



Neighborhood Council of Westchester/Playa Committee Report

Committee: City Budget NC Representative

Committee chairperson: Denny Schneider

Meeting dates: On-going at City levels. Budget process starts in September of each year. October is NC and community participation kick off. April release of suggested budget by Mayor. City Council holds hearings and votes for a budget ordinance (signed by the Mayor) by July 31.

Mission: To ensure that the City stays fiscally sound and that our community gets its fair share.

Goals:

- Ensure that budget is fair and balanced.
- Priorities are safety and security followed by traffic mitigation et al.
- Obtain budget info that reports by area as well as by department.
- Support a budget process that looks at revenue and expenditures all year instead of only once a year. We want to track budget funding vs. actual expenditures.

Monthly report:

The current upcoming budget release demands attention to an approximate shortfall of \$530 million in the about \$8 billion budget. It is expected that financial conditions will get worse next year as pension liability required payments will be dramatically up due to the economic downturn and repeated increases in promised pensions for existing employees.

Current revenues are down due to faltering real estate market fees and tax receipts as well as the recent high unemployment/financial market meltdown impacts. Revenues to the City controlled by the state are also in jeopardy. Spending is still well above that of five years ago.

The proposal raised last week in the City Council calls for the City borrows \$1.1 billion to balance the budget. Other actions expected but not fully defined yet are bi-monthly Friday furlows of the 40,000 employees and some layoffs, plus cuts for many other expenses.

The current proposal includes support for police at the current manpower level, but other LA City Departments are cut about 10% including the Department of Neighborhood Empowerment.

Recent developments have included a negotiation by the Mayor with the associated unions (about half of the employees) to increase their participation in pensions and benefit costs and to forgo raises for two years. I understand the full agreement, however, includes increased wages and benefits for six subsequent years. I don't have the details of the yet to be ratified agreement.

THE NEXT MAJOR BUDGET TERM KICK OFF HAS BEEN SET FOR OCTOBER 10, 2009.

This meeting will be combined with the Neighborhood Council Congress on the same day. The Committee to run this meeting has been formed. I am on the outreach and budget subcommittees which will meet about every other week until October. **Volunteering and ideas are welcomed.**