

November 11, 2017

Early White Paper Recommendations

The Neighborhood Council Budget Advocates are concerned that the Mayor's Budget Policy and Goals for the Fiscal Year 2018-19 directive does not provide details on closing the projected budget gap of \$270 million. This includes increased pension contributions and new labor contracts. While the City is anticipating new sources of revenue, there are no details on the allocation of these funds.

We are also concerned about the somewhat misleading statements in the Mayor's directive about the City's financial health and the status of the Reserve Fund, the proposal to maximize the use of special funds to provide services instead of disclosing their true costs, and the call for no increases in departmental budgets, no matter how important or critical these may be.

The Mayor's Budget and Policy Goals do not address the City's long term financial health. There are no solutions for the City's Structural Deficit; the repair and maintenance of the City's infrastructure, including its streets, parks, and urban forest; and the seriously underfunded pension plans.

The Budget Advocates have the following recommendations.

Do not enter into any new labor contracts that will increase the budget gap.

Greater transparency. This includes monthly open town hall meetings to discuss the City's budget, finances, pension plans, and infrastructure.

The Budget Advocates would like the Mayor's office and City department heads to accept our offer to work with them on reviewing and analyzing the budget and embrace our meaningful participation in committees charged with developing new sources of revenue and recommendations for cost savings.

Develop a ten-year financial plan that addresses the Structural Deficit and the repair of the City's streets and the rest of its infrastructure.

Analyze the City's two underfunded pension plans and develop and implement recommendations to eliminate the unfunded pension liability.

Benchmark the efficiency of City services.

Outsource 50% of the repair and maintenance of our streets and sidewalks and other one-off or short term projects and compare results with City staffed crews.

Develop plans to build reserves equal to 10% of revenues as recommended by the City Administrative Officer. Note that the Government Finance Officers Association recommends a reserve equal to two month's revenue.

Develop and fund a comprehensive emergency preparedness plan for the City and its neighborhoods.

Hire a City Manager or Chief Operating Officer to manage and improve the City's civilian operations and enhance cooperation and efficiencies between departments.

Develop a plan to finance the expansion of the Convention Center, the improvement of the Civic Center, the revitalization of the Los Angeles River, compliance with the Clean Water Act (stormwater), and the modernization of the City's Management Information Systems.

As has been reiterated many times since it was first articulated by the LA 2020 Commission, establish an independent Office of Transparency and Accountability to oversee the City's finances and ensure fiscal responsibility.