



Los Angeles Neighborhood Council Coalition

President: Bob Gelfand
Vice President: Leonard Shaffer
Secretary: Daniel Wiseman
Treasurer: Glenn Bailey

WEBSITE (Minutes, Documents, etc.): www.lanccoalition.org
Send emails (questions, comments, etc.): Info@lanccoalition.org

”NEW” WEB-BLOG (Notices, etc.): Lancc.wordpress.com

DRAFT MINUTES

September 8, 2012 – 10:00 AM
Hollywood Constituent Center
6501 Fountain Avenue
Los Angeles 90028

1. The meeting was **CALLED TO ORDER by LANCC Chairman: Bob Gelfand** at 10:00 a.m.
2. The AGENDA WAS APPROVED and modified to accommodate our guests' schedules.
3. **INTRODUCTIONS** – There were 30 Participants by nose count
22 People on the “signed up” sheets

There were 3 SPECIAL GUESTS

Fred Pickel, Rate Payer's Advocate
Torie Osborn, (newly appointed) Deputy Mayor
for Neighborhoods and Community Affairs
Greg Bart, DWP Liaison

4. **TOPIC – SPECIAL GUEST: Dr. FREDERICK H. PICKEL, PhD., newly appointed Director, Office of Public Accountability (the “Ratepayer’s Advocate” or RPA)**

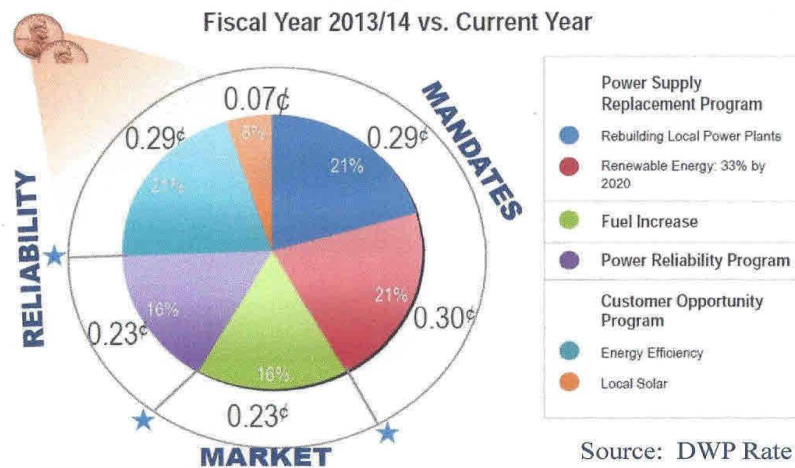
In March 2011, 78% of the voters passed the L.A. City Charter Amendment which created the Office of Public Accountability. Dr. Pickel assumed this position in February 2012. The last 7 months have been spent learning about the City Government, especially as it relates to the operations of the L.A. Department of Water & Power (DWP). No rate increases were allowed awaiting the RPA review and report.

His goal is to provide more complete information and transparency for the activities (mandates, income & expenses, debts, infrastructure maintenance, rate structure, etc.) of the DWP. His reports are delivered to the DWP Board of Directors, the L.A. City Council and Mayor but are not “binding” on DWP.

The slide which follows comes from Dr. Pickel's handout. It displays important background data re: DWP assets and the need to repair and replace its aging infrastructure.

LADWP Power Rate Proposal: Drivers -- Mandates, Infrastructure, & Conservation

- LADWP's primary driver for its proposed power rate increase is its capital expenditure program
 - Total assets for power are now about \$12 billion
 - Capital expenditures during the FY2012/13 and FY2013/14 are \$3.1 billion on an asset base of about \$12 billion and annual retail revenues of \$3.2 billion
 - Expenditure increases are driven by state and federal mandates



Source: DWP Rate Proposal presentations



The current DWP Proposals include an immediate 4.88% increase and a 6.0% increase, next year. **DWP had proposed 6.0% to 7.8% every year, producing a 30% increase (or a total increase of \$ 7,400) in all of our Power Bills in the next 5 years.** These increases will occur even though consumer economies (personal cutbacks) have reduced the total Power Usage of our 1,000,000 residences. DWP has made cost-efficiencies, too.

He said that he will release his first report; an Evaluation of the DWP Rate increases first proposed in 2011 but delayed awaiting his appointment and review. **He says that he will "...recommend that DWP go ahead and receive approval for its recommendations, but there are problems."**

The report will not only support the proposed rate increases but also it will make a series of recommendations for changes in the DWP's operations. These recommendations address internal inefficiencies, conversion from coal-powered generators, employee costs/relations negotiations, fuel and water purchase rates, etc.) These recommendations are similar to recommendations made by DWP's contracted reviewer, PA Consulting, whose report may be read at (<http://lacity.org/aForResidents/YourNeighborhood/index.htm>)

5. **TOPIC – SPECIAL GUEST: TORIE OSBORN, newly appointed Deputy Mayor for Neighborhoods and Community Activities**

Ms. Osborn has been here 2 weeks. She replaces Larry Frank as Deputy Mayor for Neighborhoods and Community Activities. Mr. Frank is now the Mayor's Chief of Staff and the former Chief, Mark Szabo, is running for the CD13 City Council position.



Ms. Osborn's background is in community oriented projects; women's rights, gay-lesbian rights and poverty issues. She was asked to join Mayor Villaraigoza's administration as a Senior Policy Officer and, while there, established the Mayor's Office of Strategic Partnerships (which brought government and non-profits together to work on poverty issues). She worked on the 2008 Obama for President in 2008 and for Liberty Hill and United Way. She ran for the State Assembly in the 50th District (but lost).

Her orientation is to expand democracy (poverty, women's rights, gay-lesbian rights, HIV-patient rights, etc.) and to observe and respect our diversities. She believes in a "servant leadership" form of government service with civic involvement (as exemplified by the concept of NCs). She said she wants to work with and help the NCs. She promised to be responsive to us. She wants help Mayor Villaraigoza finish his 10 months in a strong way.

Her office has 7 Field Offices (Area Directors) and coordinates the activities of the Faith-Based Community, DONE and the NC's, the Community Development Department and several Commissions with the Mayor. She is enjoying working with Grayce Liu who is "...a terrific GM..." and respects the "... unpaid NC volunteers and all of their contributions...". She told us that Joseph Hari will continue in his position as Budget Advocate liaison.

- a. **Chairman Gelfand** told of the LANCC Officers & Group recommendations:
- to continue DONE control of the NC elections (rather than the City Clerk)
 - the ability of NC Representatives to formally present their issues to City Council and Commissions (rather than being relegated to "2-minute," Public Comments)
 - promoting more consistent and better interaction between the Mayor's Area Directors and their Regional NCs.
 - restore the annual NC allocation from \$ 37,000 to \$ 50,000 with a COLA factor.

Ms. Osborn responded positively.

- b. **Dr. Stanley Moore** said that the Mayor should heed the voices of the North-East LA area residents and take a stand opposing creation of an above-ground connection from the 710 Freeway to the 210 Freeway.

- c. **Ivan Speigel** sees the presence of Ms. Osborn and our “Interim” DONE GM as an opportunity for progress in NC development; clearing away “walls,” more NC-DONE collaborations, better Mayoral and City Council communications and LANCC’s response to CF #10-1797-S7 (NC’s review and recommendations on “important” and “urgent” issues).
- d. **Jack Humphreville** said that the City’s unbalanced Budget, its \$ 250 million Budget Deficit, pension plan costs and other deferred obligations (which may be over \$ 1 billion) is of primary concern. He is proposing that the City be required to adhere to (standard) Accepted Accounting Principles, proper funding of our infrastructure and the creation of a “live-within-its means” Charter Amendment that would include long term (5 year) plans.
- e. **Sid Gold** asked for better interactions between NCs and the City’s Departments. He has had difficulty getting data regarding the City Council’s discretionary funds. He advocates that the Mayor support follow-up activities to assure that people seeking information are “satisfied.”

Ms. Osborn said that the Mayor meets with every Department GM, monthly.

- f. **Cindy Cleghorn** asked for:
 - (1) DONE staff improvements and a “new” policy of NC support (more than control).
 - (2) Decreased NC funding is diminishing the NCs ability to operate/help.
 - (3) The DPW/MOU and other examples of improved notification and communications need to be increased.
- g. **Daniel Wiseman** echoed the hope and raised expectations of all present, today. He spoke of the “...tremendous resources of the NC Stakeholders...” and their value to the City. He quipped that we have “Great Expectations” for you (Ms. Osborn) and hope you prove to us that you are a “Pip.”
- h. **Ron Wyrick** asked for an improved and “modernized” Early Notification System and City-NC-public communications system which would provide, enhance and archive our interactions. He said that the technology (internet, social networking, smart phones, computer-based analysis, etc.) exist, now.
- i. **Glenn Bailey** was reassured by Ms. Osborn that Joseph Hari (former Area Director in her office) “...will take that portion of his portfolio with him in his transfer to be a Project Coordinator at DONE...” He proposes that the Mayor issue an Executive Order to his Department GMs to establish policies and specific assignments for NC-Department interactions.

TOPIC – SPECIAL GUEST: DONE GM REPORT – GRAYCE LIU

Ms. Liu told us of the series of NC Elections, coordinated by NC Activists (Stephen Box and a group of NC Stakeholders serving as Independent Election Administrators – “IEA’s”). Most of the 12 Regions had more candidates than seats. Elections will continue until November 17th. She said that the “new” elected Board Members will replace their predecessors on the NC Leaders list.



Demand warrants are now paid within two weeks ... because “incomplete” warrants are being returned. A PDF & an EXCEL spreadsheet were uploaded to EmpowerLA.org website.

Encumbrances will NOT be allowed, next year so NCs are encouraged to use their funds, fully, in FY2012-2013. The vendor list used with P-cards is being revised.

NCs have until Sept. 14th to pick up their City Hall Parking Permits. After that, contact Sonya@EmpowerLA.org for “additional” permits.

Badges for NC Representatives who visit City Hall frequently may be offered. Grayce will contact General Services about this.

6. TOPIC: NC CONGRESS UPDATE Cindy Cleghorn, NC CONGRESS coordinator, said:

- a. Handouts were provided describing 27 Meetings & Sessions
- b. There will be a Mayor’s Candidate Forum. So far, Wendy Greuel and Kevin James have agreed to participate.
- c. There have been 138 registrations so far, with 300+ expected.
(Secretary’s Note: over 600 attended the Sept. 22, 2012 Congress.)
- d. The Concluding Session will include a VOTE OF THE PARTICIPANTS on:
 - Recommending Grayce Liu be appointed/approved as Permanent DONE GM
 - Support/No Support for the LANCC-approved response to Mr. Parks Council File #10-1797-S7 (re: NC’s outreach, deliberations and response for “important City issues”)

7. TOPIC: WASTE HAULER FRANCHISE ISSUE – the “other” part of Mr. Parks’ MOTION (CF #10-1797-S7)

BACKGROUND: This MOTION proposes a SINGLE VENDOR (Waste Hauling Company) for the multi-family residences and commercial properties in each of 11 “Waste Shed” Areas. The CAO and a LA Times Editorial (August 29, 2012) are explicitly opposed to the Single Vendor/Area idea and favors permitting the owners of these properties to select from a list of qualified vendors. (Jack Humphreville has written two articles for City Watch. See links at the “**new**” LANCC “**blog**” Lancc.wordpress.com under Waste Ordinance for more material from both sides.) .

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[←EDITORIAL in the L.A. TIMES – August 29, 2012](#)

For trash pickup, L.A. would be better served by non-exclusive deal

Editorial

The City Council is set to choose a plan for imposing franchise agreements on private trash haulers. An exclusive system would be a bad deal for Los Angeles.

August 29, 2012

Residents of Los Angeles' single-family homes have their trash picked up weekly by the city's Bureau of Sanitation, but the vast majority of L.A.'s garbage is produced by multifamily residences and businesses, and their waste is collected and dumped by private contractors. State and city laws govern recycling, dumping and emissions and help to balance legitimate environmental and labor concerns against the efficiencies of the marketplace.

Now the City Council is set to consider two different plans to impose franchise agreements on these private haulers, and there is some merit to a plan for non-exclusive franchise agreements, which would require haulers to meet city rules and get what amounts to city licenses while still competing for customers. The city would gain some additional control, through standards and sanctions, over the amount of garbage diverted from landfills and the safety conditions at recycling centers. Contractors would [continue](#) to negotiate and compete for clients, rates and terms and be able to tailor their services to fit the needs of specialized clients, for example film companies that must deal with unused chemicals.

The Bureau of Sanitation instead wants exclusive franchises, which would be awarded by the city, with set collection rates, fees, terms and services. It's a system that more closely mirrors the service city workers deliver directly to single-family residences. Some labor advocates like it better as well, because it favors large haulers with labor contracts that expire, are negotiated and are renewed together. If labor likes it better, so then do many labor-backed members of the City Council.

But an exclusive [franchise](#) system would be a bad deal for Los Angeles. It would focus new contracting power in City Hall and would probably require a new city bureaucracy to oversee it. It would eliminate market incentives that keep prices low and service levels high. Some supporters call an exclusive garbage franchise a natural outgrowth of the Clean Trucks Program at the Port of Los Angeles, in which drivers must drive alternative fuel [vehicles](#) and work for companies with port concession agreements. But the issues are different. Many trash haulers already run on natural gas, and the city can impose such requirements on the rest even if it adopts the non-exclusive franchise arrangement. Also, the port is an asset that the city owns and can control; it does not have a similar claim to own or control commercial garbage.

Current haulers operating in Los Angeles are already organized, so the push for an exclusive franchise system is less about workers being protected by union agreements than it is about consolidating power in a particular union that then can pull its strings at City Hall. That's not what Los Angeles needs. The council should opt for a non-exclusive franchise program.

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There was a MOTION (**ACTION ITEM**, Jack Humphreville/Chuck Ray) that: **LANCC endorses the concept of non-exclusive Waste Hauler Franchises for our non-single family residences and commercial properties in the 11 specified Waste Shed Areas and other concerns as described in the L.A. Times Editorial of August 29, 2012.**

The VOTE was: 15 AYES, 0 Nose and 0 ABSTAINS

8. **TOP IC: REPORT of the LANCC Ad Hoc Committee on the SELECTION of the NEXT DONE GENERAL MANAGER**

¹**Background:** LANCC received a request from the Mayor's Office, initially transmitted through Ken Draper, for "...advice in the selection of the next Permanent DONE GM." Mr. Draper told us that we were expected to gather the names of potential candidates. Dr. Wiseman reminded us that we are a gathering of NC Activists from many parts of town who express our own, well-intentioned opinions. The Ad Hoc Committee and others have made certain recommendations regarding the future interactions of the NCs and DONE.

After due deliberation, the following MOTION (**ACTION ITEM**, Daniel Wiseman/) was made, seconded and passed: **Those NC Stakeholders present at the Sept. 8, 2012 LANC COALITION meeting recommend that the Mayor appoint Grace Liu as Permanent General Manager of DONE.**

The Vote Count is: 18 AYES, 3 NAYS, 2 Abstains

The Ad Hoc Committee will continue to exist until the Congress, in case further or services are needed.

9. **SECOND LIGHTENING ROUND**

- a. **DANIEL WISEMAN** displayed a graph of the CASH FLOW experience of FY2012-2013, to date, and said that it shows that the City has "used up" the \$ 300 million it had on July 1. **Today, there is less than one million dollars (only \$ 560,000) of the original \$ 300 million in our Cash Account and next pay period we will be "in the red."**

The City is kept solvent by a \$ 1.3 billion loan ("line of credit") called the Tax Revenue Anticipation Notes (TRAN). So far \$ 220 million has been taken from the TRAN and deposited into the City's "check book" (General Fund).

Dr. Wiseman promised to carry this information to the Budget & Finance Committee.

CITY OF LOS ANGELES
 PROJECTED CASH FLOW FY 2012-13
 GENERAL FUND (IN THOUSANDS)

	STARTING BALANCE						ACTUAL	YTD
	Adopted Budget	7/11/12	7/25/12	8/8/12	8/22/12	9/5/12	TOTAL	
Cash Balance Beginning, General Fund	299,072	299,072	231,197	231,284	178,031	252,695	299,072	
Prior Year Enc - Salaries	103,935	(103,935)	--	--	--	4	(103,934)	
Prior Year Enc - Services, Equip	183,248	(8,785)	(18,261)	(21,105)	(5,791)	(15,967)	(69,909)	
Total Prior Year Encumbrances	287,183	(112,720)	(18,261)	(21,105)	(5,791)	(15,963)	(173,840)	
Inc/Dec In Balance Sheet Accts	--	78,462	30,573	(108,519)	26,515	(46,198)	(19,167)	
Available Cash Balance	11,889	264,814	243,509	101,660	198,755	190,534	106,065	
Receipts:								
Licenses, Permits, Fees (Regular)	682,010	6,042	13,795	22,590	13,566	19,572	75,565	
Transfer from Harbor	26,843	91	--	66	--	41	198	
Transfer from Airport	61,064	5	1,348	1,294	206	408	3,261	
Business Tax	450,026	553	2,164	3,739	1,265	2,138	9,859	
Sales Tax	332,939	--	22,560	(71)	--	30,081	52,570	
Electric Users Tax	313,105	9,600	9,140	10,842	12,000	11,634	53,216	
Gas Users Tax	73,000	4	10	4,083	4	4,097	8,198	
Telephone Users tax	236,500	6	5,116	15,899	3,833	15,357	40,211	
Transient Occupancy Tax	157,808	326	4,698	10,976	3,596	12,259	31,355	
Documentary Transfer Tax	107,520	--	10,488	--	13,216	--	23,704	
Parking Users' Tax	91,728	817	3,071	5,521	1,943	5,722	17,074	
Residential Development Tax	2,100	12	108	142	11	55	328	
Interest Receipts	80,444	6,736	1,696	5,182	1,249	6,836	21,699	
Interest Allocations	(69,934)	--	--	(9,730)	--	--	(9,730)	
Power Revenue Transfer	249,100	--	--	--	--	--	--	
Parking Fines	153,438	--	--	12,327	--	13,006	25,333	
Franchise Income	47,402	136	110	356	4,678	3,965	9,245	
Grant Receipts	8,500	223	57	344	309	4	937	
Property Taxes	1,018,382	--	61,111	--	44,196	--	105,307	
Property Tax-Sales Tax Replacement	120,232	--	--	--	--	--	--	
Property Tax-VLF Replacement	318,408	--	--	--	--	--	--	
Property tax - Ex CRA increment	48,600	--	16,951	--	--	--	16,951	
Alloc from Other Funds (Regular)	869,544	13,961	39,713	17,805	42,493	3,443	117,415	
Add'l Alloc From Other Funds	--	--	6	528	716	26,554	27,804	
Transfer From Reserve Fund	--	--	--	--	--	--	--	
Vehicle License Fees	--	--	--	--	--	--	--	
Transfer from Telecom Dev Acct	--	--	--	--	--	--	--	
Special Parking Revenue Transfer	32,577	--	--	--	--	--	--	
Tobacco Settlement	8,700	--	--	--	--	--	--	
General Fund Receipts per Budget	5,420,036	38,512	192,142	101,893	143,281	155,172	631,000	
Disbursements:								
Salaries	2,818,719	--	107,391	115,524	107,316	106,152	436,383	
Inter-fund billings and transfers	74,093	--	1,473	1,986	1,877	1,436	6,772	
Services, Supplies, Equipment	782,199	5,816	16,540	15,751	17,771	16,269	72,147	
Dental & Health Insurance Subsidy	381,700	40,250	--	31,750	--	--	72,000	
Lease Payments	211,053	26,063	42,858	511	19,583	780	89,795	
Allocations to other funds	291,652	--	36,105	--	22,794	473	59,372	
Reversion	--	--	--	--	--	--	--	
Fire & Police Pension TRAN	860,620	--	--	--	--	--	--	
Total General Fund Disbursements	5,420,036	72,129	204,367	165,522	169,341	125,110	736,469	
Excess of Receipts Over Disbursements		(33,617)	(12,225)	(63,629)	(26,060)	30,062	(105,469)	
Cash Balance End, G/F, Bef. Borrowing		231,197	231,284	38,031	172,695	220,596	596	
Borrowing from TRAN Proceeds		--	--	140,000	80,000		220,000	
Borrowings from Other Funds		--	--	--	--		--	
Cash Balance End, General Fund		231,197	231,284	178,031	252,695	220,596	220,596	

\$ 220,596,000 LESS \$ 560,000 LEFT BORROWED FROM TRAN

10. The following LANCC Minutes were DISTRIBUTED, REVIEWED & APPROVED:

- a. **June 2, 2012 – Rapid Response policy established**
Response CF #10-1797-S7 created
- b. **July 7, 2012**
- c. **August 4, 2012.**

11. NEW BUSINESS – ANNOUNCEMENTS - FUTURE AGENDA ITEMS

- a. **LEONARD SHAFFER** invited suggestions and issues for consideration at the BONC Retreat (City Hall, 10th Floor, Sept. 28, 2010)
- b. **BOB GELFAND** reminded us to watch the new LANC COALITION BLOG at Lancc.wordpress.com notices, announcements and documents. Emails sent to Mr. Gelfand can be uploaded to the blog quickly.

12. ADJOURNMENT – 1:03 p.m.

Next LANCC Meeting: October 6, 2012 10:00 AM

Location: Hollywood Community Constituency Center

6501 Fountain Ave. (corner of Wilcox)