



# Valley VOTE

Voters Organized Toward Empowerment  
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Minutes accumulated by Denny Schneider

## VALLEY VOTE REPORT: January 19, 2016 MEETING

Galpin Ford - 2nd Floor Meeting Room, 15555 Roscoe Boulevard, North Hills, CA 91343

*Valley Vote meetings are held the third Monday of each month to address critical public policy issues impacting the San Fernando Valley. The next meeting will be February 15, 2016.*

President Joe Vitti encouraged all to become either a Board member or an Executive Board member. For details of how to become an active Valley Vote volunteer or to see the dozens of position statements addressing numerous key issues, visit the Valley Vote website: [www.ValleyVOTE.org](http://www.ValleyVOTE.org). This meeting featured LA City Controller Ron Galperin, who discussed the state of the City, the findings of his audits, and how to use the new database tools available to citizens to investigate LA finances for themselves. Our own Susan Shelley presented an extended review of LADWP proposed price increases. Committee reports were made on numerous topics of community interest. All are described below.

### LA City Controller, Ron Galperin



Ron Galperin serves as Controller of the City of Los Angeles working as the watchdog for L.A.'s taxpayers. His goal is for our City to make decisions based on data and facts not just politics. The City should act with transparency! This will empower all citizens to be watch dogs along with his department. He has fostered putting the City's finances and operations online by launching ControlPanel.LA, the City's first open data portal. This includes the City's checkbook, details on the goods and services purchases, assets and liabilities, employee compensation, operating indicators and much more.

His office is continually adding refinements to allow refined searches and compilations of information. You can reach all of the information via the Controller website at [LACity.org](http://LACity.org). It can even be exported to your own database or create links in your own website.

The database is protected and won't compromise LA active accounting. The original City finance data is on a separate, not linked server; this database is separately copied into ControlPanel.LA.

The City spends about \$8 billion, but only about 10% is in the general fund and about 9% is in emergency and reserve funds. Of particular interest should be the special funds of which there are over 920 separate accounts. Some accounts are as small as tens of thousands, others contain hundreds of thousands of dollars or more. The ControlPanel.LA allows review of each transaction. You can see how the money flows in and out and even what has been committed. Research has been done to locate the authorization documents for each fund and it is included in the database. There are over 40 columns of data including the individual person responsible to control each fund is listed along with their contact e-mail. This fosters accountability.

Ron demonstrated how to navigate these files and see the detailed information. This can be very helpful to any citizen who wants to look into City spending. The database of each fund includes the rules impacting how the dollars within each fund can be spent. We can then see the available money and direct our elected representatives to available funds and remove many levels of excuses for non-action. This is also useful to Council members to find available funds for projects. Because it is readily navigable the Council members can get immediate answers instead of waiting weeks or months for a special report request.

Revenues information is also available in this database.

Ron's department does data mining reviews as well as standard ones. It allowed them to identify a high propensity for overtime in LADOT as an example which resulted in audits and investigations. Just having this data on-line impacts behavior when the data is readily available. The database also includes a virtual check book which includes every City payment with purpose, department, vendor, etc.

All developments require that 1% of the costs be set aside for the arts. Ron gave an example of how to track these funds and to ensure it is spent correctly. A prior City Attorney said that the development funded dollars must be spent within one block of the building project resulting in \$10M not being spent. A new CA interpretation and good tracking has corrected this.

Actions are underway to address mitigation fees. By getting these funds spent appropriately it removes the violations of trust that mitigations will be done when approving projects. Similarly, Ron has identified 43 different funds related to housing and homeless activities that can be accessed for action. Many of the special funds have very limiting purposes. Identifying the purposes and comparing these with needs makes the funds more likely to be correctly spent when needed.

Ron went on to show information about our greatest asset—employees. The database shows salaries and pensions. It includes all details of pay for each line from highest earners on down and allows comparison of compensation with equivalent jobs outside of the City structure.

One of the Controller's priorities has been to make the Dept. of Water and Power more transparent and responsive to ratepayers. He created UtilityPanel.LA, a data portal featuring key financial data about DWP spending and payroll. The Controller's office conducted audits of the utility's Joint Training Institute and 600 page Joint Safety Institute and released an Industrial, Economic and Administrative Survey of the DWP, with specific recommendations for structural reforms and creation of performance dashboards.

The LADWP data shows much has been spent for safety and training. Ron is looking to see if there is corresponding improvements to the money spent. Worker's Comp is another concern for extensive review. The website metrics allows for evaluation of LADWP. However, as Ron said, be sure to use the right metric.

There's even an ability to compare pay scales for LADWP versus equivalent LA City scales. On average LADWP pays over 25% greater. This didn't happen overnight. Many in the City Council have had an incentive to pay highest. The IBEW is a spectacular advocate for their constituents. Though the rates are problematic, it will take a long while to fix it. See our 600 page report calling for governance reform. The number of water breaks is steady, but bigger, greater impact ones are occurring. Need better coordination of utilities work on streets and for them to pay their fair share. In regards to the controversial utility transfer: no good full replacement alternative exists at this time. There are many ways to get to the database information: ControlPanel.LA, UtilityPanel.LA, LAController.org or via LACity.org.

## **LADWP Rate Hikes, Susan Shelley**



The rate increases proposed are not justified given the pay scales paid above City or in the private sector. The bills are getting crippling too high and getting worse—especially with the San Fernando Valley. Property owners have until the morning of February 17 to deliver written protests to the City. The protest form can be found below. Distribute these to your friends and neighbors. One vote per each parcel. It requires greater than half of the LADWP customers or more than 300,000 people to succeed in the protest. Everyone received a multi-page notice of the rate increase, but it's hard to decipher.

People are encouraged to attend the LADWP Commission meeting Jan 20, but your and 300,000 others will make a much bigger statement. Prop 218 requires a 2/3 vote of the voters to raise taxes. These rate increases are a way around the law and must be stopped. It's true that the electrical side was exempted from the restriction. It was a purely political decision by the state legislature.

Community meetings by LADWP followed by approvals by elected officials who are beholden for prior election support does not justify these increases. This protest is a political statement that must be made. Without putting pressure on our elected officials nothing will change.

The City Charter says that "surplus money" may be transferred from LADWP, but is this money really surplus? If it were surplus then the City wouldn't have to raise our rates an equivalent amount! Over the last many years LADWP has borrowed \$23 billion for projects while the transfers have been made.

LADWP has a good bond rating because Moodys and Fitch have indicated that they have the ability to raise rates at almost any time that more money is needed. There's a base rate with "adjustment factors" additional. The "adjustments" represent 65% of the fees and we don't even have an ability to decipher them.

The most recent action of the Board of Commissioners took the caps off many of the adjustments so that fees to us as consumers can go up even more! Sample adjustments are a litany of acronyms: BRRTA (base rate revenue target adjustment), OVRA (Owens Valley rate adjustment) or WSA (water security adjustment)... There are no public notifications necessary for the rate adjustment changes other than those to the Commission and these increases can be included on the consent calendar with the dozens of other issues covered at their meetings.

One of the audience members suggested that this protest be publicized to the non-English speaking owners as well. Everyone was urged to help get the word out.

It was suggested that we start a protest vote in November as well to vote NO on everything until sanity is brought back into the requests for money. An example is when 65% of Valley voters overwhelmingly rejected another sales tax increase despite the electeds' requests.

There may be a Charter amendment ballot measure to change the governance regulation of the LADWP. We support it. LADWP spent \$24M for green technology “incubator” companies with no requirement for payback. Make LADWP accountable to us, the people of LA!

## **PROTEST THE LADWP WATER RATE INCREASE!**

To protest the new water rate ordinance, just write on a piece of paper (you can use the lower portion of this one):

Your **name** (or the name of the DWP customer)  
Your **address** (the property address, not a P.O. Box or billing address)  
The words, “**LADWP Water Rate Ordinance**”  
The words, “**I protest**” or “**We protest**”  
Mail or hand-deliver it to:  
City Clerk  
200 N. Spring Street, Room 395  
Los Angeles, CA 90012

It must arrive **by the morning of February 17** to be counted. One protest per address will count. If half of all DWP customers file a valid protest, the rate hike will not be imposed. It must be on paper to be valid, no e-mail or calls will count, although you can certainly call your City Council representative and express your views. It might help.

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## **COMMITTEE REPORTS**

### **Rental Housing Supply - Vic Viereck**

Last November I reported to Valley VOTE on so called Affordable Housing Covenants, which the city of Los Angeles is trying to use to impose affordable housing on 100% of some apartment houses. In a discussion I had with a Deputy City Attorney I was told that hundreds of property owners were involved with the covenants. The officials have not learned that it's government policies that are making housing less affordable. While the stated policies are to provide housing that's affordable, their policies result in the opposite.

When rents are compared between apartments in rent controlled cities, like Santa Monica, San Francisco, New York, and Los Angeles with rents in cities without rent control, it's the rent controlled cities that have higher rents. Although rent control is supposedly used to prevent higher rent, the cities I mentioned have had their rent control for decades, and still have the highest rents. The availability of courtrooms for rental problems makes availability of resolving delinquencies minimal. Such policies severely discourage investment in apartments. When apartment owners are penalized for selling their property, fewer people want to buy apartments. That discourages construction of new apartment buildings. Increasing supply helps affordability.

Prior to 1986 federal income tax, due to relatively short depreciable lives, resulted in tax shelters. The Federal 1986 Tax Reform Act stretched the depreciable life of apartments from 19 years to 27 1/12 years, eliminating the tax so called “loophole” that people used to save on their income tax. Many investors previously bought apartments because of the tax shelter. Eliminating that tax shelter has resulted in less shelter for people needing a place to live.

Some people are complaining about the potential pass through of earthquake retrofit costs being (only) partially passed through to tenants at a maximum total pass through cost of \$38.00 a month per apartment. Tenants are complaining about possibly having to pay some of the cost (no more than \$38 a month per apartment) of retrofitting their apartments. With about all other products and services, the customers normally pay 100% of the cost, plus some profit. If not, it makes such services and products less available and more expensive. That also affects investment in housing.

Be careful what you ask for.

Victor N. Viereck (818) 985-9174 vicviereck@sbcglobal.net

### **Airport Report Denny Schneider, Alliance for a Regional Solution to Airport Congestion, ARSAC**

Yes, LAX is being improved, but will it be enough to provide the first class airport which is safe, secure, and convenient that we deserve? There was a 2006 LAX Stipulated Settlement calling for a restudy of the LAX plan and to promote spreading regional airport use to remove congestion; it didn't. The traffic concentration around LAX is legendary and is getting worse.

LA exclusively promoted LAX (not Ontario Airport which we control) resulting in record passenger concentration. Over 95% of international and about 75% passengers overall within the region use LAX. LAX passenger service is a record high of 75 Million Annual Passengers. We objected, but LA lawyers have routinely stretched the enforcement process until it became meaningless. Thanks for nothing to our City leaders for their inattention. Sorry to all residents locally and of the total region who want protection for our economy should anything bad happen at LAX without backup facilities.

Most Settlement provisions expired at the end of 2015. Who noticed? The important Settlement provision—enforcement—had a fatal flaw. Cudos go to LA legal for their use of the legal system to stymie efforts to protect neighbors and the region. The intent of the regionalization provision, for instance, called for annual reports to document activity with the intent of fostering

regionalization. Instead, LA dragged out the delinquency process until only overdue progress reports were enforceable which they proposed to create en mass, which would have not resulted in any actual action activity.

The currently approved LAX plan includes runway expansion adding capacity. Alliance for A Regional Solution to Airport Congestion (ARSAC) along with several cities has sued to stop the LA City approved inadequate, inappropriate LAX plan. Mayor Garcetti partially met his election commitment to us by insisting that the Landside Access Management Plan (LAMP) be done prior to any runway move. His call only delays expansion, not stop it, so the lawsuit continues. It goes to trial this week.

ARSAC continues working hard with LAWA to find last minute accommodations to improve LAX without increasing capacity, but so far the City of LA is refusing to accept a new provision for adequate enforcement should they renege again. ARSAC wants to work with LA to continue fixing LAX, but will not accept any unenforceable agreement this time! We will see soon what happens.

Another hot topic is airplane noise over residents all over LA County. Even before the incorporation of NextGen residents not even close to LAX are complaining that noise is increasing substantially. Numerous hearings are being held but no cause, the first item in any resolution, has been identified.

Denny Schneider, WWW.Regionalsolution.org Denny@WeLiveFree.com 310 641-4199

### **Sunshine Canyon Landfill Ralph Kroy**

The landfill is located at 14747 San Fernanda Road, West of the 1-5 and the 14 Freeway intersections.

The landfill continues to receive more and more complaints and violations from the citizens and SCAQMD. The landfill is now putting on an Alternate Daily Cover, ADC, in lieu of the nine inch soil previously used. The ADC, a special plastic sheeting use, is to reduce the odor problem. It also reduces the amount of dirt required by the landfill for coverage. So far there has been no reduction of the odors. The landfill believes that this is too soon to make a judgment of the ADC effectiveness.

There has been a problem in getting SCAQMD inspectors to the landfill, as the nearby Porter Ranch gas problem is getting the major attention in the local area. It should get attention due to the magnitude of that problem. However, both problems require solutions as soon as possible. There is a shortage of SCAQMD inspectors, and this needs to be addressed now, as it is serious a health problem. This was brought to the attention of the SCAQMD at the recent Citizen Advisory Committee meeting last Thursday at the Knowllwood Country Club. Too much time is spent in getting an inspector to the landfill area in question for a timely determination of an odor. The recent Porter Ranch gas leak is a continuous situation while the landfill problem (of over thirty years) varies with the wind and landfill operations.

The County Health representative at the CAC meeting reported that head of the agency, Dr. Cyrus Rangan, will meet separately with each of the government agencies responsible for overseeing the landfill operations, for a review of the operation, and listen for solutions. It was then suggested that he also meet with public for their comments at Van Gogh Street School. This was agreed to by the principal of the school, at a time to be determined.

Ralph Kroy REKroy@aol.com

### **Veterans Affairs Ernie Hilger**

Ernie Hilger is the Legislative Chair for DAV Chapter 13 Camp Kearney Van Nuys CA and a member of the Leadership Team of the Veterans Service Organization Coalition formed to support appropriate changes in management and use of the West LA Veterans property. This is a huge, multi acre property in Westwood dedicated to veterans when deeded to California over a century ago, but has since been leased for multipurpose uses.

A new draft Master Plan was released for comments last month for the West LA property. A settlement to the outstanding lawsuit can be found at [www.publiccounsel.org/valentini](http://www.publiccounsel.org/valentini). The settlement calls for a substantial increase in housing and care for veterans while reducing and removing approved leasehold uses granted that include non-veteran purposes.

Ernie Hilger erniehilger@hotmail.com

### **Sound Off!**

Valley Vote's has added a public comment period to its monthly meeting. Coming toward the end of the meeting, Sound Off! will give members and guests an opportunity to briefly voice their opinions and concerns in brief two-minute presentations. Members attending our meeting will have the opportunity to discuss their concerns.

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The press and public are invited to attend the meeting.  
The next meeting of Valley VOTE will be on Monday, February 15, 2016 at Galpin Ford.

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### **Valley VOTE Mission Statement**

*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. We meet monthly to address key policy issues and hear reports from our standing committee chairs. 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.*