



Meeting Report for November 15, 2010  
by Joe Vitti

Valley VOTE Board members, community leaders, and concerned citizens convened on Nov.15, 2010 at Galpin Ford to hear from our featured speakers Jan Perry and Marty Cooper, and also from our Valley VOTE Committee Chairs. Jan Perry updated Valley VOTE on the recent developments and status of recommendations concerning the draft language being developed for oversight of the LA DWP. The final approved language will be on the March Ballot for the citizens to vote on. Marty Cooper's remarks included a slide presentation of the San Fernando Valley going back to 1885.

## Jan Perry



Jan Perry is in her third term as Councilwoman of the Ninth district. She is chair of the Energy and Environment Committee. Her committee and the Rules and Elections Committee chaired by Eric Garcetti have been working on LA DWP reforms for many months. Her comments are presented here in 3 parts; 1] Independent Office of Accountability 2] LA DWP Governance Reform 3] New Emergency Reserve Account

### **1] Broad Consensus for an Independent Office of Accountability for the LA DWP**

"No one could have imagined what has taken place over the past year as the City Council worked to understand the budget needs and future plans for the LADWP. From the move to pass along an increase in the Energy Cost Adjustment Factor (ECAAF) to the ratepayer without a proper public vetting to threats to withhold the revenue transfer to the city, the LADWP has been far from transparent with city officials or the ratepayers. In response, the City Council introduced 12 motions on the issue of LADWP reform. These motions served as the basis of discussion at the council and council committee meetings for more than a year. It has been an ongoing process that has created an important, thoughtful and extensive dialogue.

This discussion was further enhanced by a series of six joint hearings of the Energy and Environment Committee and the Rules and Elections Committee throughout the city, from the valley to south Los Angeles and the west side. The public was clear at these meetings. Reform is needed in the LA DWP.

Last week, our Chief Legislative Analyst (CLA) presented a comprehensive report to address the 12 council motions and the comments that the Council committee received from the public at these meetings. Today there is broad consensus from the joint committees, the public and the experts. We agreed that we need a dependable independent analysis to help the public and city officials to make informed decisions about everything from rate increases to plans for renewable energy at the DWP. With this in mind, **we agreed that we should have an Independent Office of Public Accountability** to help us receive a third party objective analysis of the department's initiatives.

This is fueled by our experiences over the past year and the fact that we had to hire our own third party to give us a clear picture of the budget and proposed energy cost adjustment factor increase that the department tried to rush through earlier in the year."

### **2] Recommendations for Changes to LA DWP Governance**

"The Board of the DWP is a part time volunteer Board. The Edison Utility for example has shareholders and has

a full time Board of Directors accountable to the Public Utility Commission and there is an independent review of their rates. Actions by the LA- DWP further broke the trust with the public. Our credit rating suffered as a result of the department's actions. We now agree that the DWP must present their budget to the City Council by March 31 so that their process is aligned with our budget process. The department would also be required to define their surplus upfront, on an annual basis. This will allow the City to accurately calculate the annual transfer by the LADWP to the General Fund and we no longer have to play a guessing game when it comes to calculating this number. Lastly, there was consensus that we need to engage in DWP governance reform. This is a complex issue that deserved additional review. For this reason, I requested that we convene an additional hearing. We met last week with charter reform experts, neighborhood advocates, and business representatives to discuss the issue of DWP governance as it pertains to Commission composition; commissioner experience; and the hiring and firing of the DWP general manager.

The CLA suggested amending the charter so that the hiring and firing of the General Manager of the LADWP would be done in the same manner as the hiring and firing of the Chief of Police. This allows the Council to hold a hearing on the issue with a 2/3 vote and allows for the Council to overturn the Mayor's decision with a 2/3 vote.

The CLA also proposed two options for DWP Board composition. Both options would call for the creation of a list of potential qualifications or criteria for selecting Board members. The CLA report also suggested changing the terms of service from five to three years with no term limits and to give consideration to the idea of increasing the board from five to seven members. The main difference between option 1 and option 2 is the way in which Board commissioners are appointed.

- .\* Option 1 keeps power of appointing Board commissioners with the Mayor.

- .\* Option 2 would divide this power between the Mayor and the City Council President.

It has been demonstrated through our dealings with the DWP Board that Commissioners have not served as an independent voice. They do not answer to any legislative body and their actions have cost the city its good bond rating and put us on the brink of financial insecurity. For this reason, I believe that change is needed. We have been addressing the issue of DWP reform for well over a year. Each day that passes, a new challenge is presented to us from DWP and we still have yet to attain a relationship that yields greater transparency. It is evident that an independent analysis is needed. We need checks and balances in place to make the DWP truly accountable to the people of Los Angeles. By moving the DWP reform package forward, we are ensuring that we get the important issue of DWP reform on the March ballot for voter input. I believe the cost of this package will be offset by the efficiencies we will find. I hope that my colleagues will join me this week in voting for reform now because I believe it's time for change at the DWP. The voters will have the ultimate say regarding charter change"

### **3] Jan Perry Recommends a Ballot measure to establish an Emergency Reserve Account**

"I also wanted to take this opportunity to tell you about another important ballot measure that I introduced that is moving forward for the March 2011 ballot having to do with protecting the city's reserve fund. We know, the city and the region are in the midst of one of the worst economic periods and that the city faces an on going fragile fiscal condition. Right now we are looking at a \$330 million deficit for the next fiscal year. As a result, this Council has made tough decisions on department consolidations, furloughs and reducing our own office budgets by 20%. An easier answer to some of this pain would be to deplete our savings. Doing so is a one-time answer to an ongoing problem. Depleting our savings contributes to our financial instability and leaves the City vulnerable should an unexpected event occur requiring the use of our emergency reserve funds. We only need to remember the events of the not so distant past to realize how important it is to maintain a healthy emergency reserve fund---1991 El Niño Flooding, 1992 Civil Unrest, and the 1994 Northridge Earthquake, just to name a few. With this in mind, I introduced the motion to establish a charter amendment that requires that 2.75% of General Fund Receipts be dedicated to the Emergency Reserve Account. . It also makes it more difficult for us to view this account as a quick fix to our annual budget woes.

My ballot measure requires that Council make the findings of "urgent economic necessity" by a 2/3 vote of the Council with Mayoral concurrence in order to use emergency reserve funding, or a ¾ vote of the Council without Mayoral approval. An "urgent economic necessity" includes, but is not limited to: a natural disaster, civil unrest, or other unforeseen economic catastrophe that the council and mayor find is cataclysmic enough to tap into this account.

To be clear, this charter amendment does not require that the City bank 2.75% of General Funds Recipients but

requires that we maintain that minimum level of funding by the time the Controller closes the books on the fiscal year. My measure includes a waiver of this requirement to restore the Emergency Reserve Account if the council makes findings that detail the need to continue to access the Account. This would likely be necessary in the event of a large earthquake where funds continue to be needed into a new fiscal year.

Both the Rules & Elections Committee as well as the Budget & Finance Committee approved the Joint CAO/CLA report. However, during discussion at Budget Finance the Chairman Parks and the CLA discussed the possibility of integrating the concept of the Budget Stabilization Account into my ballot measure and I agree. My charter amendment will not call for a specific funding level, simply the creation of the account. When the economy is strong, council will bank funds into this account so that when another downturn in the economic cycle inevitably occurs the Budget Stabilization Account will be there to draw upon.

I believe that it is an important policy for us to codify and it makes the statement that we are serious about keeping our city on firm financial footing. My amendment will not have an immediate effect, but will create a stronger City in the future."

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After the completion of Jan Perry's remarks, the Valley VOTE meeting attendees were very pleased. They applauded her recommendations enthusiastically.

Jan Perry's presentation can be seen on line thanks to Mike Cohen.

Go To <http://vimeo.com/16927544>

*(Valley VOTE strongly supports the establishment of a Rate Payer Advocate for the LA DWP. See our Press Release dated **Sept.9, 2009** on our web site: [www.valleyvote.org](http://www.valleyvote.org))*

## Marty Cooper

Marty Cooper's slide presentation featured photographs of the San Fernando Valley dating back to **1885**. This trip back in time was enjoyed by all. One photo from 1912 was of the Van Nuys News Building. The Daily News has undergone a number of name changes over the years but it has endured from that time. The photo shows the building as being seemingly alone in a vast tract known as the San Fernando Valley on Sylvan Street west of Van Nuys Boulevard. Marty also read a number of paragraphs from his recently published book "North of Mulholland". The book is a compilation of essays from the San Fernando Valley Business Journal focusing on many aspects of life in this world famous region. Jolene Koester, President of California State University, Northridge had this to say about Marty's book. "Marty Cooper's thoughtful columns capture the spirit, diversity, uniqueness, and challenges of life in the San Fernando Valley. Taken as a whole, this compilation creates a positive sense of place about the Valley that helps us better understand our community and what it represents in the larger context of Southern California."

*All profits from the sales of "**North of Mulholland**" go to two nonprofit organizations, the Boys & Girls Club of the West Valley and New Horizons, a San Fernando Valley-based organization that provides services to adults with developmental disabilities.*

### Boeckmann Event

### Richard Leyner

We are pleased to announce that the Southland Regional Association of Realtors have generously accepted our request to be the Event Sponsor for our "Thank you to Bert" event. The date has been changed to **Tuesday Dec.7,2010** at the Skirball Cultural Center from 5:30PM to 8:00PM. The address is 2701 North Sepulveda Boulevard. Hors d'oeuvres will be served and there is free parking at the facility. The donation is \$15 a ticket. You can mail your check to Valley VOTE -14622 Ventura Blvd. #424 Sherman Oaks. Ca.91403.

There are also Sponsorships available:

Platinum	\$500
Gold	\$250
Silver	\$100

This is going to be a very special evening for our organization and our membership and we do hope you will be there. Please contact Richard Leyner at 818-905-2400 or [jrleyner@naicapital.com](mailto:jrleyner@naicapital.com) for more information about attending and opportunities for Sponsorships.

### LAX Expansion

### Denny Schneider

LAX languishes from delayed maintenance and needs major upgrades. In 2005 the LA City Council passed

Alternative D because they felt immediate action was of greater importance than the controversial elements. Local impact was not a prime consideration. The Council reversed an LA City General Plan requirement that LAWA maintain LAX Plan consistency with the Westchester-Playa Del Rey Community Plan. Lawsuits ensued and settled in February 2006. Refurbishment was to start almost immediately but almost five years later the process drags on. Acceptable, approved projects, like the consolidated rental car facility to reduce traffic in the Central Terminal Area, remain stalled. TBIT and midfield taxiway construction is underway, yet disregard for community continues as the promised Construction Related Hotline and dust control remain open actions. Citywide issues with existing plans include: Airport Security remains poorly addressed (terrorist attack or natural disaster would destroy our economy), - Terminal congestion and ground traffic will suck up local street money while an accident on the 405 could still cause 30,000 to miss a flight, - Project deficiencies as CTA roadway and parking lot degradation, terminals, inadequate taxiways, control tower blind spots remain, - Long term regional capacity remains unaddressed. LAWA asserts that the north runway complex is unsafe and that expanding north is their only solution. This would cost \$billions. To resolve this safety issue LAWA expended almost \$2 million dollars for NASA simulations and a review by an Academic panel of experts that concluded safety improvement from moving north was so infinitesimal it was unjustified. Alternatives raised have been either rejected by LAWA and/or not implemented such as the north taxiway safety improvements. The first step in the approval process, the Notice of Preparation, was released a few weeks ago. Comments are due by November 29. For more information go to NCWPDR.org, OurLAX.org, LAWA.org, and RegionalSolution.org. Denny Schneider 310 641-4199 voice 213 675-1817 mobile

### **Pension Reform**

### **Vic Viereck**

To obtain worthwhile savings on pensions and healthcare costs for public employees, the following principals should be initiated:

\*Pensions for current and future employees should only be based on the average of at least three years of the highest **regular time** earnings, with no "spiking" allowed.

\*For all employees, set the age of at least 60 as the retirement age, with a reduced proportion for those retiring at a younger age.

\*Require healthcare co-payments, or higher co-payments, for employees, future employees, and retirees, with a discount allowed for members who follow healthy life styles. Healthcare costs for people who consistently follow responsible, healthy lifestyles are generally lower. They should not have to subsidize people who are not as physically responsible.

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NEXT MEETING: The next regular meeting of Valley VOTE will be on Monday, Jan.17,2011 at Galpin Ford. As is our policy we will not have Valley VOTE Board meeting in December.

*Valley VOTE is a diverse coalition of San Fernando Valley residents, business people, educators, community activists, and organizations, committed to exploring and fostering the implementation of programs that empower the people of the San Fernando Valley and the City of Los Angeles, to improve local governance, education and public participation on policy matters.*

*For additional information about Valley VOTE, for an upcoming meeting agenda, or for previous meeting reports and press releases, we encourage you to go to the Valley VOTE website: [www.ValleyVote.org](http://www.ValleyVote.org).*

*Please forward this e-mail to interested individuals and organizations. If you would like to be removed from our distribution list please send a e-mail to [javittisr@cs.com](mailto:javittisr@cs.com).*