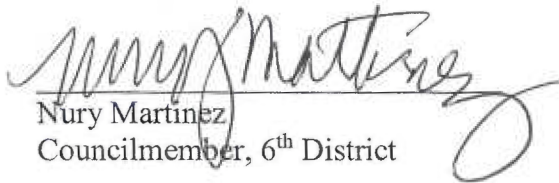
Mitchell Englander
Councilmember, 12th District



Bob Blumenfeld
Councilmember, 3rd District



Mike Bonin
Councilmember, 11th District



Nury Martinez
Councilmember, 6th District

**Budget and Finance Committee Recommendations on
the Fiscal Year 2017-18 Proposed Budget**

That the City Council (Recommendations 1-9, 107-116, 144-145, H4-H13 and R1-R88):

Global Recommendations

1. Labor Negotiations. Discussions with bargaining units have resulted in agreements which have made structural improvements to the City's budget. The City Administrative Officer should continue negotiations with bargaining units with expired or soon to be expired contracts, with instruction from the Executive Employee Relations Committee and develop solutions which balance the need to reduce costs in the short-term, but not at the expense of long-term impacts on future year costs, including the pension funds. Much progress has been made recently with our labor partners in this regard. Opportunities to continue this momentum will be present over the course of the next few months and into the coming year.
2. Infrastructure. The Budget and Finance Committee expressed concern over aging technology systems and deferred capital improvements. Recommendations include the addition of funding for some higher priority technology upgrades identified by Committee members, as well as modest increases in funding for maintenance on City facilities.

Evaluating Budgetary Compliance and Control

The following budgetary reporting process and protocols are recommended to assist the Budget and Finance Committee in its efforts during the fiscal year and on a go-forward basis:

3. Instruct all departments with pending fee increases that are included in the Proposed Budget, with the assistance of the City Attorney, to report to Council no later than June 30, 2017 with ordinances to effectuate the change in fees. This is to ensure that estimated revenue included in the 2017-18 Budget is realized, in accordance with the Annual Fee Studies Policy. Further, instruct all departments to review their fee structures annually and to report to the Budget and Finance Committee by January 1, 2018 with ordinances, status reports or negative replies concerning fee adjustments for the 2017-18 fiscal year.
4. Instruct all City department and bureau heads to promptly notify the CAO of shortfalls in their budget or revenues so that they may be reported in the CAO's financial status reports.

5. Instruct the CAO to continue to provide quarterly or more frequently, if necessary, financial status reports on revenues and expenditures, the status of the Reserve Fund, status of the Budget Stabilization Fund, projected shortfalls and all other elements previously included by the CAO in these financial status reports. Financial status reports should also include the status of liability claims for each of the Liability Payout categories in the Proposed Budget, detailing for each the amount budgeted, available balance, payouts to date, projected payouts for the fiscal year, variance between budget and actual, and, in cases where additional funds will be needed, a brief explanation of the underlying causes for exceeding the budgeted amount and corrective actions being taken to control costs. The reports should include recommendations to protect the City's fiscal health.
6. Instruct the CAO to provide an update to the Four-Year Outlook following adoption of the 2017-18 Budget by the City Council and Mayor. This update may include recommendations to revise the City's Financial Policies to ensure that they align with stated budgetary goals and are not in conflict with one another.
7. Request the City Attorney to report on a quarterly basis to the Budget and Finance Committee on the status of liability claims and outside legal counsel costs, the latter to include proprietary department expense. Such reports to include the following: available balance; encumbered balance; expenditures to date; projected needs for balance of fiscal year; and, if more funds are needed, specify the corrective actions being taken to contain costs.

Financial Policies Compliance

8. Capital and Infrastructure Funding Policy: The Capital and Infrastructure Funding Policy states that "To the extent possible, the City shall annually budget one percent of General Fund revenue to fund capital or infrastructure improvements." The Mayor's Proposed Budget provided \$74.58M for capital projects and infrastructure improvements, which equates to 1.29 percent of the General Fund according to the CAO Supporting Documents.
9. Budget Stabilization Fund: As part of the 2008-09 Budget, the Council approved, in concept, a new chapter to the City's Financial Policies to create a Budget Stabilization Fund (BSF). The intent of the BSF is to moderate fluctuations in revenue, prevent overspending during prosperous years, and provide resources to help maintain service levels during lean years. In March 2011, the voters enacted Measure P, which codified the requirement to create such a Fund.

The anticipated balance in the Fund at the end of the current fiscal year is projected to be \$94.64M. The Mayor's Proposed Budget does not make a transfer into the Fund, leaving the current balance, plus interest, for a projected 2017-18 amount of \$95.84M. A deposit into the Fund is required when the combined growth rate of the seven major revenue categories exceeds 3.4 percent. The Proposed Budget estimates that the combined growth rate will be 5.3 percent, which should trigger that deposit requirement. However, the CAO has reported that excess tax revenues were used to fund streets, sidewalks, and other infrastructure needs. The recommendations in this report would increase the Budget Stabilization Fund by a modest \$422K.

That the Council, subject to the approval of the Mayor (Recommendations 10-106, 117-143 and H1-H3, only):

10. Reserve Fund: Your Budget & Finance Committee recommends actions contained in this report that will increase the Reserve Fund to \$297.936M or 5.11% of the General Fund. The Emergency Account of the Reserve Fund is set at 2.75% or \$160.242M with the remaining balance of \$137.694M in the Contingency Account.
11. Budget Stabilization Fund: Your Budget & Finance Committee recommends a transfer of \$422,000 from the Reserve Fund into the Budget Stabilization Fund, increasing the BSF to a balance of approximately \$96.25M.

Revenue Changes

Business Tax

12. Increase receipts based on current collection rate (\$3,300,000 in 2016-17 and 2017-18).
\$6,600,000

Grant Receipts

13. Recognize grant receipts for two Unappropriated Balance line items related to Fire services.
\$1,852,428

Licenses, Permits, Fees and Fines

14. Recognize 2016-17 receipts for the reimbursement of prior year consumer protection costs (\$1,057,000) and additional 2017-18 revenue from litigation related costs (\$425,000).
\$1,482,000
15. Recognize additional receipts from DWP for Controller costs.
\$600,000
16. Increase receipts for Fire Inspection Restitution fees.
\$470,000
17. Recognize Medi-Cal Intergovernmental Transfer Program Funds for Fiscal Year 2016-17 emergency services. These revenues will be used as a source of funds for the Fire Department. New allocations are added to the Unappropriated Balance to enhance Fire Department emergency services, if additional funds are received.
\$6,000,000
18. Reduce Ambulance Transport Fees based on current collection rate (\$2,000,000 in 2016-17 and \$3,000,000 in 2017-18).
(\$5,000,000)
19. Recognize related cost reimbursements for various departmental staff on Proposition F projects.
\$635,370

20. Increase the Fire Department reimbursement for prior year services provided to the Port of Los Angeles.
\$2,059,391
21. Add related cost reimbursements for staff associated with Gas Tax projects in various departments.
\$1,283,816
22. Increase Miscellaneous Police Services revenue in 2016-17 from the LAPD Revolving Training Fund.
\$805,207
23. Recognize additional receipts from DWP for PW Contract Administration costs.
\$333,540

Parking Occupancy Tax

24. Increase receipts based on current collection rates (\$2,800,000 in 2016-17 and \$2,900,000 in 2017-18).
\$5,700,000

Property Tax

25. Recognize additional receipts based on market trend of increased growth in assessed values.
\$3,105,000

Reversions and Prior Year Encumbrances

26. Increase anticipated reversions based on updated year-end projections.
\$5,000,000
27. Recognize additional receipts since the release of the Proposed Budget.
\$2,000,000

Tobacco Settlement

28. Recognize additional 2016-17 and 2017-18 receipts based on updated remittances.
\$682,000

Other Receipts

29. Recognize additional receipts from the anticipated lease extension of the Mangrove property to MTA
\$6,000,000
30. Recognize additional revenue from the pending Linkage Fee.
\$10,000,000

Expenditure Changes

Aging

31. Restore funding for Evidence-Based Health Programs. \$83,726

Animal Services

32. Restore funding for Salaries (\$335,413 direct cost/\$65,689 indirect cost) and Expenses (\$29,898) for educational outreach related to the No-Kill rate policy goal. \$431,000

Attorney Conflict Panel

33. Reduce 2017-18 increase from \$1,000,000 to \$800,000. (\$200,000)

Capital Finance Administration Fund

34. Reduce funding for refinancing costs. (\$1,000,000)

Capital Improvement Expenditure Program

35. Increase funding for the Arroyo Seco Urban Runoff Project 2 to correct an error in the Proposed Budget. \$612,000
36. Reduce Contingency for Physical Plant Projects. (\$100,000)

City Attorney

37. Restore funding to reflect a two percent salary savings rate (\$1,200,000 direct cost/\$344,640 indirect cost) \$1,544,640
38. Provide additional funding in accordance with the City Attorney salary restoration plan (\$1,057,000 direct cost/\$303,570 indirect cost). \$1,360,570

City Clerk

39. Add funding for Municipal Election outreach and voter awareness. \$252,965

Controller

40. Add resolution authority and six months funding for one Senior Management Analyst and one Senior Management Analyst II (\$109,192 direct cost/\$44,888 indirect cost) for the Special Fund balance reconciliation, subject to paygrade approval by the CAO. \$154,080

Disability

41. Restore funding as follows:

- | | | |
|----|--|----------|
| a. | Disabled Employee Assistance | \$80,000 |
| b. | ADA Assistant Contracts | \$10,000 |
| c. | AIDS Coordinator's Office HIV Prevention Contracts | \$29,000 |
| d. | Staff Development Training and Related Travel | \$20,000 |
| e. | CommonLook Office software to check and convert documents for accessibility. | \$55,000 |

Economic and Workforce Development and Unappropriated Balance

42. Add one-time funding for the Los Angeles Regional Initiative Social Enterprise (LA RISE) job development activities, of which \$1,000,000 to be set aside in the Unappropriated Balance pending a report to the Budget and Finance Committee with LA RISE metrics, including net new hires under the Targeted Local Hire initiative.
- \$2,000,000

Emergency Management

43. Restore resolution authority and funding for two Emergency Management Coordinator I positions (\$194,893 direct costs/\$83,029 indirect costs) to be partially offset by the Urban Areas Security Initiative (UASI) grant receipts (\$110,000). These positions are currently filled.
- \$167,922
44. Restore funding for the Emergency Management Department internship program.
- \$145,605

Ethics Commission

45. Recognize savings from various 2016-17 accounts to partially offset the following:
(\$105,000)
- a. Add resolution authority and six months funding for one Auditor II assigned to auditing candidate committees for Municipal Elections (\$38,941 direct cost/\$17,948 indirect cost).
\$56,889
- b. Add resolution authority and six months funding for one Management Analyst to provide Ethics-related education and outreach (\$42,230 direct cost/\$18,892 indirect cost).
\$61,122
- c. Add funding for as-needed salaries.
\$50,000

Finance

46. Restore regular authority for one filled Senior Management Analyst I and resolution authority for five Customer Service Specialists with full year funding (\$392,741 direct cost/\$193,963 indirect cost), to be partially offset by a reimbursement from special fund receipts (\$99,000).
\$487,704

Finance and Unappropriated Balance

47. Add funding in the Unappropriated Balance for Cloud Services and software for the LATAX replacement project, pending further policy considerations.
\$250,000

Fire

48. Reduce Sworn Salaries by \$2,000,000 and increase Constant Staffing Overtime by a commensurate amount based on historical spending patterns.
-\$0-
49. Add resolution authority and three months funding for six Firefighter/Emergency Incident Technician (EIT) positions (\$248,153 direct cost/\$167,973 indirect cost) who assist incident commanders with accountability, situation awareness, resource status and emergency safety procedures during fires.
\$416,126
50. Add resolution authority and six months funding for three Fire Inspector II positions (\$200,824 direct cost/\$118,854 indirect cost) in Fire Development Services to address increased citywide construction activity and plan check workloads, to be partially offset by fees generated (\$106,000).
\$213,678

Fire and Unappropriated Balance

51. Add a new line item to the Unappropriated Balance for a Position Control Officer in the Fire Department, responsible for managing and facilitating sworn members returning from Injury-on-Duty (IOD) and other types of leave, including maternity leave. \$132,000
52. Add a new line item to the Unappropriated Balance for the Fire Department to provide three months funding for the restoration of two Engine Companies, if additional federal funding in excess of \$6,000,000 is received under the Intergovernmental Transfer Program. \$1,073,640
53. Add a new line item to the Unappropriated Balance for Computer Aided Dispatch (CAD) and Automatic Vehicle Locator (AVL) upgrades for the Fire Department, if additional federal funding in excess of \$6,000,000 is received under the Intergovernmental Transfer Program. \$1,700,000
54. Add a new line item to the Unappropriated Balance in the amount of \$348,290 for an Advanced Provider Response Unit at Los Angeles International Airport to be funded by Los Angeles World Airports (LAWA). -\$0-
55. Add a new line item to the Unappropriated Balance in the amount of \$348,290 for an Advanced Provider Response Unit in the San Fernando Valley to be funded through a public-private partnership. -\$0-

Fire and Police Pension Fund

56. Adjust pension contribution based on budgeted sworn salaries. (\$885,200)

General City Purposes

57. Delete funding for Purposeful Aging (\$200,000 in the Unappropriated Balance) to restore funding for the Department of Aging various non-nutrition services (\$192,000). (\$8,000)
58. Increase funding for the California Contract Cities (\$2,500) and Independent Cities Associations (\$3,250). \$5,750
59. Add new line item and funding for Government Alliance on Race and Equity membership dues. \$15,000
60. Add funding for the embRACE LA program to address human relations issues with regard to race, ethnicity, sexual orientation, diversity, and multiculturalism in Los Angeles to be administered by the City Clerk. \$500,000

61. Add funding to the Council District Community Services line item as follows: Clean Streets (\$500,000); Casa Libre/Freedom House (\$175,000); Reach for the Top (\$200,000).
\$875,000

Housing and Community Investment

62. Add funding for Pupil Services and Attendance Counselors at three FamilySource Centers.
\$580,000
63. Restore regular authority and full funding for one Human Relations Advocate and one filled Management Assistant (\$136,054 direct cost/\$66,131 indirect cost) to provide support for commissions and community engagement.
\$202,185
64. Add funding to leverage \$100,000 from Housing Opportunities for People with HIV/AIDS (HOPWA) program funding for the new Case Management/Program Productivity Tracking System.
\$270,000

Human Resources Benefits

65. Address projected shortfall in Workers Compensation funding, as follows:
- a. Revise funding requirements for employee healthcare requirements based on current projections.
(\$5,228,000)
 - b. Eliminate funding in the Unappropriated Balance for Healthcare Reform Act compliance.
(\$1,000,000)
 - c. Increase Workers' Compensation funding.
\$5,500,000

Human Resources Benefits and Unappropriated Balance

66. Set aside six months funding in the Unappropriated Balance for implementation of the Alternative Dispute Resolution (ADR) program for police, with initial funding for the ADR Coordinator, Medical Provider Network and four member advocates.
\$1,600,000
- a. Instruct the Personnel Department to report on savings resulting from potential decreased liability from the ADR program after the program is operational to evaluate the effectiveness of the City's investment.
 - b. Further instruct the Personnel Department to submit metrics for Council approval that will be used in the program's evaluation.

Information Technology Agency

67. Procurement automation:

- a. Increase funding for procurement automation to digitize construction contracting.
\$600,000
 - b. Instruct ITA to establish a metric to quantify the savings from procurement automation.
68. Restore regular authority and funding for one Chief Management Analyst and funding and resolution authority for one Communications Engineer, three Communications Engineer Associate III, and one Communications Electrician Supervisor to maintain service and provide for succession plans (\$562,227 direct cost/\$242,639 indirect cost). These positions are currently filled.
\$804,866

Information Technology Agency and Controller

69. PaySR risk mitigation:

- a. ITA: Add resolution authority and six months funding for one Systems Analyst II and three Programmer Analyst IV positions (\$188,681 direct cost/\$81,240 indirect cost).
\$269,921
- b. Controller: Add resolution authority without funding for one Senior Management Analyst II and one Fiscal Systems Specialist I.
-\$0-

Information Technology Agency and Personnel

70. Innovation Fund

- a. Add funding in the amount of \$100,000 for a pilot Mobile Worker Plan to be funded by the Innovation Fund.
-\$0-
- b. Fund the Anytime/Anywhere Testing pilot program contained in the Proposed Budget.
(\$70,000)

Information Technology Agency, Police, and Unappropriated Balance

71. VoIP Telephone Systems

- a. Set aside funding to install VoIP telephone systems at four police stations (\$684,000) to be partially financed from Proposition Q (\$387,000).
\$297,000
- b. Instruct the Information Technology Agency to enhance the implementation timeline for installation of VoIP at these four police stations.

Los Angeles Homeless Services Authority

72. LAHSA Bridge Funding and Savings Reallocation - Provide additional funding as follows for various LAHSA programs to be funded by savings from 2016-17, with the remainder of the savings for use toward LA RISE, the Hot Weather Program and other programs in the City Budget (see Attachment 2).

(\$4,173,250)

- a. Provide \$966,500 as follows: Downtown Drop-In Center (\$225,000), HMIS Matching Grant (\$62,500), Planning Matching Grant (\$125,000) and Public Right-of-Way Storage (\$554,000).
- b. Authorize LAHSA to retain an additional \$1,000,000 in 2016-17 savings to fund City homeless programs, which may be used for voluntary storage, safe parking and other Council directives.
- c. Authorize the Controller to provide a Reserve Fund Loan up to the amount of \$643,928 to LAHSA to cover a shortfall in funding from County Measure H funds, upon CAO request.
- d. Create separate line items with respective funding amounts in the LAHSA budget for Safe Parking (\$347,000) and Mobile Showers (\$425,000).

Neighborhood Empowerment

73. Recognize savings from the 2016-17 Neighborhood Empowerment Fund in unspent Neighborhood Council funds to be used for the following:

(\$384,826)

- a. Neighborhood Council Field Support (\$163,029 direct cost/\$27,056 indirect cost)
\$190,085
- b. Contractual Services for mandatory board training user licenses for the e-learning Cornerstone platform
\$168,000
- c. Department on Disability Compliance Officers
\$22,741
- d. Transportation (mileage)
\$4,000
- e. Add resolution authority for three Project Coordinators and one Project Assistant to be funded with 2016-17 savings.

-\$0-

Personnel

74. Increase funding for targeted firefighter recruitment and outreach to improve candidate diversity. \$223,000
75. Add resolution authority and six months funding for two Background Investigator I and one Background Investigator II positions (\$112,485 direct cost/\$52,598 indirect cost). \$165,083

Planning

76. Add resolution authority and full year funding for one Principal City Planner and related expenses (\$147,963 direct cost/\$55,037 indirect cost/\$3,432 expenses). \$203,000

Police

77. Recognize the use of Forfeited Assets (\$368,021) to be used for the implementation of Mobile Base Field Reporting (\$1,000,000). \$631,979
78. Add resolution authority and funding for one Criminalist III position (\$80,993 direct cost/\$33,407 indirect cost) to assist in reducing the Firearm Analysis backlog. \$114,400
79. Add resolution authority and six months funding in the Latent Print Unit as follows: one Forensic Print Specialist IV, two Forensic Print Specialist I, two Forensic Print Specialist III, one Management Analyst, one Senior Administrative Clerk, one Administrative Clerk (\$591,276 direct cost/\$223,926 indirect cost). These positions will enable the Department to address more property crime cases. \$815,202
80. Add resolution authority for two Criminalist III positions without funding and delete two Criminalist II positions to enhance DNA analysis. -\$0-
81. Reallocate \$20,000 in funds with the Police Department budget to add funding for wellness equipment at the Police Administration Building. -\$0-

82. Relative to the backfill of positions assigned to the Los Angeles County Metropolitan Transportation Authority (Blue Book Item 18), reduce funding in the Sworn Salaries account in the Police Department, and increase the Salaries General amount by a commensurate amount (\$1,888,109). This will enable the Department to hire 23 new civilians which will backfill sworn officers assigned to the civilian duties in the Department, who will then backfill officers assigned full time to the Transit Security Bureau. \$-0-
- a. Delete authority for 19 sworn officers in the Police Department, reducing the total authorized deployment to 10,033 officers in 2017-18. \$-0-
 - b. Add resolution authority for 22 civilian positions in the Police Department as follows: seven Crime Intelligence Analyst I, four Crime Intelligence Analyst II, five Police Performance Auditor III, two Police Performance Auditor II, one Supervisor Criminalist, two Criminalist II, and one Criminalist III. \$-0-
 - c. Recognize related cost savings realized as a result of the hiring of civilians instead of sworn officers. (\$311,968)
 - d. Advance the Detention Officer class scheduled for October 2017 to September 2017.
83. Add funding Basic Car Area boundary study and instruct the Police Department to report to the Public Safety Committee with a Request for Proposals. \$224,000

Public Works - Board

84. Add funding for a Nexus Study of the Public Works Trust Fund. \$60,000
85. Increase funding for the Clean Streets LA program to maintain existing services levels. \$660,000
86. Office of Petroleum and Natural Gas Administration and Safety
- a. Add resolution authority and six months funding for one Environmental Affairs Officer and one Management Analyst (\$95,923 direct cost/\$41,077 indirect cost) for the Office of Petroleum and Natural Gas Administration and Safety. \$137,000
 - b. Delete regular authority for one Senior Management Analyst I and add regular authority for one Senior Management Analyst II for the Franchise and Contracts section of the Office of Petroleum and Natural Gas Administration and Safety, subject to paygrade determination by the CAO.

Public Works - Contract Administration

87. Add resolution authority and six months funding for one Management Analyst to support the Local Preference Ordinance (\$42,230 direct cost/\$18,892 indirect cost).
- \$61,122

Public Works - Sanitation

88. Add resolution authority and six months funding for one Assistant Director of Sanitation position (\$96,398 direct cost/\$43,396 indirect cost) to oversee the Bureau's external affairs, to be partially funded by special funds.
- \$6,646

Recreation and Parks

89. Revise funding for programming and maintenance of various new, expanded and renovated facilities based on anticipated opening dates.
- (\$60,000)
90. Restore regular authority with partial funding for 44 Gardener Caretakers and nine Senior Gardeners (\$2,236,824 direct cost/\$513,176 indirect cost).
- \$2,750,000
91. Brush Clearance
- a. Add funding for brush clearance activities.
- \$750,000
- b. Instruct the Department of Recreation and Parks to seek targeted local hiring candidates and LA RISE program participants if additional personnel is needed.

Transportation

92. Reappropriate savings from the Cross Avenue Project Account, as the project was completed by a private property owner and funds are no longer needed (\$85,000), and increase funding for parking enforcement (\$81,000).
- (\$4,000)

Transportation, Public Works - Street Services and General Services

93. Vision Zero/Street Reconstruction Program – make various adjustments resulting in \$47,172,314 in available funding (see Attachment 3) and allocate as follows:
- a. Create a line item for Street Reconstruction in Schedule 5 (Gas Tax) in the amount of \$12,000,000 and Schedule 52 (Measure M) in the amount of \$12,000,000.
 - b. Create unallocated line items, as follows: Schedule 5 (Gas Tax) in the amount of \$12,064,071, Schedule 26 (Prop A) in the amount of \$495,000, Schedule 49 (Measure R) in the amount of \$2,500,513, and Schedule 52 (Measure M) in the amount of \$8,112,730 with a footnote that funds are not to be spent until policy direction for the Vision Zero Initiative and other transportation programs is provided by the Council.
 - c. Provide \$550,000 for Los Angeles Neighborhood Initiative (LANI).
 - d. Provide \$630,000 for GSD materials testing for the existing Pavement Preservation Program.
 - e. Instruct the Department of Transportation to report on the resources necessary to maintain the current 7-10 day turnaround for striping workload associated with a new street reconstruction program, to be funded from the unallocated amount discussed in Attachment 3.
 - f. Instruct the Bureau of Street Services to report on the resources necessary to clean, maintain, and repair bike lanes, to be funded from the unallocated amount discussed in Attachment 3.
 - g. Delete funds for the CIEP project (Street Lighting at Existing Pedestrian Crosswalks Project) that will be funded with transportation special funds through the Vision Zero/Street Reconstruction Program.
- (\$493,000)

Unappropriated Balance

94. Increase the Reserve for Mid-Year Adjustments. This would add \$10,000,000 to the \$10,000,000 in the Proposed Budget. This will give the Mayor and Council flexibility to use for mid-year adjustments, including Police Sworn Overtime, Workers' Compensation, Liability Claims and revenue shortfalls.
- \$10,000,000
95. Create a new line item entitled Reserve for Mid-Year Adjustments – Contingent Revenues in the event certain revenues in this report are received, including Linkage Fees, Mangrove lease receipts, and prior-year Port of Los Angeles receipts.
- \$21,285,000

New/Expanded Programs

96. Reductions to various Departments (see Attachment 4) for new or expanded programs. Reductions are primarily due to funding these programs for six months rather than nine months to achieve budgetary savings for other General Fund programs (\$1,369,039 direct cost/\$313,272 indirect cost).
- (\$1,682,311)

Other Changes

Building and Safety

97. Lien Processing

- a. Add resolution authority without funding for one Administrative Clerk position to support lien processing.
- b. Instruct the Department of Building and Safety to report with funding options for the position.

98. Restore resolution authority for one Structural Engineering Associate IV (\$53,698 direct cost/\$22,186 indirect cost) to support the Land Use and Subdivision section to be fully reimbursed by the Building and Safety Building Permit Enterprise Trust Fund.

- \$0-

99. Add resolution authority for one Structural Engineering Associate IV, two Structural Engineering Associate III, one Structural Engineering Associate II, one Building Mechanical Inspector, and one Administrative Clerk to establish a new Citywide Business Case Management Unit to be fully reimbursed by the Building and Safety Building Permit Enterprise Trust Fund (\$265,026 direct cost/\$114,974 indirect cost).

- \$0-

Capital Improvement Expenditure Program

100. Reallocate \$250,000 in funds within the CIEP for repairs and maintenance at the West Los Angeles Municipal Building.

- \$0-

Planning

101. Historic Preservation Overlay Zone (HPOZ):

- a. Set aside funding in the Unappropriated Balance to add resolution authority and six months funding for one City Planner and three City Planning Associates to support the HPOZ Program (\$182,126 direct cost/\$79,363 indirect cost).

- \$0-

- b. Request the City Attorney, with the assistance of the Planning Department, to prepare and present an ordinance to increase Historic Preservation and Mills Act fees to full cost recovery and adopt new fees for historic preservation services for which fees are not collected.

Public Works – Board

102. Measure M Fund Administration:

- a. Transfer nine months funding for one Senior Accountant I position for Measure M fund administration (\$83,000) to a new line item in the Unappropriated Balance. -\$0-
- b. Instruct the City Administrative Officer to report to the Transportation Committee on the appropriate department for Measure M fund administration.

Public Works – Contract Administration

103. Add resolution authority and funding for two Senior Electrical Inspectors, four Senior Construction Inspectors, and four Construction Inspectors to support the Los Angeles World Airport (LAWA) inspection program to be fully reimbursed by LAWA (\$1,114,004 direct cost/\$411,380 indirect cost). -\$0-

Public Works – Sanitation

104. Add resolution authority and nine months funding for one Principal Environmental Engineer and one Environmental Engineer to implement the City's water recycling projects to be fully funded by the Sewer Construction and Maintenance Fund (\$205,093 direct cost/\$86,734 indirect cost). -\$0-

Unappropriated Balance

105. Delete funding from the Unappropriated Balance and add funding to various Departments/Funds while maintaining each line item footnote, as follows:
- a. Transfer \$2,300,000 in Capital Projects funding to the Capital Improvement Expenditure Program. -\$0-
 - b. Transfer \$275,000 in Community Engagement funding to the General City Purposes Fund under line item Council Community Projects, and amend titles as necessary. -\$0-
 - c. Transfer \$900,000 in Network Hardware Replacement funding to the Information Technology Agency. -\$0-
 - d. Transfer \$1,000,000 in Tree Trimming and Alleys funding to the Bureau of Street Services. -\$0-
 - e. Transfer \$340,000 in Project Restore funding to the Project Restore Trust Fund. -\$0-

106. Increase the line item entitled Office of Public Accountability Studies from \$750,000 to \$1,200,000, to be fully reimbursed by DWP.

- \$0-

Instructions and Technical Adjustments

Exhibit H

107. Delete Exhibit H in its entirety and replace with Attachment 5. Various instructions were deleted for the following reasons: (1) it was not required for implementation of the Budget; (2) an instruction has already been provided by the Council; or (3) a similar report has been requested by the Budget and Finance Committee.

General Instructions

108. Instruct all Departments to ensure that all receipts, including settlements and liability claims, are properly deposited into the General Fund, and further request the Controller to ensure that Departments are adhering to this instruction.
109. Instruct all Departments to ensure immediate invoicing for all grant reimbursements.
110. Instruct all departments to process FMS transactions resulting from Mayor/Council fiscal actions within 10 working days from the approval date as recorded by the Mayor and City Clerk.
111. Instruct the CAO to monitor and ensure timely data entry of budget adjustments by City Departments.
112. All projects proposed for MICLA financing must be approved by the Council before expending MICLA Commercial Paper proceeds. Further, to the extent that special funds are being used to support MICLA projects, that the City Administrative Officer reevaluate the use and report on the need for special funds.
113. Authorization of substitute positions other than for layoff avoidance or for which adequate savings within a department's budget has not been identified, shall require Council approval, effective July 1, 2017. The use of substitute authorities shall be restricted only to limited duration or critical uses.
114. Instruct the City Clerk to open Council Files for all pending and outstanding report requests made by the Budget and Finance Committee during its consideration of the Mayor's Proposed 2017-18 Budget (see Attachment 6 - Requested Reports and Special Studies), and as noted in this report, to ensure the referral of various memoranda and reports.
115. Request the City Attorney to transmit all implementing ordinances no later than June 30, 2017.
116. Authorize the CLA and CAO to make minor and technical adjustments to accomplish the intent of the changes proposed herein.

Technical Adjustments

Capital Finance Administration Fund

117. MICLA Issue Financing - Add projects to the 2017-18 MICLA Program as follows: Fire Station Diesel Exhaust Capturing System (\$2,390,000) and Warner Grand Theater (\$1,500,000).

City Attorney

118. Add resolution authority without funding for two Deputy City Attorney III positions in the Employment Litigation Division.
119. Restore resolution authority without funding for three Paralegal III and one Investigator II for litigation support.

Cultural Affairs

120. Add resolution authority without funding for one Arts Manager II and one Performing Arts Coordinator II to be assigned to the Performing Arts Division, and assist with the implementation of the Central Ticketing System.

Fire

121. Operations Valley Bureau
- a. Allocate funding through Proposition F for the construction of the Fire Department's Operations Valley Bureau headquarters.
 - b. Instruct the Fire Department to report to the Public Safety Committee on potential locations for the Operations Valley Bureau and the status of a bike lane through the project area, prior to the expenditure of funds.
 - c. Add resolution authority without funding for 14 positions in three departments (Bureau of Engineering, Bureau of Contract Administration and Board of Public Works/Office of Accounting) to oversee the Operations Valley Bureau project as well as the Fire Station 39 and North Central Animal Shelter.
122. Add resolution authority without funding for one Fire Psychologist.

General Services

123. Add regular authority without funding for one Plumber Supervisor.
124. Add regular authority without funding for one Helicopter Mechanic to support Fire and Police Department helicopters.

Housing and Community Investment Department

125. Restore resolution authority without funding for 11 positions as follows: two Accounting Clerks, two Senior Administrative Clerks, one Management Assistant, one Systems Analyst, three Management Analysts, one Senior Project Coordinator, and one Housing Planning and Economic Analyst.

Information Technology Agency

126. Add resolution authority without funding for one Assistant General Manager Information Technology Agency, subject to review and allocation by the Personnel Department, and delete regular authority for one Chief Management Analyst.

Public Accountability

127. Delete regular authority for one Executive Administrative Assistant III and add regular authority for one Executive Legal Secretary II.

Public Works - Board

128. Metropolitan Transportation Authority (MTA):
- a. Add resolution authority without funding for one Senior Civil Engineer to serve as MTA Coordinator.
 - b. Instruct the City Administrative Officer and the Board of Public Works to report to the Transportation Committee on funding options for the MTA Coordinator position, including whether MTA can fund the position.
129. Correct contractual services line items Graffiti Abatement Services and Clean and Green to reflect the appropriate allocations.

Public Works - Engineering

130. Sixth Street Bridge and Other Projects.
- a. Add resolution authority without funding for: one Senior Civil Engineer to perform project/construction management for the Sixth Street Viaduct Landscape Project; one Civil Engineer for project management of the Downtown LA Arts District Pedestrian and Cyclist Safety Project; and one Senior Civil Engineer for additional engineering project support for Recreation and Parks projects.
 - b. Instruct the Office of the Chief Legislative Analyst to report to the Public Works Committee and the Budget and Finance Committee on the status and eligible funding sources for the Sixth Street Bridge Project, including landscaping construction and the Art Plaza.

Public Works - Street Lighting

131. Correct the fleet replacement Equipment List.

Unappropriated Balance

132. Reappropriate up to \$100,000 in unspent funds for General and Offsite Council and Committee Meetings for the same purpose in 2016-17.

Budget Notes

133. Amend the Proposed Budget Detail of Department Programs, Page 519, Item 24, "Additional Support for the Office of Wage Standards" to add "and the Fair Chance Initiative for Hiring Ordinance" to the description.
134. Amend the Proposed Budget in the Unappropriated Balance Minimum Wage and Wage Theft Enforcement footnote to add "*and the Fair Chance Initiative for Hiring Ordinance*" to the description.
135. Amend the Proposed Budget to change the title of the metric provided in the Blue Book, Page 568, to indicate the following: Citywide *Landfill* Diversion Rate (percentage).
136. Revise the Departmental Footnote for City Attorney to reappropriate up to \$400,000 for outside counsel costs.
137. Revise the Departmental Footnote for Police to designate \$30,000 of the \$1,000,000 for Human Trafficking and Prostitution detail for undercover vehicles.
138. Add a Non-Departmental Footnote in the General City Purposes section as follows: Authorize the transfer of funds from the General City Purposes (GCP) Intergovernmental Relations Program Accounts to the Travel Accounts for Council's budgets to pay for, or reimburse these offices for travel related to the governmental oriented organizations Contract Cities Association and Independent Cities Association.
139. Add a Non-Departmental Footnote in the GCP section as follows: No funds are to be expended from the General City Purposes budget in support of the Justice Fund until and unless the City Council has made a policy decision that the City is to participate, and under what circumstances the City will participate.
140. Amend the Proposed Budget to adjust funding for Economic Workforce and Development, El Pueblo, General Services, Housing and Community Investment, City Planning, and Transportation by program and/or account to correct negative balances. There will be no net change to the overall funding provided to the departments.
141. Amend the Proposed Budget to adjust position authorities for Economic Workforce Development and Housing and Community Investment to correct negative full-time equivalents by program. There will be no net change to the overall funding or positions provided to the departments.
142. Amend the Proposed Budget to adjust the Reserve Fund exhibit to reflect that the 2016-17 Revenue Surplus will be used to offset the 2016-17 year-end expenditure shortfall by reducing "Unallocated Revenue" line item by \$14,950,000 and reducing "Transfers-Contingencies" line item by \$14,950,000. These changes will have no net impact to the June 30, 2017 balance, July 1, 2017 balance or the June 30, 2018 balance.

143. Amend the Proposed Budget to transfer funds for City Planning from the Construction Services Trust Fund to the Development Services Trust Fund, in accordance with CF 15-0316, which renamed and changed the fund.
 - a. Transfer appropriations of \$1,012,000 (3040 Contractual Services account) from Fund 438 Construction Services Trust Fund to Fund 58V Development Services Trust Fund.
 - b. Transfer appropriations of \$600,000 (6010 Office and Administrative account) from Fund 438 Construction Services Trust Fund to Fund 58V Development Services Trust Fund.

CLOSING RECOMMENDATIONS

144. Instruct the Office of the City Administrative Officer to prepare and present to the City Council within 30 days a listing of all resolutions, substitute, and in-lieu positions heeded to fulfill the intent of the Council's action on the 2017-18 Budget.
145. Authorize the Chief Legislative Analyst and the City Administrative Officer to make minor and technical adjustments to fulfill the intent of the Budget actions, and request the City Attorney, with the assistance of the CLA and the CAO, to prepare and present a resolution for the adoption of the 2017-18 Budget for the General Government of the City of Los Angeles as submitted by the Mayor on April 20, 2017, as modified by this report.

LAHSA Budget Summary

Savings Calculation

Savings from FY 2016-17	\$6,139,750
New Funding Requests FY 2017-18:	
Downtown Drop In Center	\$225,000
HMIS Matching Grant	\$62,500
Planning Matching Grant	\$125,000
Public Right-of-Way Storage	\$554,000
	<u>\$966,500</u>
Net Savings Available	\$5,173,250

Bridge Funding Calculation

LAHSA's Proposed 2017-18 Budget	\$17,023,297
<u>Bridge Funding Need (1st Quarter)</u>	
LAHSA's Bridge Funding Request (1st Quarter of 2017-18)	\$8,697,935
Fully Funded 2017-18 Budget Line Items*	<u>-\$2,880,758</u>
Net LAHSA Bridge Funding Need	\$5,817,178
Net Savings Available	\$5,173,250
<u>Net Bridge Funding Need / Reserve Loan</u>	
Net LAHSA Bridge Funding Need	\$5,817,178
Net Savings Available	<u>\$5,173,250</u>
Reserve Loan	\$643,928

Recommended Budget and Finance Committee actions to address LAHSA's Bridge Funding Request

- 1) Upon CAO request, authorize the Controller to provide a Reserve Fund Loan of \$643,928 to LAHSA to cover a shortfall in funding from County Measure H revenue
- 2) Upon receipt of County Measure H funds, the \$5.17M net savings (Identified above) will be available for reprogramming. The reprogramming includes authorizing LAHSA to retain \$1M in FY 2016-17 savings to fund City homeless programs, such as voluntary storage, safe parking and other Council directives with the remainder to be used for other General Fund programs.
- 3) Instruct LAHSA and the CAO to immediately report to Council when the County Board of Supervisors adopts Measure H funding recommendations for FY 2017-18

Footnote

* See CAO Budget Memo 77. Of the LAHSA 2017-18 Budget line items anticipated to receive Measure H funding, three are also receiving City funding and therefore will have funds available for LAHSA to use as Bridge funding. These items are as follows: Administration (\$790,721); Coordinated Entry System (CES) for Singles & Youth, Crisis and Bridge Housing (\$1,990,038); and CES/Regional Coordinators (\$99,999).

ATTACHMENT 3

BUDGET AND FINANCE COMMITTEE RECOMMENDATIONS

Proposed Budget Street Reconstruction/Vision Zero Program	Appropriation	Amount
Schedule 5 Special Gas Tax Improvement Fund	Street Reconstruction (unspecified)	\$ 15,000,000
	Vision Zero Traffic Signal Installation (DOT)	\$ 6,000,000
	Subtotal	\$ 21,000,000
Schedule 26 Proposition A Local Transit Assistance Fund	Vision Zero Bus Stop Security Lighting (BSL)	\$ 495,000
Schedule 49 Measure R Traffic Relief and Rail Expansion Fund	Vision Zero (DOT contractual services for HIN speed surveys; community outreach; campaign messaging)	\$ 700,000
	Great Streets (DOT)	\$ 1,500,000
	Great Streets/Vision Zero (BOE)	\$ 450,513
	Subtotal	\$ 2,650,513
Schedule 52 Measure M Local Return Fund	Street Reconstruction/Vision Zero (unspecified)	\$ 20,000,000
	Vision Zero Education (DOT)	\$ 500,000
	Subtotal	\$ 20,500,000
	TOTAL	\$ 44,645,513

Revised Funding Allocations to create an Unallocated line item in each Special Fund

Move the following line items in the each schedule to an unallocated line item.

Schedule 5 Special Gas Tax Improvement Fund	Street Reconstruction	\$ 15,000,000
	Vision Zero Traffic Signal Installation	\$ 6,000,000
	Subtotal	\$ 21,000,000
Schedule 49 Measure R Traffic Relief and Rail Expansion Fund	Vision Zero	\$ 700,000
	Great Streets (DOT)	\$ 1,500,000
	Great Streets (BOE)	\$ 450,513
	Subtotal	\$ 2,650,513
Schedule 52 Measure M Local Return Fund	Street Reconstruction/Vision Zero	\$ 20,000,000
	Vision Zero Education	\$ 500,000
	Subtotal	\$ 20,500,000
Schedule 26 Proposition A Local Transit Assistance Fund	Vision Zero Bus Stop Security Lighting	\$ 495,000
	Subtotal	\$ 495,000
	TOTAL	\$ 44,645,513
Additional receipts from revised SB 1 projected revenue (Gas Tax).		\$ 4,668,617
Reappropriate savings from the Grand View Drive Bulkhead project (Measure M).		\$ 415,000
Reappropriate savings from the median island maintenance contract (Measure R and/or M).		\$ 400,000
	UNALLOCATED TOTAL	\$ 50,129,130
Provide funding for L.A. Neighborhood Initiative (LANI)		\$ 550,000
Provide funding for GSD materials testing for the existing Pavement Preservation Program		\$ 630,000
Provide funding for the Street Lighting at Existing Pedestrian Crosswalks Project		\$ 493,000
Increase reimbursements to the General Fund		\$ 1,283,816
	Subtotal	\$ 2,956,816
	REVISED UNALLOCATED TOTAL	\$ 47,172,314

Budget and Finance Committee Appropriation Recommendations

Revise the Street Reconstruction/Vision Zero line items in the following Schedules to include funding only for Street Reconstruction.

Schedule 5 Special Gas Tax Improvement Fund	Street Reconstruction	\$ 12,000,000
Schedule 52 Measure M Local Return Fund	Street Reconstruction	\$ 12,000,000
	Subtotal	\$ 24,000,000
Add a new line item in each of the following Schedules entitled "Unallocated" that will replace the appropriations identified in the Proposed Budget with a footnote that funds are not to be spent until policy direction for the Vision Zero Initiative and other transportation programs is provided by the Council.		
Schedule 5 Special Gas Tax Improvement Fund		\$ 12,064,071
Schedule 49 Measure R Traffic Relief and Rail Expansion Fund		\$ 2,500,513
Schedule 52 Measure M Local Return		\$ 8,112,730
Schedule 26 Proposition A Local Transit Assistance Fund		\$ 495,000
	Subtotal	\$ 23,172,314
	TOTAL	\$ 47,172,314

Instruct the Department of Transportation to report on the resources necessary to maintain the current 7-10 day turnaround for striping workload associated with a new street reconstruction program.

Instruct the Bureau of Street Services to report on the resources necessary to clean, maintain, and repair bike lanes.

2017-18 Proposed Budget New/Expanded Programs

Purpose: To reduce new and/or expanded program funding to six months to generate savings for other priority program.

Department	Blue Book Number	Description	Blue Book Amount	Savings	Related Costs	Total
Finance	18	Customer Support	334,033	156,880	45,056	201,936
	8	Payment Card Industry Operations Support	29,660	24,386	7,004	31,390
Fire	48	Emergency Response Systems Enhancement	252,893	84,298	24,210	108,508
General Services	29	Payment Services Group	154,310	77,155	22,159	99,314
	31	Procurement Reform Services	127,086	42,362	12,166	54,528
Public Works Board	20	Petroleum Administration	301,089	70,959	20,379	91,338
Public Works - Engineering	32	Pavement Preservation Survey Support	204,422	67,459	19,374	86,833
Public Works - Sanitation	49	Trash Receptacle Program Expansion	1,388,223	248,328	66,999	315,327
	50	Clean Streets Los Angeles - Fifth Team	1,298,570	172,027	48,133	220,160
	51	Fifth HOPE Team	528,981	72,457	19,549	92,006
	52	Sixth HOPE Team	1,087,869	322,457	19,549	342,006
Transportation	22	One Stop Metro Development Support	90,814	30,271	8,694	38,965
			\$ 5,797,950	\$ 1,369,039	\$ 313,272	\$ 1,682,311

Exhibit H – Implementing Instructions and Ordinance Changes

- H1. Authorize the issuance of an amount not-to-exceed \$1.5 billion in Tax and Revenue Anticipation Notes to address short-term cash flow needs and to make the full annual contribution payments to the Los Angeles City Employees' Retirement System Fund and to the Los Angeles Fire and Police Pension Fund.
- H2. Authorize the Controller and the General Services Department 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.
- H3. Authorize the Controller to appropriate and transfer funds pursuant to the terms of any approved Memoranda of Understanding between the Department of Transportation and the General Services Department for the maintenance and operating 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, 2017.
- H4. Request the City Attorney, with the assistance of City Planning, to prepare and present an ordinance establishing the policy for revenue generated by digital billboards to be deposited into the General Fund.
- H5. Request the City Attorney, with the assistance of the Economic and Workforce Development Department (EWDD), to prepare and present an ordinance amending the Los Angeles Municipal Code Chapter II, Article 1.17 (Enterprise Zone Hiring Tax Credit Voucher Application Fees) to allow for EWDD to expend the balance of collected Enterprise Zone Tax Credit (EZTC) Voucher fees for economic development activities.
- H6. Request the City Attorney to prepare and present an ordinance amending the Los Angeles Administrative Code Section 5.142, Creation of Store Revolving Fund, to release existing surpluses and encumbrances remaining within the account in the amount of \$4.29 million in 2017-18, and authorize the Controller to transfer the like amount to the General Fund as 2017-18 revenue. This provision shall sunset at the conclusion of Fiscal Year 2017-18.
- H7. Request the City Attorney, with the assistance of the City Administrative Officer, to prepare and present an ordinance to establish the Measure M (Transportation) Local Return Fund, for the receipt and expenditure of Measure M (Transportation) Local Return monies.

- H8. Request the City Attorney to prepare and present an ordinance amending the Los Angeles Administrative Code Section 23.144 and any other relevant sections to establish the Office of Public Accountability (OPA) as a separate and independent City department and provide that the administrative support needs of the OPA will be performed by the City Clerk instead of the Office of the City Administrative Officer (CAO).
- H9. Request the City Attorney, with assistance from the Bureaus of Sanitation and Street Services, to prepare and present ordinances to amend the Los Angeles Municipal Code and the Los Angeles Administrative Code to increase illegal dumping fines and enable residents to better report illegal dumping activities to allow the City to recover its costs for enforcing illegal dumping activities and remediating illegal dumping violations.
- H10. Request the City Attorney to prepare and present an ordinance to eliminate Section 5.523 of the Los Angeles Administrative Code and allow for a transfer of the cash assets in the Bus Bench Advertising Program Revenue Fund No. 43S, as well as any new revenue generated through the Martin Outdoor Media contract, to the General Fund.
- H11. Request the City Attorney to expeditiously prepare and present an ordinance providing the Board of Recreation and Parks Commissioners with authority to keep restrooms of the Board's choosing at Venice Beach open 24 hours per day all year long.
- H12. Request the City Attorney to prepare and present an ordinance to amend Los Angeles Administrative Code Section 10.2 to change the first paragraph language to increase the amount for contracts required to be in writing from \$1,000 to \$5,000 and to add the following exception for contracts which require City Attorney approval: (4) Contracts for the payment of membership dues budgeted in the General City Purposes Section of the Budget; and for the payment of subscriptions for media such as newspapers, professional journals, on-line information and research services."
- H13. Request the City Attorney to prepare and present an ordinance to increase the Zoo admission fee by \$1 effective July 1, 2017 and to instruct the Zoo Department to take necessary steps for the Greater Los Angeles Zoo Association (GLAZA) to increase membership fees commensurate with existing discounts and incentives.

Animal Services

- R 1. Instruct the Department of Animal Services to report to the Personnel and Animal Welfare Committee on opportunities to use technology to promote animal adoption.
- R 2. Instruct the Department of Animal Services, with the assistance of the City Attorney, to report to the Personnel and Animal Welfare Committee on how the Administrative Citation Enforcement Program has worked to generate revenue.
- R 3. Instruct the Department of Animal Services to report to the Personnel and Animal Welfare Committee regarding what measures are taken to ensure pet licenses are renewed. The report should include whether the Department can place pet owners that have failed to renew pet licenses on lists for improved enforcement, including the Administrative Citation Enforcement program.
- R 4. Instruct the Department of Animal Services to report to the Personnel and Animal Welfare Committee on how the no-kill policy has reduced the amount of City resources spent on the Employee Assistance Program for employees who have to euthanize animals.
- R 5. Instruct the Department of Animal Services to report to the Personnel and Animal Welfare Committee on the increased resources required to provide enforcement and maintain the no-kill policy. The report should include what percent of the City's General Fund budget this represents as well as a cost-benefit analysis on how increased funding for this purpose would lower long-term costs of animal care and control.

Building and Safety

- R 6. Instruct the Department of Building and Safety to report to the Planning and Land Use Management Committee with a timeline for the completion of the BuildLA system. The report should include project milestones and additional resources required.

City Administrative Officer

- R 7. Instruct the City Administrative Officer to report to the Innovation, Grants, Technology, Commerce and Trade Committee and the Budget and Finance Committee with recommendations for a policy that addresses a minimum annual investment in digital infrastructure.
- R 8. Instruct the City Administrative Officer to report to the Budget and Finance Committee regarding whether Transient Occupancy Tax revenues are later reconciled with actual revenues and whether the Department of Cultural Affairs receives the difference.

City Administrative Officer (continued)

- R 9. Instruct the City Administrative Officer, with assistance from the Information Technology Agency and the City Attorney, to report to the Innovation, Grants, Technology, Commerce and Trade Committee on the proposed Bring Your Own Device policy and how this compares to the Mobile Worker policy with regard to the Voice over Internet Protocol (VoIP). The report should include an analysis of potential data security or liability issues the proposed Bring Your Own Device policy could have.
- R 10. Instruct the City Administrative Officer to report to the Budget and Finance Committee with a comparative analysis of the variance in the annualized increase in retiree health care for LACERS, Fire and Police Pension Plan, Department of Water and Power and existing active employees over the past ten years. The report should discuss the practices implemented by each system to determine best practices and lessons learned.
- R 11. Instruct the City Administrative Officer to report to the Budget and Finance Committee on best practices implemented by pension funds in other jurisdictions regarding the reduction of costs and maximizing return on investment to determine which practices are being used by the City's systems.
- R 12. Instruct the City Administrative Officer to report to the Public Works and Gang Reduction Committee on the continued implementation of the PACE program (see CF 14-1082-S1).
- R 13. Instruct the City Administrative Officer, with assistance from the Department of Water and Power and the City Attorney, to report to the Energy and Environment Committee on whether the Department of Recreation and Parks can receive a large-user discount, thereby reducing water and electricity costs.
- R 14. Instruct the City Administrative Officer to report to the Budget and Finance Committee on the history of chargebacks to City departments, including the Department of Recreation and Parks. The report should indicate how significantly the chargebacks have grown over time, what impact they have had on services provided by Departments, and whether the policy of chargebacks is mandated or is a policy decision to be made by the Council.
- R 15. Instruct the City Administrative Officer to report to the Budget and Finance Committee on the timeline for implementation of the Revenue Commission.
- R 16. Instruct the City Administrative Officer to report to the Transportation Committee on the anticipated amount of local return from the new Gas Tax (SB1) for 2018-19 and beyond. The report should include whether a percentage can be allocated for Vision Zero.
- R 17. Instruct the City Administrative Officer to report to the Transportation Committee on the availability of Measure M funding in the current year for projects related to California State University – Northridge (CSUN), including the operation of DASH service aligned with student schedules and the relocation of the Northridge Station to Reseda Boulevard.

City Administrative Officer (continued)

- R 18. Instruct the City Administrative Officer to report to the Homelessness and Poverty Committee on plans to release another list of properties for storage and/or housing, the status of the Request for Proposals, and whether there is a comprehensive list of properties citywide.

City Attorney

- R 19. Request the City Attorney to report to the Budget and Finance Committee on how the 26 attorney positions spread over five enforcement programs (Administrative Citation Enforcement, Measure D, Proposition 47, Neighborhood Prosecutor and Nuisance Abatement) are coordinated within the City Attorney's Office.

City Clerk

- R 20. Instruct the City Clerk, with the assistance of the Chief Legislative Analyst, to report to the Rules, Elections, Intergovernmental Relations and Neighborhoods Committee on the online voting system and how it compares to other cities. The report should include a discussion of best practices.

Convention and Tourism Development

- R 21. Instruct the Convention and Tourism Development Department to report to the Economic Development Committee on establishing a guiding policy for the LACC Private Operator Reserve Account within the Convention Center Revenue Fund. The report should include a discussion of how this account is funded and for what purposes it will be used.

Cultural Affairs

- R 22. Instruct the Department of Cultural Affairs to report to the Arts, Parks and River Committee on the amount of Arts Development Fee monies that have been refunded to contractors. The report should address whether the Department is working actively with Council Offices to ensure the funds are spent on time and should include actual expenditures over the past two years.
- R 23. Instruct the Department of Cultural Affairs to report to the Arts, Parks and River Committee and the Budget and Finance Committee on opportunities to earmark additional funds for the Arts and Cultural Facilities and Services Fund from the Airbnb portion of Transient Occupancy Tax for services in underserved communities. The report should include the criteria for defining an underserved community.
- R 24. Instruct the Department of Cultural Affairs to report to the Arts, Parks and River Committee on a potential revenue source for two resolution authority positions that currently do not have funding.

Disability

- R 25. Instruct the Department on Disability to report to the Budget and Finance Committee on the steps that can be taken locally to mitigate misuse of disabled parking spaces and placards. The report should include whether there are sufficient disabled spaces and what penalties can be applied to those that misuse placards.
- R 26. Instruct the Department on Disability to report to the Homelessness and Poverty Committee on potential funding sources available, including Measure H, to fund the AIDS Coordinator Program contracts in consideration of potential federal cuts.

Economic and Workforce Development

- R 27. Instruct the Economic and Workforce Development Department to report to the Economic Development Committee on the metrics used for economic development programs and the jobs created through the adult and youth workforce development programs.
- R 28. Instruct the Economic and Workforce Development Department to report to the Economic Development Committee on the Department's ability to use the Assistant Chief Grants Administrator position in the Citywide Economic Development Team to leverage grants.
- R 29. Instruct the Economic and Workforce Development Department to report to the Economic Development Committee on the status of 10 properties that were transferred to the City after the Community Redevelopment Agency was eliminated. The report should include the status of the excess bond proceeds and the CRA Option Properties, and whether additional resources are necessary for the City to effectively leverage this program.
- R 30. Instruct the Economic and Workforce Development Department to report to the Economic Development Committee on how many youth will be served in fiscal year 2017-18, by Council District, through the Youth Employment Program funded in the General City Purposes Budget.

Finance

- R 31. Instruct the Office of Finance, with the assistance of the Los Angeles Police Department and the City Attorney, to report to the Public Safety Committee and the Budget and Finance Committee on security updates and enhancements needed to secure cash operations.

Fire

- R 32. Instruct the Fire Department to report to the Public Safety Committee on full restoration of fire service. The report should include a priority listing of restorations and a plan to accomplish this.

Fire (continued)

- R. 33. Instruct the Fire Department and the Personnel Department to report to the Public Safety Committee and the Personnel and Animal Welfare Committee on the responsibilities of the proposed Position Control Officer, whether it should be a civilian or sworn position, and report on a regular basis with a metric for the Return to Work Unit and the Position Control Officer to further ensure that returns to work from maternity leave for firefighters is adequately addressed.

Housing and Community Investment

- R 34. Instruct the Housing and Community Investment Department to report to the Housing Committee on the service impacts and options available if federal funding is eliminated.
- R 35. Instruct the Housing and Community Investment Department to report to the Housing Committee on the options available to develop housing for human trafficking victims. The report should include a discussion of Measure HHH, Affordable Housing Trust Funds, and other available funds.
- R 36. Instruct the Housing and Community Investment Department to report to the Housing Committee on the Department's ability to track and enforce affordability covenants for conduit financed projects.
- R 37. Instruct the Housing and Community Investment Department to report to the Housing Committee on how to address the funding needs of Domestic Violence organizations.
- R 38. Instruct the Housing and Community Investment Department to report to the Housing Committee on the timeframe required for approval of cargo container or similar modular housing projects.

Los Angeles Homeless Services Agency

- R 39. Instruct the Los Angeles Homeless Services Agency (LAHSA) to report to the Homelessness and Poverty Committee on the process to distribute travel vouchers to homeless individuals to be connected to a legitimate housing opportunity. The report should include how the process can be expedited.

Mayor

- R 40. Request the Mayor to report to the Public Works and Gang Reduction Committee with historical data and metrics for the Gang Reduction and Youth Development (GRYD) Program.

Neighborhood Empowerment

- R 41. Instruct the Department of Neighborhood Empowerment, with assistance from the City Administrative Officer, to report to the Rules, Elections, Intergovernmental Relations and Neighborhoods Committee on the cost to appropriately provide translation services to Neighborhood Councils that require them. The report should include the feasibility of funding this from the Neighborhood Empowerment Fund.

Personnel

- R 42. Instruct the Personnel Department to report to the Public Safety Committee with a historical analysis of how long the Police and Fire hiring process takes. The report should discuss how the Department prioritizes sworn candidates for hiring and a discussion of lateral hires from other agencies and Reserve Officers.
- R 43. Instruct the Personnel Department to report to the Personnel and Animal Welfare Committee regarding how the number of workers' compensation claims and injury on duty hours compare to other cities.
- R 44. Instruct the Personnel Department to report to the Personnel and Animal Welfare Committee with metrics for the Police Sworn Alternative Dispute Resolution Program, including how many sworn are being diverted from Workers' Compensation and how many sworn are back to work after being on Workers' Compensation.
- R 45. Instruct the Personnel Department to report to the Personnel and Animal Welfare Committee with specific implementation, benchmarks and hiring goals for the Targeted Local Hiring and Strategic Workforce Development Task Force.
- R 46. Instruct the Personnel Department and the City Administrative Officer to report to the Personnel and Animal Welfare Committee with recommendations on the conversion of as needed positions to regular positions.
- R 47. Instruct the Personnel Department and the City Administrative Officer to report to the Personnel and Animal Welfare Committee on how to make departmental vacancy information more transparent and readily available.

Planning

- R 48. Instruct the City Planning Department to report to the Planning and Land Use Management Committee with the increased Citywide interest in planning matters. The report should include whether there are plans to create and formalize community and Neighborhood Council training as a function of the outreach team, and whether the outreach team is adequately funded.

Planning (continued)

- R 49. Instruct the City Planning Department to report to the Planning and Land Use Management Committee on hiring a biologist to provide advice on the Ridgeline Ordinance and biodiversity efforts, including wildlife corridors.

Police

- R 50. Instruct the Police Department, with the assistance of the City Administrative Officer, to report to the Public Safety Committee on the Police Service Representative (PSR) staffing requirements necessary to comply with the October 2017 Text-to-911 state mandated implementation timeline. The report should include trend lines on call response times and the resources required to bring the response times down to the baseline. The report should also include the civilian hiring needs for detention, security and property officers.
- R 51. Instruct the Police Department to report to the Public Safety Committee on the cost and potential funding options to train vice officers and eventually all officers on a victim-centered approach to their response to human trafficking situations.
- R 52. Instruct the Police Department, with the assistance of the Information Technology Agency, to report to the Public Safety Committee with an analysis of the Department's computer replacement needs and recommendations regarding development of an immediate and long-term plan for modernizing the Department's computers.
- R 53. Instruct the Police Department to report to the Public Safety Committee with a latent fingerprint metric, including a goal of the number of prints per division that would be effective to solve less-than-violent crimes.

Public Accountability

- R 54. Instruct the Office of Public Accountability to report to the Energy and Environment Committee on the Office's annual budget for the prior five years and how it compares to the Charter-mandated Department of Water and Power sales of water and power.

Public Works, Board

- R 55. Instruct the Board of Public Works to report to the Budget and Finance Committee on citywide graffiti abatement, including all budgeted funds for this purpose.

Public Works, Engineering

- R 56. Instruct the Bureau of Engineering to report to the Budget and Finance Committee on the current status of spending related to the Sidewalk Program, including the work done surrounding City facilities. The report should include a cost comparison between using City crews and contractors for sidewalk work.

Public Works, Engineering (continued)

- R 57. Instruct the Bureau of Engineering to report to the Transportation Committee on the overlap between High Injury Network (HIN) streets and “D” and “F” streets, by Council District.

Public Works, Sanitation

- R 58. Instruct the Bureau of Sanitation, with the Los Angeles Homeless Services Authority (LAHSA) and the Police Department to report to the Homelessness and Poverty Committee on metrics to measure the success of HOPE teams. The report should include the Bureau of Sanitation’s data on tonnage removed and businesses impacted and assisted; LAHSA’s data on individuals referred to services or added to the Coordinate Entry System; and, the Police Department’s data on the number of arrests made. Other relevant data should also be included.
- R 59. Instruct the Bureau of Sanitation to report to the Energy and Environment Committee on the remediation of the San Fernando Valley groundwater aquifer utilizing treatments, as noted in CF 14-0338-S1.
- R 60. Instruct the Bureau of Sanitation, with the City Attorney, to report to the Energy and Environment Committee and the Budget and Finance Committee on efforts that can be made to improve personnel and potential safety issues at the Hyperion Treatment Plant.

Public Works, Street Lighting

- R 61. Instruct the Bureau of Street Lighting to report to the Public Works and Gang Reduction Committee on the location of street lights with remote monitoring systems.
- R 62. Instruct the Bureau of Street Lighting to report to the Innovation, Grants, Technology, Commerce and Trade Committee on the build out of a small cell network in streetlights, including options to increase coverage in disadvantaged areas or areas where the free market is not providing coverage and high-speed service.

Public Works, Street Services

- R 63. Instruct the Bureau of Street Services to report to the Public Works and Gang Reduction Committee and the Personnel and Animal Welfare Committee on the Bureau’s participation in the Targeted Local Hire Program. The report should include the positions that have been designated and hired through this program and what other opportunities are available to expand the use of this program.
- R 64. Instruct the Bureau of Street Services to report to the Transportation Committee on relaxed street sweeping parking enforcement in school zones during drop-off (see also CF 14-0367).

Recreation and Parks

- R 65. Instruct the Department of Recreation and Parks to report to the Arts, Parks and River Committee on the Summer Night Lights Program and how it has incorporated identification of human trafficking victims into its training program.
- R 66. Instruct the Department of Recreation and Parks to report to the Arts, Parks and River Committee on the use of energy efficient variable speed pumps at Recreation and Parks pools.
- R 67. Instruct the Department of Recreation and Parks to report to the Rules, Elections, Intergovernmental Relations and Neighborhoods Committee on a possible ballot measure to create a lower rate or a separate tier for Recreation and Parks for water and electricity costs.
- R 68. Instruct the Department of Recreation and Parks to report to the Arts, Parks and River Committee regarding on the status of the Woodland Hills Recreation Center.
- R 69. Instruct the Department of Recreation and Parks to report to the Arts, Parks and River Committee on options for using grey water and/or recaptured stormwater at Recreation and Parks facilities.
- R 70. Instruct the Department of Recreation and Parks, with the assistance of the General Services Department, to report on the plan for regular maintenance of drought-tolerant landscaping at City facilities.

Transportation

- R 71. Instruct the Department of Transportation to report to the Transportation Committee on the timeframe to complete the review of Metro traffic plans and non-Metro plans. The report should include recommendations for streamlining the processes and the resources necessary to reduce turnaround time.
- R 72. Instruct the Department of Transportation to report to the Transportation Committee regarding the High Injury Network (HIN) and what percentage of deaths are related to a lack of radar enforcement. The report should include what it will take to post correct traffic signs on 100 percent of HIN streets so traffic officers can give citations and save lives.
- R 73. Instruct the Department of Transportation to report to the Transportation Committee on a plan for coordination between the Department of Transportation and the Bureau of Street Services for Vision Zero and street reconstruction work in the High Injury Network (HIN).

Transportation (continued)

- R 74. Instruct the Department of Transportation, with the assistance of the Bureau of Street Services and the Bureau of Engineering to report to the Innovation, Grants, Technology, Commerce and Trade Committee on improvements to the grant process to ensure that the City receives as much as possible from various funding sources. The report should include whether the Department has the resources necessary to capture and spend available grant funds, information on when prior grants were awarded, original budget and scheduled/projected completion date, final cost and completion date, any extensions received from funding entities and whether any funds were returned. The report should also include transportation grants administered by the Bureau of Street Services and the Bureau of Engineering.
- R 75. Instruct the Department of Transportation to report to the Transportation Committee on how the City's bikeshare program compares to those in other cities with regard to performance and plans for improvement.

Zoo Department

- R 76. Instruct the Zoo Department to report to the Arts, Parks and River Committee on whether there is a Joint Labor/Management Committee to address succession planning issues at the Zoo. The report should include a feasibility analysis of creating a Joint Labor/Management Committee.

Budget Memos

- R 77. Refer Budget Memo 31 to the Energy and Environment Committee and instruct the City Administrative Officer and the Bureau of Sanitation to report on the creation of a Construction Services Team within the Bureau, including how the team would be structured. The report should include funding options.
- R 78. Instruct the Police Department to separately account for and provide monthly status reports to the Public Safety Committee regarding operational overtime and overtime tracking related to the contract with the Metropolitan Transit Authority. In addition, the Police Department is instructed to report on progress made in the redeployment of sworn officers and the method of reporting for detention officers and other civilian classifications that redeploy sworn officers.
- R 79. Instruct the Bureau of Street Maintenance to report to the Budget and Finance Committee regarding whether the Bureau has adequate resources to take advantage of transportation grant opportunities, including Active Transportation, Cap and Trade and Measure M.

Budget Memos (continued)

- R 80. Refer Budget Memo 66 to the Arts, Parks and River Committee, the Energy and Environment Committee and the Budget and Finance Committee, and instruct the City Administrative Officer, the Department of Water and Power, the Department of General Services, the Department of Recreation and Parks, and other departments, as necessary, to report on a chargeback policy or other policy options to reduce the impact on Department of Recreation and Parks operations. Other policy options should include the feasibility of a parcel tax to support Recreation and Parks programs.

Exhibit H Reports

- R 81. Instruct the Fire Department, with the assistance of the City Administrative Officer and the City Attorney as necessary, to develop an agreement with the Port of Los Angeles for the reimbursement of haul-out, repair and maintenance costs for the City's fire boats.
- R 82. Instruct the City Administrative Officer to work with the Police, Fire and General Services Departments, and the proposed Chief Procurement Officer, to develop a comprehensive long-range plan on fleet replacement (including helicopters), maintenance and repairs which will maximize savings to the City and improve services. The plan should include, but not be limited to: funding options (own vs. lease); sharing of best practices across City departments, the County of Los Angeles and private sector and, additional salvage options.
- R 83. Instruct the Bureau of Sanitation and the City Administrative Officer, and request the City Attorney, to conduct a comprehensive review of the costs related to the Clean Streets Program and to report by June 30, 2017 with recommendations on an appropriate strategy for the allocation of funds that will maximize the use of special funds for 2017-18 and beyond. The report should include whether a Proposition 218 notice is required to support a recommendation on the use of special funds, and the necessary steps to initiate such a notice.

Added by the Budget and Finance Committee

- R 84. Instruct the City Administrative Officer, the Chief Legislative Analyst and the Department of Transportation to report to the Budget and Finance Committee with five-year plans for Proposition A, Proposition C, Measure R, Measure M, SB 1 and the Special Parking Revenue Fund (SPRF) that would eliminate any transportation special fund subsidy to the pavement preservation/reconstruction programs and the SPRF transfer to the General Fund.
- R 85. Request the Los Angeles Homeless Services Agency (LAHSA) to re-issue a Request for Proposals (RFP) for the management and operation of Safe Parking Program modeled after the framework of the program in the City of Santa Barbara.

Added by the Budget and Finance Committee (continued)

- R 86. Instruct the Department of Neighborhood Empowerment and the City Clerk to report to the Rules, Elections, Intergovernmental Relations and Neighborhoods Committee with recommendations on postponing Neighborhood Council elections from 2018 to 2019, and in odd-numbered years thereafter, in order to realign with the City Clerk's administration of Municipal Elections which will be conducted during even-numbered years.
- R 87. Instruct the Department of Neighborhood Empowerment and the City Clerk, to report to the Rules, Elections, Intergovernmental Relations and Neighborhoods Committee and the Budget and Finance Committee with recommendations consistent with those requested by Motion (Krekorian-Huizar, CF15-1022-S2), including the budgetary impacts of the proposed Neighborhood Council online voting platform.
- R 88. Instruct the City Administrative Officer to report to the Budget and Finance Committee with recommendations to identify funds for additional cybersecurity protection (\$400K) for the Information Technology Agency, including possible use of Urban Areas Security Initiative (UASI) or other available grant funds.