

# **Building Trust in City Hall**

## **The Budget Advocates' Approach for Fiscal Year 2016/17**

It starts with neighborhoods: The establishment of the Neighborhood Council system was a transformational first step. Mayor Garcetti talked about building trust in City Hall when he spoke at the Congress of Neighborhoods in September of 2015.

The Budget Advocates echo the concerns of our stakeholders over decreased level of services and their increased cost. Residents are questioning liability exposure and large settlements, inefficient personnel procedures and practices, lack of stakeholder input, failure to incorporate up-to-date technology and system consolidations, as well as the dearth of interdepartmental communication and cooperation. In addition, apprehension continues to increase over failures in the City's infrastructure.

How will we make Los Angeles sustainable, with choices that allow the City and its populace to continue thriving into future generations? How can we make Los Angeles resilient, ensuring the City can survive in an emergency or natural disaster without the need to rely on outside resources, specifically with regards to energy, infrastructure, medical help, water and food?

An enhanced culture of inter-departmental support and collaboration, including labor, would boost services to constituents, reduce jurisdictional confusion, encourage increased joint efforts and the personal alliances needed to increase efficiency and respond more proactively to stakeholder needs. This would also provide the transparency desired by Angelenos to demonstrate that our elected representatives work for us.

This paper focuses on six key topics – infrastructure, homelessness, education, transportation, sustainability/resilience and transparency – that will require departments to work together to achieve the long-term goals necessary to address Angelenos' deeply-held concerns and fears.

### **RECOMMENDATIONS**

**A. Infrastructure & Long-range Planning:** Require a five-year budget as well as ten-year and 30-year projections from each department. The City must develop an 85-year plan on all infrastructure and its maintenance, upgrades, renovations/replacements and operating expenditures, enumerating overall costs and projected timeline requirements. The City should also address the relevant recommendations of the Los Angeles 2020 Commission report and implement those necessary for the City and its budgetary health. And, above all, develop best practice approaches for departments to work together.

**B. Homelessness:** Codify and implement a five-year plan to resolve homelessness in Los Angeles including permanent supportive housing in their current neighborhoods, with a target of mitigating the needs of a significant majority of the City's homeless by 2021 and providing suitable housing for all by 2026.

**C. Education:** Identify needs and implement broad-based training of Angelenos to provide employers with an educated workforce qualified to perform the 21<sup>st</sup> century jobs businesses need to fill today and in coming years.

**D. Transportation:** Re-evaluate the Mobility Plan 2035 to emphasize safety by protecting pedestrians, drivers and bicyclists, and adapting it to the individual neighborhoods' needs and desires.

**E. Sustainability/Resilience:** Continue to embody economic as well as environmental sustainability practices in all departments. Analyze the City's economic outlook for five years and beyond to ensure financial and structural resilience in the event of a natural or man-made disaster.

**F. Transparency:** Increase transparency across City departments to promote public input and involvement so stakeholders can trust the City is spending our money wisely.

## DETAILED EVALUATION

### A. Infrastructure & Long-range Planning

Mayor Garcetti's Budget Policy Letter announced his back-to-the-basics agenda and prioritized developing a long-term financial plan designed to improve services in all our communities. The Budget Advocates applaud his approach and support plans for the City to attain the Mayor's vision of Los Angeles as a World Class City.

This means rehabilitating the City's infrastructure, given the certain knowledge that:

- ❖ the worsening conditions of the City's roads and sidewalks are damaging vehicles, endangering pedestrians and inviting increasing numbers of lawsuits;
- ❖ many of the City's IT systems are outdated, have known security issues, and are often incapable of effectively interfacing between departments and with vendors and residents;
- ❖ the City's water pipes and sewers continue to fail in newsworthy fashion;
- ❖ maintenance of City-owned buildings has been limited in scope putting the City and its employees at risk;
- ❖ the City's financial framework needs modernization; and
- ❖ the City's existing power grid continues to deteriorate due to the City's growth and its ever-increasing electrical demands, causing brownouts and problems with the ramping up of renewable energy requirements, interfaces such as electrical vehicle charging stations and fulfilling regulatory mandates.

The City needs to enumerate the true costs of its failing infrastructure – including the patching, the damage claims, the efficiency reductions, and the escalating costs of labor and materials to replace what is moribund. And, most importantly, the true costs of deferring each such upgrade into the future.

Furthermore, given that much of our infrastructure is at significant risk in the event of a major earthquake or climate-related catastrophe or man-made disaster, the Budget Advocates suggest each department develop a five-year budget as well as ten-year and 30-year projections, demonstrating sustainability at all levels and including all maintenance and upgrades, building towards 100% resilience.

Each General Manager and finance manager must look further into the future, to generate a transparent budget with everything they will need to meet or exceed metrics for their department, now and in coming decades, based on the most cost-effective approach for at least a 30-year horizon. These budgets must reflect realistic projections so the differences between an arbitrary number based on the previous year's budget and the real costs can be seen and addressed. The City can no longer accept year-to-year budget numbers manipulated by putting off needed maintenance and essential upgrades or playing games with line items.

To achieve this, we strongly recommend the City provide all managers and all those responsible for budgeting with in-depth training on what constitutes performance-based budgeting and on how to work together with their counterparts to apply it so that each year's budget is perceived as a subset of the long-term view and includes provisions for accountability for all City systems, most importantly the infrastructure upon which our residents and businesses depend.

Moreover, the City must provide managers with the financial resources necessary to achieve targeted goals on an annual basis. General Managers and department heads should be held personally accountable for failures to meet financial metrics to the same degree as their counterparts in the private sector.

The Porter Ranch disaster highlights the results of a lack of oversight and the resultant avoidance of spending on infrastructure. Inspection of City streets and sidewalks, bridges, IT, water systems, energy grid and even its buildings, is infrequent and often so inadequate that there is premature failure. Not only does this require

unexpected expenditures, often exceeding by many times the cost had the original repairs or maintenance been completed, but it also inconveniences and puts financial burdens on the City and its businesses and residents. Repeated failure by the City leads to increasing mistrust of City Hall by existing businesses and potential investors, by residents, and by a demoralized workforce.

Therefore, the Budget Advocates highly recommend requiring an 85-year plan for all infrastructure and its operation, maintenance and upgrades. These plans should include detailed timelines, analysis and comparison of projected costs for maintenance against renovations and replacements, clearly show how each year's budget impacts these line items, and budget accordingly. This would mean yearly allocations to cover capital costs that would be banked until needed, not spent elsewhere or returned to the General Fund.

If individual departments are not progressing on their infrastructure plans with a clear vision for the future, if they are not conforming to the changing needs of the City, if they are not achieving desired results during the budget cycle despite adequate resources and training, their management structure and its links to other departments should be reviewed and modified to generate more efficacious outcomes.

Additionally, it is increasingly urgent to ascertain how costs directly and indirectly attributable to climate change. Some of the issues that need to be addressed include accelerated health and infrastructure consequences of greenhouse gas emissions leading to increased future expenses, losses related to not being in the vanguard of innovation and the resultant inability to capitalize on the benefits of first mover. Although initially these new initiatives could increase department budgets, continuing now to develop innovative solutions in conjunction with sustainability initiatives and strategies that are necessary to take advantage of opportunities ranging from encouraging green enterprises to locate in the City, to attracting federal and state subsidies, to reducing climate change impact on infrastructure and our residents can substantially save money in the future while improving quality of life for generations.

Efforts across the world are essential to reduce emissions but unilateral steps at the city level will put Los Angeles in the forefront of positive action and in a position to reap the financial, technological and economic benefits of being on the front of the curve.

The City's Information Technology Agency is in dire need of modernization of its software and hardware. Cross-department systems need to be integrated and a long-term plan put in place and funded every year to adequately serve the City, its departments and stakeholders. High-speed internet is necessary for education and business and should be provided free as a public service, contributing to the common good of City residents and stakeholders. This has been done in other jurisdictions, but is being opposed by those ISPs currently serving our City that charge among the highest prices in the world while delivering some of the slowest speeds. Here is an opportunity for Los Angeles to stand up for its stakeholders and move ahead of its competitors.

The Budget Advocates again recommend making the position of Inspector General permanent and hiring someone with the authority, ability and vision that Fernando Campos brought to the job. The Inspector General can work with all Departments and Bureaus for additional ways to upgrade City payroll performance, centralize payment processing, reduce costs across the departments, and increase income. This would include addressing, if deemed appropriate for Los Angeles, the most efficient manner to merge asset management and collections under one department and improve tracking such as is done in Chicago, Scottsdale, and the City of Portland.

This should also include developing a searchable list of City properties that could be used for emergency homeless shelters, Neighborhood Council meetings and other stakeholder-beneficial events. And, most importantly, provide increased transparency of the processes under which the proprietary departments (Water and Power, Airports and the Harbor) interact financially with the City.

The City's police and fire departments are understaffed resulting in public safety issues. Oversight, management and deployment of personnel and resources, all need to be revamped to ensure:

- ❖ that all personnel receive enhanced training including how to de-escalate confrontations;
- ❖ better controls are put in place to reduce lawsuits both within and against the department;
- ❖ that, if City funds are used to construct facilities such as jails, adequate funds are allocated to open and operate them;
- ❖ the reduction of a visible presence of a militarized police force with its attendant equipment costs and increasing citizen alienation; and
- ❖ the increase of civilians trained to handle functions not requiring a sworn officer to ensure there are sufficient police officers available on each shift to patrol and respond in a timely manner to protect our City.

As specified in previous White Papers submitted by the Budget Advocates, it is essential for the City to embrace those recommendations in the Los Angeles 2020 Commission report which will help mitigate the City's financial problems including:

- ❖ creating an Office of Transparency and Accountability to oversee City finances;
- ❖ establishing a Commission on Retirement Security to review our current retirement plans, avoid a recurrence of underfunding the plans, and make recommendations for the future;
- ❖ setting up a Utility Rate Commission to protect ratepayers' interests ; and
- ❖ mandating the update of the City's General Plan, Housing Element, and 35 Community Plans every eight years to clarify zoning rules and regulations

Most importantly, the City should continue to encourage the development of best practice approaches for inter-departmental relationships, sharing of staff, skills, assets, etc., reducing costs and enhancing consensus. To accelerate this approach we would recommend organizing a retreat with the GM, AGM or key budgeting person representing each department, and who has the authority to implement changes, to address how to accomplish these goals and meet metrics on an annual basis.

Departments working together will be essential over the next few years with the anticipated attrition of staff conversant with current systems and the ongoing conversion to a superior IT interface necessary to interact with a technologically savvy workforce and population. This would include reallocating and/or sharing resources to satisfy future obligations without cutting services by merging functions spread through multiple departments, and integrating such services to meet stakeholder demands.

A deputy mayor (or AGM under the CAO) should be tasked with the sole responsibility of overseeing all departments. This position, comparable to the Inspector General's position would link issues and policies with department counterparts at the County, State and Federal level as well as with other cities, to share and take advantage of best practice approaches, to integrate policies to maximize benefits and limit cost and duplication, and to streamline funding and grant oversight including obtaining common-sense waivers where appropriate to meet desired expectations at the local level.

## **B. Homelessness**

The City needs to continue shifting its policy on the homeless from policing to proactive assistance. The emphasis should be on getting the homeless off the streets and into permanent supportive housing and then addressing their mental health, addictions, debt and other issues. Grant provisions need to be realistic when setting goals that must be met to qualify for funding. Most of Los Angeles' homeless have multiple problems

including a valid suspicion of City agencies that must be tackled before enough trust is developed to get them off the street.

We must also acknowledge that the issue is probably far graver than currently documented with many thousands of Angelenos living in illegal trailers, couch-surfing and otherwise outside of official counts. Given that costs to eliminate most of the homelessness in our City could easily run over \$2 billion, we recommend developing a ten-year plan on homelessness remediation with a focus on the first five years, drawing from all departments as well as the County, State and Federal agencies with a target of eradicating homelessness by 2026 and actively pursuing the matching funds necessary to cover the real costs to do so, PLUS eliminate agency rivalries to purge duplication of efforts and working at cross purposes.

The City must expedite this by ensuring all efforts are taken in unison with the corresponding agencies to avoid jurisdictional gaps, overlaps and conflicts, to guarantee that monies go to provide services not to duplicate administrative structures and, to end the ‘policing of the problem’ approach. The City must mandate that homeless individuals be addressed in their own milieu, that their interactions with all departments be tracked, and that each be brought into the system with medical and other support so as to mitigate the negative impacts on their communities as well as providing them with housing, support and a future. This will hopefully reduce many of the hidden costs of homelessness currently spread across the budgets of multiple departments from Housing to Sanitation, and from Libraries to the LAPD.

As well as the intangible costs of homelessness – lost wages, the loss of these people’s productive years, their health and our humanity, the financial costs are much higher than generally claimed. These can and should be significantly reduced by avoiding imprisonment for misdemeanors, by providing resources before first responder and emergency room expenses are incurred, and by providing transitional housing and appropriate job training to ensure they can become contributing members of society again.

Solving the pernicious issue of homelessness also means taking on its Siamese twin – affordable housing for all – families and seniors, students and singles. State Treasurer John Chiang has identified the lack of affordable housing in California as the number one threat to our economy and way of life and one of the nation’s largest credit rating agencies cited the high cost of housing as not only a credit weakness, but a major drag on our business climate.

A first step would be to give tenants and homeowners stronger protections by reforming laws written years ago at both the City and State level which currently tilt housing relationships in favor of landlords and developers. Starting with the Ellis Act. The City should seriously consider rezoning industrial and manufacturing areas in Los Angeles that long ago lost their manufacturing base and integrate all needed services in those neighborhoods, not to isolate them but to give everyone – the working poor and middle class as well as those currently on the streets – the opportunity to occupy a safe and secure home.

### **C. Education**

The lack of a viable trained local workforce is increasingly impairing the City’s potential and growth. The lack of a good education, based on a cradle-to-career vision, limits the success of all Angelenos. The lack of available quality schooling is now deterring senior executives in other cities from moving to Los Angeles.

The City’s Economic and Workforce Development Department, which has already identified many of our current concerns, should partner with City officials to spearhead a multi-dimensional plan to accelerate building an educated electorate and a workforce qualified to perform the jobs the City anticipates attracting in the years to come with the immediate goals of rebuilding the City’s infrastructure and modernizing its IT systems, including:

- ❖ reducing traditional barriers to groups suffering from high unemployment or underemployment, including older immigrants, English-language learners, those with disabilities, returning veterans, foster children aged out of the system, at-risk youth associated with gangs, formerly incarcerated individuals, the habitually homeless and other disadvantaged workers;
- ❖ reaching into these communities through the libraries, schools, colleges, prisons, as well as through the EWDD's existing facilities;
- ❖ ensuring access to quality and affordable instruction to enhance job opportunities for people transferring professions, new immigrants, the chronically unemployed, the homeless, and those re-entering society from our prisons;
- ❖ require living wages for all positions;
- ❖ take an active stance opposing the 'gig economy' as practiced by a number of major corporations as well as by Uber and Lyft which works to the financial benefit of companies trying to avoid the responsibility of employees, and insist businesses within the City abide by all state and federal labor laws specifically in regards to the use of independent contractors (i.e. paying taxes on behalf of employee and providing other customary benefits; and
- ❖ require that outsourcing be done only with companies who pay a living wage and follow applicable labor laws.

The City should work with the LAUSD, as well as private and charter schools to ensure free quality pre-university and technical education for all children. This will allow the City to attract dynamic leaders for departments and businesses from across the country and the world. Whether the LAUSD continues as a separate entity, is broken up or moved in part or in full under City jurisdiction, those focusing on attracting new business to Los Angeles need to ensure that the City can offer a dynamic and successful educational system as part of the package.

In addition to training, the City's Personnel Department must develop an intra-departmental process to identify appropriate candidates from the existing pool of City employees for job openings and referred to all hiring managers for consideration. And on a timely basis so they are not lost to other employers.

The City, in partnership with colleges, trade schools, the LAUSD, libraries and community centers, should also provide educational opportunities for basic reading and writing, computer skills, home budgeting, business creation, financial literacy (including understanding loans, mortgages, credit cards, 1099s and the tax requirements and benefit losses of the 'gig economy' approach), citizenship skills and policy discussion groups for residents of all ages.

#### **D. Transportation**

The Mobility Plan 2035 is visionary in scope but unrealistic in application. It needs to be re-engineered to emphasize safety for ALL by protecting pedestrians, drivers and bicyclists, everyone. The City needs to incorporate community member input and adapt it to each neighborhood's needs, including providing the necessary alternate services (i.e. adequate neighborhood parking and public transportation that works) to help transition Los Angeles from a sprawling car-based metropolis to a more eco-friendly greener city.

Imposing other cities' solutions on our neighborhoods while with the best of intentions, is leading to increased pollution, frustration and aggression. The interests and needs of ALL stakeholders need to be addressed and it should be driven by grassroots input at the local level NOT imposed from above in a one-size-fits-all approach.

One approach to seriously consider would be to work with the County and other municipalities of greater Los Angeles to evaluate making public transportation free for all in order to:

- ❖ help shift reliance on private commuting to alternate modes of transportation;
- ❖ relieve travel costs for the poorest Angelenos;
- ❖ green the mentality of our young from an early age;
- ❖ encourage tourists to explore the City; and
- ❖ make Los Angeles the FIRST major city to take this step (in smaller centers, this has increased ridership more than tenfold in a decade and reduced ridership aggression by up to 90%).

Zero-fare transport has already been successfully implemented in smaller cities in this country (Chapel Hill, NC; Commerce, CA; Vero Beach and Coral Gables, FL; Corvallis, OR; Logan, UT, Marion, IN and Mammoth Lakes, CA) and around the world (Maricá, Brazil; Gibraltar; Essonne, France; Hasselt, Belgium; and Tallinn, the capital of Estonia) and would give Los Angeles' youth of tomorrow a way to commute without a need for personal vehicles, revitalize the falling Metro ridership, and build better transportation habits. It would also be a major selling point for the tourist industry.

Use converting the choice of youths from private vehicles to public transit as the lever to justify changing the current funding formula which ties subsidies to how much is collected through the fares to one driven by increasing total ridership. And then use those subsidies to further expand the Metro and bring public transportation in Los Angeles up to the level of excellence we deserve.

Providing a no-cost system would reduce car usage in that people who already have and pay for a car (since the current bus and metro system is not adequate for their needs) would not have to pay extra to use public transportation and would therefore be more likely to use it. It is unfair to provide free services to one faction, be they the elderly, the disabled or students, and not to all Angelenos. Free public transit would also put more money in the pockets of the poor who pay a disproportionate amount in transportation costs.

We fully support the installation of solar panels over parking lots – a suggestion in the report which has been successfully implemented in a number of southwestern cities – but what is not in the Mobility Plan 2035 is the use of solar panels elsewhere, to reduce pollution and the City's dependence on imported fossil fuels including as road surfacing comparable to what is being initiated in France, and as baffles between opposing lanes of traffic along our many miles of freeways which would help reduce accidents by blocking looky-loo slowing and preventing headlights from blinding oncoming drivers.

#### **E. Sustainability/Resilience**

Sustainability and resilience are not about expanding development indefinitely but about improving the quality of life for the City's residents and stakeholders. That means having the ability within the City for economic, food and water, internal transit, health and security in the event of a natural or man-made disaster. The City will need the internal resources to continue functioning for months with sufficient water, food, energy, medicines, communication and local transportation to ensure its stakeholders can survive and flourish in the face of a major earthquake or terrorist attack.

A sniper attack on a San Jose power substation in 2013 took utility workers 27 days to repair, emphasizing the vulnerabilities facing our power grid. The December 2015 terrorism threat at LAUSD highlighted the shortcomings in communications between agencies across the Southland as well as with their regional counterparts. These plus transportation shutdowns, flooding and other damage due to high temperatures, solar flares or increased extreme weather events caused or exacerbated by global warming reveal the fragility of our communications, transportation and infrastructure systems.

This needs to be rectified. Councilmember Paul Koretz has introduced a motion to have the LADWP upgrade its security to protect the grid including putting robust formal processes in place to report physical security gaps and address all of the recommendations identified in a 2001 assessment as well as identifying what residents and businesses can do to protect themselves against the impact of physical attacks, cyber incursions, EMP pulses, equipment failures, and power overloads. Infrastructure protections, including decentralization of power distribution, should be made a primary planning objective in the coming year.

The City must follow through on the Mayor's Executive Directive on Cyber Security to protect the City's assets from hackers.

The City's economic picture should be analyzed in depth to ensure financial resilience including:

- ❖ fostering local businesses and home-grown development within the neighborhoods working through local cooperative ventures to stimulate transformative ownership strategies – employee ownership, community land trusts, cooperative low-income housing – and reduce reliance on imported goods and services;
- ❖ to avoid dependence on imported goods and services;
- ❖ developing and staffing a robust grant overview, possibly by the Finance Department to ensure that the City receives maximum benefit of all available grant monies to enhance the impact of our tax dollars;
- ❖ expanding its own financial infrastructure to increase its strength and protect stakeholders' interests;
- ❖ evaluating the benefits and drawbacks of a public bank for the City, such as has been used successfully in North Dakota for almost 100 years to conserve state funds and to guarantee business development and student loans; and
- ❖ eliminating loopholes through which outside developers and real estate speculators are leveraging sweetheart deals at the expense of local residents and businesses.

The Budget Advocates call on the City to emphasize efficient use of ALL our resources – physical as well as human – to ensure smart upgrades and quality maintenance on a planned and ongoing basis for our infrastructure, and the elimination of waste in all its forms.

#### **F. Transparency**

A significant waste of General Fund monies is the payout of fines and legal fees relating to claims against the City and its employees. We need to limit liability – both at the City Department and Council District level. That means giving the Ethics Commission the funds to educate and the tools to monitor and the teeth to effectively discipline miscreants. No more slaps on the wrist. In short, we need to hold the Commission responsible to the people, not to the City's political interests.

The City must develop appropriate training across all Departments and Bureaus through tough risk management procedures and efficacious training to remove the underlying causes of these lawsuits and provide for enforceable penalties when they are not immediately addressed including the Police Department, for whose malfeasance in connection with the wrongful prosecution of two innocent men, the City recently paid out \$24 million. Fines need to be restructured so they are effective deterrents rather than just a cost of doing business for those who can afford them.

Those in positions of power need to be held especially accountable. Options could include holding the applicable departments responsible for the costs, and holding all in the chain of command personally responsible for the action(s) leading to the claim.

Residents and stakeholders rightfully expect the City to strongly enforce citywide policies to protect the personal identifiable information of all residents and businesses used in transactions including strong encryption and robust security procedures so we don't face the risks suffered by those in the databases of Target, Sony, Anthem and Hyatt, and can feel confident and protected in all online dealings with City departments.

We expect the City to act proactively on health and safety issues. With over 12,000 residents having been displaced due to the Porter Ranch disaster, residents and pets sickened by fumes containing benzene, a carcinogen, and other unidentified 'proprietary' components, the City must take a stronger stand on the safety violations by the oil, gas and other industries, their individual responsibilities for actions taken and not, and the total lack of transparency regarding authorization, implementation, and maintenance of these facilities.

Again and again in meetings and conversations with residents and officials across the City, in connection with rate increases, with the Ratepayers' Advocate, with misuse of funds, with games-playing, the DWP was referenced. To truly improve trust, it will be necessary to reduce its power and make it subservient to City and stakeholder interests.

With regards to the LADWP, it is a public utility and its actions should be at all times in the public interest and open to public scrutiny at all times. An initial step to rebuild trust with stakeholders would be to reform the Department, grant the Ratepayer Advocate more sweeping and independent powers to protect the people and businesses of Los Angeles, and establish an independent Los Angeles Utility Rate Commission oversee and audit the Department and its rates, finances, operations, and management. This needs to be acted on now. Not stuck in committee and not negotiated between special interests behind closed doors.

The LADWP does need funding to upgrade and replace its portion of the City's aging infrastructure. Therefore the increase is justified. But a flat poll tax on each residence is unfair to the poorest members of our society and should be modified into a progressive tax and tied directly to the modernization of our water and power grids. To justify it, the LADWP should provide improved services and remove funding for Governor Brown's Twin Tunnels project, and other political boondoggles that do nothing for our ratepayers). The City should tie monies scheduled to go to the General Fund to specific services for the people, not political payoffs between Councilmembers, and require the LADWP return to its core functions of power and water services, turning over all sidelines (building rentals, start-up developments, etc.) to the appropriate City department along with the related funding.

Through the aegis of performance-based budgeting, with proper training and oversight across all departments, City Council should stop the practice of padding budgets so the department (or the Council) can shift funds between line items without obtaining formal approval. Whenever it is necessary or cost effective to spend at levels above City income for the fiscal year, a proposal should be put to the public to obtain approval to raise such additional funds based on clear, logical planning, with sufficient safeguards and transparency built in so stakeholders can trust the City will follow through and deliver as specified.

No more meetings behind closed doors sliding problems forward so those currently in office are gone when the reckoning comes due.

## **CONCLUSION**

The Budget Advocates are charged with assisting the City to develop a budgetary direction and implementation strategy that will beneficially affect the allocation of resources, which in turn, define the core objectives and aspirations of the City's stakeholders. Part of this is to move City Council beyond business-as-usual politics and allow Los Angeles to become the great city it is meant to be. Part of this, at least this year, is to represent

Neighborhood Council interests by pushing the City to reinforce the three shaky legs of infrastructure, education and affordable housing from the offices of City Hall down to the street level of each and every community.

Mayor Garcetti espoused building trust in City Hall when he spoke at the Congress of Neighborhoods last fall. To achieve this, the actions of all City personnel and departments need to be transparent and above reproach. And our elected leaders must be held to a higher level of accountability than those they represent.

In letters to the City Council, the Departments and the people of Los Angeles over the past year, the Mayor has talked about using the budgeting process as a blueprint to create a ‘city that works for everyone,’ about a back-to-basics agenda in budget policy and goals to deliver results and to reduce the budget deficits that have hampered services in the City for the past seven years.

Based on the recent Budget Advocate survey, stakeholders feel that most constituent services need improvement in neighborhoods across the City. They don’t think the system is working for them.

Jobs may be up in numbers but, despite laudatory efforts to increase minimum wage in the City, they do not pay well enough to keep up with the cost of living in Los Angeles. Most of the 99% are less interested in the City’s credit rating and more concerned about making their rent and keeping food on the table. And there is increasing anger in most neighborhoods about gentrification and street disruptions which translates into strong opposition to construction activity.

At times it seems as if the Mayor and his advisors are out of touch with the people. Most Angelenos have enough basic math to know that settling with the unions, promising \$100 million to resolve homelessness and the astonishing liability pay-outs we have seen recently and are facing in the near future do not add up to lower deficits and higher reserves.

To have a City that works for everyone, to create good jobs, to promote a more livable and sustainable city and to reverse the disturbing crime statistics of the past few months, the Mayor, the City Council, and every department must work together to build the trust in City Hall necessary to achieve the Mayor’s goals. We, the Budget Advocates, stand ready to help.

Although we saw efforts by some departments to incorporate our White Paper recommendations from last year – redefinition of the budgeting process to make it truly performance-based, dragging its IT and infrastructure systems out of the 19<sup>th</sup> century, streamlining the hiring process and developing ways to realize uncollected revenue and develop new revenue streams – other than Personnel who were already moving to address certain concerns, we have not seen sufficient movement by a number of departments to address these problems... so many of these have been readdressed this year. The City must start moving into the 21<sup>st</sup> century or it will never be able to achieve Mayor Garcetti’s dream of being a world-class city.

We also believe there exists a pressing need, echoed by the Mayor in his solicitation for budgets in both 2014 and 2015, to involve residents and stakeholders in the future of the City on a daily basis, and for the City to proactively respond to their stated needs. Los Angeles has been a leader in creating a vehicle for this with the Neighborhood Council system. As the Neighborhood Council system matures, the City must fine tune this wonderful experiment in citizen democracy to ensure that input is heard AND acted upon. This includes funding the Department of Neighborhood Empowerment to adequately support the 96 Neighborhood Councils with adequate legal and structural assistance.

There exists a concurrent need to build a city government that we can TRUST to serve the people’s interests including continuing to expand services where the people instead of forcing them to come to City Hall.

Transparency and accessibility are wise initial steps. But to succeed also requires our leaders to operate outside the safety of business-as-usual and seize appropriate actions to raise Los Angeles to a new level of excellence.

Examples already exist within the City including the approaches currently fostered by the Bureau of Sanitation, the Department of Ethics and others, attesting this is an attainable goal and the Budget Advocates stand ready to assist in charting a course for success.

We call on our city government to partner with the Neighborhood Councils and the Budget Advocates and embrace new ideas as well as those that are working to build a better City, a great City.

To achieve this, we acknowledge that hard questions must be asked and answered, not only today but as you and we plan for the bright future of Los Angeles, a city of rising rewards for us all led by a government we trust, now and for generations to come.