

R Stands for Revenue **with which to grow a City**

As with the White Paper, the Budget Advocates have concerns and suggestions about the City's revenue streams.

While property values have continued to escalate, history tells us that they will also fall. As will employment and the discretionary income that feeds into the City's sales tax.

It's been well over four years since the Mayor released his FY 2015-16 Budget Policy and Goal calling for a second year of Performance-based budgeting to achieve five outcomes, notably among them, making Los Angeles the best run big city in America and creating a more livable and sustainable city. And the same outcomes formed the foundation of the 2019 State of the City speech.

Mayor Garcetti issued a clarion call to pursue the unreachable and keep breaking records. To achieve this and his priority outcomes from yesteryear, The City MUST restore fiscal balance which flourishes with accountability and transparency and a thriving economy. And the City must effectively provide the services stakeholders – both residential and business – need.

Yet services continue to fall significantly short of expectations, the economy teeters, and the budget shortfall, rather than being eliminated, continues to grow.

And the Budget Advocates keep recommending more money be spent in many if not most departments.

There are two ways to remove the budget shortfall: by generating or increasing income or by making the provision of services more efficient.

Some of the latter will include hard choices that will be fought every step of the way by the City's backbone, its employees. And the former could be too easily addressed by raising taxes, fees and fines but that will put even more of a burden on working-class Angelenos.

We call on the City, the Mayor and City Council, to form an ad-hoc committee consisting of people representing the following knowledge-bases: labor relations, social justice, applied economics, business owners, electeds, homelessness, employee relations; but, at the same time, keep it small enough to make recommendations by this summer on what aspects to address in greater detail.

We have to find productive and affirming ways to find more income for the City. We need win-win ideas.

The City's biggest expenses by far, and exponentially growing, are salaries, benefits, pensions and workers' comp; intelligent attrition (not what happened after 2008) can rein these in BUT it will be fought tooth and nail not so much by the workers themselves but by the union infrastructure which is supposed to help employees but has become a parasitical organism advocating to sustain themselves as much, if not more, than those they represent.

Some options to consider, in no particular order, are:

1. leasing City-owned properties AT market value or use them for the transition housing we need NOW, not four years in the future
2. inventorying and managing City assets in an accountable and transparent manner (no more dollar-a-year leases)
3. investing in / converting properties to uses that will benefit City stakeholders
4. ONLY selling properties for specific purposes (i.e. to private-public partnerships that will benefit all stakeholders) since real estate is an excellent investment over the long term

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5. charging back all or part of liability payouts to departments and requiring they submit documentation showing how they will cover so it does not affect services to stakeholders
6. instituting a non-resident tax on empty properties held by people with three or more properties anywhere in the world (to avoid penalizing people transferred for work or retirees) [NYC is pushing a pied-à-terre tax which would be an annual charge on any apartment or house in the city over \$5 million that serves only as a secondary residence for the owner; latest iteration of the bill reintroduced after a Central Park condo sold for \$238M calls for a graduated tax that ranges, for example, from a few thousand dollars on a home worth \$5.5 million to an annual tax bill of \$370,000 on a home of \$25 million)
7. collecting cannabis taxes that the City is owed
8. enforcing cannabis regulations to effectively close down the black market at all levels therefore increasing taxable operations
9. instituting fees for truck deliveries and semis transiting the City during rush hour
10. enforcing a tax on semis and trucks above a certain weight delivering or transiting residential neighborhoods
11. aggressively pursuing and fining those guilty of illegal dumping
12. expeditiously settling ethics violation fines to reduce the cost of prosecution and free up resources to pursue other miscreants (and fines)
13. expeditiously enforcing fines on companies, especially developers and polluters, that violate the City's codes on construction, noise, water waste, tree destruction, etc.
14. imposing fines on City employees and officials who enable companies to skirt City regulations
15. giving a discount for immediate payment of tickets/fines
16. charging back costs for police use for for-profit events (professional sports, victory parades, Academy award parties, etc.)
17. restricting billboards to City-owned property where they conform to neighborhood ordinance forcing the value up and imposing a fee that goes to the General Fund
18. selling low-key and appropriate advertising on the hold messages for City offices
19. overhauling the Special Funds and closing out those which are dormant or no longer applicable
20. mandating sunset clauses on future Special Funds so that monies in any that have not been actively extended automatically revert to the General Fund
21. re-evaluating how residential and business property and businesses are taxed to ensure all are treated equitably – this will take time but, if done well, should attract more businesses and workers with the skills the City so desperately needs
22. adopting procedures such as currently exist in the Department of Sanitation across other departments as appropriate to identify and mitigate dangerous interactions between the public and their workforce
23. developing and timely funding projects (street repairs, traffic signals, structural renovations, water system upgrades, etc.) that will reduce potential lawsuits against the City
24. embedding someone from the City Attorney's office in departments where lawsuits are prevalent on a temporary or permanent basis as appropriate, to analyze and help institute changes to reduce risks
25. establishing procedures within the LAPD in conjunction with the City Attorney's office to aggressively resolve situations before they escalate into lawsuits

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26. evaluating outsourcing jobs that are not ongoing year-round, and those requiring more highly paid specialized skills only intermittently
27. including the workers, NOT the union bosses, in discussing and determining staffing requirements
28. ensuring the prevailing wage and living wage requirements are applied equitably to City and private sector including requiring that finished materials for City use meet the same standards
29. encourage telecommuting both in and outside City Hall to reduce office demand and reduce rush-hour traffic
30. benchmarking all operations to eradicate inefficiencies and to determine their root causes
31. addressing why the number of active members of LACERS is up over 1,000 employees over a period when the City was to hire 5,000 new workers but in a manner where the total workforce remained the same
32. promoting the development of local recycling plants and marketing them and their products to other jurisdictions
33. encouraging remote working for both City and business employees
34. repairing roads properly the first time instead of patching them again and again and again for unsatisfactory results at a greater aggregate cost and increasing risk to the public
35. combining functions between departments as new technologies allow greater efficiencies
36. ensuring oversight of the DROP program for the Police Department so it is used advisedly and in the best interests of Angelenos
37. eliminating the DROP program for the Fire Department, which isn't having trouble holding on to experienced workers
38. enacting provisions with serious teeth to ensure the City gets back more than it puts into the deal when incentives, whether fiscal such as tax breaks or through other commitments such as infrastructure support, are made by the City to attract businesses
39. taxing products that over-package
40. prioritizing development of incentives to increase recyclable packaging and marketing materials including those to wholesalers and retailers as well as consumers
41. adding / increasing the deposit fee on products that have significant recycling value and require stores selling these goods to refund the full deposit for the City to collect with the City paying the stores per unit amount to cover costs (not to exceed 30% of what the City can realize)
42. heavily taxing oversize soft drinks and tobacco products
43. fining fast food joints whose garbage is non-recyclable and ends up on the street more than others
44. running competitions within the City departments to find ways to reduce costs by improving efficiency
45. setting up a hotline for stakeholders to make suggestions, possibly with drawings for prizes for people who submit ones that are implemented

In discussion, other even better ideas will come up if the committee is kept diverse and open-minded. The Budget Advocates call on the Mayor, the City Council and Departments to move forward on addressing real revenue opportunities immediately and forego for all time the shell games (such as the budgeting of monies which cannot be spent for one reason or another) that have been used in past years to balance the budget.