



Los Angeles Neighborhood Council Coalition

<http://www.lanccongress.org>

<http://budgetla.org/>

(DRAFT) MINUTES for the LANCC SPECIAL Meeting regarding the

L.A. City “Budget Crisis” & the NCs

January 10, 2010 at 1:30 p.m.

Hollywood Constituent Center
6501 Fountain Avenue
Los Angeles 90028

1. The meeting was **CALLED TO ORDER** at 1:30 a.m. by our Chair, Leonard Shaffer. He outlined its purposes:
 - a. To get an update of the Current Budget situation and project the possibilities
 - b. To allow all participants an opportunity to share their concerns, views and suggestions
 - c. To consider the changing relationships between the NCs and our Government agencies.
 - d. To identify and develop specific recommendations for LANCC and NC activities

NOTE: You may find and review the source documents discussed in these minutes at:

- the LANCC Website: <http://www.lanccongress.org>
- a “new” Website: <http://budgetla.org> which focuses on NC concerns for the City Budget
- the L.A. City’s Website: <http://lacity.org/index.htm> and from there you may “follow the links” to the Mayor’s Web Page, the Controller’s Web Page and the CAO’s Web Page and much more.
- the DONE Website: <http://www.lacityneighborhoods.com>

2. **INTRODUCTIONS** of the PARTICIPANTS

Stephen Box (Hollywood United NC)
Bob Gelfand (Coastal San Pedro NC)
Glen Wilson (Northridge West NC)
Michael Cohen (Reseda NC)
August Steurer (Woodland Hills NC)

Diana Nave (No-East San Pedro NC)
Monica Harmon
Greg Nelson (former GM, DONE)
Heinrich Keifer (HHPNC)
Ken Draper (City Watch)

Margo Harris (Watts NC)
 Joanne Yvanek-Garb (West Hills NC)
 Leonard Shaffer (Tarzana NC)
 Diane Rosen (Encino NC)
 Frank Wada (Lincoln Heights NC)
 Sid Gold (Granada Hills North NC)
 Paul Radke (Westchester-Playa Del Rey)
 Adrienne O’Niell (Harbor Gateway NC)
 Elaine Brown (COBRA)
 Harvey Goldberg (TNC)
 Challis MacPherson (Venice NC)
 Scott Bytof (DLANC, NCBR*)
 Bette Billet (SoSP NC)
 Rashad Rucker (W.Adams NC)
 Paul M Neuman (Silver Lake NC)
 Tony Wilkinson (Panorama City NC)
 Margo Harris (Watts NC)
 Dr. Stanley Moore (HHPNC)
 Silvia Yanez
 Jack Humphreville (Greater Wilshire NC)
 Jay Handal (West LA NC, NCBR*)
 Barbara Monahan-Burke (Studio City NC, NCBR*)
 Joseph Elkine (Glassell Park NC)
 Philip Iglauer (Glassell Park NC)
 Todd Martin (MidTown NoHo NC)
 Joanne Yvanek-Garb (West Hills NC)
 David Levin (Sun Valley NC)
 Marlene Savage (Del Rey NC)
 Edmund Novy (Sunland-Tujunga NC)
 Linda Lucks (Venice NC, BONC)
 Bob Abrahams (MidCity West CC)
 Ginger Damon (Atwater Village NC)
 David Hernandez (several NCs)
 Paul Hatfield (NC Valley Village)
 Steve Twining (BABC NC)

DeDe Audet (Venice NC)
 Daniel Wiseman (West Hills NC, NCBR*)
 Cindy Cleghorn (Sunland-Tujunga NC)
 C. Joyce Greene (Tarzana NC)
 Ken Draper (MidTown Wilshire NC)
 Jeff Bloch (Studio City NC)
 Nina Royal (Sunland-Tujunga NC)
 Noel Weiss (Venice NC)
 Belinda Woodruff (Sunland-Tujunga NC)
 Vas Singh (Porter Ranch NC, NCBR*)
 Kevin James (KRLA)
 Kevin Fridlington (BCWA NDC)
 Dr. Tom Williams (LA32NC)
 Brad Klimovitch (GrHills North NC)
 Chris Rowe (West Hills NC)
 Jim Summers (GrHills South NC)
 Paul Radke (Westchester-Playa Del Rey NC)
 Ofelia Zuniga (HHPNC)
 Ricardo Benitez (Sylmar NC)
 Vincent Autiero (MidCity West, NCBR*)
 Mary Benson (Sun Valley NC)
 Jose Aguilar (Lincoln & Boyle Heights NC)
 Jesse Medina (Glassell Park NC)
 Doug Epperhart (Coastal SP NC)
 John Roy Samuelson (Mission Hills NC)
 Lydia Gutierrez (Coastal SP NC)
 Sharon Commins (Mar Vista CC)
 C. Joyce Greene (Tarzana NC)
 Kim Thompson (GrHills North NC)
 Steve Harris (Northridge West NC)
 Charles Lindenblatt (MidCity West CC)
 Frank Wada (Lincoln Heights NC)
 Debby Hernandez (NC Valley Village)
 Brady Westwater (DLANC)
 Carol Sidlow (BABC NC)

These 80 participants come from 42 NCs.

Guests from our City Offices

Paul Koretz (CD5 Council Member)
 Bong Hwan Kim (GM, DONE)
 Barri Worth (Mayor Villaraigosa’s Office)
 Ben Golembeck (Controller Wendy Greuel’s Office)

3. **A VIDEO PRESENTATION of the CURRENT SITUATION:**

We viewed an 8 minute Video (accessible at <http://budgetla.org/videos>) prepared by Michael Cohen which displayed the following quotes:

- a. From Rita Robinson (GM/DOT): "...the City is imploding..." and "...this is just the beginning... there will be continuing layoffs because the City just doesn't have the money (to keep them)..."
- b. From Bernard Parks (CM/CD8): "...the City's operational budget (General Fund income) is kept solvent from 18 sources, 12 of which were 'flat line' or below projections (and these are continuing to fall but our expenses have not been decreased proportionally)..."
- c. From Tom Coultas (Assistant CAO) "...we have offered 2,400 of our most experienced, long-time City employees early retirement but they have not left, yet, and that will not be enough to close the \$ 400 million plus deficit..."
- d. and in response to losing these 2,400 people from Bill Rosendahl (CM/CD11): "...we can not continue to run this Government if their critical functions are gone..."

City Council Member Paul Koretz (CD5), who stayed and participated during the entire meeting, said that City Council just heard (this week) of another \$75M over and above the (currently estimated) \$95 M Budget Deficit.

The general response of those assembled was that the City is facing a severe BUDGET CRISIS that is already affecting us all. We are facing the loss (through early retirement) and massive layoffs of our City Employees which will cause severe decreases in our City services. The NCs must step up and carry the message to and from the Stakeholders expressing their concerns, views and suggestions for solutions.

4. Jack Humphreville offered a **PRESENTATION** entitled "**The UNBALANCED BUDGET**" with handouts. It presented data to show that there is a \$ 258.1 million Adjusted Budget Gap this year (FY2009-2010) caused by a decrease in income with less-than-parallel decreases in our expenses. This budget gap is projected to increase annually, perhaps to one billion dollars in FY2013-2014).

He described the bankruptcy option as a very costly and very litigious process but one that permits the prompt renegotiation of Employee contracts. He gave as examples the cities of Vallejo, San Diego and New York City) but spoke of how the NYC Emergency Financial Control Board and their Municipal Authority Commission ("Big MAC) had the authority to balance New York's incomes to its expenses, restore NYC's bond credit ratings and re-establish a sustaining policy.

5. Greg Nelson (former DONE GM) offered **35 SUGGESTIONS** (with handouts) for NC involvement, consideration and recommendations. They ranged from simple truths (GET INVOLVED EARLY AND OFTEN) to central NC concerns (Ask the Mayor how his Survey data influence him) to major projects (LEASE LAX in order for the City to recover some tax money in this \$ 34 billion assets).

6. Jay Handal (one of the FY2008-2009 and FY2009-2010 NC Budget Representatives) spoke of the **12 NC REPRESENTATIVE'S RECOMMENDATIONS**, delivered to the Mayor in person, in a meeting last March 2009. Some of which were implemented, some of which were not:

- 1) DECLARE A FISCAL EMERGENCY, now, and begin negotiations with the unions
- 2) ENGAGE WITH FIRST RESPONDERS (Police, Fire-EMS, etc.)
- 3) Look for government efficiencies by combining city departments
- 4) No selling of city assets for budget reductions
- 5) Review all contracts and cut those that are non essential
- 6) Pay reductions for (our highest-paid) employees
 - a) 15% for employees earning \$ 200,000.00 up
 - b) 10% for employees earning \$ 100,000 - \$ 200,000
- 7) 2 day furloughs rather than layoffs for all non-essential employees
- 8) Terminate ALL non-essential consultants and services
- 9) Citywide NEEDS-BASED BUDGETING
- 10) Change from this July 1-to-June 30 fiscal year to a January 1-to-December 31 calendar year
- 11) Reduction of bond issues. Renegotiate bonds
- 12) No reductions in NC funding. Allow 2 year roll over of funds

In addition:

- Increase enforcement of business licenses and fees collections (In House).
- All ordinances should be revenue neutral.
- CREATE AND EMPOWER A CITIZENS OVERSIGHT COMMITTEE OR COMMISSION to for government efficiency.
- Allow full transparency in the processes.

7. Daniel Wiseman reported on participation in the **MAYOR'S "INTERACTIVE" BUDGET SURVEY**. He presented images from this year's Mayor's Budget Survey (MBS) and a detailed analysis of the Budget. (These have been emailed to the LANCC Coalition participants and will be uploaded onto the LANCC Website.) He emphasized several features of the Survey:

- As always, this is the **MAYOR's** Budget Survey aimed to serve the needs of the Mayor... and to gather statistics to support his priorities. One unalterable Mayoral priority is continued support of the LAPD (minimal decreased funding); exempting LAPD from most of the "Shared Responsibility & Sacrifice" required by the decreasing funding.

- This year, there are links on almost all pages allowing us to access to key City financial data. Dr. Wiseman strongly advised all to "surf" these links, actively. They permit us to learn about and understand the current budget policies. By reviewing the links, we can "follow the money" and better understand our current financial situation.

- There are links we can use to provide feedback; endorsements, criticisms, comments, questions and suggestions. The NC Budget Representative hope to receive, review, categorize and report on your suggestions. These materials will be posted on the LANCC website.

Paul Hatfield called the MAYOR's Budget Survey "biased" and "self-serving for the Mayor's needs...not NC interests." He said it would not give us "valid statistics". He suggests that you do not respond to the specific questions but use the links to voice your opposition and alternatives.

8. Stephen Box described the BudgetLA.org Website. It will be NC-oriented and include:
 - a. Presentation of City Documents, News articles and NC-Stakeholder contributions
 - b. A Speaker's Bureau
 - c. A Calendar of Events
 - d. Archives with Documents and Videos
 - e. Links to sources, City Departments, etc.
 - f. A "web-blog" discussion group

9. Specific **PUBLIC COMMENTS** (expressions of concerns, views and suggestions)
 - a. Doug Epperhart said we all recognize the situation, now we must start to
 - prioritize City Services, identifying "decreasable" and "diminishable" service
 - identify what the services do for our Stakeholders. Which Stakeholder groups?
 - Redefine, review and consider the acceptability of all Departments the published Core Missions
 - Consider a proposal to remove the funds (about \$ 2 million) from the City Clerk earmarked to "run" the NC elections.
 - Cut out-of-the-city travel by 90%
 - Stop the salaries to the Bureau of Public Works Commission. They are the only Commission receiving a salary.
 - Set up a (?NC-based) City Business Tax Force focused on identifying the problems of our City's small businesses.

We, NC Activists must become the communications links to and from our colleagues and we need to have a "seat at the table" for City Council and Committee meetings where issues of concern to the NCs and their Stakeholders are deliberated.

- b. Dede Audet reminded us that the repair of sidewalks in front of residential and commercial properties is the financial responsibility of the property owner, not the City.
- c. Nina Royal was one of many who spoke opposing the sale of assets to fund current expenses. She would like to see and analysis of all the City's Contracts and Grants.
- d. Todd Martin expressed his concern that a 1-2 hour meeting between the Mayor and the Budget Reps was just a start.
- e. Jose Aguilar wants the City to preserve its services as much as possible. He wondered if this could be done during a bankruptcy proceeding.
- f. Linda Lucks said we must be vigilant to maintain our NC funds (currently \$ 45,000/NC/year).
- g. Ron Kaye cited the "No on Measure B," the CD5 and CD2 elections as examples of NC-based empowerment to be followed in these Budget Crisis activities.
- h. Adrienne O'Neill promoted the use of the resources of our knowledgeable NC Activists. She wondered whether the City's banking system included making income on "over-night" funds? She recommended involving the Internet, TV and Newspaper media in our activities.

- i. Council Member Paul Koretz said that the progress, to date, to decrease the City's Budget Deficit has been by cut backs and employee concessions but not be global budget reform. Because it is such a big drain on the Budget, it is very important to decrease to payments to current Pensioners. The recently proposed Pension Reform is directed to "new" employees, only, and we are in a "hard hiring freeze" where very few "new" employees will be hired.
 - j. Sid Gold called on the NCs to develop a "NC-based Alternate Budget."
 - k. Mary Benson criticized the amount of money spent on the City's Public Television Station (Channel 35).
 - l. Diana Nave said that there are many activities, including salary scales, which should be compared in cost and efficiency to private enterprise.
 - m. Harvey Goldberg, an accountant, advocated a "return to zero-based budgeting."
 - n. Edmund Novy expressed concern for the City's declining (bond) credit rating.
 - o. Steve Twining said that all City Employees should live in the City of Los Angeles. When they live elsewhere they deprive the City of important tax revenues.
 - p. David Garfinkle proposed the use of volunteers in many City Departments.
 - q. Emily Brown didn't think that the City COULD allow volunteers (displacing City Employees). She also wanted to see more enforcement of the City's "Code Enforcement."
 - r. Barbara Monahan-Burke proposed creation of a City Collections "Sheriff" to capture unpaid fees and fines. This was proposed, formally, by the Valley Alliance of Neighborhood Councils (VANC) but no City action followed. We need better follow-up when we propose things.
 - s. Bong Hwan Kim (DONE/GM) spoke of the difficulty to "get a number of NCs to work together." His prime priority is to justify and maintain the NC's (\$ 45,000/year) income. He said that DONE's Regional Forums could serve as placed to address NC concerns.
10. **MOTION #1** (Handal/Wiseman): LANCC should **ESTABLISH A FINANCIAL ADVISORY COMMITTEE** composed of the 15 current NC Budget Representatives and other concerned NC Activists who would gather, provide primary analysis and report their findings and recommendations to the LANCC.

Discussion followed:

- a. Doug Epperhart said there was a lack of responses from his local REP
- b. Cindy Cleghorn wanted to organize around the Budget Crisis issue like we did with "Measure B."
- c. Daniel Wiseman mentioned that VANC and other groups are creating Budget/Finance Committees, too.
- d. Ken Draper asked for more notice and transparency from NC BUDGET REP GROUP
- e. Dede Audet restated that she must have her NCs approval for action
- d. Adrienne O'Neill wants more knowledgeable financial experts on the Committee

- e. Dr Stanley Moore admits that the Budget Reps hear and take your concerns to the Mayor.
- f. Bob Gelfand suggested that LANCC's Committee can have whomever and as many as it needs.

MOTION PASSED, UNANIMOUSLY

For the present, the members of the LANCC FINANCIAL ADVISORY COMMITTEE are:

Al Abrams
Barbara Monahan-Burke
Charles Zacharie
Daniel Wiseman
David Clark
Denny Schneider
Edward Johnson
Jay Handal
Loren Colin
Mary Benson
Neodros Bridgeforth
Scott Bytof
Susan Prichard
Tamiko Nakamoto
Vincent Autiero
Vas Singh
Reatha Simon

Paul Hatfield
Steve Twining
Adrienne O'Niell
Harvey Goldberg
Jack Humphreville
Noel Weiss
Clyde (Tom) Williams

10. The LANCC formed a **BUDGET MEDIA GROUP** composed (initially) of Stephen Box, Doug Epperhart, Cindy Cleghorn, Kevin James and Jose Aguilar. The first act of the Budget Media Group would be to issue a Press Release describing this meeting and its proposals.
11. **MOTION #2 (Gelfand/Twining): LANCC OPPOSES THE SALE OF CITY ASSETS** for the purpose of decreasing the current Budget Deficit.

(This motion is consistent with the concept that it is not wise to sell properties and other money-making assets to provide cash to pay current expenses because we will lose the substantial, greater income that they may bring in the future. Also, this is a particularly unfavorable economy

to sell in.)

12. **MOTION #2** (Westwater/Wiseman): LANCC proposes that there be meaningful representation of NCs on all Mayoral TASK FORCES.

Discussion followed:

- a. Earlier in the meeting, during the Public Comments, Brady Westwater said that L.A.'s tax revenues are lower than other large city's. He spoke of the Mayor's recently stated intention for promote increased jobs in the City. He wants to "get the NC's a seat at the table" of the Mayor's many Special Executive Committees and Task Forces.
- b. Several participants spoke of the need to "get a seat at the table," perhaps "ex officio" membership, not only on the Mayor's Jobs Committees but also on the City Council, Council Committees and Departmental Committees, whenever NC-related issues are deliberated.

MOTION PASSED, UNANIMOUSLY

13. The **NEXT MEETING** of these "new" LANCC COMMITTEES will be in association with the S.L.A.P. meeting, Saturday, January 23, 2010 at the Hollywood Community Center.
14. The meeting was **ADJOURNED** at 3:45 p.m.

Respectfully submitted,

Daniel Wiseman
Secretary, LANCC